



Harnessing digital printing's potential

Mike Ferrari, president of Ferrari Innovative Solutions LLC & retired from Procter & Gamble as associate director for package development, believes digital printing is ready for a surge in packaging. He discusses why - and the potential roadblocks at CPG companies.

packaging World: *You believe that digital printing is primed for a huge growth spurt in packaging. Why?*

Mike Ferrari:

First, CPG companies need to reignite sales growth. During the last 18 months, we've seen a number of new business approaches that fully leverage digital technologies to engage consumers. Second, product customization continues to accelerate SKU proliferation. Three years ago, the average U.S. supermarket contained 33,000 SKUs. Today, there are 38,000 SKUs. Third, "green" is becoming normal.

Several years ago, Walmart issued a sustainability scorecard to CPG companies. Now we are seeing CPG companies bring Walmart's sustainability programs to its suppliers, including printers. Procter & Gamble several months ago announced a long-term set of goals. These are forces that will collectively drive much more use of digital package printing. All of these favor a digital printing supply chain.

What types of consumer product manufacturers are positioned to take advantage?

CPG companies that focus on commercial innovation will find digital printing technology an enabler to engage consumers through new marketing programs. Those that have the courage to embrace disruptive innovation and a willingness to change/streamline their supply chain will be the early adopters.

What are the marketing and cost advantages for CPG companies that make the best use of digital printing?

A successful marketing strategy will focus on the three E's: energizing consumers, enhancing brand image, and executing responsibly. Digital printing will contribute to all three points of this model. Hobby Lobby grew candle sales by 3% with seasonal introductions, while L'Oreal introduced a line of kids shampoo using Toy Story III with digitally printed shrink sleeves.

What's holding more CPG companies back from taking full advantage of digital printing?

I have three observations. First, CPG companies and their agencies lack awareness of what's possible. Second, misperceptions persist of digital printing as inferior. Third, purchasing approaches digital printing for bottom-line savings versus a marketing/design approach investing in packaging for top-line growth -*Jim George*