

## TARGETING NEW MARKETS

# Finding the Hottest Flexible Packaging & Labeling Opportunities

**F**lexible packaging is a ubiquitous product, offering cost-effective protection and merchandising to a broad range of products. As with any materials, opportunities change often with consumer trends and technology.

At Keymark Associates, we have combed our extensive database of custom and multi-client studies to identify the fastest-growing markets over the next few years. Some of the top growth markets have been very visible – others will surprise you.

### Wrapping Red Meat for Case-Ready

In the late 1990s, converters, equipment makers and meat packers raced to supply Wal-Mart Super Centers with beef, pork, lamb and veal in hermetically sealed, gas-flushed barrier trays. Now that Wal-Mart has virtually totally converted, growth has slowed somewhat, yet plenty of opportunity remains. Case-ready packages now number 2.6 billion, up dramatically from 780 million in 1997. But it's a far cry from the potential of 9 billion red meat packages. Current flexible packaging sales of \$123.5 million are expected to grow 19 percent annually.

Wal-Mart has specified a package that requires high barrier films for clear anti-fog lidding and laminating to rigid tray materials. But many other retailers want to

stay with the familiar overwrapped foam tray. But the overwrap film must be upgraded to stronger, machineable versions to gain the efficiency of centralized production and withstand distribution abuse.



Keith

### Retort Pouches: Not Just for MREs

Made famous in the Gulf War, retort pouches now are being used for much more than MREs (meals ready-to-eat). Nearly 2 billion pouches are now sold in the United States and Canada. Pet food is by far the leading application with brands such as Whiskas, Pedigree and others. Even private labels for leading retailers are using the pouch.

Tuna has also become a major retort pouch user. But since the product is processed overseas, pouches are also made offshore. Rice and other side dishes are also growing fast. Entrees are also expected to begin using pouches to help propel \$110.4 million in flexible packaging sales to 18 percent growth.

Most pouches use foil for a barrier, laminated to a polypropylene sealant and oriented nylon and polyester films for strength. The new rice pouches are leading the usage of clear aluminum oxide (AlOx) and silicon oxide (SiOx) films or even newer clear barrier materials such as Kureha's Besela.

### Shrink Labels Continue to Grow

Few packages have the merchandising impact of a colorful full-body shrink label on a uniquely shaped bottle. It drove double-digit growth in single-serve milk and made Arizona a major contender in the ready-to-drink tea market.

It has become popular for many products – including ready-to-drink coffee, creamers, drinkable yogurt, sports drinks, handheld snack cups, sauces and many more. The success in attracting shopper attention has generated \$335.8 million in sales, projected to continue growing 12 percent annually.

Nearly all full body labels are reverse-printed. Most are monolayer, except oriented polypropylene (OPP) wraparound films, which are usually laminated. Polyvinyl chloride (PVC) is the dominant material and continues to grow, despite environmental concerns in some quarters.

### More Growth Markets

This is just a glimpse of the many attractive opportunities available to flexible packaging converters. In my next column, I'll address hot markets like stand-up pouches, frozen pizza, medical packaging, agricultural chemicals and foodservice pouches. ■

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