

TOP 5 TRENDS

LABELING & PACKAGING ARTWORK

• 2021 •



LOFTWARE™



LABELING IS HAVING A DIRECT IMPACT ON SUPPLY CHAIN AGILITY AND THE ABILITY TO GET PRODUCTS TO MARKET



This past year we've all seen unprecedented change across the globe due to the Coronavirus pandemic. This change has shifted the way we interact, the way we shop, the way we travel and most notably the way we work. Of course, business operations have seen an impact, with many companies pivoting to manufacture new products and contribute to the greater cause, all while attempting to support their newly remote workforce and keep an eye on their bottom-line.

During this time, many of us have come to see the important role that our global supply chain plays in our daily lives. From

increased prices to empty grocery isles to customers clamoring for toilet paper and hand sanitizer, we have all seen the effects of supply and demand shock. This has made a significant impact on companies globally and ultimately led many businesses to begin rethinking their supply chain strategies. In order to survive this shifting landscape and keep supply chains running smoothly, companies must be prepared to explore alternative ways to optimize business processes and create new efficiencies.

Labeling and product packaging are both areas that offers significant opportunities to gain control, increase agility and stay



“...every supply chain must be agile in ways beyond responding to demand swings. Agility is also required in onboarding new suppliers or sites, recovering from major disruptions and flexing to support diverse customer and business needs.”

Gartner, Uncertainty Requires a Framework for Defining Supply Chain Process Agility, Jennifer Loveland, 6/11/20

competitive during these tumultuous times. So, to get a clear picture of the changes taking place in the ever-evolving labeling and packaging space, Loftware conducts an annual survey. And this year's survey is more important than ever- to get a gauge on how companies are dealing with challenging circumstances. Loftware polled nearly 1,000 professionals from organizations across all major industries and 55 countries to gather insights into the top trends transforming the market for 2021. Our report outlines the significant shifts in labeling and packaging artwork that are impacting today's businesses and global supply chains.

This year's Top 5 Trends in Labeling & Packaging Artwork report sheds light on

how labeling is critical in supporting supply chain agility by accommodating shifting production, providing remote access and by enabling partners and suppliers. This report also highlights the importance of standardizing and centralizing labeling to streamline maintenance and deployment, while providing the ability to scale across a global landscape. Additionally, it takes a closer look at how time to market is more important than ever during these uncertain times. The report also covers the increasing role of labeling and packaging artwork as a strategic enabler for business and supply chain operations. Finally, this report finishes with a look at how customer experience is transforming as online shopping, E-labeling, and personalization are on the rise.

You'll see how it's clear that labeling is a strategic enabler of supply chain agility and business operations. By understanding the important role that labeling and packaging plays, companies can create new efficiencies and cost savings while staying competitive and keeping pace with today's multifaceted, dynamic supply chain landscape. Leaders who embrace innovation and new labeling methodologies will optimize costs and gain a competitive advantage in their markets.



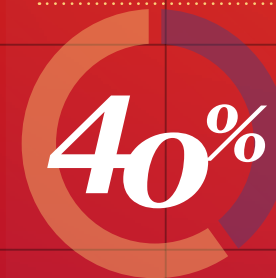
SUPPORTING SUPPLY CHAIN AGILITY IS CRITICAL



The supply chain is essential for production, storage, handling and distribution of goods and materials, as well as providing finished products, medicines and medical equipment to consumers and patients.

The world is in the midst of mass disruption due to the global spread of COVID-19. Entire industries are being faced with new challenges as a result of the pandemic. Workers are finding themselves having to perform jobs remotely, suppliers are looking for new ways to connect and logistics solutions are being put to the test. Unfortunately, it doesn't appear that the situation will change any time soon and it is likely that there will be lasting effects into the future. Which is why the importance of supply chain, manufacturing and labeling has become so critical to the world's safety and economy. The supply chain is essential for production, storage, handling and distribution of goods and materials, as well as providing finished products, medicines and medical equipment to consumers and patients.

