



The Lightning Flash

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From the Desk of Peter Renton

The Harbinger of Spring

Most of us have our own harbinger (or indicator) of Spring. You might look for budding trees or flowers. It might be the arrival of the Spring equinox, or the first robin returning from the south. For me it has to do with golf.

My harbinger of Spring is the US Masters golf tournament. It has been played every year in Augusta, Georgia since 1934 (apart from a few missed years during WWII), and it always occurs in early April, just the time when the grass on the golf courses here in Denver is starting to green up.

It is a special event to me, my favorite sporting event of the year. I love the tradition and the fact that it is played on the same golf course every year. I love that it was started by Bobby Jones, who most golf purists still consider the greatest player of all time. Even though he completely dominated golf until his retirement from the game in 1930, Bobby



Jones remained an amateur and never made a cent from winning golf tournaments. If you think Tiger Woods is good, Bobby Jones won an amazing 62% of the national championships he entered from 1923 to 1930, and during that period he was a full time law student and then a lawyer. In comparison Tiger Woods has won around 25% of the major championships he has played.

The tradition of Bobby Jones lives on with the Masters. I will continue to devote the second Sunday in April to enjoying this tradition. And then I know Spring has finally sprung, and it is time to dust off my clubs again.

Cheers,

Peter Renton
Founder, Director of Business Development

Cool Lightning Fact

Africa is the continent that receives the most lightning strikes per year. Antarctica receives none.

Look Out for Those Critters

It comes as no news to anyone that the American people love their animals. What did come as a surprise to me is that we also love animals on our wine labels. Yes, a study released in March by ACNielsen confirms that wine labels with animal images are becoming increasingly popular in this country.

I felt compelled to do my own research on this topic. So one evening I stopped by my local liquor store to check out the wine selection. Sure enough I was greeted with a veritable zoo of animals on labels. There were Dancing Bulls, Leaping Horses, Black Swans, Little Penguins, Kangaroos, even a hippopotamus courtesy of Fat Bastard Wines (which is French would you believe). This very informal research confirmed that there seems to be a much larger selection of wines with animal labels than ever before.

Critter Labels Rule

In the wine industry these animal labels are affectionately known as "critter labels", and the trend began back in

2001 with the introduction of the Yellow Tail brand of wines into this country from Australia. Pictured on the label is what looks like a kangaroo (but which is in fact supposed to be the yellow-footed rock wallaby). These wines had labels that looked striking, were priced very reasonably and they tasted great - so they became a runaway success. So much so that they spawned an entire new "category" of wine.

The ACNielsen study has some hard data confirming the popularity of this new wine category. In the past three years there have been 438 new Table Wine brands that have been successfully introduced in the American market (those wines that sold more than \$20,000 annually). Of these 438 new brands 77 of them featured an animal on their label, around 18 percent. Combined with existing "critter label" wines, sales reached \$600 million in 2005 out of a total of just over \$4 billion, based on ACNielsen sales data from supermarket point of sale purchases.

"Critter-labeled wines are on the rise, quickly gaining share in the table wine category," said Danny Brager, vice

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Look Out for Those Critters

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president of ACNielsen's Beverage Alcohol team. "The sales generated by new brands featuring a critter outperform other new table wines by more than two to one." That's right, taken across the board new critter-labeled wines have proven in the marketplace to be more popular.

"While placing a critter on a label doesn't guarantee success, it is important that wine makers realize that there is a segment of consumers who don't want to have to take wine too seriously," said Brager. "Not only are they willing to have fun with wine, they may just feel 'good' about an animal label presentation."

With hundreds of new wine brands being introduced each year, wine makers realize that they need to stand out from the crowd if they are to make an impression. The easiest and most cost effective way to stand out is with an attention grabbing label on your bottle. The wine industry has also realized that there is an increasingly large segment of consumers who are attracted by fun labels. They want to buy a non-pretentious wine and they don't want to pay a fortune. These are the people who walk into a liquor store and supermarket and have no idea what they are going to buy - they decide by looking at the labels.

Chasing the Yellow Tail

The Yellow Tail wine phenomenon is the perfect example of this. From Casella Wines, a small family-owned winery in New South Wales, Australia, Yellow Tail went from zero to the number one imported wine in the US in just two years. The first year the Casella brothers expected to sell 25,000 cases of wine here, they ended up selling 200,000 cases. That was back in 2001. In 2005 they sold 8 million cases of wine. Yellow Tail Shiraz is now the #1 selling red wine in America (not just imports but ALL red wine). In the crowded and highly competitive US wine market with over 6,500 wine brands, Yellow Tail has become the #1 wine brand, and it took just five years.

