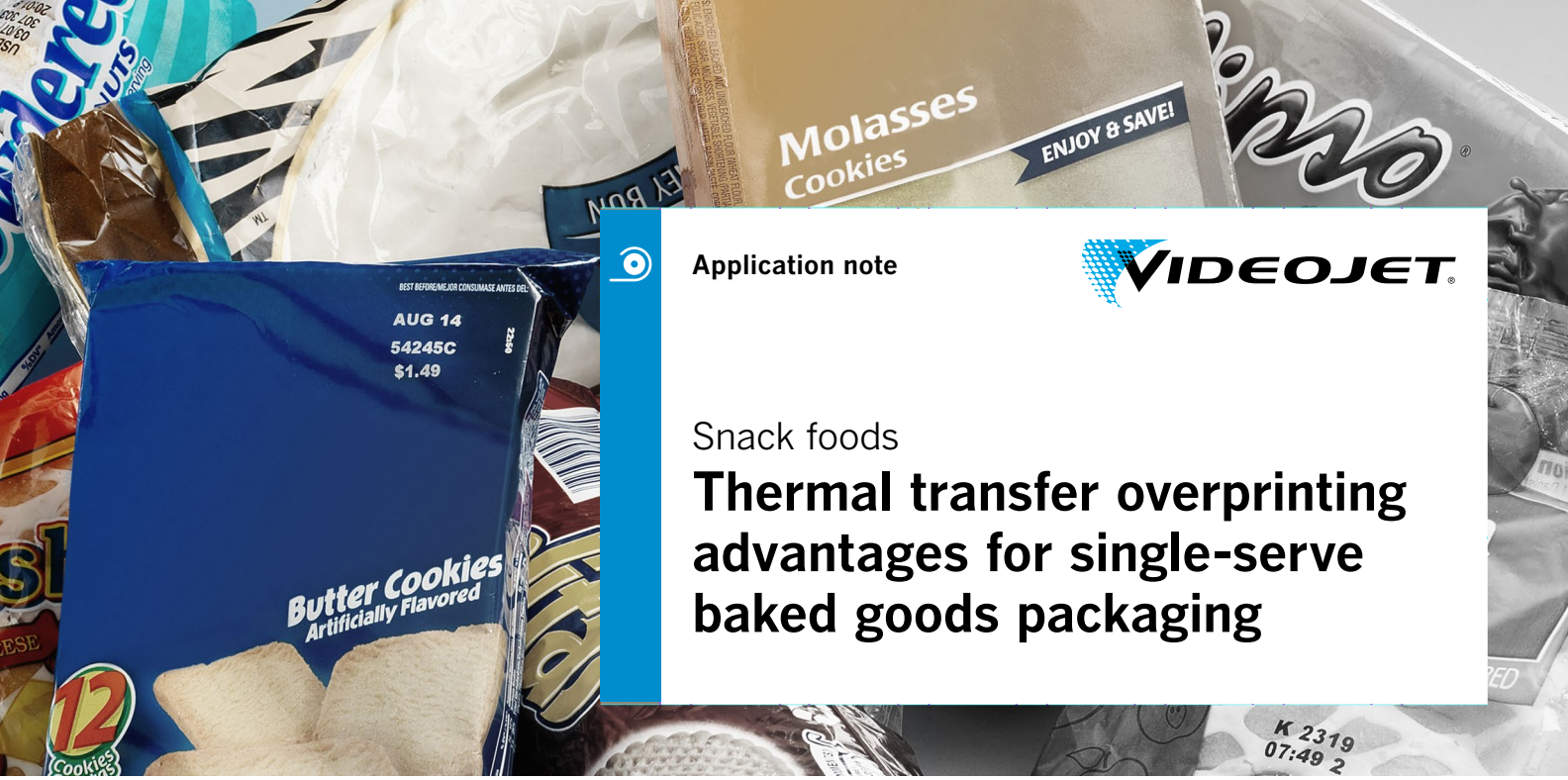


Application note

VIDEOJET

Snack foods

Thermal transfer overprinting advantages for single-serve baked goods packaging

Consumer preferences in the snack food market are moving away from bulk purchasing to single-serve and convenience packaging options. Along with this portion size change, producers are seeing an increase in demand for healthier snack alternatives and 'on-the-go' packaging options. These changes are also driving new requirements for marking and coding solutions for snack food producers.

