

FLEXIBLE INSIGHTS

TIPPING POINTS:

Driving Change Toward Flexible Packaging

For the flexible packaging market to continue to prosper, it will be important for our industry to have a constant outlook toward emerging trends and evolving market dynamics that may shape our future and continue to create forward momentum.

It is important for us to look globally as to what packaging solutions are working within various regions of the world in order for us to get a "snapshot" of what we may expect to see in our own backyard in coming years. After all, we are starting to see that the United States market is not quite as unique as we may like to think.

For decades, I have observed global packaging innovation that I was told would never succeed in the U.S. This was incorrect. They are not only succeeding, but flourishing in our market. The delay in implementation was not because these innovations didn't fit here, but we were not willing to implement them or change from more traditional method of packaging for a myriad of reasons.

Reluctance to change is probably one of the most difficult challenges for us all to overcome. However, given the right market drivers or economic factors, change can happen rapidly.

The Tipping Point: How Little Things Can Make a Big Difference, by Malcolm Gladwell, is a book that has inspired me to ponder how our

industry has been impacted to date, and how it may be dramatically influenced in the future by some new and evolving global dynamics.

I'm sure we can all think of many of the "big things" that have had a major influence or a dramatic impact on the growth of the flexible packaging business over the past 20 years. Some of these major "tipping points" included improved extrusion and laminating technologies, development of improved printing methodology, development of improved resins, barrier film, sealants and inks, etc.

The "big things" are easy, but what about the "little things" that sometimes are not so obvious, that have made a big impact on our industries growth? Things like reclosability, i.e. zippers, "sliders," spouts and fitments, and the consumer's demand for these features; and the gradual shift from paper to plastics. What about the move toward upright retail freezers driving the need for upright frozen food packaging — forcing a change from commodity to innovative value-added flexible packaging, and a shift in retail marketing, providing a diverse opportunity to present new value added products to the market through



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a proliferation of convenience stores, super markets, super centers and club store outlets.

Now what about the "tipping point" of the escalation and instability in gasoline pricing and what effect this will have in both the short and long term

regarding how we think about packaging.

The flexible packaging industry has promoted the benefits of flexible packaging relating to cost efficiencies and the logistical benefits of flexible versus rigid packaging, i.e. cost of transportation, handling, warehousing, etc. These arguments mainly fell onto deaf ears. However, the recent escalation of fuel prices has put a spotlight on many of these hidden cost factors that just weren't worth the effort to calculate. Well guess what? These costs are no longer being ignored by many consumer product companies who are just now starting to do the math. Today these costs, previously thought of as "intangible," are having a substantial ripple effect on the total cost structure of rigid packaging and may have a dramatic impact on the conversion from rigid to flexible for the first time in many years.

This single economic "tipping point" may be enough to cause a major "tumbling effect," which may have already begun, and once started there may be no turning back. Let's hope our industry is poised and ready to respond! ■

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