And, with the pandemic still taking hold, it's more important than ever that businesses maintain a consistent flow of



of companies view labeling in their organization as more important as a result of the pandemic

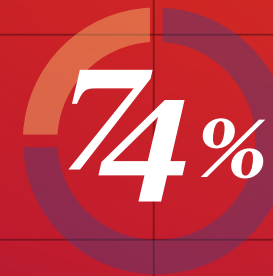
goods, ensuring that the global community has access to safe food, vaccines and medical products. To ensure supply chain agility and avoid further disruption, many companies are adopting processes to help manage new labeling and supply chain complexities. They also are looking for providers that offer services and support to help them keep pace with these evolving challenges.

TREND 1: SUPPORTING SUPPLY CHAIN AGILITY IS CRITICAL

Shifting Production to Avoid Disruption

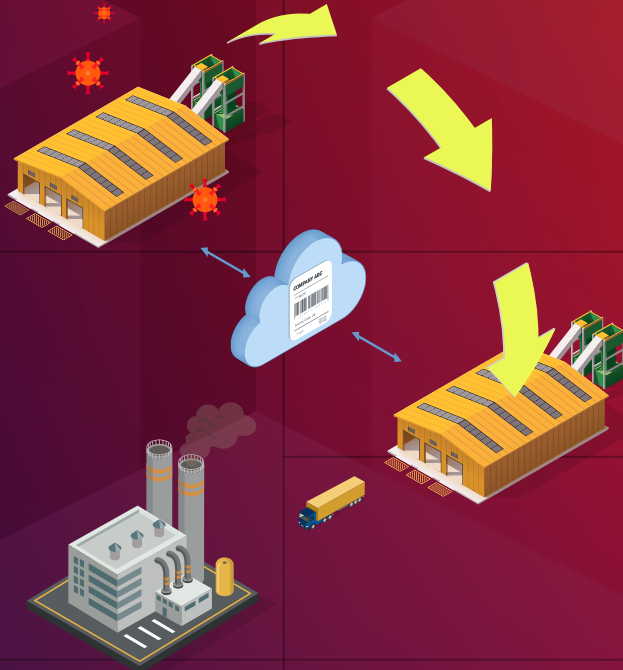
As this pandemic continues to impact our global economy, certain geographies and markets are hit hardest. Many companies have experienced bottlenecks due to a disruption in warehousing or distribution or have closed down facilities. Either way, countless companies have found themselves needing to shift production from one location to another. This shift in production also means they must be able to shift labeling to that new site. What's more, their labeling must be flexible to support new products, languages, regions, formats, shipping routes and more. This all must be done quickly and in a compliant and consistent manner to ensure continuous operations or at least, to minimize downtime. This brings many businesses to understand the significance of a multi-site approach designed to ensure continuous operations while

realizing the benefits of both centralized and decentralized deployments at the same time. It provides greater control, allowing companies to drive labeling centrally and immediately fail over to any



of those surveyed believe being able to shift labeling between facilities to meet production demands would be important in the current business climate

local instance – ensuring uptime and reducing risk. Companies can quickly and easily shift labeling from one location to another if there is a break in continuity or a disruption at any point across their enterprise. This is critical in maintaining business operations in the case of any outages, shutdowns or supply chain disruption.



TREND 1: SUPPORTING SUPPLY CHAIN AGILITY IS CRITICAL

Providing Scalable, Repeatable Remote Labeling



It's also important to provide users with immediate access to labeling regardless of location. Traditionally, it would take time to provide access to label templates and data sources for users at a new location – time that companies can no longer afford to waste, which is why 72% of respondents report that they are able to print and manage labeling remotely. It's clear that when companies provision their labeling infrastructure through the cloud, they gain the benefit of being able to more quickly add computing resources on an as-needed basis, preventing slowdowns and bottlenecks. Also, remote users are looking to use a definitive library of approved label templates without

recreating their own local versions and introducing the possibility of labeling errors. And scalability is as important as flexibility. Organizations need to anticipate the chance that they may be forced to shift

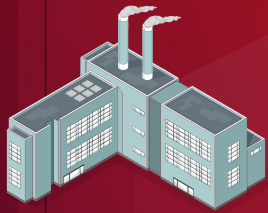
75%

think it's important to print labels remotely to enable business operations

or expand production unpredictably which means label printers and print servers might suddenly be handling many times the volume they were intended to handle.

