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Trade Press Article by Mxxxx Bxxxx,
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***“Crowning glories start with
hard-headed choices in the
massive caps & closures market...”***

**MAJOR CHANGES IN THE HUGELY COMPLEX AREA OF CAPS
AND CLOSURES WILL INEVITABLY LEAD TO COMPANIES
SEEKING OUT THE ADVICE AND GUIDANCE OF SPECIALIST
SUPPLIERS...**

**Recent in-house research carried out by Johnsen &
Jorgensen into the massive – and massively confusing!
– caps and closures (C & C) market came up with some
very interesting results.**

Did you know, for example, that 400 billion closures were manufactured in Western Europe in 2004? And that plastics accounted for nearly 40 per cent of this figure?

The European market for plastic C & C is projected to grow by 5.6 per cent per year over the next four years, whilst metal closures will decline by 3.0 per cent. According to a report from Applied Marketing Information (AMI), plastic closures will account for almost half the market by 2009.

Growth looks set to even out as the market becomes saturated, but above-trend growth can be expected in Eastern Europe, Asia and Japan in particular. Specific sectors where above-average growth can be expected include beverages, pharmaceuticals and healthcare where demand will be driven by:

- **Functionality** – tamper-proof, child-proof and dosing features, lightweight etc.
- **Convenience** – easy to acquire, easy to close, re-open and discard; no mess, no clean up etc.
- **Legislation** – with legal requirements regarding tamper-evident and child-proof packaging looking likely to tighten

The most interesting aspect of all this is the extent to which manufacturing power is being consolidated in the hands of fewer and fewer companies.

Of the 465 companies operating in this sector in Western Europe, three-quarters of the market is in the hands of just 25 companies! Over the next five years or so, this figure looks set to shrink by up to 200 companies as the smaller fry find it increasingly difficult to compete.

Unlike the big boys, they won't have access to the huge amounts of capital required to develop new niche products. Nor will their operations be able to feed off the economies of scale which are necessary to meet the ever-growing pricing demands of brand owners.

This re-structuring of the industry makes market knowledge an essential pre-requisite for companies aiming to satisfy the needs of customers with either a new or relatively obscure requirement, or those with small or sporadic production runs.

Achieving any level of credibility in the C & C market will involve having the strategic insight to understand and advise on the most suitable caps and closures for a client's packaging needs.

There's no doubting that caps and closures are now an integral part of increasing numbers of packaging solutions. Overcoming the various challenges faced by clients has become a growing part of the service Johnsen & Jorgensen offers to customers and has, in fact, formed the cornerstone of the company's official move into packaging consultancy services.

A good example of this 'consultancy in action' can be seen in recent work done for a supplier of bottled salad dressings to major airlines. In short, a potential problem with leaking corks was overcome by providing attractive screw-on metal closures as part of a total packaging solution.

The range of caps and closures available for the food and beverage sector alone is enormous. Everything from metal and plastic screw caps or twist-off closures – not forgetting the increasingly popular Kilner jars – have a role to play, with their all-important special linings and seals being a major consideration in the protection and presentation of food and drink products. Corks – both natural and synthetic, and with or without plastic or wooden caps – also remain extremely popular.

On the pharmaceuticals, personal care, domestic chemicals and automotive products front, a similarly wide range of caps and closures is available. Across all sectors, it is safe

to say, there are common elements that set today's C & C solutions apart from their counterparts of just a couple of decades ago:

- **Protecting the product**

Product tampering is a world-wide problem which costs manufacturers and retailers millions of pounds a year. Tamper-proof caps and closures – in either metal or plastic - have become increasingly sophisticated and effective in preventing attacks and protecting the contents within. 'Non-refillable' plastic closures such as those found on spirits or olive oil bottles are also effective in preventing the dilution or contamination of contents.

- **Child-proof C & C**

Helping to protect children from having access to bottles and containers of poisonous domestic chemicals and dangerous pharmaceutical drugs is a responsibility accepted by all companies in these areas, and a challenge which has resulted in the development of some ingenious child-proof closures.

- **Aesthetic appeal & product promotion**

The overprinting of logos and branding details onto metal and plastic caps and closures is essential to modern-day branding and promotion.

Companies of every type and size will of course recognise the importance of all these considerations, but smaller companies in particular will identify with many of the challenges - and opportunities – which have been created in recent years with the introduction of innovative C & C designs.

To sum up, it is clear that the enormous caps and closures market is becoming concentrated in the hands of fewer and fewer manufacturers. This will increase the reliance on third party suppliers who have the know-how and negotiating skills to come up with the most cost-effective deals for clients.

More than ever before, the market is wide open for those suppliers prepared to adopt a solutions-led approach on behalf of clients looking for clarity in this rapidly changing area.

NOTES FOR EDITORS

- J & J was founded in London in 1884. With its vast experience in the supply and development of high quality packaging containers and ancillaries, J & J is

now one of the leading companies of its type in the UK.

- J & J offers a complete packaging solution through its carefully selected manufacturing partners across the UK, Europe, China, India and the USA, together with strategically placed warehouses throughout the UK.
- J & J has a full range of products for the cosmetics, pharmaceutical, food, drink, giftware, industrial and chemicals markets. The company's ranges comply with all major international quality standards as well as providing customers with the design flair that will help their company and its products stand out from the crowd.
- J & J provide cost-effective solutions in the sourcing of glass, plastic and metal containers, rubber stoppers, seals, collapsible tubes, aluminium cans, ampoules, dropper assemblies, sprays and a full range of standard, unusually shaped and decorated bottles and jars.