

# The Corrugated news

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### Imprint

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Pictures: FEFCO, VDW, Seeberger

## Dear readers,

At every stage of the delivery chain it is more favourable to use corrugated board boxes than reusable plastic crates to transport fruit and vegetables serving the same purpose. This observation was confirmed in our issue of "The Corrugated News # 1". We reported on a study which examined how apples, Germany's most important fruit, are delivered to outlets throughout the country. The ecological advantages of corrugated board are well documented as well. In 2004, for example, a Swiss study showed that corrugated board is the better alternative when transporting produce over distances up to approximately 200 km – regardless of the system used for calculating costs. The facts speak for themselves.

Nevertheless, some lobbyists are not impressed by reality when it comes to their marketing activities. Based on a study which was commissioned in 2007, the German "Stiftung Initiative Mehrweg" (SIM), which encourages the implementation of multiple-use systems, claims that using returnable plastic crates is up to four times more economical than corrugated board packaging. Wow! Why then hasn't corrugated board long since disappeared from the market? Why is it the No 1 transport packaging material? The study further claims that there are several reasons why corrugated board is ecologically inferior to plastic, one of them is because 80 percent of used corrugated board is burned. Wrong again!



Angelika Christ

✓ FEFCO  
Secretary General

As any experienced user of corrugated board will tell you, 80 percent of the product is recycled, even more in the specific market for fruit and vegetables. Retailers like Carrefour report on almost 100%!

These are just two of the many questionable claims made by this marketing campaign. A German court has since ruled that this type of public misinformation is not permissible and has put a stop to these and similar activities. SIM had committed itself that it would no longer use such misguided claims for marketing purposes. And a judge assessed its activities to be advertising "disguised scientifically". In my opinion, researchers who are involved in studying how and why corrugated board is used should at least know that retailers are happy to sell their used boxes to generate additional revenue – which of course is welcomed.

If you come across a similarly incredible story about corrugated board, we would like you to share it with us. The best thing you can do, however, is to get reliable information in the first place. ...May we suggest, for example, that you read "The Corrugated News"?

Yours sincerely,

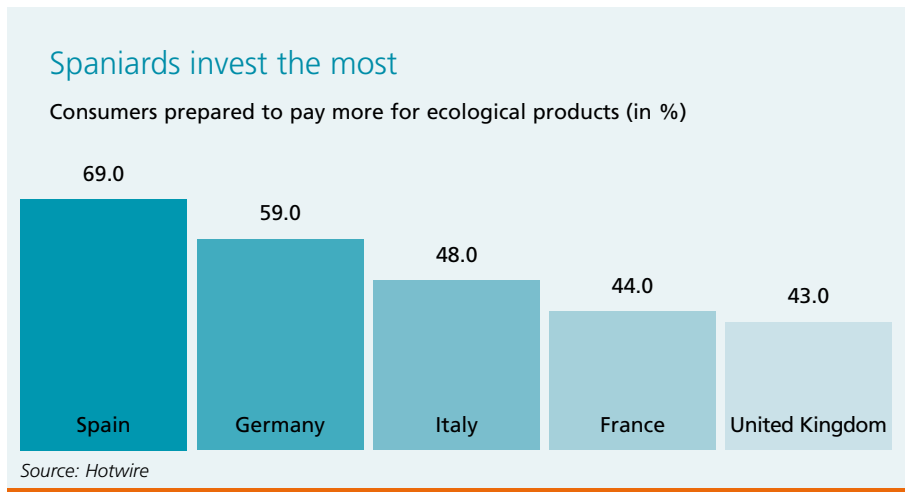
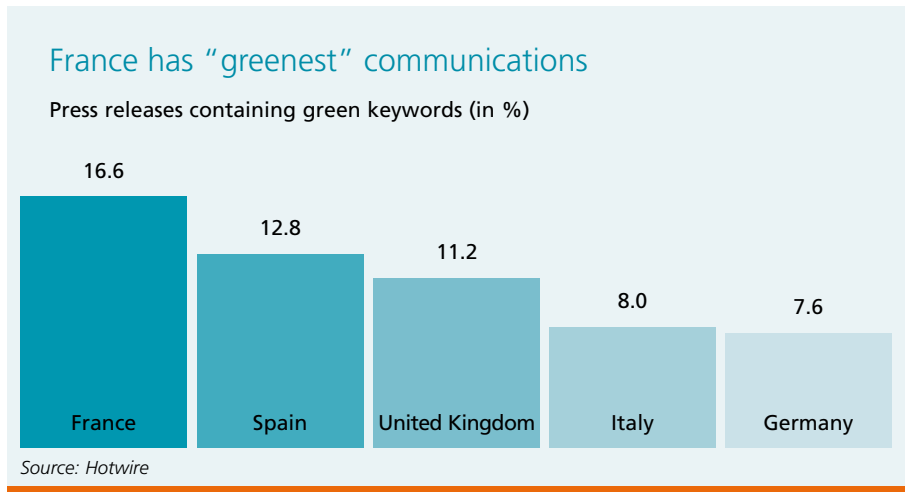
Angelika Christ

