

Enhancing Brand Distinction: Leveraging the Benefits of Pressure Sensitive Labels

April 2024



Agenda

Part 1 *By Avery Dennison (30 min)*

- About Avery Dennison
- Journey to premiumization
- Leveraging the benefits of PS labels
- Elevate brand image with premium materials
- Elevate consumer engagement with special effects
- Embellishments for extra uniqueness
- Current vs future decoration

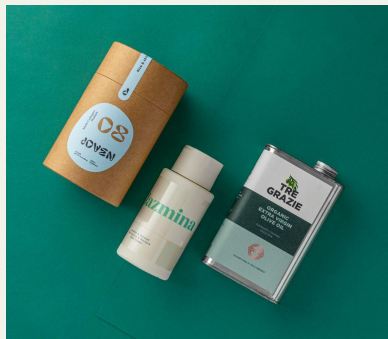
Part 2 *By HP Indigo (30 min)*

- Trends and marketing updates on packaging
- Harnessing HP Indigo digital print and PS label technology to drive innovative marketing
- Successful cases using PS labels and digital print

About Avery Dennison

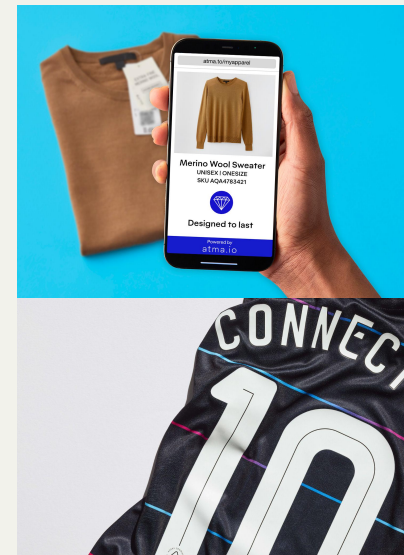
A global science and digital identification solutions company that provides branding and information labeling solutions and functional materials for a wide range of industries

Headquarters Mentor, Ohio, USA	Employees worldwide ~36,000	Operations in more than 50 countries
Sales in 2023 \$8.4 billion		Fortune rank as of the end of 2023 421



Materials Group \$5.8 bil.

- Label materials (LPM)
- Graphic and reflective materials
- Functional materials (e.g., tapes⁽²⁾)

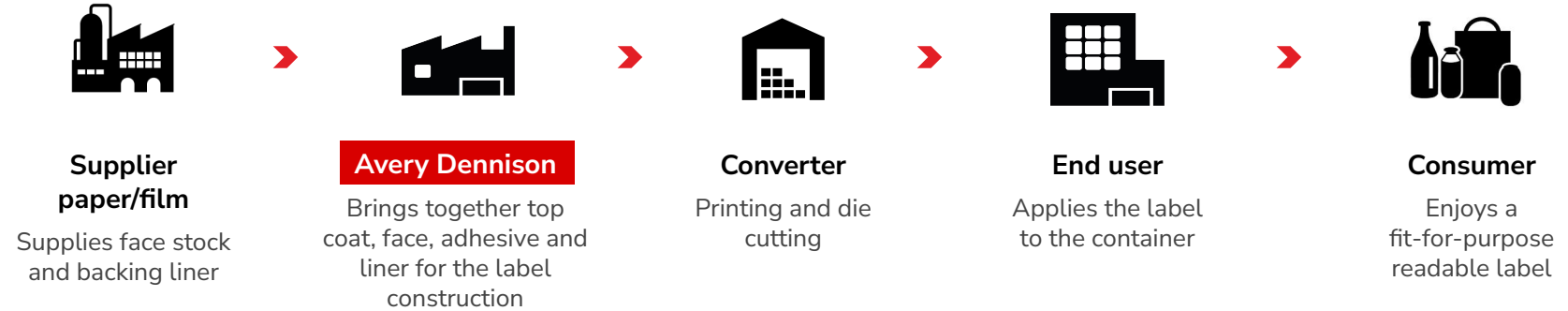


Solutions Group \$2.6 bil.

