

# *Labeling for Specialized, Niche, and Local Customer Marketing*

*A new on-demand, in-house printing approach to create  
and take control of your short-run specialty labels.*



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## Executive Summary

The overall marketing trend in the consumer goods industry is shifting toward greater segmentation—promoting to specialized, niche, and local markets. Even large manufacturers have realized that segmentation is rapidly gaining momentum and are finding success by targeting specific audiences rather than relying on their traditional, one-size-fits-all approach.

Targeted messaging resonates with consumers. And enterprises in the specialty consumer goods industry can take advantage of the market opportunities made

possible by segmentation by printing product labels on demand. In-house labeling gives companies the flexibility to respond quickly to consumer demand, market conditions and other business challenges. It enables them to label new package SKUs and easily make changes to labels for existing products while freeing themselves from the many constraints of using other labeling solutions, including long lead times and minimum order quantities (MOQ) of labels.

With in-house labeling, companies are masters of their own packaging, printing only the labels they require. Armed with greater creative control, they can also produce appealing, high-quality labels.



### ■ This white paper will:

1. Examine segmentation in the specialty consumer goods industry
2. Provide a brief overview of on-demand labeling
3. Assess the business impacts of in-house labeling
4. Explore the new technology of affordable inkjet label printers.





## Part I: The Specialized Consumer Products Market

Many industries are experiencing a paradigm shift as a result of rising demand for specialized products and an increase in consumer desire to support local economies. Products ranging from pipes and fittings to skincare products and hummingbird feed have become more specialized.

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*Both the number of specialized goods and the passion for buying locally crafted products have surged*  
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This phenomenon is particularly evident in the food and beverage sector, where both the number of specialized goods and the passion for buying locally crafted products have surged. For example, mass customization has now expanded beyond restaurants and fast-casual chains into packaged foods.<sup>1</sup> Between 2013 and 2015, specialty food dollar sales in the U.S. grew 21.2 percent—surpassing \$120 billion in 2015—and unit sales increased 13.7 percent.<sup>2</sup>

Consumer demand has spurred the growth of specialty food brands (such as LÄRABAR), craft breweries (such as Avery Brewing Co.), and local and regional businesses (such as Vermont Smoke & Cure), as well as independent commercial kitchens like Harvest Food Group (which produce private label food items for various brands) and culinary incubators like Hana Kitchens (which help food and beverage entrepreneurs launch their businesses).<sup>3</sup>

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*Supermarket prepared food is now a \$26 billion market.*  
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Supermarkets have also responded to this trend, devoting more investment—and physical space—to freshly prepared food and specialty food products. Supermarket prepared food is now a \$26 billion market.<sup>4</sup>

## Part II: Labeling Solutions

Although the growth of the specialty product sector has created new opportunities for enterprises of all sizes, these businesses still face challenges. Many companies share a common headache: labeling their products.

Specialty product producers face many labeling problems and frustrations, including:

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*Traditional solutions, such as buying preprinted labels from a print service provider (PSP) or printing their own labels using flexographic, thermal, or other print technologies, are often unsatisfactory for specialty product businesses.*

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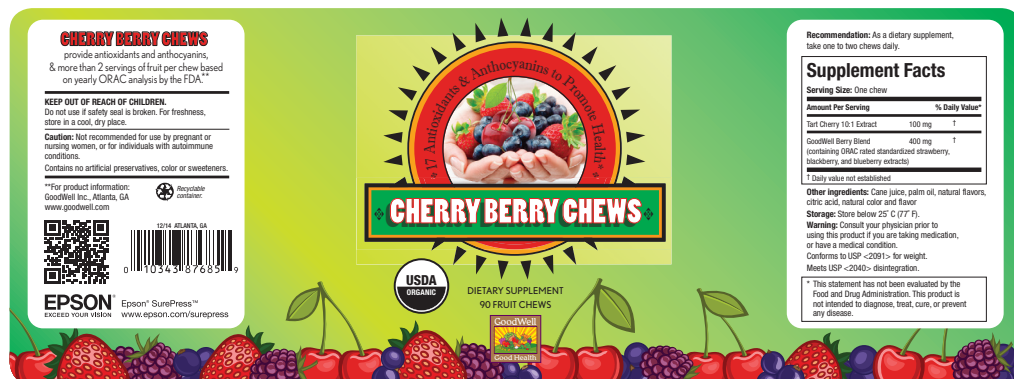
- the necessity of labeling many products (different sizes, colors, flavors, etc.), each of which may have a short production run
- the demands of making modifications to labels, due to a change in branding, product specifications or ingredients, regulations, or other factors
- avoiding mislabeled products, but being able to re-run quickly if it happens
- the requirement to provide a reliably scannable barcode, consumer information (such as nutritional information), or consumer warnings
- the need to include the company logo, brand identifications, product images, date of production, and other elements on the label
- the desire to use both prime and secondary labels
- the requirement to satisfy label claims regulations that may vary by state or region (e.g., recycling instructions)
- the goal of switching to a clean label.<sup>5</sup>

Traditional solutions, such as buying preprinted labels from a print service provider (PSP) or printing their own labels using flexographic, thermal, or other print technologies, are often unsatisfactory for specialty product businesses. These solutions require large print runs (resulting in high cost of label MOQ), make it difficult to change label content on the fly, result in waste when outdated labels are discarded, and result in lost opportunities for localized or customized marketing.

