

a TNA whitepaper

inserting & labelling

how to boost sales and ensure
consumer loyalty through in-pack
& on-pack promotions





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Mark is responsible for developing the company's promotional product portfolio with innovations that meet the needs of TNA's growing customer base around the world. With his extensive knowledge in the design and manufacture of inserting and labelling equipment, Mark supports TNA's global sales team in finding solutions that allow customers to execute successful brand-enhancing and market-share-grabbing promotions, efficiently and affordably.

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summary

introduction

Packaging today needs to do so much more than just protect its contents. Not only does it have to stand out on the shelf, but it also needs to encourage consumer interaction and engagement to maintain brand loyalty well beyond the point of purchase. In fact, according to a recent survey, trade promotion spending is the second-largest expense for most consumer packaged goods (CPG) manufacturers, after the cost of goods sold.¹

On-pack and in-pack promotions are a cost-effective way for manufacturers to maximise sales and grow market share. Whether it's a voucher that offers a discount on the next purchase or a new flavour sample in a bag of sweets, value-added premiums like inserts and labels provide numerous upsell and cross-sell opportunities and create unique customer experiences that facilitate direct interaction, deepen consumer engagement and encourage repeat purchase.



1. Kantar retail survey (2016)

1 promotional labels & inserts

Value-added premiums, including inserts and labels, are often inserted into or applied to packaging to help products stand out from the competition. In primary industries such as snack foods, confectionery, bakery and cereals, premiums can provide added value and instantly make the end-product more appealing to consumers.

“Promotions triggered in-store purchases for 91% of shoppers who use coupons, enabling a direct interaction between the brand and the consumer.”²”

For example, promotions triggered in-store purchases for 91% of shoppers who use coupons, enabling a direct interaction between the brand and the consumer.² Meanwhile, a confectionery manufacturer might introduce a new flavour by including a giveaway product in a bag of sweets, encouraging consumers to try the new product and re-purchase at a later date. Other in-pack and on-pack promotions might prompt indirect interactions, by driving consumers to sign up for a newsletter or prize draw. This deepens consumer engagement for longer and helps food and drink manufacturers shape a person’s experience with their brand in the future.

Coupons and instant redeemable coupons (IRC) are particularly popular, with 50% of consumers stating they use store ads or coupons when making their shopping lists, seeking deals due to economic conditions. While 64% said they expected to continue to do so in 2016.³ Such offers include buy one get one free (BOGOF) coupons, discounts and instant wins. These types of activities are often used for products that are close to expiration as manufacturers aim to increase sales and move products quickly off the shelf.

On-pack promotions provide manufacturers with an excellent opportunity to run a temporary promotional campaign without having to re-pack a specific product. This type of activity encourages multiple purchases, drives impulse purchases, promotes other products, offers rebates, and can even enhance the brand’s key messages. Meanwhile, other types of on-pack promotions might encourage consumers to engage even further, by asking them to register their details online for a chance to win a prize. This is also incentivised by promotions guaranteeing a prize for every one in ten consumers, for example.

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2 types of labels & inserts

on-pack (labelling)

On-pack promotions are a widely used form of sales promotion in the retail environment. Comprising an array of items, such as labels, coupons, booklets and bottle neck hangers, they can be used for a range of different promotional campaigns like on-pack offers or rewards. On-pack promotions are usually affixed to the outside of the product’s packaging to make it stand out at the point of purchase and attract consumer attention.

in-pack (inserting)

From scratch cards and collectables to dry or liquid-filled sachets to toys, utensils and product samples, in-pack promotions comprise a multitude of two or three-dimensional items and offer manufacturers a great opportunity to encourage repeat purchase over a limited period of time. For example, collectible cards, figurines or game pieces may encourage fans to purchase and re-purchase the product simply for the fun of collecting the items or the chance to win a prize.

² The Significant Impact of Promotions Across the Multi-Channel Consumer Shopping Journey (November 2014)
³ Economy Triggers Shopping List Renaissance: What It Means for Marketers by Heather Dzierson (2016)

Including edible food inserts into primary packaging is also as a great way to introduce new products and cross-promote other products in the range. For example, by inserting liquid-filled sachets such as BBQ sauce, salsa or guacamole into bags of potato chips, producers effectively introduce consumers to complimentary products.

These type of promotions also help meet the increasing demand for greater convenience. The inclusions of a small pouch of salad dressing, croutons and grated cheese, for example, quickly turn any bag of pre-cut lettuce into a ready-to-eat meal. While an additional sachet of spicy seasoning in a bag of chips provides a quick flavour boost for the more adventurous consumer, offering the ultimate in convenience and flexibility.