TREND 1: SUPPORTING SUPPLY CHAIN AGILITY IS CRITICAL

Enabling Supplier Labeling



Suppliers, partners and 3PLs also prove to be an important piece of the puzzle. Allowing multiple locations and/or suppliers flexible access to centralized labeling and label content to produce labels remotely is crucial to business continuity and supply chain agility. It helps to avoid slowdowns, disruptions and errors that can be caused when businesses find themselves faced with relabeling. When companies are able to extend labeling to suppliers, teams won't be faced with designing new templates, copying existing ones or making updates. Instead, accurate and compliant label templates can be accessed centrally from any location, avoiding the time needed to use the supplier labeling system to create labels that may or may not include the right content and format needed by the receiving company. Extending to suppliers means they have the right label,

they have it faster and it is optimized for receiving by the company. Also, with a standardized Enterprise Labeling Solution, any additional users are able to maintain the same level of printing quality and



think it's important to provide labeling access to new suppliers or partners to avoid business disruption during uncurrent times

performance as experienced in networked locations. And remote users can check accuracy by previewing labels and comparing label output from new locations to labels printed at the previous locations. Enterprise Labeling also offers role-based security that allows administrators to select what access to labels, content, and printing devices suppliers receive.

TREND 2

GLOBAL STANDARDIZATION AND CENTRALIZED LABELING IS CRITICAL

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“Today’s supply chains must respond to changing requirements to shift the flexibility of what they offer, the way they operate to fulfill demand and the design used to support profitable growth across all outcomes.”

Uncertainty Requires a Framework for Defining Supply Chain Process Agility, Jennifer Loveland, 6/11/20

As businesses expand globally, they continue to recognize the importance of standardizing their labeling across their enterprise. Many companies are finding this is especially important during the recent pandemic because when relying on siloed, disconnected, legacy labeling solutions, continuity is at risk and valuable time can be lost. Fractured processes and multiple labeling systems can create unnecessary complexity in many ways. However, offering the ability to centralize on a standard labeling solution provides a wide range of benefits. A standardized approach enables companies to streamline maintenance and simplify oversight, while offering the control to make rapid label changes throughout the supply chain. In addition, having a single, scalable solution reduces costs and facilitates expansion to new global locations. Most importantly,

as business extend their reach across the global supply chain, it is critical they maintain labeling consistency across



believe that maintaining one standardized labeling solution across their enterprise, rather than managing multiple solutions, provides time and cost benefits

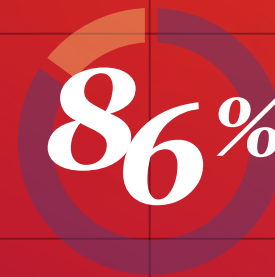
multiple markets and regions. By taking a standardized approach, companies can ensure that a common set of labels, centralized applications and data sources are used across the supply chain. This, along with centralizing content, helps global companies ensure business continuity and empowers them to meet complex, global and high-volume labeling demands.

TREND 2: GLOBAL STANDARDIZATION AND CENTRALIZED LABELING IS CRITICAL

Centralized Approach to Labeling

Businesses today understand the importance of centralizing labeling to improve consistency and accuracy across their supply chain. A centralized approach will ensure consistency, enable regulatory compliance and enforce brand standards. In turn, businesses can differentiate their products, build relationships and maintain customer trust regardless of where in the world labels are printed. Centralizing also gives organizations more flexibility to support business continuity so companies are able to quickly shift label production from one site to another, while leveraging accurate, consistent data in order to keep the supply chain flowing. Ultimately, using a centralized deployment

platform offers great flexibility, providing complete control over how capabilities and data are deployed over a global landscape. Leveraging a modern, multi-tier Enterprise Labeling Solution offers



believe it would be beneficial to deploy labeling centrally

centralized access while providing scalability and flexibility for creating and updating labels.