The challenge:

The baked goods industry is a mature market that has been seeing lower growth rates in recent years, as this market suffers from a relatively poor image among consumers in regards to health. Sales growth in the baked good industry has been steady since 2008, up 2.5% year-over-year.* However, volumes have been declining, primarily due to health conscious consumers. Baked goods producers can increase growth and drive profitability by downsizing to smaller, single-serve packs which can deliver higher per unit profit. In order to take advantage of this opportunity, baked goods manufacturers need packaging that provides flexibility to meet various sizing requirements and coding solutions to match the varied packaging options.

Videojet advantage:

Many baked goods companies look to Videojet to provide innovative printing solutions for flexible packaging. One of the reasons is that Videojet products are backed by the industry's leading experts in Thermal Transfer Overprinting (TTO) technology. Videojet TTO printing solutions feature a patented clutchless ribbon drive that increases mechanical reliability, minimizes unplanned downtime and maximizes ribbon efficiency. A simple software setting can retract the thermal transfer printhead up to 4.5mm, helping to ensure that virtually all resealable pouches can be easily coded with high resolution text and images.

In addition, Videojet works directly with most major OEMs to integrate printers seamlessly into existing lines. They also can provide integration support backed by a team of highly trained and experienced technicians around the world.

**Packaged Facts, Packaged Sweet Baked Snacks and Desserts: US Market Trends,; Dec 11, 2015*

Trends in the baked goods industry

Shifting market and flexible packaging

By 2019, the US sweet baked snacks and desert market will be over $23B. Dollar sales have grown by a CAGR of over 4% since 2010, however, much of that has been driven by higher prices.* Growth in this market can come from driving the use of smaller sizes and single-serve portions that fulfill the indulgence factor for consumers as well as providing 'on-the-go' snacking options for portion control.

Data shows that approximately 40% of adults swap out meals for snacks throughout the day.* These are healthy snacks, however, and not junk food. But consumers do want to indulge every now and then, and when they do, they tend to reach for a healthier version of their favorite snack. Cookies remain the preferential treat of choice with almost three quarters of US households eating them.

Serving and portion controls are consumer trends in today's baked goods industry. The value customer who buys larger package sizes to reduce the per piece cost is disappearing. As a result, baked goods are becoming less of a purchasing driver when shoppers visit club stores. However, downsizing has not been maximized in the baked goods industry, particularly with respect to shelf-stable cookies that continue to trend in bulk. Shelf-stable products dominate the baked goods market, representing 88.2% of total sales.*

Packaging is a key element for baked goods products, and manufacturers need to keep this in mind when designing a products' package. Not only does the packaging have to protect the delicate product inside, but it must attract the consumer's eye immediately and win out over other products on the store shelf.

Flexible packaging tends to be lightweight and convenient, and innovations such as stand-up pouches, cut-out windows and re-sealable bags provide features that consumers are looking for in baked goods. Flexible packages can be designed with barrier properties tailored to fit the product that is being packaged – an important feature as retailers are asking for products to have increased shelf-life. Use of flexible packaging can also minimize transportation costs between the converter, packer, retailer and end-user. Flexible packages are typically lighter in weight and take up less space than other packaging options such as tins or boxes.

**Packaged Facts, Packaged Sweet Baked Snacks and Desserts: US Market Trends; Dec. 11, 2015*

Coding with TTO

Thermal transfer overprinting is the ideal coding solution for flexible packaging such as pouches, as it is designed to print high-quality codes on flat, thin, flexible films. Printing on roll stock before pouches are formed allows the printed film to be formed into different pouch types such as zipper, 4-sided, gusseted, stand- up and other pouch variations.

