Case Study

Business Development Services

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Irongate Digital Finds a Sweet Spot in Packaging

InfoTrends
A Questex Company

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Introduction

How do you sweeten the sale of a box of chocolates and sell more? Irongate Digital parlayed its Web-to-print and digital colour printing expertise to develop personalised chocolate boxes that catapulted its clients' candy sales. Irongate produces customised chocolate boxes for Thorntons[1], a luxury chocolate maker, and Interflora[2], a large florist and gifting firm. The product offering was the result of Irongate Digital's quest to use its technologies to enhance the value of print for its customers.

Figure 1: Irongate Digital's Personalised Chocolate Boxes for Thorntons

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[1] http://www.thorntons.co/uk/ThorntonsSite/pages/home/default.asp
[2] http://www.interflora.co.uk/

About Irongate

Irongate Digital (Derby, U.K.) is the digital printing unit of the Irongate Group. Its business units span a wide range of products and services, including office stationery, computer consumables, business machines, office furniture, and business printing services. Irongate Digital generates £4 million in annual revenues and supports a digital printing staff of 25 employees. The company entered the digital printing realm 20 years ago when it purchased a Xerox® DocuTech 135. Two years ago, this device was replaced with a Xerox Nuvera. Irongate added digital colour capabilities with the purchase of a Xerox DocuColor 40, and then added a 2060, a Color 1000, and an iGen3.

Marketing Focus

Irongate Digital defines itself as a marketing services provider. The company's mission statement is "*Deliver solutions to clients that streamline and automate their marketing collateral process, achieve cost reduction goals, and improve marketing return on investment.*"

The company combines digital technology with the new genre of Web-based marketing services to deliver customer solutions that draw on the latest innovations in marketing communications. These include the effective use of targeted cross-channel communications, e-commerce, Web-to-print solutions, and promotional campaigns.

Partnerships with Xerox and XMPie enable Irongate to offer its clients creative and effective ways to communicate with customers and prospects, and achieve maximum return on their investment. Irongate Digital targets the education, retail, and financial services markets.

Value Focus

According to Adam Noble, Irongate Digital's managing director, "The world is full of print. It is a question of looking at technology and determining what you can deliver to customers that adds more margin and value."

After investing in PageFlex's Storefront Web-to-print system, XMPie's variable data software, and a Xerox iGen device, Noble and his team set out to convert customers to print-on-demand and create new markets to drive volume on its digital printing devices. Digital packaging is an application that the company opted to actively pursue.

Two Clients, Two Models

Irongate Digital launched its first personalised chocolate boxes with Interflora, which claims to be the world's largest flower delivery network and offers gifting services. The agreement called for producing packages with personalised text and fulfilling the chocolate order at Irongate's facility. Soon after, Thorntons embraced the concept and expanded the personalisation component to include images. Irongate Digital offered Interflora and Thorntons two distinct service models.

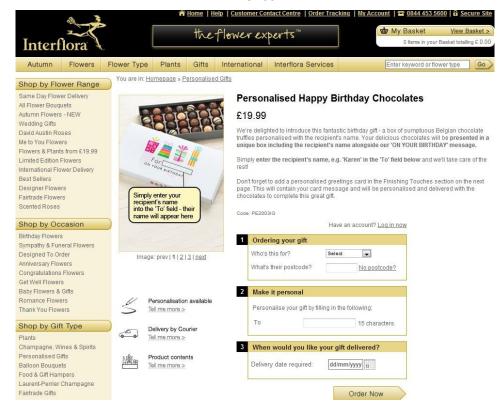## Interflora: Text Only Personalisation and Order Fulfilment

For Interflora, Irongate controls the entire process—it prints the box sleeves (which include personalised text) on its iGen, and then fulfils the chocolate order at its own facility.

 "Interflora needed a solution where we controlled the whole process, so we wrote software to communicate with Interflora's back office Web CRM system," says Shaun Todd, business development manager of Irongate Digital. "We created a two-way interaction to confirm the order, send back a UPS package reference, and provide an update on the status. Once that has occurred, the order goes through Xerox VIPP[3] and the iGen prints it on packaging board."

After the box is printed, Irongate's staff assembles it and fulfils the order for next day delivery; the chocolates are stored on-site at Irongate. About 100 orders are processed per month.

Figure 2: Interflora's Online Ordering Tool for Personalising Chocolate Boxes

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[3] Xerox VIPP, part of the FreeFlow Variable Information Suite, enables the creation of variable text images in Adobe InDesign.

Thorntons: Sweetening the Appeal of Chocolate

Irongate combined its Web-to-print technology, powered by PageFlex Storefront and XMPie personalisation software, with its Xerox iGen3 to develop a customised packaging solution for Thorntons.

Thorntons sweetened the sales of its treats by enabling its customers to create personalised candy boxes online. The first iteration of the company's "create your own chocolate box" offering enables consumers to choose the size of the box (8, 16, 32, or 64 chocolates) and select the types of chocolates that will go inside. Customers can add a personal photo on the box lid, create a greeting that will appear on the inside of the box, and select a colour for the sleeves of the box.

Figure 3: Irongate Digital's Personalised Chocolate Boxes for Thorntons

This offering was first launched via Thorntons' Website in October 2009 and has been a huge success for the company. The personalised boxes account for over 90% of all Thorntons' orders placed via the Web. Irongate Digital produces about 15-25 boxes on a typical day, but certain seasons generate much higher sales volumes. For example, Irongate produced 3,500 customised boxes in the 15 working days before Christmas 2009.