- RFID solutions
- Branded tag and embellishment solutions
- Data management and identification solutions
- Pricing and productivity solutions

Avery Dennison's Role in the Value Chain

Value chain



Basic label construction

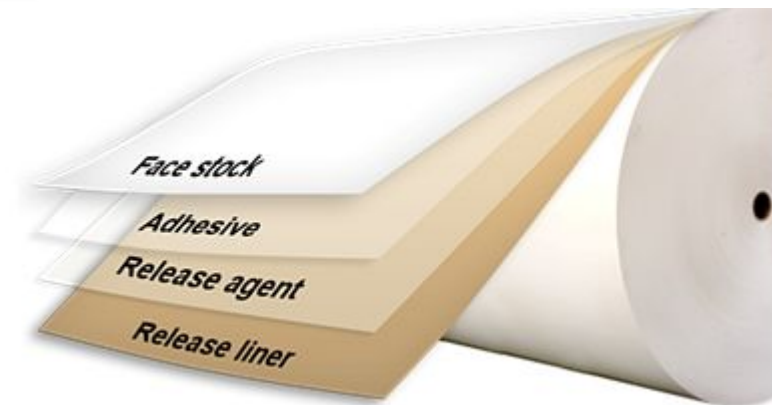
Top Coat

Face stock: Paper, Film or Foil

Adhesive: Emulsion, Hot Melt or Solvent

Release Coating Silicone

Release Liner: Paper or Film



Journey to premiumization: Trends and insights



Premiumization for Brand Owners

“Across not just India but also South East Asia. We are seeing that people are increasingly willing to pay more for **better quality products**, leading to the rise of the premiumization trend.”

- Kartikeya Sharma, Regional President, AB InBev

“We have also Identified the **premiumization as a core part of our growth strategy** - here we don't mean premium is luxury, premium is defined for us as product price 20% and more above midpoint pricing in category”

- Francois-Xavier Roger, CFO, Nestle

“Urban growth continued to outpace rural across many industries and premium segments are doing better than mass”

“**Premium portfolio continues to lead growth for us**, growing at more than 2.5 of the mass portfolio”

“Premium product are those with the relative price index greater than 120% the category average”

- Rohit Jawa, CEO, Hindustan Lever



What is Premiumization?



Premiumization is adding value to a product.

Premiumization enhances consumer perception, increasing their willingness to pay more for products or services.

Value encompasses quality, convenience, authenticity, novelty, and the consumer experience.

Consumers invest more in what they value.
A product/service is seen as premium when it enhances key aspects of their lives.



Uniqueness



Premium packaging



Health



Safety & security



Time-saving



Organisation & efficiency

What are the driving factors for premiumization?

Shifting economic power

Growing middle-class, especially in developing markets, increasingly sophisticated consumer tastes

Generation change

A new generation **Gen Z** who are more independent, **Uniqueness** has become key drive, willing to pay more a premium products that highlight their individuality



Key factors
driving
premiumization

Technology

Internet and smartphone technologies became more affordable, emerging social media and e-commerce platforms.

Economic Power: ASEAN countries growing in middle class earners

ASEAN economy expects **growth of 4.4% by 2028 from the expanding middle class increased.**

50 million new under-35 consumers will boost ASEAN's middle class, **driving GDP growth.**

The middle class values **education, rights awareness, organization**, embraces new **experiences and opportunities.**

	Project GDP per Capita in 2028	Projected % increase 2023 -2028
Brunei	\$41,124	17%
Cambodia	\$2,630	39%
Indonesia	\$7,073	41%
Laos	\$2,189	18%
Malaysia	\$17,971	34%
Myanmar	\$1,491	26%
Philippines	\$5,375	38%
Singapore	\$110,841	22%
Thailand	\$10,895	33%
Vietnam	\$6,962	56%

Generation Change: Today's Gen Z are different

Context



Multiple realities
Social network
Digital natives

Behaviour



Undefined ID
Communaholic
Dialoguer
Realistic

Consumption

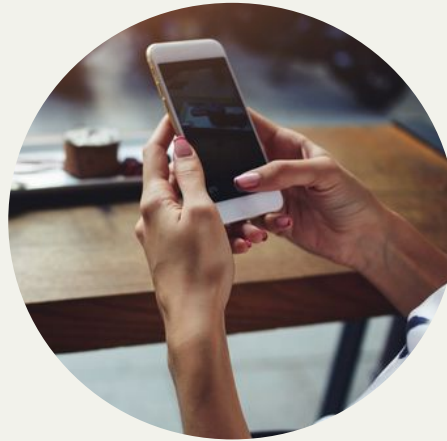


Uniqueness
Unlimited
Ethical

Technology : Internet and smartphones drive sales of premium products and services via online channels



Store-based
Shopping
-0.1%



Mobile
E-commerce
+43%



Cross-border
E-commerce
+18%

Developed markets embraced **digitalization** early. As **mobile tech** became more affordable, consumers gained better **access to product info, more choices, and premium goods**. However, a key challenge persists: the requirement for **product knowledge and tech acceptance**.

