

INDUSTRIAL LABELING IN PRODUCT COMPLIANCE AND SAFETY

A survey found that 60% of consumers might refuse to buy a product if the label doesn't give enough information. So, before you design your labels, it's important to understand labelling rules.



You may have a great product and a smooth distribution process, but even a small mistake on the label can damage your brand. That's how serious label mistakes can be, and many businesses face this problem.

Following all the rules can seem difficult, but the best way to manage it is with a clear plan and the right tools. Labeling isn't just about following rules; it's about giving customers the right information, gaining their trust, and keeping them safe.

EXECUTIVE SUMMARY:

Industrial labelling is a key factor in ensuring product safety and compliance, especially for Indian companies dealing with strict regulations. This white paper explains the importance of labeling in industries like manufacturing, pharmaceuticals, food, and electronics, where it helps meet both Indian and international standards.

In India, companies must follow rules like those set by the Bureau of Indian Standards (BIS) and the Legal Metrology Act. Not following these can lead to legal issues, product recalls, and harm to a company's reputation. For businesses looking to sell products globally, it's also important to meet international labelling requirements to enter those markets.

The white paper also looks at how new technologies like smart labels, QR codes, and RFID are making the labelling process easier and more efficient. These tools help track products, ensure transparency, and provide real-time data, making it easier for companies to stay compliant and improve their supply chain management.

Proper labelling reduces risks, prevents accidents, and ensures products are safe to use. The paper also shares examples of Indian companies that have successfully improved their labelling practices to meet both Indian and global regulations, leading to better business results.

This white paper offers simple, practical advice for Indian businesses to improve their labeling processes, ensuring they follow all safety and compliance rules both in India and abroad.

DEFINING PRODUCT LABELING COMPLIANCE:

Every detail consumers find on a label that informs and educates them about the product is known as product label information. It's not something the brand decides on its own. Instead, guidelines and laws set by the industry and regulatory bodies ensure that specific information is always included on the label. Following these rules for your product labels is key to maintaining your brand's image and integrity.

TYPES OF LABELS:

Products can have different types of labels. Here are the four main types of labelling:

BRAND LABEL:

Brand labelling is when only the brand name is used on the product's packaging. For example, Close Up toothpaste, Dettol, Puja Soap, and Diyo Soap all have brand labels. Since the brand name acts as the label, it usually doesn't add much cost to the product. This makes it easier for both sellers and buyers to recognize and sell the products.

GRADE LABEL:

Grade labels show that products can belong to different classes or qualities. This type of label gives honest information about the product's quality using symbols, letters, or numbers. It's important to include the brand name with the grade label. This helps buyers choose products based on their preferences and budget.



DESCRIPTIVE LABEL:

Descriptive labels give details about the features of a product. Many products today use descriptive labels, especially when it's hard to give a grade. These labels are helpful to consumers because they include information like the manufacturer's name, ingredients, manufacturing date, expiry date, quality, and how to use the product.

INFORMATIVE LABEL:

Informative labels provide instructions and important information about the product. They include care tips and usage guidelines that are very useful for customers. Many people look for informative labels because they often contain the brand name, manufacturer's name, address, packaging date, expiry date, retail price, special care instructions, weight, and any warnings about using the product.

OBJECTIVES OF LABELS:

Labels describe products for customers, giving information about their features, quality, usefulness, price, and how to use them. Because of this, labels are very important and have clear goals. The main goals are:

INFORMATION TO CUSTOMERS:

Labelling and packaging go hand in hand. Labels provide important information to customers, helping them identify products easily. The primary aim of labelling is to offer as much relevant information as possible to all buyers.

SOCIAL SIGNIFICANCE:

Labels are meant to share both helpful and promotional information with the target market. Products made for specific groups should only be sold with accurate labels. Additionally, medicines or harmful products must include warning messages. This practice increases the importance of labelling in society.

CONSUMER PROTECTION:

Labelling should prioritize the safety and protection of customers. By clearly listing ingredients, uses, weight, and price, labels help avoid confusion or danger for consumers. If the weight differs due to unexpected issues, customers can seek help. So, labelling plays a crucial role in protecting consumers.

OBJECTIVES OF LABELS:

Labeling is an important part of marketing a product. It helps grab customers' attention and can work well with packaging to encourage people to buy the product. Packaging is useful for convenience and also gives information about the product. Both packages and labels tell you how to use, transport, recycle, or dispose of the item.