## Sustainability as a sales argument

### Packaging made of corrugated board is the driver to satisfy consumer demands for environmental compatibility

How times have changed! Twenty years ago, the Marketing Director of the British retailer B&Q, the largest DIY chain in Europe, had to confess that he couldn't give any information about the origin of the raw materials that were used to make the wood products B&Q sold. Since then, the company has done its homework. According to some 1,600 consumers who were questioned in a survey published February, 2008, in London's The Times, B&Q has the best eco-image among major British retail chains. The Times concluded that "B&Q has won the minds and souls of environmentally conscious consumers."

What was simply embarrassing twenty years ago would send stocks plummeting today. Terms such as "bio," "organic," and "fair trade" are "in" – as well they should be – and represent product groups which for years have enjoyed the highest growth rates. Today, product sustainability is a major sales argument. Consumers want to be sure that the products they purchase aren't detrimental to the environment. As a result, packaging is examined far more frequently and closely than one might assume. In our day and age, "bio packaging" is often as important to the customer as the products it contains.



And that's good news for corrugated board. Because it is made from natural materials, it has natural advantages. Its organic ingredients – paper and starch-based glue – make it an environment-friendly product. Corrugated board is completely recyclable. In Europe, 82 per-

cent of corrugated board is composed of recycled materials. These facts are good news for retailers whose products are purchased by a wide range of environmentally conscious consumers.

### A high willingness to buy

But how important is sustainability really for the market participants? In different European markets, the theme has different meanings. This was made clear in a recent study conducted by the German agency Hotwire (see box). It showed that sustainability for French companies is twice as important as it is for companies in Italy and Germany. French eco-commitment wanes, however, when it comes to the number of consumers in France who are willing to finance the added costs. When asked if they were willing to pay more for an ecologically safe product than for a similar "conventional" product, only 44 % of the people surveyed answered "yes." Only the British, with 43 % answering "yes," are less willing to pay the increased price. The Spanish (with 69 %) are the most willing to purchase eco-products – followed by the Germans (59 %) and the Italians (48 %).

If one considers only the retail sector in Europe, an interesting number of consumer attitudes become evident. In Britain and France, where the willingness to pay more for organic products is at its lowest, retail communications are "greener" than in other European countries. In Germany, where the same willingness is second only to Spain, companies use ecological benefits less frequently to sell their products. Why is this? According to the study's authors, the typically critical German consumers first want to see convincing facts. They

don't want to be "green-washed" into believing marketing assumptions that aren't backed up with facts.

### Retail has recognised the potential

European trade groups are responding to the consumers' desire for relevant information. Let's take a second look at Britain. TESCO, the country's largest supermarket chain, just announced that it will mark 20 of its own brands with a "carbon footprint label". Thus, during a two-year test period, consumers will be able to learn just how much CO<sub>2</sub> a particular product generates throughout its life cycle – from production to disposal.

As so often, American markets have gone yet a step further. Wal-Mart, the world's largest trading company, has recognised the potential of using packaging as an eco-selling point. Therefore, as part of its sustainability initiative, it has created a so-called Wal-Mart Packaging Scorecard. The market leader has

set some ambitious objectives and is willing to invest in ways to satisfy its consumers' expectations. Wal-Mart is planning to increase costs in order to increase its usage of environmentally friendly packaging. This is a clear sign that the European trend to sustainability is being taken seriously in Bentonville, Arkansas, too.

## European-wide study on sustainability

Over a three-month period in the autumn of 2007, Hotwire evaluated communication activities in Britain, France, Germany, Italy, and Spain for the five top companies of the segments retail, finance, technology, telecommunications, industrial / automotive, and energy.

During the survey, Hotwire interviewed 100 consumers per country about their buying habits with respect to the ecological products they purchased.