Now, I realize that Yellow Tail's success is not just because of their label. They have a great product that is reasonably priced - the Shiraz is just \$6.99 - and they have a very loyal base of repeat customers. But could they have become #1 without their unique label? I don't think so. One of the biggest barriers they faced was getting people to try the wine in the first place. With what looks like a brightly colored kangaroo on the label on a black background, it is a visually striking label. It was able to break through the clutter at the retail store with this label.

Perhaps the biggest indication of the success of Yellow Tail is the number of copycats it has spawned. Penfolds, Australia's leading winery, was obviously disappointed in missing out on this opportunity, so they responded with the launch of the Little Penguin brand of wines. There is now a deluge of animal themed wines, so much so that ACNielsen is tracking their sales now. Despite all this new competition

Yellow Tail remains the most successful wine brand in terms of total sales.

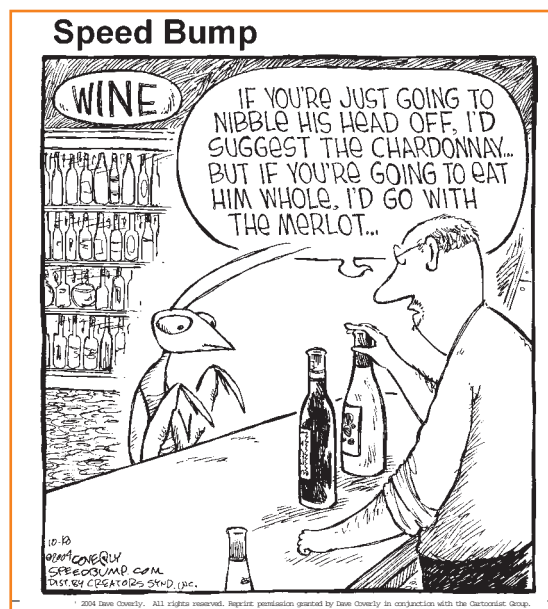
Labels are a Powerful Tool

While the wine business is somewhat unique there are lessons here that can be applied to any industry. One lesson is that with a high impact label you can make inroads even in a conservative and image conscious industry such as the wine industry. Your label should be working hard for your product. It should be informational, be a sales and marketing piece, carry any necessary regulatory information, and at the same time be eye catching. If you are selling your products at a retail store, then your label needs to perform well in all these areas for your product to compete with other more established brands.

The good news is that as a Lightning Labels customer you have an advantage. You are getting state of the art digital printing at high resolution and in vibrant color. So, your labels will look professional, your text will look crisp and your colors rich. You have the choice of our shiny gloss laminate or our muted matte laminate to add that extra sparkle to your labels.

But what about your label design? We can print with tremendous quality but what will have an even greater impact is the design of your labels. I encourage you to take a good look at your labels. Are they working hard for you? Are they conveying everything you want to say? How do they perform against your competition? What do they say about you and your company? If you need an independent perspective we would be happy to take a look at your labels and give you some suggestions.

Your label is your sales tool. The success of Yellow Tail wines demonstrates that in any competitive industry a good label can help bring success. Of course, it doesn't have to feature a critter, but a visually appealing and eye catching label will help. We are your partners in producing great labels - together let's make your labels memorable.



Customer Focus

Christina Mahar
Kuumba Made
Tucson, Arizona



You realize that Kuumba Made is a different kind of company when you visit their web site. The headline on their home page is "Healing for the Body, Mind and Spirit" and the first sentence reads: "Kuumba Made was created out of reverence and love for nature", and this is accompanied by a picture of a butterfly and flower. You get the sense you are not so much dealing with a company selling products, but with a community of people who have gathered together doing something they love and believe in.

When you talk with Christina Mahar, the general manager of Kuumba Made, this passion for what she does is evident. She believes in the healing products that Kuumba Made produces (a range of herbal body care products, essential oils and fragrances), and that they enrich people's lives. This passion is embodied in the founder of and inspiration for Kuumba Made - a lady named Kuumba Piazza. Kuumba began creating unique oil based fragrances in her basement back in the 80's, but she soon realized that while she loved creating fragrances she was not cut out for running a business, so she contacted her friend Christina to see if she was interested in running the business. Christina was still in college completing her sociology degree from University of Arizona, but she jumped at the chance.

That was 13 years ago, when the products were in just a handful of stores. Today you will find Kuumba Made products in over 800 stores across the country, including Whole Foods. They have nine employees (including Christina's sister and step mom) and just last year moved into a new and larger building to accommodate their growth. Kuumba Piazza is still involved in the business, but she spends most of her time sourcing new ingredients in exotic places such as Tunisia, Egypt and India.

