

LABELS PROVIDE OPPORTUNITIES that will leave distributors salivating for more. Steve Brocker, vice president of sales and marketing, Western States Envelope and Label, Butler, Wis., suggested that even a simple stroll down the aisle of any food specialty store should inspire distributors.

“Peruse any shop with marinades, sauces and salad dressings,” he said. “You’ll see a lot of business for gourmet items that is attainable for independent distributors.” Here, the key word is “gourmet.” In the label world where short-runs and custom designs seem to be the trend, the smaller quantities and unique flavors of gourmet products are a good fit.

A Custom Trend

Short-runs and custom labels are popular in the industry right now. Brocker reported this is certainly true at Western States Envelope & Label where a digital four-color label press with laser die-cutting capabilities is utilized. “This press uses a laser instead of dies, which allows for short-run work,” he explained. “Lasers can cut labels into any shape, whereas dies made to cut these shapes can be costly.”

Steve Porter, general manager, Synergy Label—A Printegra Company, Smyrna, Ga., added that along with short-run printing is the trend of customers wanting fast turnaround times on orders. “A competitive turnaround is 10 days or less,” he said. Porter also reported seeing demand for labels with more color and finer detail in their graphics, whether process work or spot color. “Basically, we are seeing a decline in impact-printed labels and a shift toward non-impact-printed labels, which include laser, thermal transfer and direct thermal products.”

Cohesive Ideas

While it may seem obvious enough to figure out where such labels can be sold, Porter said sometimes the most obvious opportunities are overlooked. “We were providing shipping labels that were applied to boxes for a company that produced and shipped candles,” he said. “Upon a visit to the client’s warehouse, we opened up one of the boxes and realized we could also be providing labels for every one of the hundred or so candles inside each box.” The moral of the story—there may be a bigger opportunity for label sales directly related to a label sale already acquired. “Look at the existing customer base and pick out those that are making things,” he added. “If they are making something, they usually need labels for it.”



Lick Label Business

Discover the “what,” “where” and “how” of labelsales

By Sharon R. Cole

For specific ideas, Porter recommended researching food and beverage companies introducing a new line, or visiting home-improvement stores and picking out regional products.

"You won't get anywhere with Proctor & Gamble, but you'll see a lot of knockoffs that are good possibilities for business," he said. "Look at household chemicals and choose companies that package them in five-gallon pails or 55-gallon drums because those are the companies you want to target."

Brocker agreed that distributors should target smaller, regional companies

producing smaller quantities, which is why he suggested approaching businesses producing gourmet sauces and marinades. He pulled out a report indicating hot products for labels and read off these other ideas: candles, wine, soaps, lotions, makeup, candy and specialty coffee.

Labels 101

After distributors determine who they want to sell to, the next step is to develop a selling strategy. Both Brocker and Porter recommended learning the basics. "But distributors don't have to know everything," said Porter. "They can use spec sheets as a cheat sheet to

help themselves along."

Even with that, Brocker and Porter suggested asking pertinent questions that will ensure distributors provide the right label, and one of high quality.

For example, what is the life-expectancy of the product once applied? Will the product be stored in a warehouse before reaching the retail store? And, what is the condition of the environment where the product will be displayed? "Answers to these questions will determine the type of adhesive and substrate needed," said Brocker. "Another question that can be easily forgotten is whether or not the end-user needs color-fastness on the label. If the label will be exposed to direct sunlight, colors will fade without the fastness." Porter also recommended finding out basic information such as if it is a sheet label or roll label the customer requires.

In addition, he stressed the importance of distributors finding out why they are getting a job, especially from a prospective client that has put them off for a long time. "Why is that customer suddenly seeking your business?" he asked. "Something must have happened with the previous provider, and distributors want to make sure they don't make that same mistake."

The Money Roll

When it comes to making money in the label business, Brocker said good margins are earned in custom sales. "With custom labels, distributors are working harder to develop the best product and they are letting customers know they are interested in their business overall," said Brocker. "A relationship is formed, and the value of that is high."

He added, margins are also decent for standard labels sold out of catalogs, but they are not as high as those received with custom jobs.

Porter agreed. "Understand what the customer needs and bring high value to the game and distributors can expect 30 percent to 50 percent margins on a custom label sale," he said.

"And, remember that performance is critical," Brocker concluded. "Most customers are loyal to their distributors as long as the labels do what they are supposed to do. If distributors do their due diligence up front, they have a good chance of repeat business."

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