3 Evolution of inserting and labelling technologies

Labelling and inserting technologies have significantly evolved over the years. In the early years, slow production lines meant companies could easily insert premiums or apply promotions manually. However, as packaging technology has improved over time, line speeds increased and manufacturers often had to slow down their production line to insert or apply a premium, growing production costs and making the process impractical. Since then, the inserting and labelling equipment industry has undergone some significant changes and many suppliers now offer fully automated technology that is able to perform efficiently alongside some of the most technologically-advanced packaging solutions.

labelling

Labelling technologies have significantly evolved over time to meet changing label requirements. Historically, labels were primarily used to provide consumers with vital information about the contents of the package, such as dietary messages, ingredients or expiry dates. Nowadays, they are also increasingly used as a promotional tool to attract customers. Label printing technology has therefore become more sophisticated over the years, with new developments, such as self-adhesive technologies and digital printing techniques emerging to help manufacturers make their products stand out on the supermarket shelves.

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Label Printer Applicators (LPAs), for instance, print information onto pressure-sensitive labels before these are then applied to the product and then automatically apply those labels to a product, using a pneumatic applicator, streamlining the label printing and application process and reducing the need for human intervention.

Some of the latest LPAs can now also be fully networked to integration software, allowing quick changeovers and facilitating label designs and format changes. Meanwhile, Label Applicators (LAs) are automated labelling systems that apply pre-printed pressure-sensitive labels onto products. Similar to LPAs, LAs save on costs associated with manually applying labels, as well as providing an accurate and high quality finish.

Which type of labelling technology is adopted depends on the label and the packaging to which it is being applied. While blow-on applicators remain a popular configuration for secondary

labelling on most applications, primary labelling often requires higher application accuracy. In this instance, merge and wipe-on applicators are used, whereby the label, moving at the same speed as the product, is dispensed as the product passes down the conveyor. An applicator brush then smoothly and accurately wipes the label onto the product's surface for high precision adhesion.

Meanwhile, bottles, which are curved/rounded require additional set-up requirements in comparison to flat packaging, such as boxes, for optimal label application. By simply adding a wrap station, in combination with a merge/wipe-on applicator, manufacturers can ensure the labelling is wrapped around the body of the bottle, smoothly and accurately.

“Thanks to its unique design, bandolier feeders allow manufacturers to benefit from unlimited run time and minimal labour requirements.”

inserting

One of the most common types of inserting technologies are bandolier feeders. With this technology, each insert is over-wrapped in a film produced in a continuous web (e.g. coupons, sweepstakes, scratch-offs, game pieces, magnets). Using a system of belts and rollers, the equipment separates individual pouches



along a perforation or cut and propels them into the vertical bagger, cartoner or horizontal wrapping system at speeds of up to 750 pieces per minute. Thanks to its unique design, bandolier feeders allow manufacturers to benefit from unlimited run time and minimal labour requirements.

There are two types of bandolier feeders – knife cut and perforated bandoliers. Knife-cut bandolier feeders use a blade to cut between each insertion, whereas perforated bandolier technology feeds the insert through a “feed and burst” roller or belt system to advance a web of inserts. These are then individually separated (burst) at the perforation when the inserter receives a “dispense” signal from the parent machine.

Compared to knife-cut feeders, perforated bandolier technology offers many performance and operational benefits and should therefore be the preferred option. Unlike knife-cut bandoliers, perforated bandolier feeders do not require registered film or a blade to cut between the inserts, providing optimum levels of safety and reduced maintenance as regular knife sharpening or blade replacements are unnecessary.

In addition, contamination via metal fragments, due to parts of the knife breaking off, is completely eliminated, avoiding potential food recalls and ensuring the brand's reputation remains protected at all times. The unique design of perforated bandolier feeders also enables the insertion of both 2D and 3D inserts at high speeds - up to 750 pieces per minute - with extremely high accuracy and without requiring any additional line personnel to supervise the programme. Furthermore, the premiums can also be provided in continuous, perforated bandolier (CPD) format for optimum speed and throughput.