Labelling can also make a product sound better than it is. It helps identify the product, making it easier for customers to pick it out among many on the shelves. Labels provide information about ingredients, which helps customers know what they are consuming.

Moreover, labelling is essential to ensure that accurate information about a product is shared. This is especially important for items like medicines. Labels should also mention any harmful chemicals, especially in products designed for children.

DECREASES RETURN RATE:

Regardless of whether you sell electronics or food items, the impact of packaging and labelling on consumers is essential if you want to encourage repeat business. This principle holds true for both offline and online sales.

In a retail environment, eye-catching packaging attracts customers' attention amidst a sea of products on the shelf. For online sales, customers enjoy a pleasant unboxing experience.

Thus, packaging is vital in determining the condition in which the product arrives to the customer. First impressions matter. Poorly packed and labelled products can lead to increased return rates and negative reviews.

How a customer receives their product reflects the quality and care that went into its manufacturing. Well-packaged and labelled products can enhance customer trust and build anticipation as they unpack their order.

BRAND EXPERIENCE:

Maintaining consistency in packaging and labeling across all products helps to reinforce brand identity. Brands should ensure that they communicate the same information through all channels to foster customer familiarity with product quality. This consistency also boosts product recognition in both online and offline markets.

Consider whether your packaging and labelling should be identical for both online and offline markets. Different or simpler packaging for online products might be necessary due to the added packaging—such as cardboard or corrugated boxes.

However, using varied packaging could lead to higher costs, or you might miss opportunities to strengthen your brand presence. Researching what motivates consumers to purchase products online can help you add value to your product packaging and labelling.

PACKAGING DESIGN PRINCIPLES:

Implementing best practices for product packaging and labelling is crucial. Your packaging design should effectively communicate the functionality of your products and services. To achieve this, use bold colours and vibrant images that convey how your product meets customer needs.

Consider using sustainable or eco-friendly packaging, as many consumers are becoming increasingly environmentally conscious and prefer products with such packaging. You might explore making your packaging fully recyclable or biodegradable.

The design of your label is equally important. Consistency in label design across all packaging is essential. Typically, eCommerce includes an additional shipping label, which significantly impacts product delivery.

Handwritten shipping labels can be tedious and time-consuming, so consider printing them for efficiency. Custom packaging labels can also enhance brand awareness by helping you stand out from competitors.

Labelling is important for several other reasons as well, here are a few:

CONSUMER TRUST:

When you can see what's in a product and how to use it, you trust it more. It's like having an honest friend. Clear labels help you feel good about what you're buying.

LEGAL COMPLIANCE:

Just like there are rules for many things, there are rules for products too. Legal compliance means a product follows the laws about what information must be on the label. This helps keep everything safe and legal.

BRAND RECOGNITION:

Think about your favourite snacks or drinks. Their labels usually have the same colours and pictures. That's brand recognition! When labels look the same, it helps you find your favourite brand easily.



MARKETING AND PROMOTION:

Labels do more than just provide information; they also attract your attention. If you see a label that says "New and Improved!" or has a special deal, it's trying to get you excited about the product.

CONSUMER SAFETY:

Labels also warn you about anything that might be unsafe. If a product is hot, sharp, or could cause allergies, the label will tell you. This helps keep you safe when using the product.

DESCRIPTION OF THE PRODUCT:

A product label provides comprehensive details about the item. This includes the list of ingredients, usage instructions, precautions to be taken, care tips during use, the date of manufacture, batch number, and other relevant information.

IDENTIFICATION OF THE BRAND:

Labeling simplifies the process of identifying a specific product amid a sea of options. For instance, if you're looking for CINTHOL SOAP, the label makes it much easier to locate your preferred soap among various brands on the shelf.

GRADING OF THE PRODUCT:

When products are available in different qualities, labelling helps consumers determine which pack corresponds to each type. For example, Hindustan Unilever Ltd. produces three varieties of tea and employs Green, Red, and Yellow labels to differentiate between them.



ASSISTANCE IN PROMOTING PRODUCTS:

Another crucial function of labelling is to enhance sales. Often, consumers are drawn to purchase a product simply due to its appealing label. In today's market, labelling serves as a powerful sales promotion tool.