Christina has been using Lightning Labels for her products for over two years now. She was using a traditional label printer but she kept on getting stung by all the additional plate charges when she wanted to change her labels. With Lightning Labels she had no such problem, and there was an added benefit. In her words: "I have been stunned by the difference in quality with my old labels. For us digital is the way to go. We can order small quantities, make changes easily, and the quality is just so much better."

Christina is originally from Washington State, but these days considers Tucson her home town. She loves it there. She loves the sunshine, the desert and the mountains, and the winters are "just wonderful". Last year was a big year for Christina. Not only did they move the company to a new building, but she and her husband Michael celebrated the birth of their first child, a boy whom they named Mason.

Running a growing company and tending to a 12 month old are both full time endeavors. You get the sense that her passion for both roles makes them a labor of love for Christine. Good luck Christine and thanks for sharing your story with us.

Employee Focus

Cari Goldman Mendelzon
Graphic Designer



How long have you worked at LL?

I've been here since March 2005.

What do you like most about working here?

I really enjoy the relaxed atmosphere, and I couldn't ask for a better bunch of people to work with.

Where are you from originally?

I was born and raised in Miami Beach, and I've also lived in New Orleans, Philadelphia and Houston before moving here 8 years ago.

What do you like about Colorado?

I like being able to go up to the mountains. We do a lot of outdoor activities, and it's so beautiful in the Rockies. I also enjoy the changing seasons - I never saw much of that before. Although to be honest, I really miss palm trees.

Do you have any pets?

I have a long-haired black cat named Majik. She's usu-

ally very sweet, and sometimes annoying. My husband owns a horse named Diamond who he describes as a "big puppy".

What is your favorite movie?

I don't have a single favorite, but *Back to the Future* and *The Truman Show* are at the top of my list.

What music do you like to listen to?

Mostly current modern rock and classic rock from the 80's and 90's. I also like big band and some classical.

What was your favorite TV show growing up?

Doctor Who. The SciFi channel just started running the newly revived BBC series, so of course I'm watching it.

What do you like to do away from the office?

We like to ski and snowshoe during the winter, and we hike a lot, camp and take canoe trips during the summer. I also like to go to movies and festivals.

What would you do if you won the lottery?

I love to travel. I would love to be able to go anywhere in the world and not have to worry about how much things cost, or how many (or few) vacation days I have. I would also remodel my house (or get a bigger one) and replace most of the stuff in it.



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Learning About Labels

What is the best material for my labels?

The answer to that question is of course, "it all depends." For most people our standard white BOPP material will work well. This is a great all purpose material, it is inexpensive, resistant to water and chemicals, quite durable, and has an attractive pearly shine to it. Unless you have specific needs, this is our recommended material.

Here is a list of our other materials with a brief explanation of each one:

Clear BOPP - this has the same qualities as our White BOPP but in a clear version. It can provide a "no label" look when applied to your product. We can also do reverse printing on clear BOPP which is suitable for window labels.

Chrome BOPP - has the same water and oil resistant properties as the White and Clear BOPP, but has the "mirror-like" look of shiny chrome.

White Vinyl - is our thickest and most durable material. It is 4 Mils thick and is suitable for applications where greater strength or durability is needed. It is our recommended material if the label is to be used outdoors.

Estate #9 (Textured) - is a cream colored textured material. It is very popular for wine labels, and labels for gourmet foods or high-end beverages. It is a paper stock and therefore not as durable as our BOPP materials, but it does have a unique look and feel that can be striking.

If you are still unsure what material you need then we suggest you request one of our free sample packs. This has actual label samples of all of our materials, so you can see for yourself which material would best suit your needs.

A Touch of Humor

Three men wanted to cross a river. They had no idea how to cross it, so one man knelt down on his knees and prayed "Lord give me the power and strength to cross the river." Suddenly the man became very strong and swam across the river. The next man thought: if it worked for him, it'll work for me. So he knelt down and prayed "Lord give me the skills and the strength to cross the river." The man built a canoe and rowed himself across the river.

The last man thought: if it worked for both of them, I know it'll work for me. So he also knelt down and prayed "Lord give me the wisdom and knowledge to cross the river." He turned into a woman and walked across the bridge.

Introduction to Labeling

New White Paper by Steve Smith, President

If you are unsure about how to get started with your labels, or you want some ideas for revamping your packaging then we have some help for you. The president of Lightning Labels, Steve Smith, has written a White Paper entitled "An Introduction to Product Labeling". It is a detailed paper covering the issues involved in the product labeling process.

You can download the White Paper for yourself by going to: www.lightninglabels.com/whitepaper.pdf. Best of all it is free of charge for all Lightning Labels customers. It is useful reading for anyone involved in product labeling.

"When one door of happiness closes, another opens; but often we look so long at the closed door that we do not see the one which has opened for us." - Helen Keller