TREND 2: GLOBAL STANDARDIZATION AND CENTRALIZED LABELING IS CRITICAL

Simplifying Maintenance and Deployment

One of the biggest advantages of enlisting a standardized and centralized approach to labeling is reduced maintenance and streamlined deployment. When dealing with multiple solutions companies face added costs and need more time to manage all those solutions. This is especially true as organizations try to reconcile the increasing complexity of today's labeling, while coping with difficulty of securing scarce IT resources. It's clear that adopting cloud based labeling simplifies maintenance and support, reduces IT involvement, and streamlines global deployment. Cloud-based labeling facilitates expansion, reduces operational costs and provides financial predictability. A cloud deployment also provides flexibility

to scale, mitigates the need for extensive disaster recovery plans and facilitates automatic software updates. This could not be more important as we all navigate this "new normal" where having access to



93% believe that simplified maintenance would be a key advantage for standardizing and centralizing their labeling solutions

all mission critical applications and data is crucial. As a matter of fact, over 50% of those surveyed reported that the pandemic has increased their company's likelihood of adopting cloud-based solutions.



TREND 2: GLOBAL STANDARDIZATION AND CENTRALIZED LABELING IS CRITICAL

Providing the Ability to Scale

Today's leaders understand that as they continue to expand their presence globally, it's important to have the flexibility to scale everything – including labeling – to meet new business requirements. Whether expanding into new regions, increasing print volumes, or manufacturing new products, companies must be able to extend labeling processes and enable all users to access accurate and consistent data to adhere to corporate standards. The focus, even when deploying solutions in a distributed fashion, is to continue to maintain the ability to leverage common data sources, content and configurations across the enterprise. This type of distributed approach is essential to handle the rigors of global infrastructures,

allowing companies to avoid outages and connectivity issues, while providing high availability, failover and disaster recovery capabilities. Standardizing on an Enterprise Labeling Solution enables companies



believe that standardizing and centralizing labeling would help to keep pace with business growth

to empower global locations, as well as external suppliers, vendors and partners to access and use standard and approved labels and data and easily scale labeling to support growth.



TREND 3

TIME TO MARKET IS MORE IMPORTANT THAN EVER

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...many businesses are looking to use a digital platform for labeling and artwork management that can eliminate delays and improve time to market.

The cost of getting products to market has never been higher and more unpredictable with the onset of the COVID-19 global pandemic. Supply chain disruptions and shifting product demand that we have all experienced are having a huge impact on existing business models. This results in increased competition and forces ever-faster turnaround times for new and existing products. Unfortunately, inefficient labeling and poorly organized approval processes for product packaging can cause significant delays. Along with that, increasing regulatory and customer mandates can have a substantial impact on a company's go-to-market and their bottom line. This results in companies today searching for new ways to optimize business processes and

improve supply chain agility. To combat this, many businesses are looking to use a digital platform for labeling and artwork



reported that the pressure to bring products to market has increased during the pandemic

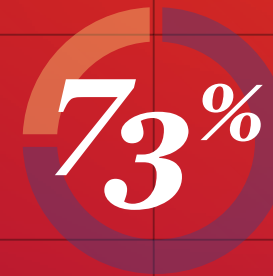
management that can eliminate delays and improve time to market and even offer a competitive edge. Being able to get new products to market and do it first could mean the difference between survival and bankruptcy, especially in the COVID era.

TREND 3: TIME TO MARKET IS MORE IMPORTANT THAN EVER

Gaining a Competitive Edge

Companies are recognizing the benefits of implementing a comprehensive labeling and packaging artwork solution which can meet their full scope of labeling requirements. This type of end-to-end solution, which eliminates middle layers, multiple steps and redundancies, enables companies to bring product to market and doing so quickly, efficiently and more competitively. This streamlined approach enables companies to address common requirements, content and challenges while reducing overlap, redundant costs and improving efficiencies and time to market so businesses can remain competitive. When you deploy a single, more holistic approach, companies can manage and source content, label formats, approval processes and workflows centrally. This guarantees accuracy and consistency, mitigates risk, increases agility, optimizes

costs and enables global expansion. This of course has become even more important as companies look to launch and move products faster while complying with regional and regulatory requirements.



think having a single solution for management and printing of both labels and packaging artwork would reduce time to market and provide a competitive edge

Businesses that understand the symmetry between these two spaces will see added productivity, as well as significant time and cost savings and will find themselves ahead of their competitors in meeting the evolving customer and regulatory demands that impact both labeling and packaging artwork.