PROVIDING LEGALLY REQUIRED INFORMATION:

An important role of labelling is to convey statutory warnings mandated by law. For instance, including "Smoking is injurious to health" on cigarette packaging and "Chewing tobacco is injurious to health" on Pan Masala packets exemplifies such requirements. Similarly, hazardous or toxic products must carry appropriate statutory warnings on their labels.

FUNCTIONS OF LABELLING:

Labels describe products for customers, giving information about their features, quality, usefulness, price, and how to use them. Because of this, labels are very important and have clear goals. The main goals are:

Labels also have other important roles. Here are the main functions of a label:

IDENTIFICATION:

Labels give a quick identity to the product and show its value. This helps customers decide to buy it by making the product easy to understand just by looking at the label.

GRADING:

Labels sort products into different grades. For example, products can be divided into Grades A, B, C, or D based on quality. This helps customers choose the grade they want.

DESCRIPTION:

Product labels provide detailed information. Most products today have labels that are very helpful for consumers. A good label should include:



The manufacturer's name



What the product is made of



The manufacturing date



How to use it



The expiry date



The quality of the product

PROMOTION:

Labels help promote products. An attractive design or picture can catch customers' attention and make them want to buy the product. In this way, labels act like advertisements for producers and sellers. So, using low-quality labels is not a good idea, as they can hurt sales.

BRAND LABELING:

Simon Sinek, in his book "Start With Why," discusses a key idea: a company's "WHY" is crucial for understanding HOW it will sell WHAT it offers. This "WHY" shapes a company's goals to strengthen its Brand Identity, Brand Image, Corporate Identity, and the Name and Logo they use in marketing. Brand labelling is important for a company to maintain its product over time, serving as both a point of pride for current customers and a way to attract new ones.

SAFETY/WARNING OR INFORMATIONAL LABELING:

Safety, warning, and informational labelling provide essential information to users. For example, this includes instructions for parents securing their children in car seats, electricians working safely on electrical equipment, or water sports enthusiasts using kayaks for the first time.

These labels are vital for conveying necessary information and typically stay with the product for its entire lifespan.

TRACK/TRACEABLE LABELING:

Companies often need to track and trace their products throughout their lifecycle. For this type of labelling to be effective, it must remain with the product for its intended use. If the label is separated from the product, it can lead to costly issues.

For instance, in an Amazon[®] distribution centre, a yellow, reusable tote with barcode labels is used to gather products for shipment. These totes must be scanned by robots to track their location and identify the items inside. If the barcode label fails or falls off, important data is lost, resulting in financial losses.

AUTHENTICATION LABELING:

Counterfeiting is a significant concern. According to the U.S. Chamber of Commerce, U.S. Customs and Border Protection (CBP) seized nearly 17,000 counterfeit goods valued at approximately \$2.4 billion as of August 2022. Counterfeit products not only cost brands millions each year but also pose safety risks to consumers.

In the automotive industry, counterfeit airbags are a common issue, where cheaper alternatives are used in autobody shops for insurance claims. These knockoff airbags are not OEM-rated and can endanger consumers while increasing costs for genuine brands.

Like track/traceable labelling, authentication labelling must be part of the final product to ensure it cannot be removed. It needs to be securely attached in a way that makes removal impossible.

LABELLING LAWS:

In many countries, certain products, including food and medicines, must have specific labels by law, showing ingredients, nutritional facts, or warnings about use (FDA). For example, a law label is a required tag that must be on new items, explaining the fabric and filling used in mattresses, upholstery, and stuffed products in the United States.

This label helps consumers understand what is inside bedding and furniture products. These laws were created to make sure that buyers know whether the stuffed items they are purchasing are made from new or recycled materials. Additionally, a recycling logo must be shown on the label. The Fair Packaging and Labeling Act (FPLA) is a law that applies to labels on many consumer products, stating that the product's name, the company that makes it, and the amount of contents must be clearly shown.



CONCLUSION:

Industrial labelling is not merely about compliance; it is a comprehensive strategy that enhances consumer trust, ensures product safety, and supports effective marketing. By investing in robust labelling practices, Indian companies can not only comply with regulations but also foster long-term relationships with consumers and enhance their overall brand value. This white paper serves as a guide for businesses seeking to refine their labelling processes, aligning with best practices and regulations both domestically and internationally.

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