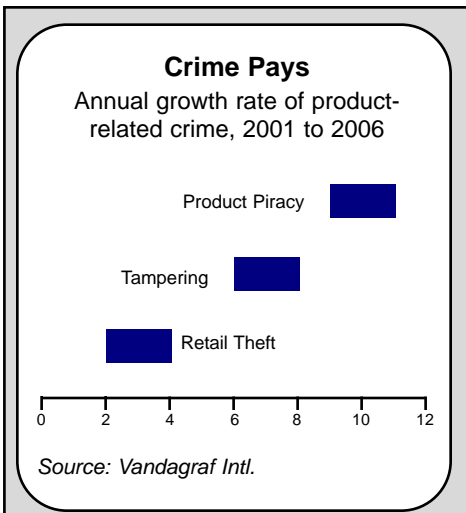


Unbiased global packaging intelligence and analysis



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CHINA SYNDROME: WILL ANTI-DUMPING LAWS AFFECT FUTURE PACKAGING TRADE FROM ASIA?

In the case of packaging imports, the winds of change continue to blow against China, but how much of a gale storm will be kicked up is open to renewed debate.

If nothing else, the U.S. government has now become involved more aggressively in unfair price competition for both packaging and packaged goods. A recent case brought by five U.S. woven-sack manufacturers against Chinese competitors shows how far the United States may go to protect its own packaging suppliers and opens the door to those who argue that the ruling just represents a finger in the dike.

The five companies -- **Bancroft Bag, Mid-America Packaging, Coating Excellence, Polytex Fibers, and Hood Packaging** -- petitioned the **U.S. Dept. of Commerce** to look into anti-dumping provisions against Chinese makers of laminated, woven polypropylene (PP) sacks coming into the United States.



The manufacturers contend that from 2004 to 2006, those Chinese companies engaged in price dumping were selling their bags in the U.S. market for as much as 40 or 50 percent less than what U.S. producers could offer in price. Chinese-government subsidies ranging from 2.57 to 57.14 percent led to the ongoing bag dumping.

2ND OPINION
FAILURE TO COMMUNICATE: PACKAGING AND PRODUCT MAKE A DYSFUNCTIONAL RELATIONSHIP

Consumers actually love packaging most of the time, but they just don't know it. That's because when the design is done well, people don't notice the boundary between the products they adore and the package delivering the goods. Like a referee in a sporting event, the job is considered well-done when the package is not a focal point detracting from the "main event".



Neil Kozarsky

In reality, there is no product in many cases (no pun intended) without the package. Obvious examples include tissue "boxes", gas-propelled whipped cream and six-"packs". What many consumers don't realize is that many of their favorite foods, beverages and medications are extremely vulnerable to ever-present elements such as air, moisture and light. If not for the wizardry of the materials, in many cases sophisticated combinations thereof, their prized potions, passions and pieces would arrive in decidedly unacceptable conditions.

But frustration and discontent abound when packaging fails to function properly, whether there's difficulty in opening/closing or if a mess results. Breakdowns in product/package marriages can also be a result of the package being too good, like when cherry pie pieces don't measure up to pie crust pictures. In these situations, superior packages with dazzling graphics 'help' product marketers learn sooner than later that a given product is not living up to expectations. It can also leave a consumer with a bad feeling about a product or brand for a time period measured in decades.

In some cases, consumers understand that a certain amount of inconvenience tied to packaging is necessary and beneficial; one example is when they have to remove a tamper-evident band from atop a bottle. In other situations, they are less sympathetic or unaware of retailer concerns about theft, resulting in certain products being packed in oversized plastic 'shells' that effectively are welded shut.

As a certain generation used to say, what we may have here is a failure to communicate. If consumer goods marketers spent a little more time focusing on the precise way a product is expected to be experienced, they'd necessarily do a better job narrowing the perceived gap between that product and its package. A certain amount of responsibility must be traced back to the consumer, as shopper and retailer pressures to keep prices as low as possible force many companies to cut corners in final execution.

