

Corrugated Packaging ● Global Scenario - Indian Perspective

Presented by

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Topics

- Packaging – A View
- Changes in Indian Corrugated Scenario.
- Micro Flutes
- Point of Purchase Displays (POP).
- New Trends in Packaging for the next decade.

Packaging – A View

- **Around the globe** – A simple process called Packaging is a central function in the *Conveyance, Protection & Transportation* of goods to the point of ultimate consumption.
- **In ancient times** – The Primary function of Packages was *Containment*, e.g water bag made of animal skin.

Packaging – A View

- **Today** – the Packaging for a product is expected to, not only to contain the product but also to protect the contents from the physical forces encountered during distribution, including shock & vibration.
- **Finally** – The Package must perform these functions economically and with minimal impact on the Environment.

Packaging – A View

- **The requirement** for any Package must begin with the need of the Consumers.
- **Consumer's** requirement will drive the physical form, the design of the package and the materials used, to effect that design.

Packaging – A View

- **Finally**, the distribution requirements of ever increasing distances between product manufacturer and the end consumer means the product spends more time exposed to a variety of environmental, physical and biological agents, all with the ability to impart harmful effects on the package and product.

Packaging – A View

● **Use of Good Quality Corrugated Boxes.**

- If the Corrugated Boxes cannot stand up to transportation hazards, no form of decoration can compensate for resulting product damage.

● **Presentation of the Product.**

- An important feature of Corrugated Box- Appearance- its capacity to present the product attractively for retail sale.

Changes in Indian Corrugated Scenario

- In the last decade (1996 – 2006)
 - The average number of single facers per company has increased from 1.2 to 2.69
 - Average production per day per single facer has increased from 1387 to 2724 Kgs.

Changes in Indian Corrugated Scenario

- In the last decade (1996 – 2006)
 - The consumption of 7 ply boxes has reduced from 29% to 11%.
 - The consumption of 3 and 5 ply boxes has increased from 58% to 86%

Changes in Indian Corrugated Scenario

- In the last decade (1996 – 2006)
 - A significant growth in consumption of paper above 150 GSM.
 - A significant growth in consumption of paper above 20 BF. We see more and more usage of 28 and 35 BF.

Changes in Indian Corrugated Scenario

- In the last decade there is a significant growth in consumption of Corrugated Box in –
 - Process Food Industry
 - Fresh Fruits and Vegetables Packing.
 - Electronic Industry.
 - Consumer Durables.

Changes in Indian Corrugated Scenario

- What does this indicate for Indian Corrugated scenario –
 - More Automatic 5 ply Corrugator Lines.
 - More Post Print Operations - high quality graphics.
 - Installation of large Format Multi Color Flexo Printer, Slotter & Rotary Die Cutters.

Micro Flutes

- World wide Environmental Pressures have fuelled the concept of light weighting packaging materials.
- There is an increasing trend in use of E, F, N, and G flutes corrugated cartons in decorative market.

Micro Flutes

- The end user markets like toys, consumer durables, electronic, confectionery, software, automotive parts, wine, spirits which were traditionally using 320 to 500 GSM coated board are now being made with 70/70/70 to 112/115/112 GSM micro flute corrugated board.

Micro Flutes

- In the last 5 years, dedicated E and F flute installations have grown from 29 to over 100 in US.
- There are 32 installations in Europe dedicated to produce single and double wall corrugated board grades utilizing 'F' flute.

Micro Flutes

- Micro flute and its future as a carton-board replacement over the next five years is enormous. India becoming global player in Pharma and Process Food Industry, will have impact on the Indian Corrugated Packaging scenario.

Point of Purchase Displays (POP)

- Malls and Super markets are growing.
- Wal-Mart looking at India.
- Reliance decides to enter in Retail Marketing segment.
- Get ready for Point of Purchase Displays.
- Large Format Printers.
- Large Format Die Cutters.

New Trends in Packaging for the next decade.

Key Points

- Thinking ahead is crucial to business success.
- Failure to do so will result in companies being overtaken by events and their competitors.
- Companies which look to the future and attempt to plot the course of change may still get it wrong – it happens every where !
- But they would be better placed than others to respond quickly and effectively to new change.

Key Points

- Major trends likely to affect the Packaging Industry over the next decade, are as follows;
 - Electronic Business Processing.
 - Supply Chain Management.
 - Convenience Packaging.
 - Marketability
 - The Environment
 - Other demands- Freshness, Tamper Evidence, Labeling.

Electronic Business Processing.

- It will eventually link the entire supply chain - raw material suppliers, packaging manufacturers, packaging users, retailers and consumers.
- Will effectively "shorten" the supply chain.
- From the time the consumer makes a purchase, the speed with which information flows back through the supply chain - ultimately to the raw material producer - will result in more effective strategic planning.

Electronic Business Processing.

- This could change the nature of the production system to one where rather than "pushing" goods onto the system, they are ordered and produced by companies in response to a specific demand or precise forecast requirement.
- Effective utilization of electronic processes such as digital artwork will foster a more integrated approach for packaging from concept through to the final product in the supply chain management.

Supply Chain Management.

- At every point in the supply chain, costs are added.
- Supply chain strategic alliances will become more widespread.
- The present relationship between the manufacturers and users of packaging will change from a mere suppliers & a buyer of Packaging materials, to that of value partners and this will contribute substantially to the value chain.
- Working together on packaging innovation and design, identifying changes in market trends, etc.

Supply Chain Management.

- The commercial advantages of working together are likely to be far greater than the gains to be made by the more traditional approaches.
- These advantages are:
 - An improved level of service to customers
 - Better supplier performance as relationships become closer
 - Reduced Inventory Costs
 - Quicker responses and shorter lead times

Convenience Packaging.

- Convenience packaging goes beyond the essential purpose of preserving and protecting the product.
- Consumers want conveniently packaged products that can be quickly opened.
- For retailers, convenience packaging is often also utilized as a dispenser, making the product easier to display.
- POP also serves as shipping container

Marketability

- Packaging sells products.
- Lifestyle changes, greater product differentiation, competitive pressures - will put an even greater premium on the enhanced looks, sales appeal and quality of retail packaging.
- There will be an increasing demand for higher quality graphics and promotional links between graphics and advertising.

The Environment

- The Environment will remain a major issue for the Packaging Industry.
- Issues involving recycling, reducing the amount of solid waste source reduction, will remain on the agenda of all governments.
- The driving forces are threefold - the consumer awareness, commercial interests and government legislation.
- Getting the economics "right" is the key ingredient of a successful Packaging Environment Policy.

Other demands- Freshness, Tamper Evidence, Labeling.

- **Freshness** - While consumers want convenience, they also want freshness. Modified Atmosphere Packaging - that preserves shelf-life and maintains freshness.
- **Tamper Evidence** - The demand for tamper evident packaging will increase.
- **Labeling** - The demands on labels to provide information will increase.

CONCLUSION

- It is imperative that the Corrugated Packaging Industry take serious note of the points raised in the presentation and keep pace with the sweeping changes taking place around us.
- Thank You