### ■ In-House Labeling

Specialty product businesses no longer have to buy labels from PSPs or rely on inefficient or outdated printing





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*These affordable printers have a small footprint and produce professional-quality labels that resist smudging, smearing and fading.*

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technologies. They do not need to have space for a complex printing press or hire a press operator.

A new generation of printers makes in-house labeling fast and simple. On-demand label printing solutions enable enterprises to customize all of their product labels or target different segments of their market by adding messages for niche or local audiences. These affordable printers have a small footprint and produce professional-quality labels that resist smudging, smearing and fading. Software providers offer easy solutions to create labels; some even offer drag-and-drop functionality.

In-house labeling allows specialty product firms to be nimble. They can add SKUs immediately, make changes to labels easily, and customize labels for samples, private-label partners, and other purposes, such as printing branded shipping labels. Businesses can print only the amount of labels they need, resulting in no waste when new labels become necessary.<sup>6</sup>

## Part III: Considerations

In-house labeling is an ideal solution for many specialty product enterprises. These firms require a label-printing technology that enables them to produce high-quality labels quickly, while also providing the flexibility to change the label contents or graphics in minutes, rather than in days or weeks.

If your firm is considering investing in on-demand labeling, keep these factors in mind when assessing label printers:

- **Speed:** Is the printer capable of producing fast turnarounds or high volumes to meet your just-in-time needs? Compare printhead technologies, millimeters/second ratings, and other specifications.
- **Quality:** Does the printer allow color matching, produce color gradations, and produce graphics?
- **Ease of use:** Do you need a printer that requires no special training to operate? Consider intuitive controls, the ease of replacing ink cartridges and label rolls, and the compatibility of creativity software.
- **Cost:** What is the total cost of ownership? Consider the price of ink cartridges and label rolls.
- **Reliability:** Do you need a durable printer that requires fewer user interventions? Consider how much periodic maintenance is required and the effect of repair downtime on productivity and order fulfillment.
- **Warranty:** Does the manufacturer provide on-site service and a print head warranty? Consider the cost of replacement parts.



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*On-demand labeling avoids the long lead times and waste of using preprinted label solutions*

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## Part IV: In-House Labeling Simplified

Printing labels in house provides a competitive advantage for many specialty product businesses, because of its flexibility and benefits. On-demand labeling avoids the long lead times and waste of using preprinted label solutions, allowing businesses to label both long-production-run and short-production-run products efficiently and ship them without delay.



## ■ Case Study: Food Wholesaler



**Background:** Ventes Rudolph, a regional wholesale ingredient distributor specializing in the bakery and pastry industry, stocks several hundred items, including more than 20 in-house products that require internal labeling.

**Challenges:** The wholesaler bought labels from a PSP, but the process proved too burdensome. To avoid delays in order fulfillment, employees had to monitor label inventory constantly and reorder before stock ran out. The PSP's MOQ exceeded Vente Rudolph's quantity needs, and the PSP supplied labels on glossy stock, which surpassed the wholesaler's quality requirements. Most importantly, the ingredients in Vente Rudolph's in-house products often changed, rendering preprinted labels obsolete and creating waste because employees discarded outdated labels.

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*Adopting on-demand printing  
has reduced the wholesaler's  
labeling costs, compared to buying  
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**Solution:** The wholesaler adopted an on-demand printing solution. It allows employees to print labels for new SKUs (new products or new sizes) immediately or change the labels for existing products when ingredients change. Vente Rudolph employees found the printer easy to use—simple to load the label rolls and replace ink cartridges—even for those with limited technology skills.