Being able to use zippers, fitments, gussets and package seals are some of the benefits of using pouches. However, all present unique challenges for thermal transfer printing in the packaging line, especially if they are already part of the package before they are printed. Videojet has custom brackets available for pouching machines, including bespoke traversing system for rotary pouch fillers, to allow printing before pouches are filled.

By using a simple software setting, users can benefit from a printhead that retracts between 0.5mm and 4.5mm, helping to ensure that virtually all resealable pouch types can be coded without any interference to the various seals.

Because pouches can help prolong the shelf-life of perishable goods, many pouch machines are located in a washdown environment. The Videojet IP DataFlex® printer offers an IP65 rated printer body that can go from printing to washdown with a simple cassette change in just a few seconds with no special enclosure required.

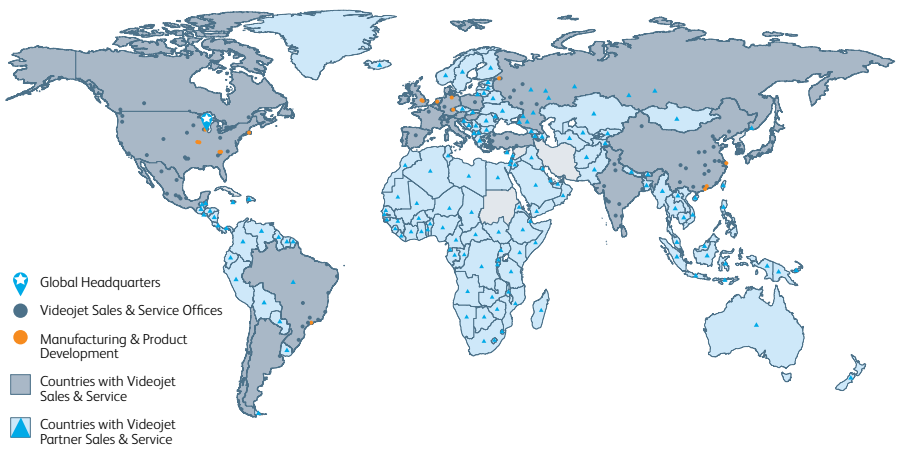
An additional coding requirement for many flexible packaging producers is the need to print ingredient information. Legislation in many countries requires that specific ingredients are highlighted on the pack to assist consumers who have allergies make educated buying decisions. TTO is capable of wide format, on-demand printing of fine text for nutritional, ingredient, country of origin and allergen statements. This helps to ensure that producers can meet the minimum labeling requirements of the food industry globally, and also reduces the number of pre-printed packaging film SKUs held in stock.

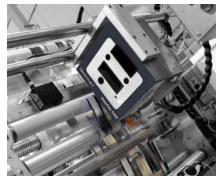
Peace of mind comes as standard

Videojet Technologies is a world-leader in the product identification market, providing in-line printing, coding, and marking products, application specific fluids, and product life cycle services.

Our goal is to partner with our customers in the consumer packaged goods, pharmaceutical, and industrial goods industries to improve their productivity, to protect and grow their brands, and to stay ahead of industry trends and regulations. With our customer application experts and technology leadership in Continuous Inkjet (CIJ), Thermal Inkjet (TIJ), Laser Marking, Thermal Transfer Overprinting (TTO), case coding and labeling, and wide array printing, Videojet has more than 325,000 printers installed worldwide.

Our customers rely on Videojet products to print on over ten billion products daily. Customer sales, application, service and training support is provided by direct operations with over 3,000 team members in 26 countries worldwide. In addition, Videojet's distribution network includes more than 400 distributors and OEMs, serving 135 countries.





The bottom line

Baked goods companies can position themselves for profitability growth by utilizing different packaging techniques. It is critical to implement a coding technology that is as flexible as the packaging being used. Videojet has a variety of solutions and we stand ready to help you maximize profits and productivity.

Let Videojet help you select the solution that can best meet your production objectives and product performance needs.

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