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4 key considerations for commercial success

With the rapid advancements in packaging technology, it has never been easier to innovate with promotional in-pack or on-pack campaigns. The following considerations will help manufacturers update their packaging processes efficiently and affordably, while ensuring that each of their products meets the highest quality standards when it leaves the plant.

promotion type

There are a number of questions to ask before deciding on in-pack and/or on-pack promotional campaigns. For example: What is the size of the insert? Will it be a 2D or 3D item? Are there any special requirements for this to fit on/in existing product packaging? For inserts, it's vital that the promotional item can be added without affecting the product's integrity. For instance, dispensing a 3D toy into a bag of potato chips, may cause product breakage. Plant managers therefore need to explore the different options available to minimise damage to fragile products. One solution for example, is to programme the inserter so the giveaway is dispensed just before the product.

Dispensing frequency is also an additional consideration, i.e. how often does the promotion need to be inserted? Some manufacturers might only want to include an item or add a label to every fifth bag to create excitement during a competition and provide consumers with an impression of exclusivity. By integrating an inserter or labeller with an effective control system, plant managers can easily manage dispensing frequency according to the type of promotional campaign they intend to run.

film selection

When it comes to promotional inserts, film selection is another consideration to ensure operational efficiency and high quality standards. Film choice is influenced by a number of factors. Film strength, for instance, is a primary concern, since the perforation between each piece must be ideal to maximise performance of the inserter. Likewise, if the film is too weak it might burst allowing the insert to come into contact with the product. This can be particularly problematic with liquid-filled sachets, which can compromise the quality of the end product. To minimise these challenges, leading suppliers provide



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comprehensive evaluations of film type, so the over-wrapper can meet optimal burst strengths and prevent leakage of food products into/out of the insert.

type of packaging system

There is a wide array of packaging systems for manufacturers to choose from depending on the product being packaged, from horizontal and vertical form fill and seal systems to cartoners and flow wrappers. Deciding where to place the inserting and labelling equipment is vital to ensure minimum downtime and maximum product throughput. On horizontal form fill and seal (HFFS) and flow wrapping lines for example, the inserter is optimally positioned on the infeed conveyor, before the former.

That way, the premium is inserted without causing any disruption to the product flow. On vertical form fill and seal (VFFS) technology, the inserter can be installed at the scale or the former. While both options integrate with the flow of production for optimum product transfer, integration at the scale can pose significant

“Effective controls and integration technology can help ensure smooth and efficient operations.”

drawbacks. For instance, premiums can easily become jammed in the scale mechanisms, meaning manual intervention is often required to correct the problem. At the former however, the insert is much closer to the product, reducing the risk of breakages and encouraging a more seamless insertion of the added-value item.

Integration requirements

Working efficiently is imperative for any business, as it significantly impacts profitability and competitiveness within the market. As such, system speed has become a key consideration for the majority of today’s plant managers. With some packaging equipment reaching up to 250 bags per minute, inserting and labelling technology must be able to perform effectively at these high speeds to achieve maximum productivity. When new equipment is added to a production line, it is imperative to ensure seamless integration of all equipment.

Effective controls and integration technology can help ensure smooth and efficient operations. An integrated controls system guarantees individual pieces of equipment work together in symphony for optimum process efficiency. Purchasing a packaging system that already incorporates the labeller and inserter will further help ensure smooth and efficient operations. With these systems, the labeller and inserter are directly mounted onto the packaging system. That way they don’t require any additional floor space and are easily configured and controlled via a single control screen for a full turnkey packaging solution.

Health & safety

There are several hygienic requirements when incorporating both edible and non-edible content into packaged food to maintain product safety. Once a manufacturer has decided to promote a product with in-pack and on-pack promotions, there is a very important choice to be made: how to produce the premiums and assure compliance with strict regulations regarding direct food contact?

Awareness of regional safety laws and regulations is key for commercial success when exporting goods abroad. In Europe for instance, the CE marking is required for many products being sold in the EU. It signifies that a product complies with EU safety, health or environmental protection legislation and can be traded on the single market in the European Economic Area (EEA).

In the United States, the use of promotional inserts is subject to Food and Drug Administration (FDA) guidelines, which, amongst others, include stringent legislation concerning printing materials and what types of substances (inks, varnishes, and other coatings) may or may not come into contact with food. Some inks even possess odours that can negatively impact the taste of products. It is therefore vital manufacturers have a thorough knowledge of the food product, packaging conditions and end-use requirements to which the insert will be subjected, when incorporating printed inserts or labels into their products.

A method commonly used for protecting inserts is plastic over wrapping. These barriers are often required to resist both abrasion (from the product) and bleed (from printed inserts) when added to wet or greasy foods. However, in accordance with global regulations they must be derived from food-grade plastics for safety assurance. For inserts with edible contents, there are additional safety considerations. Sachets or dips for example might have a different expiry date to the product in which they are inserted. This means they will require a separate label to the main product, to inform consumers.



