On-Demand Color Labeling: A Surefire Way To Cut Costs

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Color labels are not a new phenomenon. Manufacturers have long understood the value that can come from incorporating color into their label designs. From branding and marketing support to product identification, the opportunities that color can provide are seemingly limitless. Color offers the ability to create a visually appealing design that is also highly functional. Marketing research indicates that over 80% of visual information is related to color. Color provides operational benefits and conveys information to the user, while also reinforcing brand identity.[1]

How Can Color Enhance Your Labels?

Color can help provide additional levels of visual communication by enabling the inclusion of bold safety warnings that catch attention and draw the eye to critical information. Consumers also increasingly rely on color-coding, with over 60% requesting this type of packaging to help identify preferred brands and product varieties.[2] An increase in industry standards and government regulations that specifically require the use of color has made this issue more prominent for many manufacturers. The Global Harmonized System of Classification and Labeling of Chemicals (GHS) is one such standard. This system requires the inclusion of specific pictograms, rendered in color, to help classify hazardous materials. The associated Hazard Communication Standard (HCS) has been modified to adopt the GHS, and the Occupational Safety and Health Administration (OSHA) estimates that these revisions will result in nearly $800 million in savings for manufacturers. The revisions will also generate significant reductions in workplace injuries, illnesses and fatalities – another estimated $250 million in savings per year.[3]

Industry standards and government regulations are increasingly leveraging color to classify hazardous materials, to the tune of $800 million in savings for manufacturers.

Color-coding can also be used to support internal and external processes. Standards for printers are high as retailers seek packaging with brighter colors and sharper graphics to stand out on the shelf.[4] For example, color can be used to distinguish between different models or part sizes. Some retailers require this type of product labeling, but it can also be useful as part of an internal process. Color can aid in the accurate handling and selection of packaged products by providing specific information without adding excessive text to the label. This type of feature also aids in traceability, promotes safety and increases operational efficiency through consistent marking.

[1] http://www.colormatters.com/color-and-marketing/color-and-trademarks
[2] http://www.foodprocessing.com/industrynews/2009/150.html
[3] https://www.osha.gov/dsg/hazcom/hazcom-faq.html
[4] http://www.consolidatedlabel.com/blog/2013/1/3/custom-label-trends-in-2013/

However, introducing color into label designs can bring about additional challenges. Many organizations leverage a two-step labeling process, which involves the development of a preprinted label that includes "static" information, and then printing variable data on this template. This method is very inflexible – the static elements that are included in the preprinted template can change, and this leaves you with outdated, incorrect label stock that must be replaced. You also run the risk of depleting your preprinted stock and facing a delay in getting a new shipment. This can cause significant production delays if the lag time is great, and also adds additional complexity to your inventory management processes.

2-STEP PROCESS:

The number of departments that are involved in the creation and development of the final design can also complicate the labeling process. In many organizations, the labeling design process begins with the product development team. Packaging and label design can also involve product managers, who have a different set of priorities. Marketing may also assist with incorporating branding elements into the label design – but they might also have additional labeling projects of their own that require smaller runs. When so many different roles are involved in the labeling process, the risk of errors and inefficiency increases. This is when it becomes critical to utilize a solution that aids with enterprise-wide version control and design management.

Batch, off-site preprinted labeling requires a precise forecasting methodology to ensure that the right label stock is available in the right amount at the right time. While this method might be more cost-effective because of breaks achieved by printing large runs, you also run the risk of obsolescence if any of the pre-printed data changes before the stock is depleted. If you are ordering large amounts of label stock, you must also consider the costs of storing, tracking and transporting these materials for use.

The Benefits of On-Demand Color Labeling

On-demand, on-premise labeling ensures that your label designs are always fresh and contain the most current, accurate data. While the cost per label might be higher, the total cost is typically lower than a two-step label because of the reduction in storage and transportation expenses, along with the reduction in wasted stock. In the U.S. label market, over half of all print jobs are short runs of 50,000 or less. Using on-demand labeling technology can reduce total labeling costs by up to 50%, by eliminating inventory of pre-printed label stock and waste.[5] You are able to buy blank media and print the required label on an as-needed basis. When using pre-printed labels, there is an increased risk of errors due to printing on the incorrect stock. On-demand labeling allows designers to create a single file that incorporates all of the required elements, eliminating the risk of a mismatch. It is important to make a thorough assessment of your printer and media options when calculating your total labeling costs – the additional cost of printing color labels on-demand can be negligible.[6]

With on-demand color labeling, your organization can improve accuracy, increase efficiency and eliminate waste – reducing labeling costs by up to 50%.