While the United States is fortunate to have an extremely safe and efficient supply chain, there certainly is room for improvement in the level of satisfaction from the current product, package, and user relationships. Product makers have to redouble efforts to think through consumer use occasions, and consumers may have to accept paying a little more in exchange for a better end result. If this were to occur, perhaps the true consumer and marketing combatants would stop throwing punches at the 'referee.'

Neil Kozarsky is president/ceo of **T.H.E.M.**, a Marlton, NJ-based contract packaging firm that has served as the gateway for North American companies to find innovative packaging solutions. PS



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Packaging Strategies
 600 Willowbrook Lane, Suite 610
 West Chester, PA 19382-4550, U.S.A.
 Tel: 1-610-436-4220
 1-800-524-PACK (7225)
 Fax: 1-610-436-6277
 BNP Media Corporate: 1-248-244-6400
 E-mail: newsltr@packstrat.com
editors@packstrat.com

Publishing Director David Luttenberger
Managing Editor Joe Pryweller
Japanese Representative Toshio Arita
Production Editor Jackie Seigle
National Sales Manager Karen Vaillancourt
Marketing/Ops Director Peggy Georges
Circulation Coordinator Janet Martinelli

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New Event!



June 9-10, 2008
 Westin Chicago Northwest
 Itasca, IL, U.S.A.

Method Tears Into Pouch Market By Launching Refill Hand Wash Containers

Already making a major market dent in aesthetically appealing household packaging, **Method Home** has turned its sights on another pioneering area in North America, that of refill pouches for soaps and hand washes.

The San Francisco-based company is expanding refill pouches for its liquid soap line, integrating the pouch with an exterior PET bottle. By March, the company plans to expand its pouch application to foaming hand washes, offering a convenient refill package using a flexible plastic pouch. The use of refill pouches for a variety of products is already a market seller in Europe, Asia, and South America but has not caught on to the

*Method will distribute the refill pouches with its rigid plastic bottles virtually everywhere in North America, including major retailers such as **Target** and top grocery chains.*



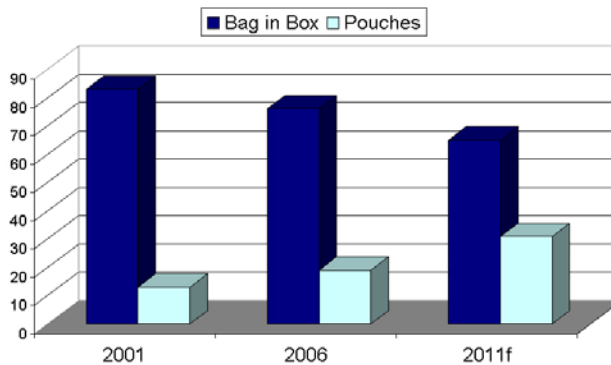
same degree in North America. However, Method refuses to accept conventional thinking that consumers don't want the pouches. The company has worked to provide a

package that is more sophisticated and beautiful than others on the market, helping sway consumers, said packaging director Glenn May.

The impact of refill pouches could extend to cost savings. According to "wrapstar" Jennifer Chua, an engineer at Method, the new pouches offer three times the amount of liquid as in a PET bottle, using about 80 percent less plastic. The pouch fitment fits into the finish of a rigid plastic bottle, allowing

for virtually no waste, Chua noted.

'Wet'-ing the Appetite
U.S. liquid packaging share
in %



Source: Packaging Specialists

Packaging Strategies' Perspective: At the **2008 Sustainable Package Design Forum**, noted pouch expert Dennis Calamusa of **AlliedFlex Technologies** said the future for pouches involves partnering with other formats to offer more sustainable consumer solutions. He mentioned Method by name as leading the charge with refill pouches saying, "A package no longer spends five or seven days in a home and then is thrown in the recycling bin or the trash." It looks like Calamusa's prediction is becoming reality. [PS]

China continued from 1

The Commerce Dept. decision sent shock waves to other Asian packaging importers. In a preliminary decision, the government not only ruled that the Chinese suppliers priced the sacks unfairly but that it would impose a countervailing duty (CVD) at the border for all future sacks from China. The decision could become final by June 14.

The Commerce Department had previously been reluctant to impose duties on developing countries considered "non-market economies," such as China. Commerce Department spokeswoman Brittany Eck said new cases against China have already been started. She estimated that 246 cases -- 217 involving anti-dumping and 129 involving CVD petitions -- have been launched.