### Interview with Karl Scheck

- ✓ Head of Materials Procurement, Seeberger KG
- ✓ Member of the Board of the Donau/ Iller/ Riss Regional Section of the BME (the German association for inventory management, purchasing and logistics)

## “Corrugated board scores points with consumers”

Bio, sustainability and fair trade, but also convenience and quality – those are the buzz words among consumers right now. The Corrugated News talked to Karl Scheck, head of the Materials Procurement department at Seeberger KG in Ulm, Germany, where he is also responsible for packaging development, on how the brand-name company is responding to current consumer trends and the contribution which corrugated packaging can make in this respect.

- ✓ Consumers are increasingly demanding ecologically compatible packaging. Can the use of corrugated packaging help the manufacturers of brand-name articles meet this consumer requirement?

Corrugated board is made from renewable raw materials and is completely recyclable – which gives it a decisive

advantage compared with other forms of packaging. I think that when it comes to environmental compatibility, corrugated board is the first thing that consumers think of nowadays. At Seeberger, ecological considerations have always played a major role in packaging development, and that's why we attach the utmost importance to corrugated board. After all, supermarket customers expect our high-grade untreated foodstuffs – which can bear comparison with any organically farmed products – to be packaged appropriately.

- ✓ For consumers, saving money is no longer the sole criterion – they are rediscovering the importance of quality. To what extent is brand-identity in packaging design important? And what role does corrugated board play here?

Ultimately, cheap is always the more expensive option! That's what more and more people are coming to realise. Our success is based on consistently high product quality, and that is something which the packaging on supermarket shelves must also convey. This is a field where corrugated board manufacturers help us to get better and better – for instance thanks to technological innovations which leave us full scope for every possible way of designing and printing the packaging.

- ✓ Bargain-hunting is out, people want shopping to be fun once again, they want it to be an enjoyable experience. Do you use corrugated board to respond to this trend?

Right now, for instance with our “Janosch Kids Packaging” campaign, we

are addressing a new group of consumers and want to attract them to our Seeberger shelf. For this – working in cooperation with our partners from the corrugated board industry – we have developed corrugated board displays which heighten the enjoyment of shopping. Children influence the shopping habits of their parents – that is a well-known fact and one we are making use of. It's interesting to note that others have already started copying us!

- ✓ It is not just consumers who demand convenience – the retail trade also wants things to be easy and efficient and is calling for shelf-ready packaging. How do you assess this demand?

With our corrugated board shelf tray, which we've already been using successfully for years, we fully meet this demand. In developing it, we took

the requirements of the entire logistics chain into account. A time-and-motion study shows that thanks to the ease of handling, the retail trade achieves a cost saving of 3 cents per tray. These days, the major retail companies demand this kind of shelf-ready packaging from their suppliers. We're proud that we were trailblazers in this respect.

- ✓ So you believe that corrugated board has all the prerequisites for meeting the strict requirements of brand-name manufacturers and retailers?

Corrugated board offers such a broad spectrum of advantages that it can easily meet any requirements with regard to design, functionality and efficiency. At Seeberger, we put all of our trust in it, because intelligent corrugated packaging solutions not only give us a competitive edge, they also generate

measurable benefits. I'm convinced that if corrugated board didn't exist already, it would have to be invented!



## Whether flexo or offset: Printed corrugated board stimulates sales

Crunchy apples, juicy tomatoes, luscious kiwis – sometimes our mouth starts watering even while we're still shopping! One thing this depends on, though, is that the foodstuffs are on sale in attractively designed packaging, such as high-quality printed corrugated board. An appealing colourful appearance and branded design encourage shoppers to stop and buy – and thus stimulate sales. How can fruit and vegetable producers, the packaging industry and the retailers benefit from this effect? Quite simply by relying on the modern printing technology of corrugated board manufacturers and their packaging development know-how.

Corrugated board is a complex, high-tech product. The Corrugated News would like to highlight the technological performance factors. We take a look at the principles of printing on corrugated board. Read on to find out how

the corrugated board industry achieves such impressive printing results.

### Persuasive printing

Flexographic (flexo) and offset printing are the two standard methods for printing on corrugated board. Flexo printing takes two forms: postprint and preprint. With postprint, finished corrugated board formats are printed with inline machines, dies with print units or in separate printing presses. With flexo preprint, the paper which will later serve as linerboard for the corrugated board is printed in advance. With offset printing, paper sheets are first printed and then laminated (e.g. glued) onto the corrugated board.

### Technical innovation ensures high quality

Both offset and flexographic printing make it easy for colours to work their magic and permit the use of fine screen

rulings. And both methods enable brilliant images in up to eight colours to be realised on the surface of the corrugated board. In the field of packaging, flexo printing has earned itself a dominant position in the market – the quality it produces on corrugated board packagings is brilliant. With offset printing, the results achieved on micro, extra-fine and mini-flute boards are especially high grade, with even the finest lettering being very easy to read. This method is used by industry and retailers particularly with thin varieties of corrugated board, but can also be applied with coarser board.