How It Works

Irongate Digital has had a long relationship with Thorntons, and currently uses the firm as test client for many of its new offerings.

"We looked at how our Web-to-print and digital printing technology investments could be applied to drive new business," Todd explains. "We started by producing personalised gift cards for Thorntons. Purchasing the Xerox iGen enabled us to offer more opportunities and also give us the ability to print on heavier materials, so we evolved from gift cards to packaging."

It took Irongate Digital six months to develop the personalised packaging application for Thorntons. "You need a very robust system to successfully offer this application to clients," Noble points out. "You wouldn't believe how many things you need to get right with a piece of paper to make a product like this. You can't have a misfeed in the machine, because it would interfere with same-day delivery and affect your value proposition."

Irongate's product offering for Thorntons is focused solely on producing customised outer sleeves via a Web-to-print link to "create your own box" on Thorntons' Website. Chocolate purchasers are prompted through an easy-to-follow, step-by-step menu to select the box size and colours, create a personalised greeting, and/or upload a personal image.
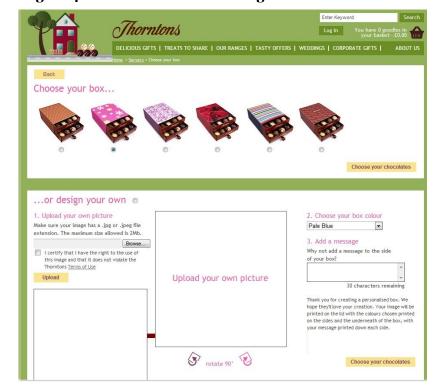
Figure 4: Customised Box Ordering on Thorntons' Website

Data from the Website is downloaded at 1:30 pm daily, and flat sheets of the boxes (including cross-matched barcodes) are printed and delivered back to Thorntons within

two hours. Irongate's four-mile proximity to Thorntons is a contributor to the success of the offering.

Orders from Thorntons' Website are processed and sent via Xerox VIPP to the iGen3. The boxes are printed on pre-diecut sheets. The iGen feeds the correct sheet size based on codes in the data stream. The substrate also includes a field outside the printed area with a barcode that enables Thorntons' staff to match the chocolate order with the box. The barcode is torn off after the order is fulfilled. Irongate Digital's staff manually places a double-sided glue strip on the box, which is assembled by Thorntons' employees.

Applying the adhesive tape by hand limits the speed at which Irongate can produce boxes, so the company is set to launch a new version of its product. A redesigned, one-size-fits-all box lid that folds without gluing will boost box production speed to 300 to 400 per half hour. The move will essentially triple the production volume of the product. Irongate contracted the services of a packaging designer to develop the new lid.

Accepting boxes designed by the general public also requires special attention. "There are times when files don't come in correctly. As a result, you need to have someone on staff to place the image manually, even if that activity only happens once a day or to two boxes a week," Noble explains.

Working with Xerox

According to Noble and Todd, a good working relationship with Xerox was a major factor in Irongate's success. "Xerox worked hard with us on this," Noble recalls. "This was particularly the case for substrates, which were a major factor in the project."

Initially, the boxes were produced on 350 gsm Xerox silk because it was the heaviest substrate available at the time for use on an iGen. Thorntons wanted a bulkier board to align the box more closely to its high quality, mass-produced generic boxes. Three months into the launch of the personalised boxes, Irongate approached Xerox Paper Supplies, who was about to introduce a 350 gsm heavyweight board.

"We tested the material on the iGen and discovered that not only did it run better, but it yielded a higher quality print finish," Todd explains. "Xerox agreed to supply and stock two tons of the board, to give us the best possible price and keep the extra cost to Thorntons small."

Todd continues, "The material folds easily once creased, and solves the reoccurring issue of 'print deletions' (smudging) caused by using a material that isn't bulky enough to handle pre-creasing without affecting print quality."

Recommendations

Irongate Digital is rolling out its personalised packaging products to other markets, but plans to maintain the competitive advantage of its existing customers using the service. Shaun Todd believes gifting is a big market, and envisions many personalisation/Web-to-print opportunities in other areas.

Noble adds, "Success begins by looking at the technology you have, and identifying where that technology wins. You must find a way to deliver innovation by thinking completely outside of what you're doing, and changing your ways to help clients deliver more margins or revenues from that piece of print. That's how we approach projects."

Noble emphasises that it is never just about the print—it is about adding value. The opportunity and its value proposition must be clearly defined and backed by a solid, robust solution.

For print service providers looking to expand their Web-to-print offerings into packaging applications, Noble recommends building a robust system. Clients have high expectations, he advises, and they need to trust the system that is producing packaging for their products.

InfoTrends' Opinion

It took Irongate Digital over three years to sell its idea to Thorntons, but perseverance paid off. Two factors led to eventual sale of the service:

- **A change of staff:** The Thorntons' managers that Irongate Digital first approached with the service left the company.

- **Competition from Interflora's offering:** A new senior marketing manager came on board at Thorntons, saw what Interflora was doing, and wanted a similar offering.

The moral of this story is not to give up when you have a good idea. If you believe in it, someone else will eventually see it and invest in it, too!

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Comments or Questions?