However, several packaged-goods companies said the decision will not stop the surge in Asian imports. Peter Agnew, ceo of **Advanced Global Sourcing**, Kalamazoo, MI, said imports will only increase from other Asian companies -- including South Korea, Thailand, and Vietnam -- if the U.S. government imposes duties on China. Those countries can also undercut U.S. prices by as much as 25 or 30 percent, Agnew said. "It's almost a zero-sum gain," he noted.

Packaging Strategies' Perspective: Where this issue gets complicated is when large multinational producers begin making products in Asia and ship them back to the United States at lower price points. [PS]

THE BALANCE OF POWER SHIFTS FROM CPGs TO RETAILERS: DELOITTE STUDY BACKS THE VALUE OF INNOVATION

While consumer packaged goods companies (CPGs) have enjoyed a nice run of prosperity, future threats from a number of angles will mean a critical shift to new brands and more involvement from packaging suppliers, according to a new in-depth study.

The report from **Deloitte Touche**, New York, focuses on the leading global CPG companies and those companies perceived to be top of mind for brand awareness. Together, the top 250 companies enjoyed sales of \$2.67 trillion in 2006, a robust 8.4 percent growth rate. However, the analysis warned that future margin erosion is likely for those companies that do not adjust to the sea changes occurring globally in markets.

According to Deloitte Research consumer business director Ira Kalish, the balance of power is shifting from CPGs to retailers, a move that will dictate an elevation in retail-driven private label brands and tighter shelf space. "It is a challenging time for branded suppliers," Kalish noted.

CPG companies will need to devise new strategies to partner with retailers on subbrands, not only those private label brands

that are lower in price but those that can also be sold at a premium. With the climb in

CPGs In Command

Top 10 global consumer CPG companies
(US \$mn)

	FY06 Net Sales	FY06 Sales Growth
Altria Group	\$101,447	3.6%
Hewlett-Packard	\$91,658	5.7%
Samsung	\$90,551	5.9%
Nestle	\$78,625	8.1%
Matsushita Electric	\$77,966	2.4%
Procter & Gamble	\$76,476	12.1%
Sony	\$64,777	13.1%
Toshiba	\$60,916	12.2%
Dell	\$57,420	2.9%
Nokia	\$51,657	20.3%

Source: Deloitte

material and commodity costs expected to continue, margins will continue to be eaten away by CPGs that do not develop new products and packaging with retail customers, he noted.

"I think the most important

area that a CPG can improve itself is by perpetually innovating and differentiating," Kalish said. "The challenge for packaged goods companies will be to know when to innovate new products and when to retire old ones and shift channel strategies."

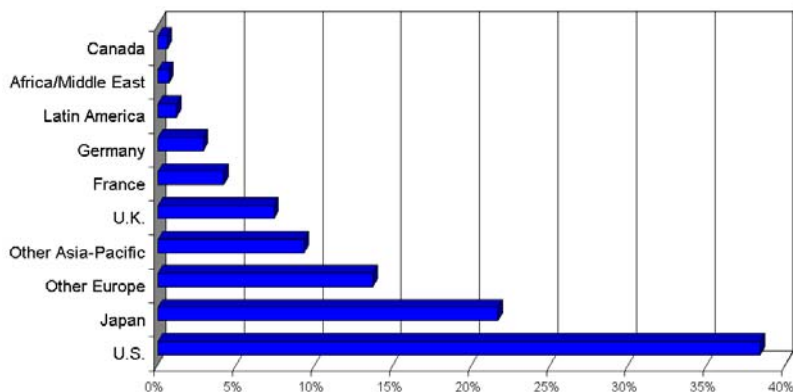
Those CPGs that are global and reach into developing countries will be most apt to succeed in the new market environment, Kalish added. Sustainability also will be of greater concern. Those CPGs that not only address but embrace sustainability goals will be the thought leaders of tomorrow. On a larger scale, those companies could also help avoid the need for future legislation and government regulation, a possible scenario for North America as it is already in Europe, Kalish added.