To sum up: whether flexographic or offset printing is used, whether it's preprint or postprint – in high-quality printed corrugated packaging, apples look crunchy and tomatoes look juicy.

## Printed corrugated board packaging

- / Appetizer
- / Sales promotion
- / Brand builder



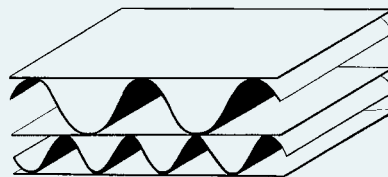
## The background

### Beneath the surface: The different types of corrugated board

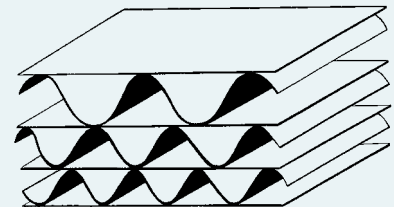
Printed surfaces catch the consumer's eye. But is the beauty only skin deep? Hardly! Basically, corrugated board consists of rolls of flat and fluted paper bonded together. The flutes or fluting can be produced in various dimensions, from coarse and medium to extra fine and micro-flute. There are no international standards governing the heights of the various flute profiles and in Europe these differ from country to country.



✓ Single wall corrugated board



✓ Double wall corrugated board



✓ Triple wall corrugated board

The classification of corrugated board types, on the other hand, applies everywhere:

- ✓ Single wall corrugated board consists of a single layer of corrugated paper glued between two layers of paper.
- ✓ Double wall corrugated board consists of two layers of corrugated

paper that are glued using a shared layer of paper in the middle and separate layers of paper on the exterior surfaces.

- ✓ Triple wall corrugated board consists of three layers of corrugated paper that are glued using shared layers of paper in the middle and separate layers of paper on the exterior surfaces.

## "Retail fruit and vegetables" – on-line information for retailers

FEFCO now uses a website to inform European retailers and fruit & vegetables producers about the advantages of corrugated board packaging in the logistics' sector for fruit and vegetables. Since the end of April 2008, this specially developed website ([retail.fefco.org](http://retail.fefco.org)) has been informing experts

on the advantages of the #1 transport-packaging material.

Here, for example, "Retail fruit and vegetables" clearly explains why corrugated board is absolutely essential for an efficient supply-chain management program. The site also provides the lat-

est downloadable FEFCO publications on fruit and vegetable logistics: the brochure "The 7 rules of efficient packaging" and the first edition of "The Corrugated News". Of course we will continue to update the website – repeat visitors are welcome.



"Corrugated board as a marketing tool continues to increase in importance": The results of the 3rd St. Gallen Retail Conference

When it comes to promotions in the European trading sector, there is no substitute for corrugated board as a valuable marketing tool. This is the key finding of the 3rd St. Gallen Retail Conference that was held on January 22, 2008, in Switzerland. International representatives from industry, commerce, and science gathered to discuss how to successfully address and retain customers.

Retailers want packaging that sells

"For us, packaging is a very important selling tool," says Jörg Brun, Head of Marketing in the food sector of the

Swiss Migros Coop Federation. As part of a panel of experts, he presented Migros products with multi-colour printed corrugated board boxes. The importance of the printing is also stressed by Beat Schelling, Chairman of the Board of the Swiss Lande- Langenbach Group: "We are convinced that printed corrugated board packaging – unlike multiple-use plastic containers – provide a much stronger positioning advantage for consumer products at the point of sale."

Gerd Becker, General Manager of the METRO Cash & Carry International GmbH,

underlines their importance: "In our type of business, cash & carry wholesale, disposable transport packaging plays a special role. We expect optimum use of the available shelf space, minimum handling costs, and the best possible use of transport facilities." As Thomas Gissler-Weber, manager of a German corrugated board company emphasizes, this places high demands on the packaging one uses. The presentation, in particular, must provide convincing marketing support: "After all, packaging is the last selling opportunity before a purchasing decision is made."

Corrugated board provides an added value

"Without packaging, neither an attractive product presentation nor a marketing profile is possible," says Jens Lönneker, Managing Director at the German Rheingold Institute for Qualitative Market and Media Research. With this in mind, corrugated board packaging is assuming an ever more important role. Because it can be printed and individually designed, it provides an added "emotional value". According to Lönneker, customers appreciate that.

CORRIE THE BOX

BY Skydog

TRAVEL TALKS

