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HOW CREATIVE FLEXIBLE PACKAGING CAN HELP PRIVATE LABEL BRANDS BOOST MARKET SHARE

Retailers continue to refine their private label strategies with packaging playing an increasingly significant role. The latest retail package designs deliver more impact on every level with smart differentiating design appeal, high quality construction, and consumer-preferred functionality. In some cases, environmental benefits of the packaging are also highlighted.

Private label brands are one of the most lucrative and challenging areas of growth in contract packaging. Anecdotal evidence indicates that private label's share of total production at some U.S. contract packaging facilities has grown by double-digits in recent years. One contract packager, for example, reports that its retail brand production has skyrocketed from 2% to 20% over the past seven years.

Between 2006 and 2009, according to Information Resources, Inc., the market share for private label products in the U.S. increased in nearly three out of four product categories within personal care, household goods and food and beverage. In total, private label in the U.S. now accounts for more than 20% of grocery store sales and 18% of superstore sales.

Recent industry data also shows that private label is growing not only in dollar volume, but also in terms of consumer perception. This is especially true of retail brand consumer products that come in flexible packaging, which are aggressively competing side-by-side against their name brand counterparts. How? By improving the packaging both graphically and structurally, shifting to formats like stand-up pouches, and incorporating spouts, slider zippers, and other features available through contract packagers.

Over 90% of consumers believe private label brands offer the same or better value compared to name brands, and more than 80% believe the quality is the same or better. The opportunity for private label marketers is to capitalize on this favorable sentiment, and entice consumers to expand their private label purchase behavior beyond those categories they are already buying.

LPS Industries stands ready to help private label marketers accomplish this by offering new packaging features such as the Easy Lock® closure, a patented new closure system for flexible packaging unlike any other available. Constructed of food grade polyethylene, it replaces the traditional zipper with a system of micro hooks that is simple to use, reliable and delivers the next level of customer convenience.

The unique Easy Lock design delivers dependable, consistent performance while differentiating a wide variety of consumer products at point of sale, building brand loyalty. Compared to a traditional zipper closure, it is intuitive to use, closing with light pressure and minimal alignment, making it easy for consumers of any age to use. Having no channels to clog makes it especially effective for small grains and powders. Other suggested applications include prepared and frozen foods, beverage mixes, cheese, dried fruits, nuts, cereal, granola and snack foods, coffee and tea as well as pet foods and treats.

A brand attribute with significant and ongoing resonance for consumers is environmental consciousness. For that reason, and as a matter of corporate citizenship, more retailers are taking the environment into account as they design, or redesign, private-label packaging.

According to Adhesives Age magazine, 25% of all consumer goods today are contained in flexible-packaging materials, which are replacing traditional folding cartons, boxes and fiberboard cases and trays. Flexible packaging, however, often requires the use of laminates to achieve desired properties such as moisture and oxygen barrier, heat sealability, and printability. Unfortunately, the solvents in the adhesives used to produce these laminates can often cause environmental problems. LPS Industries makes extensive use of solventless adhesives and is currently testing even newer environmentally-friendly adhesives that hold high hopes for the future.



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About LPS Industries

LPS Industries was founded in 1959 by John M. Robinson as a converter of military specification barrier materials. Today, under the direction of Madeleine D. Robinson, CEO, LPS Industries is a diversified manufacturer and leader in the flexible packaging industry, providing packaging solutions for a diverse range of markets, including medical, food, transportation, electronics and agricultural. LPS Industries is an ISO 9001:2008 registered company and a woman owned and operated enterprise. For more information on the company's products and services, please visit www.lpsind.com.