Packaging Strategies' Perspective:

*Kalish said that while CPGs continue to profit from size and expansion, the market is continually shifting as the product mix changes and global players enter the market. Just a few years ago, few North American consumers knew the names **Samsung** or **LG**, two South Korean companies that have grown in perception. A similar market change could now affect other companies.* PS

Nation Ration

Share of top 250 CPGs in sales by country, 2006



Source: Deloitte

PAPER PACKAGING INDUSTRY FACES A COMMUNICATIONS DISCONNECT, ACCORDING TO NEW CEO PERSPECTIVES REPORT

While the paperboard packaging industry has done its work shedding unproductive assets and getting back to basics, it now demands stronger top leadership to understand how to work with customers and sell to its markets.

Those results were among the surprise conclusions from a new *CEO Perspectives* report from **PriceWaterhouseCoopers** (PwC), which interviewed 25 ceos of global paper and packaging companies.

PwC forest, paper, and packaging leader Robert Barnden will discuss those findings during the **Summit Meeting of the Packaging Industry**, to be held March 12 to 14 in Weston, FL. But apart from that presentation, Barnden said the new study signifies that the industry is in need of a faster evolution to a new business model.

"The industry has already had to cope with a considerable amount of change, but it remains quite traditional in certain respects," he noted. "If it is to address the challenges it now faces, it will have to shed these traditions and become more innovative."

Some of the industry's problems lie in top leadership. More collaboration with both retailers and end users is necessary to develop packaging that is differentiated, something that many ceos stressed. However, the industry has not attracted the top-line

talent to move toward the new model. Instead, too many engineers run paper companies and do not understand how to sell products in the new marketplace.

Another issue is that of sustainability, a good news-bad news scenario in paperboard and corrugated packaging. With the use of accredited forestry management and uncoated paperboard, many suppliers offer viable

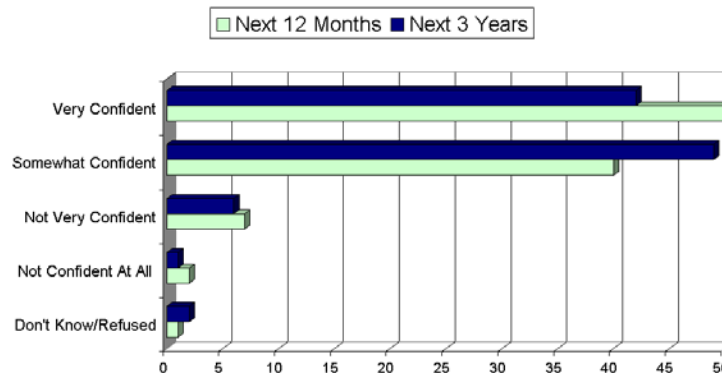
sustainability solutions. Yet, there remains an invalid consumer perception that the use of paper packaging means the cutting down of trees instead of the regeneration of new forests. Many ceos would like to change that thinking.

"The message is not out there about forestry," Barnden said. "Good forest management is the best thing that can

be done for the environment, but that story isn't being told."

Hoping For More

Confidence level of top 200 paperboard packaging ceos in revenue growth
Survey results



Source: PriceWaterhouseCoopers

Packaging Strategies' Perspective: While restructuring work is still ongoing (witness the recent selloff of **Stora Enso's** North American operations to **NewPage**), paperboard packaging makers are trying to move to the next level and increase market share. But working in a largely commoditized industry, it is difficult -- as Barnden suggested -- to generate excitement about cardboard boxes and folding cartons. It is time for new marketing and aggressive collaboration. [PS]



"The industry has already had to cope with a considerable amount of change, but it remains quite traditional in certain respects," said Robert Barnden, PwC forest, paper, and packaging leader. "If it is to address the challenges it now faces, it will have to shed these traditions and become more innovative."

COULD COMPETITION BETWEEN BARRIER PET AND OPP PLASTIC HEAT UP THE HOT-FILL MARKET?

It might be no surprise that PET bottle suppliers such as **Constar** have made recent strides in going after hot-fill food applications. But what might be more surprising is that oriented polypropylene (OPP) containers could be vying for the same market share.