5 standing out from the crowd

Packaging plays an important role in grabbing consumer attention and swaying purchasing decisions, as it is the first thing the purchaser will see. With in-pack and on-pack promotions, manufacturers can take consumer engagement to the next level by creating memorable customer experiences and really make their products stand out on the supermarket shelves. Taking time to design and consult on promotional inserts and labels ensures they will get the impact they're looking for.

be relevant

Consumers are more likely to interact with a product or service if it is something that interests them. To deliver highly tailored promotions, brands need to really understand their audiences and what motivates them – their likes, interests, challenges and routines. The goal is to uncover a truth that will help them connect emotionally – i.e.: what do people care about most? Many food and drink suppliers have experienced enormous success this way. Personalisation for example, is a significant trend that is taking over big brand packaging.

Some campaigns have involved consumers creating their own label, as well as being able to pick up a product on which their name appears in store. Seeing their names, or their friend's names, not only creates an emotional connection to the product and brand, but can also be shared easily to further build momentum and generate a real buzz around the campaign.

keep it simple

Promotional campaigns need to have an eye catching and easy-to-use redemption mechanic. The simpler the campaign, the better, especially for today's busy consumers who often eat on-the-go and pick their meal or snack according to their immediate desire. For manufacturers, this means simple messaging and concise information are vital in attracting consumer attention. Making a promotion, such as a coupon easy to redeem, is also more likely to make your campaign a success. And with competitions for example, having a 1 in 10 chance of winning is likely to lead to greater engagement than a competition-based promotion with only one winner.



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measure and track

As with every campaign, it is essential to put in place some kind of tracking system to accurately measure its success or failure. A popular method of doing this is by including a unique code on each label. When putting a strategy in place, it is therefore essential manufacturers plan how they can track their campaign, including defining the channels and metrics. In addition, measuring and tracking data is useful in informing manufacturers regarding future marketing activity. Data entered by a consumer during an initial campaign represents a golden ticket for manufacturers as they can use the data previously received to re-engage with consumers and re-create interest in the future.

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enable interaction

When using inserts and onserts as part of a promotional campaign, a mix of media can significantly help raise awareness and maximise product sales. With advancements in technology, such as social media, apps, microsites and even augmented reality, manufacturers can deepen engagement and shape consumer experiences. Likewise, supporting a campaign with traditional advertising or public relations activities can help elevate the position of a brand in the consumer’s mind, driving them towards that all important purchase, as well as building brand loyalty and strengthening brand image.



summary

Promotional inserts and onserts are an easy and cost-effective way to add considerable value to any product. By exceeding consumer expectations for convenience, value and flexibility, these solutions encourage repeat purchase, facilitate cross-promotions, enhance brand visibility and loyalty, and ultimately, drive sales. To ensure maximum production efficiency, ultimate product integrity and a successful promotional campaign, plant managers require efficient and flexible solutions.

Unique Solutions, from TNA, is a leading provider of value-added inserts and onserts. The company's In-Pak® and On-Pak® technologies provide manufacturers with full automated, high speed inserting and labelling equipment that allows them to execute successful promotions to enhance their brand and grab market share, efficiently and affordably.

Unique Solutions' innovative equipment design easily integrates with all types of production lines including high performance vertical or horizontal form fill and seal technologies as well as cartoning, flow-wrapping and conveying lines, for a complete turnkey packaging solution. Additionally, the equipment is compatible with just about any application offering wipe-on, blow-on, tamp-on, corner-wrap, swing tamp or vertical form fill and



seal labelling technology for the ultimate in flexible and performance-driven solutions. By partnering with an inserting and labelling specialist like Unique Solutions (from TNA), manufacturers gain access to a wide range of flexible solutions and the expertise they need to ensure their next promotional campaign is a success on every level.

For more information on the wide range of inserting and labelling from Unique Solutions, please visit: www.tnasolutions.com/solutions/inserting-labelling-solutions

TNA is a leading global supplier of integrated food packaging and processing solutions with over 14,000 systems installed across more than 120 countries. The company provides a comprehensive range of products including materials handling, processing, cooling and freezing, coating, distribution, seasoning, weighing, packaging, inserting and labelling, metal detection and verification solutions.

TNA also offers a variety of production line controls integration & SCADA reporting options, project management and training TNA's unique combination of innovative technologies, extensive project management experience and 24/7 global support ensures customers achieve faster, more reliable and flexible food products at the lowest cost of ownership.