[5] http://www.businesswire.com/news/home/20130923005241/en/Epson-Introduces-Demand-Color-Labeling-Technology-PACK
[6] http://colorlabelsondemand.blogspot.com/2013/02/thermal-transfer-vs-color-inkjet.html

On-demand color labeling also offers process improvements by allowing your team to respond quickly to changes in product information and design. By simply placing a picture of the product on the label, many businesses have experienced sharp declines in the amount of misplaced or incorrectly picked inventory, along with a boost in sales. Labels generated using this method are more attractive and professional in appearance, as the print quality is consistent throughout the design. Because consumers are becoming more visual, photos and illustrations can aid in making buying decisions.

Color-coding and other process-related design enhancements help reduce errors as the product moves through the supply chain – internal departments, distributors, retailers and suppliers can leverage the visual elements of the label design, along with the text-based information, to improve accuracy and accelerate the process.

Creating the Optimal Color Labeling Solution

Because incorporating color into your label designs can create additional complexity for your business, it is important to consider your business requirements before you select the software, hardware and media to support your process.

When you are defining your color labeling process, it is important to know how you plan to handle the complexities of advanced layouts and editing. To do this, you must first understand your production environment and warehousing configuration, along with your specific labeling requirements so that you can choose the right tools for the job. Many organizations choose to work with a vendor who can help them analyze their current setup and pain points and find the ideal solution. Be sure to keep in mind any regulations or mandates that impact your label designs – you want to be sure that the software, hardware and media can meet these requirements.

The first step is selecting label design software. A best-in-class software provider will provide multiple versions that can accommodate different requirements. You should be able to select a version that offers the specific capabilities you need, with the ability to upgrade to a more advanced edition as your needs change. For example, as your labeling process becomes more complex due to an expanded product offering or more detailed government regulations, you might need to implement a software application that can handle version control, integration with your business software and other advanced management options. It is also important to thoroughly review your label design process and revisit the role each department plays at each stage. This will help determine whether an approval process should be implemented and, if so, how the software can enforce it.

When selecting a label printer, it is important to consider print quality and speed to ensure that the final result meets your specifications and aligns with your production pace and business demands. You must also consider your requirements for label stock to ensure that the printer you choose will be able to print on that material using an ink type that will withstand the environment. For example, pigment ink can create a durable image that can stand up to alcohol, acetone and other chemicals. Be sure to consider how your labels are applied and used, so you can choose the right media and a printer that can provide the best results. You should also consider the label delivery methods of the printer. By choosing a printer that can deliver one label at a time, you can increase the flexibility of your design and printing process. It is also critical to select a printer that can fully integrate with your chosen software. Be sure your chosen software vendor frequently updates their printer driver offering.

Summary

As your organization prepares to implement on-premise, on-demand color label printing, be sure to thoroughly review your existing processes to identify areas of improvement. While per-label cost is an important consideration when weighing your options, you should also consider other benefits that will ultimately drive greater cost savings and business improvement in the long run. By engaging an experienced reseller and working with best-of-breed software and hardware vendors, you can   cost-effectively implement on-demand color labeling into your business processes – and start saving money today.

While many vendors offer color label printing capabilities, TEKLYNX labeling software and Epson on-demand color printers are a proven combination that can drive significant cost savings

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Doug Hall is a seasoned business executive and experienced consultant with his roots in the IT-AIDC industry. He is the owner/principal of Hall Ventures Inc. - CEO Focus Seattle and utilizes his 35+ years of success and challenges in consulting, computer systems, barcode software and hardware to help CEOs take their organizations to the next level of performance. Doug has been employed in senior management positions at multiple AIDC organizations and IT product companies.

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