Philadelphia-based Constar has received **Food & Drug Administration** (FDA) approval to expand use of its *DiamondClear* active oxygen scavenger with shelf-stable food.

The FDA letter of non-objection means Constar is free to apply the technology to hot-fill sauces and salsas, the low-hanging fruit with food conversions from glass to PET, but one that requires significant oxygen protection. The company has several customers in the testing stage currently. A major challenge is convincing them to change existing glass bottle equipment to blow molding lines.

However, a new competitor, that of OPP containers, could attract market attention. Wilmington, DE-based resin maker LyondellBasell has partnered with Container Corp. of Canada to use a new OPP material that claims to have both clarity equal to PET and hot-fill barrier properties required by food producers. Container Corp., Richmond Hill, Ont.,



Constar already has FDA approval for ketchup containers, first coming out with a barrier solution in January 2001. Since last year, Constar has converted both Wesson and ConAgra Foods' Hunt's brands (two of three major ketchup producers) to DiamondClear.

will apply the material in a dip/spray process, coating containers with an oxygen and carbon-dioxide barrier material.

The barrier technology, to be marketed as *Enviroclear Barrier System*, is six times greater than that for a traditional PET bottle, said Dave McKeeman, LyondellBasell injection molding business development manager. Using two-stage injection stretch blow molding equipment, the bottles can be easily molded, a major step change for OPP, he said.

McKeeman claimed the bottles are more resistant to heat for retort and hot-fill applications than standard PET, normally limited to a sterilization temperature of 200°F. The companies are looking at hot-fill juices and food applications among the first uses of the new technology.

Packaging Strategies' Perspective: *The use of PP bottles for food and beverage applications has been tried before but has had difficulties both with rigorous molding requirements and in clarity. This technology claims to have settled those issues. However, with PET and PP material virtually similar in price these days, convincing brand owners to try something new has its challenges.* [PS]

SCIENTIFIC INQUIRY: NEW SEARCH ENGINE TOOL HELPS PACKAGING RESEARCH REAP BENEFITS OF INVESTMENT

A new search-engine tool geared to packaging research and development could help reduce the risk of R&D investments and locate the right development targets.

Elsevier, the world's largest publisher of scientific and technical information, is teaming with business software company **NetBase**, the originator of a search-engine technology that finds Web-based results by key packaging phrases. NetBase, which just changed its name from **Accelovation**, will provide the bedding to now pull up scientific articles for the R&D

community for new technology, called *Illumin8*.

Amsterdam-based Elsevier will now allow R&D scientists access to its library of 1,800 journals and close to 3mn full-text journal articles, said Elsevier vp of product development Rafael Sidi. The companies can also provide nearly 33mn abstracts from 1,800 other publishers, can deliver about 22mn patents, and can search 5bn Web pages that include corporate press releases and Web sites.

The R&D tool is expected to make searching for data before starting product development much easier

CALIFORNIA'S EPEDIGREE LAW PUTS TECHNOLOGY FOR TRACK-AND-TRACE ON NOTICE FOR PERFORMANCE

California is again at the center of new regulations affecting the packaging industry. This time, the future viability of track-and-trace technologies for pharmaceuticals could be on the line as a method to thwart counterfeiting.

Suppliers making both radio-frequency identification (RFID) and bar-code scanning systems are lining up to take advantage of California's new ePedigree law, slated to go into effect Jan. 1, 2009. The law will require that the state's pharmaceutical manufacturers track the origin - or the pedigree -- of each product, creating unique user identifiers for each pharma package that can be electronically read. The law is in response to the flood of counterfeit drugs entering the U.S. market and leading to dangerous liability issues. The pharma industry estimates that it loses 3 to 8 percent annually in revenue due to drug divergence, chargebacks, and recalls.

One company taking an aggressive stance is **Secure Symbology Inc.** (SSI), a Wayne, NJ-based maker of bar-coding systems and RFID solutions that stores data on a central

processor, called a data vault, and provides a turnkey operation from packaging line to complete epedigree solution.