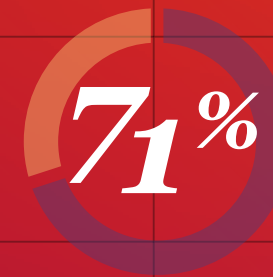


TREND 3: TIME TO MARKET IS MORE IMPORTANT THAN EVER

Streamlining Review and Approvals

Both labeling and product packaging face challenges around content review and approval as organizations look to streamline processes, and validation becomes increasingly important for companies in regulated industries. In short, organizations are being driven to do more with less and to do it faster. Using labor-intensive and error-prone manual processes, including the use of spreadsheets and routing of physical folders, adds time and risk to your product lifecycle. This is especially true when there are multiple teams involved and individuals are not completing their tasks on time. Also, poor communication can cause unnecessary revision cycles which both consume scarce resources and delay the readiness of labeling and packaging artwork. Not to mention when things don't go as planned, packaging reworks and

relabeling can be time consuming, costly and frustrating and ultimately cause delays in labeling. This makes it important to provide real-time, controlled access to the full range of stakeholders that participate



think having automated workflow and approval processes for labeling and artwork would shorten time to market

in a digital review and approval cycle - including external partners, suppliers, printers, regulatory and marketing teams, and so on. When you automate labeling and artwork management you move from manual to digital and are able to shorten lengthy approval cycles, while reducing costs and improving speed to market.



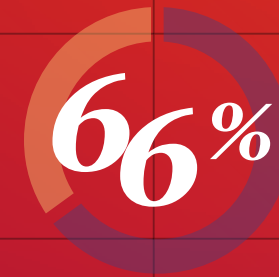
TREND 3: TIME TO MARKET IS MORE IMPORTANT THAN EVER

Rapid Label Change is Essential



Many companies are challenged by seemingly limitless label variations that are only compounded by customer, regional and regulatory requirements. This results in a proliferation of label templates which make implementing mass label changes a very difficult and time consuming task. Not surprisingly, 64% of those surveyed report that increasing customer and regulatory demands are impacting the time needed to manage label changes. Additionally, companies are putting more pressure on suppliers to adapt quickly to their own requirements, while new regulations around the globe evolve at a record pace. Without the ability to streamline label changes, companies are faced with missed delivery dates, hefty fines, lost revenues and dissatisfied customers. However, there are two primary ways to deal with these challenges. First is enabling rapid

change by enabling business users to make label changes so they don't need to wait for IT resources, and second is to leverage business logic that can deal with label variations without necessitating new labels



think allowing business users to manage mass label changes would improve your time to market

to be created for each scenario. This allows a myriad of different label combinations with a minimum number of label designs and the required administrative overhead.

TREND 4

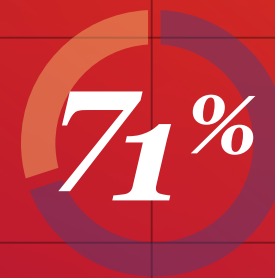
ASSESSING THE STRATEGIC ROLE OF LABELING



Companies...are looking for ways to control costs, maximize productivity...it has become clear that labeling is exactly the area where companies can make a measurable difference.

Today's forward-thinking companies understand that labeling is a strategic enabler for business and supply chain operations. With the advent of COVID-19, the need to review and understand the impact of labeling is becoming even more prevalent. It's now essential to assess labeling capabilities and create a roadmap for improvement, so that businesses may remain competitive and respond to new and changing conditions. Businesses are looking for ways to address evolving labeling requirements and scale their labeling across a global landscape. Most importantly, they are looking for ways to control costs, maximize productivity, enable growth and ensure

they run as efficiently as possible. It has become clear that labeling is exactly the area where companies can make a



believe labeling and packaging artwork is an area that can offer new efficiencies and cost savings

measurable difference and ensure return on investment as they chart a course for labeling improvement.

TREND 4: ASSESSING THE STRATEGIC ROLE OF LABELING

Addressing Cost Control

Cost cutting and operational savings have become even more important business strategies as companies look to survive the current economic climate brought on by the Coronavirus. Spending is scrutinized more than ever at the same time organizations are challenged to remain competitive and respond to new and changing conditions just to keep afloat. This makes prioritizing return on investment and ensuring that organizations run as efficiently as possible critical. Labeling is one important place where companies can make strides towards improving the bottom-line especially as it threads throughout a company's global operations and supply chain. With Enterprise Labeling and Artwork Management, businesses can

avoid delays and downtime, eliminate redundancies, reduce fines and waste and create a clear path to growth and improvement for business processes. Additional cost savings come from



reported that cost cutting and operational savings have become even more important during the COVID-19 pandemic

reduced template management and administration, while shared content reduces labor overhead on reviews/approvals.



