



SUCCESS STORY

A clear and frothy forecast: UPM Raflatac and Prime Package and Label innovate craft beverage labels with VANISH™ films



Bottoms up: In the alcoholic beverage market, big brands still dominate, but craft beverages are coming on strong. Manufacturers of spirits, wines and craft beer are capitalizing on Americans' thirst for something different by giving them a wide array of unique flavors.

Meanwhile, festivals, specialty bars and brewpubs showcase regional favorites to a receptive audience. Everyone is angling for a significant share of the 9.2 liters of alcohol the average American consumes each year.

Prime Package and Label, LLC, (PPL) a Saint Louis, Missouri-based converter, serves both ends of the market: working with large beverage manufacturers and small brands. PPL, like many other printers, is seeking to grow its craft beer business, a category currently experiencing heady, double-digit growth each year. In 2014, craft beer sales rocketed to \$19.6B in retail dollar volume and captured 19.3 percent market share.

A can-do spirit: Greater packaging options for craft brewers

Despite their bright prospects, individual brewers experience challenges when it comes to packaging and distributing their products. Many lack the capital to buy expensive bottling equipment, and have turned to canning because of its lower cost structure. While beer cans are rugged, easy to label and ship and recyclable, they still can create a labeling quandary.

Do brewers purchase truckloads of preprinted cans, when they typically need smaller volumes for individual SKUs; apply traditional pressure sensitive labels – such as 2.6 mil white BOPP – which draw attention to their appearance because of the thick material; or pay for costly, but attractive shrink sleeves?

PPL and UPM Raflatac are now offering the market a new option: a high-end labeling solution for brewers that own applicators, but supply product lines in lower volumes. At the Craft Brewers Conference and BrewExpo America® held in Portland, Oregon, in April 2015, the two teamed up to demonstrate VANISH™, an innovative 0.92 mil clear PET film that literally disappears on cans. PPL ran and applied VANISH™ to cans of Opus Saison Ale for 4 Hands Brewing, Co., a Saint Louis-based brewery, showcasing the decoration technology for the hundreds of brewers who attended the show.

VANISH™ – A new label solution with clear advantages

Adam Heissler, Account Executive for PPL, explains, “PPL is heavily involved in the craft beverage market. When I attend a major show, I am always looking for something new and innovative that I can introduce to potential customers. There is a niche in the market right now that needs to be filled: the ability to decorate cans at low volumes.”

Heissler continues: “I’ve sold a lot of standard pressure sensitive labels, such as 2.6 mil white BOPP. When applied to a can, it feels like a label, especially if it’s laminated to add some durability. It’s just not as clean as a preprinted can or a shrink sleeve.”

“Shrink sleeves look great,” Heissler says. “PPL produces a significant amount of them for the craft beer industry, for 12- and 16-ounce cans. They truly look like preprinted cans. But we want to consider what is best for our customers’ business and offer them economical options, like VANISH™, which may not always be to our economic advantage. I’m not just looking for the best sale: I want to provide the best solution.”

“As a thinner gauge film, VANISH™ creates a new decoration opportunity,” states Heissler. “The feedback at the show was tremendous. People didn’t notice initially that there was a label on the can.”

A world of branding options

An ultra-thin, ultra-clear film, VANISH™ enables end-users to achieve a true no-label look for beverage, personal care and food applications. The film is paired with high performance adhesives and a clear 0.92 mil PET liner to provide manufacturers with the ultimate branding canvas for irregular shapes and graphics and different types of inks. “As a clear material, VANISH™ allows you to play with metallic inks, which seem to be very prevalent in craft beverages,” says Heissler. “So you can achieve this high-end look with a much more economical decorating technology than shrink-sleeving.”

Heissler says he is excited about the opportunity to use VANISH™ to grow PPL’s business. “I think the combination of this premium material and our printing capabilities and quality is a perfect match. It’s terrific to find such an elegant solution to a market need,” he says. For PPL, VANISH™ also offers significant business and converting advantages: With more labels per roll, VANISH™ reduces press changeovers and takes up less storage space in the company’s busy warehouses.

Heissler believes that canning will continue to take share at the expense of bottling because of its lower cost structure, and brewers will seek good labeling options to position their products as premium offerings. "Many of the brewers I spoke to at the show were dead-set on doing shrink sleeves until they saw VANISH™," he says. "We shared how they could preprint the top and bottom of their cans with generic branding and reserve space on the middle of the can for individual product labeling. They had a high level of interest in doing that."