SSI is one of the first technology providers to cast its lot with a pharma producer, **Biogen**, and it will begin rolling out products as the pressure mounts to meet California's regulation. SSI is partnering with **Catalent Pharma Solutions**, Somerset, NJ, a contract packager that has supplied pilot packaging lines to test and apply SSI's bar-coding

systems and serialize packages.

SSI president Kamal Mustafa pointed out that 36 other states are considering ePedigree legislation and are watching California closely to see how successfully that state implements the technology.

Mustafa was also realistic about the new law. While it is slated to start next year, it will likely take much longer to implement the changes. Non-tagged drug package inventories have to first be cleared from the market and replaced with the new system. [PS]

Counterfeit Money

Pharmaceuticals play a major role in the amount of border seizures of products and packaging coming into the United States due to counterfeiting. The most recent data:

(Figures for first six months of 2007)

Product	Percentage Seized	Domestic Value
Footwear	36%	\$39.7mn
Wearing Apparel	14%	\$15.7mn
Watches/Parts	10%	\$11.5mn
Pharmaceuticals	9%	\$9.9mn
Consumer Electronics	9%	\$9.4mn
Handbags/Wallets	7%	\$7.5mn
Computers/Hardware	4%	\$4.3mn

Source: U.S. Office of International Trade

and less time-consuming. Globally, more than \$430bn was spent on R&D in 2006, but at times it has been a needle-in-the-haystack proposition to find relevant information, Sidi said.

For instance, a search on "biodegradable" and "packaging" turned up 184,000 results on **Google**, while the *Illumin8* site pared that down to 4,200 relevant results that could be segmented by approach, organization, or product. Peer-reviewed scientific articles also could be easily found by need; an example was given

for "recycled aluminum" and offered an accurate, short list of results.

Information Drain

The difficult facts about research and development:

- According to **Booz Allen**, the top 1,250 R&D companies spent more than \$430bn investing in R&D during 2006
- Corporate R&D professionals spend 5.5 hours/week gathering or pulling together information
- Those same professionals spend another 4.7 hours/week analyzing and applying the information
- Current efforts are unfocused, time-consuming and resource-intensive, with R&D professionals seeking consultants, trade shows, journals, and patent filings to attempt to locate information

Source: Elsevier, NetBase

The technology is the first fully integrated intelligence solution for packaging R&D, said Jens Tellefsen, NetBase vp, marketing and product strategy. One significant, Fortune 500 company is already starting to use the *Illumin8* technology while another is expected to be signed up by the end of the month. [PS]

STREET TALK

INTELLIGENCE FOR THE INFORMED PACKAGING EXECUTIVE

Silgan Makes a Closures Move that Opens Opportunities

With its Feb. 19 agreement in place to buy a Spanish metal vacuum closures business, **Silgan Holdings** might be signifying its intentions to move more strongly into the acquisitions market.

The Stamford, CT-based company has traditionally put most of its sales into North America and has been a relatively modest player in acquisitions. But that might be changing quickly. Although its deal to buy **Grup Vemsa's** closures business is minor (the business only recorded FY07

Silgan's Segments

The breakdown of Silgan's operations in sales for FY07

	FY07 Sales	FY06 Sales	% of FY07sales
Closures	\$615.2mn	\$450.3	21
Plastic Containers	\$627.4mn	\$592.3	21.5
Metal Food Containers	\$1,680.4mn	\$1,624.9	57.5

Source: Silgan Holdings

sales of \$28.7mn), the ramifications are much bigger, both for closures and for global expansion.

With Silgan's core food can market expected to remain fairly flat this year, opportunities to go after higher-growth closures operations becomes a bigger priority for the company. The company has already expanded its international closures business, in the process raising segment sales by 36.6 percent in 2007. Silgan works in a market that has seen much change already, from a shift in ownership of **Alcoa's** closures assets to **Crown's** divestiture of its global closures business.

There is reason to expect Silgan, a company with healthy cash flow, to become a larger global player, at least in closures. Said analyst Ghansham Panjabi of Wachovia, "While a fairly small deal in the grand scheme of things, we believe the company is clearly signaling that it will remain active on the acquisition front in 2008."

Wal-Mart Tells Suppliers It Will Pay More for Sustainability

Wal-Mart is going to the offensive to get more suppliers to sign up for its Packaging Scorecard initiative, saying it will pay higher prices for some sustainability solutions.