TREND 4: ASSESSING THE STRATEGIC ROLE OF LABELING

Providing Insight for Measurable Improvement

Labeling and packaging artwork have a direct impact on production, supply chain investment and time to market. For that reason, it's important to have visibility throughout your entire end-to-end product packaging and labeling processes. It's critical to track, report and measure performance to identify any bottlenecks, issues and inefficiencies, which has led many companies to express the growing need for advanced analytics and reporting from their Enterprise Labeling and Artwork Management solutions. As a matter of fact, our recent survey revealed that although a majority of companies don't currently have Business Intelligence (BI) for labeling, over 62% of companies are interested in leveraging real-time analytics

and reporting to help drive improvements with labeling solutions. These companies understand that when users have access to advanced analytics they gain visibility into constantly changing and vital

62%

think it would be helpful to leverage real-time analytics and reporting to help drive improvements to their labeling process

information including labels, printers, label status, users and audit data. This drives improvements and enables new levels of efficiency with their labeling and artwork processes.

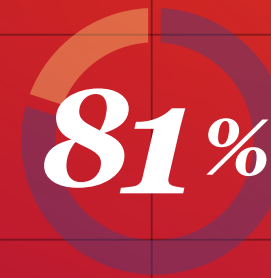


Creating a Framework for Labeling Success



A starting point for advancing labeling is to understand your capabilities and your potential areas for growth. Although, in the past, there hasn't been a **clear framework for assessing your labeling** to gauge progress and establish a roadmap for improvement. What's more, not all businesses have the same labeling demands and many do not progress at the same pace. However, all business do need to ensure that their labeling requirements are optimized for business and supply chain efficiency, as well as future growth. As a result, companies today are beginning to understand that it's important to create a framework for labeling success. Organizations can succeed in creating fully optimized labeling as part of their supply chain strategy by advancing maturity in a range of critical areas with fundamental capabilities such as standardization,

centralization, automation, integration, compliance and visibility & oversight. The first step in this journey is to understand your level of labeling maturity, and then, to chart a course for the highest level



think it's important to identify key steps for advancing labeling and supply chain optimization

that makes sense for your business. The **Enterprise Labeling Maturity Model** helps you do just that – providing a stage-based evaluation of labeling maturity - offering respective improvement measures to manage continuous improvement in Enterprise Labeling.



Get started on creating your labeling framework for success by **downloading the report to find out how.**



TRANSFORMING THE CUSTOMER EXPERIENCE



“Growth in e-commerce has changed what we sell, and how we package and deliver it to our customers – challenging the balance between cost and service.”

Apply 4 Practices to Optimize Supply Chain Packaging Costs in E-Commerce, John Blake, 11/11/20

Consumer behavior is changing at a rapid pace. This is due in part to the Coronavirus and the inevitable closing (whether permanent or temporary) of many brick and mortar stores. With this shift, many consumers are turning to online shopping and manufacturers are revising business models to sell direct to their customers, which can improve costs and turnaround on product delivery. This is all happening as customers continue to expect more attention, as well as more personalized products to meet their specific wants and needs. As a result, companies are using every advantage possible to enhance the customer experience and ultimately brand loyalty so they can increase revenue and

overall market share. This significant shift is not only influencing purchasing and sales but also how companies manage



of respondents reported seeing a demand for more personalized products that include customized packaging or labels

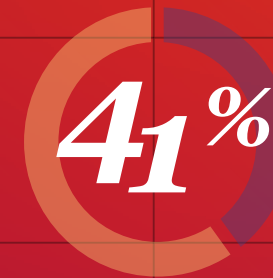
packaging and labeling, with a range of new opportunities for personalizing product, marketing to customers and offering consumers value added information.