Investments that make dollars and sense

Heissler says that startup breweries often don't purchase their own equipment, outsourcing all packaging operations. "For breweries that are starting operations, packaging is kind of a 'we'll think about it later type of thing.' However, making an early investment in your equipment can really pay dividends in reducing your downtime, increasing efficiencies across the board and being able to use newer, less expensive decoration technologies."

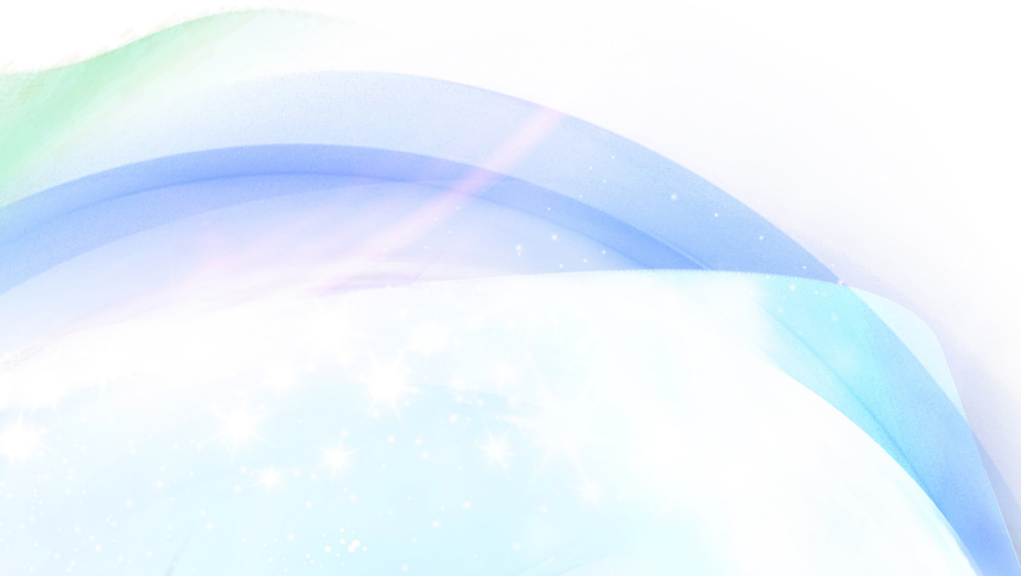
As PPL works to close new business, the company is also testing VANISH™ for other beverage applications, including a high-end vodka line that requires a "really clean, moisture-resistant label because it is stored in people's freezers," says Heissler.

"VANISH™ is not a single-application label stock," says Heissler. "We can sell it to large and small manufacturers in a variety of industries. We're definitely at the forefront of showing our customers innovative solutions that are less expensive and solve any existing issues, and VANISH™ is a part of that. We're always working to be better at what we do."

REFERENCES

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²Craft Brewer Volume Share of U.S. Beer Market Reaches Double Digits In 2014, Brewers Association, Press Release, March 16, 2015, <https://www.brewersassociation.org/press-releases/craft-brewer-volume-share-of-u-s-beer-market-reaches-double-digits-in-2014/>.



About Prime Package and Label, LLC

Prime Package and Label, LLC are experts in full-color prime product labels, coupons, multi-page booklets, extended text, multi-web applications, heat transfer and digital printing. Our innovations in combination U.V. flexo along with in-line, multiple color silk screen printing have set new industry standards earning us multiple quality awards in industry trade competitions. Our organization is a privately held printing company comprised of multiple facilities, 185 highly qualified employees and an annual growth rate of 24%.

Prime Package & Label's mission is to create customer loyalty by providing complete customer satisfaction through 100% on time delivery of top quality labels at the lowest cost. We will accomplish this goal through continuous improvement in the areas of quality, product development, productivity, safety, waste reduction and customer focus. www.pplstl.com

About UPM Raflatac

UPM Raflatac is one of the world's leading producers of self-adhesive label materials. We supply high-quality paper and film label stock for consumer product and industrial labeling through a global network of factories, distribution terminals and sales offices. We employ around 2,800 people and made sales of USD 1.5 billion (EUR 1.2 billion) in 2014. UPM Raflatac is part of UPM – The Biofore Company. Find out more at www.upmraflatac.com.