According to **Reuters**, Matt Kistler, Wal-Mart senior vp of sustainability, said during a recent environmental summit that the retailer would be willing to pay higher prices upfront for packaging that could offer back-end, total lifecycle cost savings to the company. "Sustainability in some cases will more than offset the incremental costs of what we are paying for a better quality item," Kistler emphasized.

However, Kistler said he was somewhat disappointed that about one-fifth of Wal-Mart's supplier base has yet to sign up for the Scorecard initiative that went live Feb. 1. Many of the suppliers who have not signed up are smaller in size or do not consistently supply packaging to the retail giant, he noted. The willingness to look at higher-priced packaging might be one way to ease existing supplier concerns about the company with the "Every Day Low Prices" motto.

Balance Sheet Blues

The current state of the U.S. economy should prove out the maxim that packaging companies always perform well during a recession.

To date in 2007, that analogy has held somewhat true to form. According to **Lehman Brothers**, packaging stocks to date are down 1 percent year-to-year in 2008. But with the stock market taking a huge tumble overall this year, those stocks are also outperforming the S&P 500 by 800 basic points. Many companies, in recent earnings calls, project fairly decent if not exceptional earnings for this year, even though many of those rosy forecasts are for sales outside of North America.

The only negative in the message of optimism (or maybe it should be called hope instead) has been the profit margins of these companies and earnings valuations. A study by New York-based Lehman shows earnings multiples trending downward and operating well below the 10-year averages for many packaging companies. This is taking place despite strong cash flow and balance sheets that appear to be in better shape than in recent history, said Lehman analyst Sangita Jain.

Of 10 companies that Lehman charted, only **Owens-Illinois** showed earnings above its 10-year average. Of course, that company encountered some past financial issues it has more recently overcome. Others, including **Sonoco**, **Sealed Air**, **Bemis**, and **Avery Dennison**, were well below historic averages.

This year, the focus for many companies could be on cost-cutting and shoring up those balance sheets.



2008 Summit Meeting Preview

COLLABORATION, PARTNERSHIPS BECOME LINCHPINS THAT WILL BOND PACKAGING'S FUTURE GROWTH, ACCORDING TO SUMMIT MEETING PRESENTERS

The 21st annual **Summit Meeting of the Packaging Industry** will feature a wide array of executive-level speakers offering their strategies on innovation, technology, market leadership, business development, and a host of other topics that will drive boardroom and operational decisions of executives across the packaging spectrum.

Many of these speakers will discuss the need to collaborate and partner across the supply chain. In preparation for the event, **Packaging Strategies** asked this impressive lineup of speakers to answer the following question:

The need for brand owners and retailers to collaborate with suppliers on packaging-related projects seems to be gaining serious momentum, driven by a variety of factors that include globalization and sustainability. How will that partnership trend affect the design and development of future packaging applications, and how far will this trend go in the future?

Their answers are both illuminating and are virtually united in the opinion that collaboration will become more of a necessity in the years to come:

The Brand Owner View:



"Global competitive pressures, sustainability, and the desire to innovate and grow are at historic peaks for the majority of CPG companies. The companies that develop collaborative partnerships across that entire supply chain (raw material to retailer) will be the ones that thrive in today's environment and the foreseeable future. Collaboration is not optional in today's market. It is and will be a mission-critical priority going forward."

*Dave Behringer
Kraft Foods*

The Equipment Supplier's View:

"The collaboration among retailers, brand owners, and suppliers of materials and manufacturing solutions is paramount to meeting the goals of sustainability and driving inefficient costs from the supply chain. The unintended consequences of "silo" versus harmonious introductions of new packaging applications will allow proliferation of growth, but with greater success."



*Bern McPheely
Hartness International*

The Converters' View:



"The trend for increased collaboration between retailers, brand owners and packaging companies is accelerating, due to three main factors: First off, there is the need to drive cost reduction in the supply chain, specifically in-store labor costs, driving collaborative efforts for

more effective packaging designs. Secondly is the increased competition for the retail dollar and the attempt to differentiate packaging.