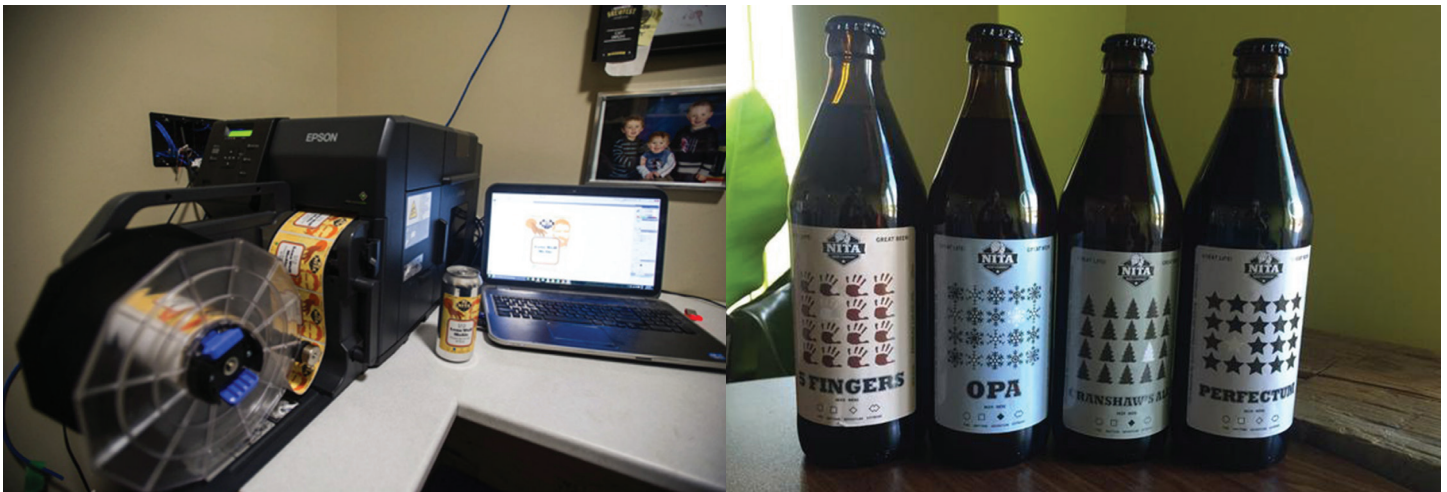
**Business impacts:** Using its new printer enabled Ventes Rudolph to print as many labels as it needed, usually for a one- or two-week period. As a result, the company now never runs out of labels and has no waste. Plus, using less expensive matte stock meets its labeling requirements. Adopting on-demand printing has reduced the wholesaler's labeling costs, compared to buying preprinted labels from a PSP. And it's fast. Ventes Rudolph can run as many as 100 labels per minute (6,000 per hour) for all of their products - and each label's content can be different from the next label.



## ■ Case Study: Craft Brewery

**Background:** Nita Beer offers a rotating inventory of between 8 and 12 different craft beers. As a start-up, it filled growlers for customers at its production facility.

**Challenges:** The brewery wanted to expand its distribution by packaging its beer in cans and bottles. It needed labels for each type of beer, as well as different-size labels for cans and bottles. As a small-batch producer, Nita required only short label production runs, so outsourcing labels to a PSP would have resulted in a high per-label cost due to MOQ.



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*Using their new printer allows Nita Beer to produce short-production-run labels when it needs them and at a reasonable cost.*

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**Solution:** The brewery adopted an on-demand printing solution to produce color labels for its ever-changing portfolio of SKUs. The printer allows employees to print labels for new SKUs and different-size labels for cans and bottles. It produces labels quickly, freeing employees to move on to more essential tasks.

**Business impacts:** Using their new printer allows Nita Beer to produce short-production-run labels when it needs them and at a reasonable cost. It provides the flexibility to create novel label designs, which has boosted brand differentiation in the competitive craft beer market. On-demand printing enables the brewery to print the production date on the labels without resorting to an additional workflow step (stamping). In-house printing also makes it possible for Nita Beer to produce a co-branded beer with a local restaurant partner, providing another revenue source, broadening brand exposure, and creating opportunities for retailer-specific brands and for community-based promotion.

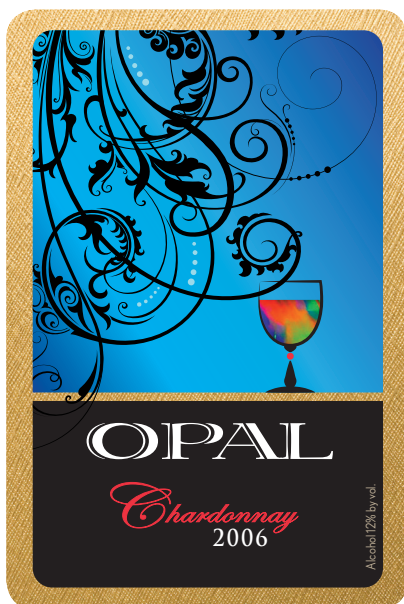
In both cases, Epson's ColorWorks C7500 Inkjet Label Printer addresses the in-house labeling needs of specialty products firms. This fast, full-color printer is



ideal for busy, on-demand environments, while its ease of use and high-yield ink cartridges make it a terrific choice for quality, flexible, on-demand printing of low-volume/high-mix production labeling.

Epson's ColorWorks C7500 Inkjet Label Printer can provide you the following benefits:

- print only the labels you require
- make creative changes to labels immediately, without waste
- improve your brand message and appearance
- use the same label stock for all products
- integrate your existing software solutions seamlessly
- achieve a reasonable cost-per-label.



## To Learn More

Your specialty food and beverage enterprise can take advantage of the many benefits of in-house label printing. To learn more about label printing and Epson's ColorWorks C7500 Inkjet Label Printer, visit Epson online at [epson.com/colorworks](http://epson.com/colorworks).

## About Epson

Seiko Epson Corporation is a global imaging and innovation leader that is dedicated to exceeding the vision of customers worldwide through its compact, energy-saving, high-precision technologies, with a product lineup ranging from printers and 3LCD projectors for business and the home, to electronic and

crystal devices. Led by the Japan-based Seiko Epson Corporation, the Epson Group comprises over 67,000 employees in 108 companies around the world, and is proud of its ongoing contributions to the global environment and the communities in which it operates.

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