Premiumization trends across ASEAN countries



Thailand

Brick-and-mortar stores hold strong in retail alongside e-commerce growth. Manufacturers, even smaller brands, **focus on boosting visibility**. Soft drink prices set to rise due to input costs and health trends, allowing **rebranding as premium for better margins**.



Philippines

Alcoholic drinks premiumization trend reemerged in 2022 post-COVID, with **demand for premium alcohol** picking up. Consumer openness to new drink experiences driving innovation in the sector.



Malaysia

Consumers prefer value-for-money deals, leading companies to **prioritize product value over price cuts**. Brand owners strive to increase sales and **brand awareness**.



Indonesia

Tirta Fresindo Jaya saw the biggest market share growth in 2023. They **boosted the "Le Minerale" brand with new packaging** and improved product availability in multiple channels.



Vietnam

As the economy recovers, major industry players are expected to focus on **meeting the growing demand for high-quality products**, intensifying market competition.

Leveraging the benefits of pressure sensitive labels



Benefits of pressure-sensitive labels



Shelf Impact

Ability to cost-effectively achieve a premium look

Support various decorating



Versatility

Wide range of label materials

Materials suited for various container types



Functionality

On-product promotions and marketing

Supports various purposes




Operational Efficiency

High-speed labeling, less waste, more accurate

Increased machine uptime

Brand Distinction through PSL




PREMIUMISATION

Orange Juice
125ml

Cranberry Juice
125ml

Kiwi + Apple Smoothie
125ml

Special material
Special printing
Embellishment



CONSUMER ENGAGEMENT

Pop-up labels
Functional Labels
Smart labels



SUSTAINABILITY

Glass recycling solutions
Plastic recycling solutions
Responsibly sourced materials
Thinner/lighter materials

**Elevate brand
image with
premium materials**



Wet Strength Paper

Latest PS wet strength paper allows for embossing and foil stamping

- Resistant to water and moisture
- Ensures label doesn't break down in cold and wet conditions
- No label graying
- Wash-off — glass recycling solution — available



Clear on Clear Film

- Provides a “No Label” look
- Allows more visibility of content
- Available in PP, PET, PO film materials
- Thin film and recycled content available
- Wash-off film — glass recycling solution — available
- CleakFlake — PET , HDPE recycling solution — available



Metalized Label

Capture the premium look of a metalized paper with high build creating simulate embossing.