The final major reason is the growth of in-store consumer decision-making on product and brand selection. Increasingly, the moment of truth occurs as the shopper walks down the aisle. In this environment, the package becomes the main vehicle for brand owners to reach, attract, and communicate their brand to consumers."

*David Scheible
Graphic Packaging*

"The input of brand owners and retailers will become even more critical as we embrace the need to achieve sustainable packaging objectives. Leveraging the partnership approach between these partners and suppliers will support a more focused approach and enhance the translation of new technology, materials, and brand intelligence into executable plans and new packaging innovations. Driven by these successes, the collaborative trend has the potential to continue far into the future, creating a winning value proposition for all business partners."



*Tony Hancock
Altivity*



"Globalization of various businesses is making collaboration among brand owners, retailers and suppliers more prevalent than before. Improved information technology infrastructure leads to improved collaborations across continents. This leads to improved packaging design at a lower cost. This is a win-win trend and thus will continue to accelerate, in our opinion."

*Sanjay Bhasin
Essel Propack*



"Globalization and sustainability have modified the dynamics traditionally used to select stock materials, printing processes, and applications. As a result, packaging manufacturers and developers are now involved in the design process at earlier stages to enhance this decision-making process. This trend is deemed to continue since it contributes to the efficiency of the entire process and ensures overall packaging sustainability."

John Giusto
Curtis Packaging

The Author's View:

"Two things are certain. Products will continue to need packaging. And the days are gone when consumer products companies have to design those packages alone. Innovative packaging will have to acknowledge the new priorities of reducing materials and conserving shelf space. To stay vital, packaging will have to add something to the experience and value of the product itself."



Charles Fishman
Author, "The Wal-Mart Effect"

The Package Designer's View:



"It is the job of the packaging designer to meet the needs of the end consumer with an aesthetically pleasing but pragmatically functional package. The brand owner needs to provide the insight into the brand identity and to force suppliers to push the envelope in technology and manufacturing. The retailers provide insight into the actual retail space and their specific consumers. And it is everyone job to pursue the sustainability and environmental issues. Having all parties collaborate in a true partnership can only streamline the process and strengthen the final result."

Craig Sawicki
TricorBraun

The Consultants' View:

"We have recently published our Forest, Paper, and Packaging CEO Perspectives and many of the interviews confirm that the name of the game for packaging companies going forward is to create more value for themselves and for their partners in the supply chain by increasing collaboration in many areas including transport logistics, carbon footprint information, product design, and joint marketing."



Robert Barnden
PriceWaterhouseCoopers



"Our research has found that brand owner-supplier collaboration will definitely grow in the foreseeable future. There are many reasons for this: the brand owner's continued push for top-line growth, the need to remain a step ahead of private label, and the need to counter steadily rising packaging costs will all contribute."

Look for brand owners to have a greater desire for partnerships than ever before: they'll involve suppliers earlier and with more formality; they'll encourage them to conduct their own consumer research on new packaging ideas, and encourage deeper relationships with R&D and related technical/operations groups to prove out ideas. This is a golden opportunity for suppliers to add true value to their customer relationships. "

Tom Taber
Strategex

"I firmly believe that open innovation, where you leverage the competencies and capabilities of suppliers and partners on packaging-related projects, is more than just a trend. It is becoming a necessity for doing business in today's ever-changing global economy. Partnerships and alliances create competitive advantage by delivering sustainable packaging in less time, with less risk, and sometimes with less cost."



By leveraging the resources, capabilities, and experience of others, you are often able to change the business model and the way you go to market to deliver growth and higher profitability.

Companies looking to create new packaging capability no longer need to do everything themselves. They can succeed by creating the right innovation ecosystem consisting of the right partners and networks. The ecosystem can help them determine how to create economic value by properly allocating their resources and choosing the right partners who have the eco-friendly designs and the disposability that they don't have within their own brick and mortar walls."

Cheryl Perkins
Innovation Edge



"I would expect the trend to continue since globalization and sustainability will certainly continue to be factors. The need for collaboration is critical in order to develop packaging that meets all stakeholder requirements. These include customers, consumers, package manufacturers, and filler/packers."

Lawrence Mucha
The ZDM Group



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