

# WHAT'S DRIVING THE FLEXIBLE PACKAGING MARKET?

## MAJOR FTA RESEARCH REPORT HOLDS THE ANSWERS

Converters have spoken. Asked, "What factors are driving the flexible packaging market?" the overwhelming response was: "Increased graphics and print quality requirements." Nearly half (47 percent) of all printers and converters polled in the Flexographic Technical Association's first-ever comprehensive market research study, set for release this September, listed that as the customer's top priority and the definitive factor impacting their businesses and their ever-more-critical bottom line.

Increased product performance standards finished second on the list of most significant factors driving the business. It garnered 14 percent of all mentions. Listed as concerns falling into this criterion were longer shelf life, higher contamination resistance and consumer convenience—resealable containers.

Printers and converters participating in FTA's survey also pointed to the growing acceptance of shrink-wrap packaging as having a substantial influence on day-to-day operations. Twelve percent of all polled pointed to the shrink-wrap portion of the market as highly important. Finishing fourth on the list of important market drivers was advancements in packaging materials. Ten percent of those answering FTA's query maintained that state-of-the-art innovations such as improved barrier films, creative substrate combinations and lower-cost, thinner-gauge substrates were influencing the direction of the industry.

Popularity of stand-up pouches was cited as a trendsetter by 8 percent of those questioned. Reductions in the physical size and volume of a container, combined with recycling issues and other environmental concerns, was listed by 7 percent of the sample audience as a major market driver. The remaining 2 percent singled out increased usage of retort packaging—a container that is able to be heated with the product it contains—as exerting major influence.

### Challenges vs. Opportunities

Pressed to name current-day challenges in the flexographic printing trade, particularly as they relate to flexible packaging converting, many pointed to factors such as:

- Cost of equipment to enter new markets.
- Ability to price products profitably.
- Flexibility to enact price increases due to energy costs.
- Shorter lead times.
- Recruitment of skilled personnel.

- Matching or bettering offset and gravure print quality.

Challenges aside, FTA's printer/converter poll also identified some definite opportunities for growing, improving and profiting from their flexible packaging endeavors, namely product differentiation based on service offerings, shrink-sleeve market growth and exporting to Latin America.

### Vital Importance Noted

FTA commissioned well-known industry research and communications firm LPC Inc. to conduct the all-encompassing study of the flexible packaging marketplace. It was designed to provide an unparalleled snapshot of the current and projected economic climate of the North American flexible packaging industry

Sharon Cox, marketing manager for FTA, commented "FTA's Flexible Packaging Market Research Study examines, in-depth, a range of information including trends, market opportunities, barriers to entry, production data and end-user directives."

FTA's study is also expected to serve as an invaluable resource for flexible packaging printers and converters, industry suppliers and end users that will provide critical benchmarking data, from average lead times per end-use category to packaging procurement initiatives and printed product trends.

LPC, which devised two separate questionnaires, one for printers/converters and the other for end users at consumer product companies, partnered with more than 50 FTA supplier-member companies in distributing the survey and promoting participation in the poll. Response rates exceeded expectations and came in at better than 15 percent.

At press time, the project was nearing completion, with the research report in the final stages of compilation. The complete study will be available for purchase by FTA members for \$595. The non-member price is \$1,395. To order an advance copy, contact the FTA Customer Service Department at 631-737-6020. ■

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*EDITOR'S NOTE: This marks the first installment of several articles that will report on statistical findings and major trends identified in FTA's Flexible Packaging Market Research Study. Watch the pages of the next few issues for important updates. To keep up with the latest news, released as it happens, point your web browser to [www.flexography.org](http://www.flexography.org).*