- Extra tactile effect
- Supports various print technology



Holographic Labels

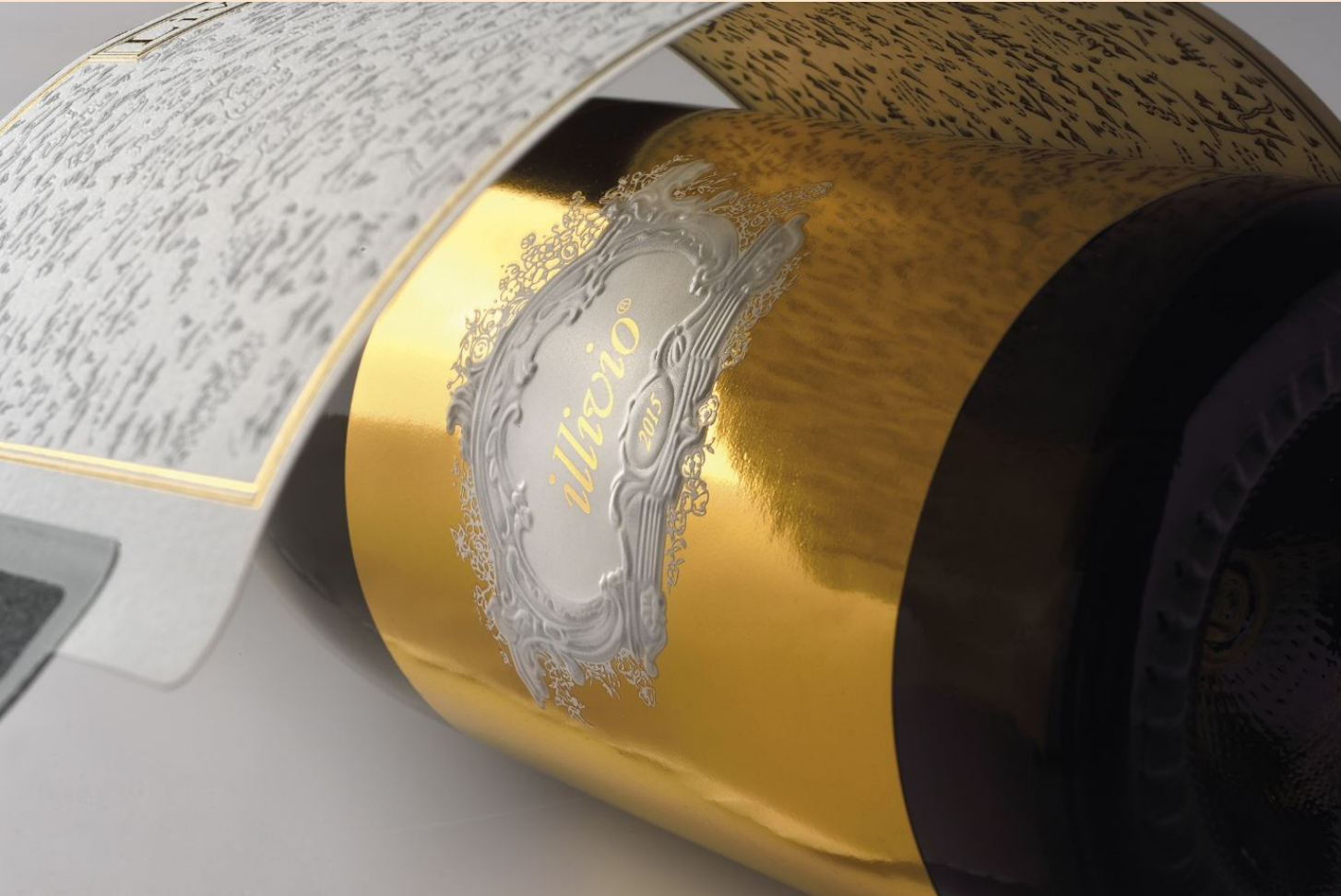


Premium product differentiation, special offers and promotional campaigns

- Dynamic shifting pattern
- Conversion-friendly paper laminates



Metal material



Capture the unique look of a metal label with high embossing.

- Elegant and stylish
- Extra tactile effect

Textured Premium Paper



Textured paper and patterns create new experience.