TREND 5: TRANSFORMING THE CUSTOMER EXPERIENCE

Ecommerce Takes Hold

The onset of the COVID-19 global pandemic meant that many people were forced to stay at home – working remotely, ordering takeout and many, many more people shopping online. This of course had a direct impact on business and the global supply chain. Throughout the past year, as Ecommerce gained steam, many businesses were faced with reevaluating their distribution strategies. As a matter of fact, nearly one third of those surveyed reported that the pandemic had already influenced adoption of Ecommerce business models to meet distribution needs. Now even more companies are faced with getting products manufactured, packaged, shipped and delivered to meet the increasing demands brought on by the global pandemic. However, many of these online providers find themselves faced with new challenges in meeting customer

demand and managing the burgeoning supply chain. It's increasingly difficult to ensure accuracy and consistency so that labeling can keep pace with business operations and customer demand.



think it would be beneficial for the business to shift to an Ecommerce business model as a result of the pandemic

However, automating labeling and packaging artwork streamlines product packaging, label creation and updates.



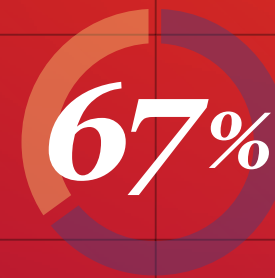
TREND 5: TRANSFORMING THE CUSTOMER EXPERIENCE

Shift Towards E-Labeling



Electronic labeling or E-labeling, which involves scanning a barcode to bring you to a webpage or mobile app with additional digital label information, is another example of how the customer experience is changing. E-labels allow consumers to get added information about the product, including how it was sourced and the journey it took through the supply chain. Removing the real estate limits of a physical label or document, these digital labels also provide significant benefits for companies, offering them a platform to engage directly with customers so they can run promotions and market to their audience. It also streamlines the process for developing, managing and distributing Instructions for Use (IFUs) by enabling electronic delivery as eIFUs. E-labeling also enables companies to make changes to content that is digitally available on the

fly without costly reprinting and product recalls. Ultimately, the digital approach helps companies minimize inventory, eliminate potential waste and reduce costs, leading more and more companies



believe implementing an E-labeling strategy would provide a range of benefits for customer experience

to explore the countless advantages E-labeling. As a matter of fact, when asked what they believe are the biggest benefits of electronic labeling 47% of respondents reported expanded product information, 37% reported flexibility around label content and 32% reported marketing opportunities.

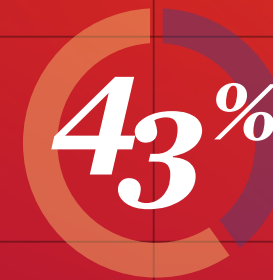
TREND 5: TRANSFORMING THE CUSTOMER EXPERIENCE

Enhancing Personalization



Another notable change when it comes to customer experience is the shift toward personalization. Consumers are beginning to expect more attention and more personalized products to meet their specific needs. This significant shift is not only influencing purchasing and sales but also how companies manage packaging and labeling. For instance, when asked about what they believe was the biggest challenge regarding customization, nearly 50% of respondents reported they were managing an increasing number of product variations. Managing this proliferation of product variants can be a difficult task. When it comes to managing this increasing level of product variation, companies are looking to streamline content management and incorporate a dynamic labeling approach with business

logic. This allows companies to have flexibility with artwork and labels to meet customer requirements quickly and efficiently and get to market ahead of their competition.



report that personalization is driving the customization of packaging and labeling

Ultimately, deploying a configurable, automated packaging and labeling solution enables companies to manage product variations and mass label changes to keep up with personalization demands.

Loftware is the global market leader in Enterprise Labeling and Artwork Management solutions with more than 5,000 customers in over 100 countries. Offering the industry's most comprehensive digital platform, with SaaS, cloud-based and on-premise solutions, Loftware redefines how enterprises create, manage and print complex labeling and packaging artwork and scale across their operations. Loftware solutions integrate with SAP®, Oracle® and other enterprise applications to produce mission-critical barcode labels, documents, RFID smart tags and packaging artwork. Our combined platform—whether for labeling, packaging artwork or both—enables customers to uniquely meet regulatory mandates, mitigate risk, reduce complexity, ensure traceability, improve time to market and optimize costs as they meet customer-specific, brand, regional and regulatory requirements with unprecedented speed and agility.



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