- Adds a unique touch (literally!)
- High-end, tactile appearance



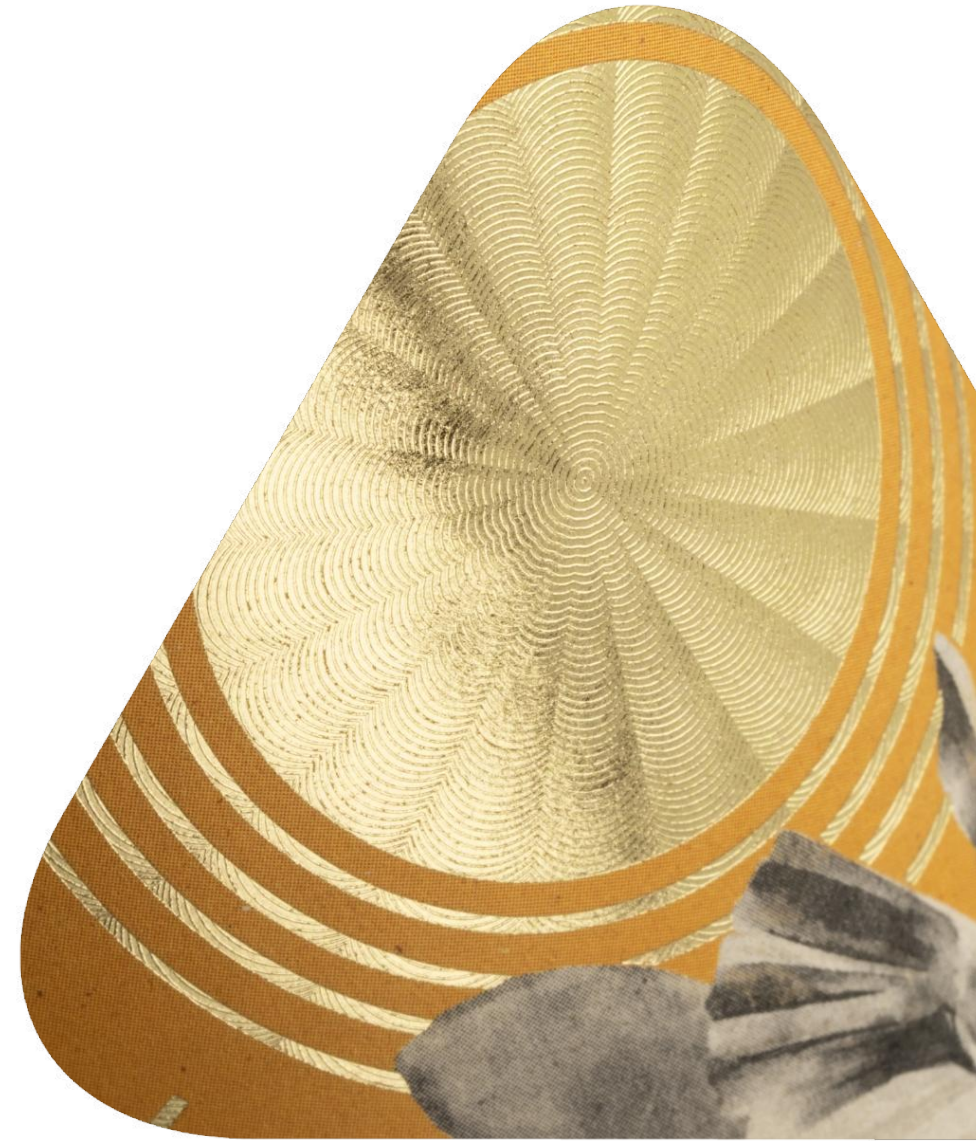
Wood Feel

Super-premium with a natural look & feel

- High-end, ultra premium look
- Elegant, tactile experience



Elevate consumer engagement with special effects



Thermochromic ink



Color changes in different temperatures

- Creative brand differentiation
- Consumer interaction
- Informative label



Photochromic ink



Color changes under sunlight

- Creative brand differentiation
- Way to interact with customers
- Marketing Campaign & Promotion summer

Glow-in-the-dark ink

Color will shine in Dark room

- Memorable, one-of-a-kind look
- Customer engagement
- Shelf differentiation



Metallic ink



Add an extra level of layer to your packaging.

- Comes in a wide variety of colors
- Adds another dimension of shimmer to your label
- Indicates a premium product
- More economical solution than foil stamping



High Build with Silkscreen

Add a third dimension to your label with the use of tactile high-build screens

- Add opacity to the print
- 3D feel on the print
- Highlight certain colors/parts
- Texture



Embellishments for extra uniqueness



Double Side Print

Backside print is visible from the front

- Provides extra canvas
- 3D effect
- An effective way to use the clarity of the bottle



Matt & Gloss, Spot Varnish



2 different varnishes
create a good contrast

Adds a different
dimension to the design

Simple premium looks

Embossing



Create another layer on the label as high as the paper thickness will allow.

- Tactile element
- Perceived luxury
- High-end, premium look



Unique Die Cut Shape

Cut outs remove a piece of the label to reveal the packaging underneath.

- Unique design options
- Shelf differentiation
- Tactile effect between label and bottle



Foil Stamping

More eye-catching way to achieve maximum impact from metallic elements on your label

- High-end look
- Endless options when combined with other embellishments (i.e. emboss)



Lamination



Laminates come in both glossy and matte finishes

- Glossy and Matte surface
- Product protection from scratched off
- Waterproof protection



Peelable

A multi-layered label that contains a special message to consumer

- Extended Content
- Maximized promotional space
- Communicates both on shelf and post purchase
- Enhancing consumer engagement



Multi-layer

Add necessary regulatory information to your label.



Flag label



A canvas for added promotion opportunity and uniqueness

- Grab consumer attention on the shelf
- An option to elevate class



Product Bundling Label

Common in HPC and F&B marketing for added value and convenience

Eco-friendly bundling option, reduces plastic waste versus bags or shrink film

- Sustainable - Cuts plastic use by 75% vs. standard PE bags
- Robust - Strong adhesive for secure packaging in handling and transit
- Clean - Adhesives for residue-free long-term removal (test for application)
- Premium - Clear, white, and metallic films for elegant designs boosting product's visual appeal



Current vs future decoration



The big picture

Switching from Standard Packaging to Premium Packaging



- ✓ Materials Cost
Conversion Cost
- ✓ Application Energy Saving
Operation Efficiency
Application Downtime
- ✓ Sustainability
Better Shelf Impact
Potential Market Share Gain
- ✓ Advantage Service from AD™
TAC Modelling, Knowledge center, Technical Service

Choosing a decoration technology involves more than material costs. It requires considering various factors to meet consumer expectations and boost brand awareness.

Premiumization creates product differentiation, shelf impact and a memorable experience.

Future-ready **sustainable packaging** technology will provide a competitive advantage.

Thank you



**AVERY
DENNISON**