

HMC enables Petropal to match international brand standards with HP Indigo Digital Presses



At a glance

Industry: Labels & Packaging
Business name: HMC Labeling & Packaging
Headquarters: Bethlehem, Palestine
Website: hmc.ps



اتش ام سي للطباعة والتغليف
 HMC Printing & Labeling

Business name: Petropal
Headquarters: Hebron, Palestine
Website: petropal.ps



Challenge

- Petropal wanted to improve the quality of its labels following a rebrand. It didn't want to rely on poor quality local printers and needed faster turnaround times than offered by international suppliers.

Solution

- Petropal worked with HMC, which recently installed the HP Indigo WS4500 Digital Press to print quality, full-color labels.

Results

- Improved sales for Petropal with better market recognition and point of sale presence.
- Encouraged Petropal to expand its export business, competing with international brands.
- Helped differentiate Petropal from low-cost competitors and allowed the business to raise retail prices.
- Faster turnaround of printed labels, within two days rather than as much as two months from international suppliers.
- Lower cost per print, with lower startup costs and higher volumes.
- Expanded print market for HMC, capitalizing on demand for new marketing material as Palestinian economy picks up.

“Digital printing is what every print house wants. It’s easier, faster and creates a lower cost per unit. HP Indigo is the best there is.”

– Khalil Nasser, deputy manager, HMC

Petropal is a Palestinian oil company based in Hebron. To label its products, it prints full-color plastic labels, which need to withstand oil and grease, onto plastic oil containers. Since its foundation in 1997, the company had to use either low-quality local printers or arrange for a shipment from a printer in Jordan or Israel.

The trade-off was either quick turnaround with poor quality or decent quality with slow turnaround. In addition, local printers in Israel required a minimum print run of 100,000 labels per order, where Petropal would only require 2,000 at a time.

All of this changed with the arrival of the HP Indigo WS4500 Digital Press at HMC, a 10-year old print service provider in nearby Bethlehem. For the first time, Petropal was able to order high-quality labels with fast turnaround times. It started using HMC’s branding and printing services in late 2011 and has not looked elsewhere for a printer since.

“Finally we had a local printer, just 15km up the road, providing international-standard printing,” says Mo’tasem Abu Rayyan, Petropal’s purchasing and quality control manager. “It has transformed the image of our products, our company and consequently, our sales are now up. We’re now looking at introducing new, more complex products.”

Capitalizing on growth

The Palestinian economy grew by an average of nine percent per annum between 2008 and 2010. In response to this encouraging news, Petropal is among a growing number of Palestinian companies – from banks to cosmetics to fair-trade food growers – to develop a more professional brand identity. With a background in branding and design, HMC has capitalized on this demand.

“We’re beginning to see the growth of local brands,” says Khalil Nasser, deputy manager, HMC. “We’ve worked with and helped develop the biggest brands in Palestine. For us, this means more advertising materials, stationery and new websites.”

Improved branding tends to lead to better labeling and printed materials. For HMC, which has a limited offset printing service to complement its design and branding, it was clear there was a larger opportunity.

“We could see the future was digital,” explains Nasser. “Our customers want lower costs, higher quality and faster turnaround times. We’d worked with HP Indigo for years and could see the capabilities of its solutions. Our research told us HP Indigo was the best for digital.”

HMC invested in the HP Indigo WS4500 Digital Press – the first company to offer this kind of digital press in Palestine. It took ownership of its new HP Indigo press in June 2011, tested it through the summer and was in full production by the start of 2012. HP Indigo training was provided for HMC engineers on site and at the HP training center. “The engineers learned fast. We were up and running quicker than anticipated,” says Nasser.

The HP Indigo WS4500 Digital Press enables print jobs with lower set up costs, meaning lower per unit costs. As the press is flexible and can print on a variety of surfaces, HMC spends less on substrate and has to conduct fewer trials before committing to the print run. “You’re looking at one or two months with an overseas print company. We’re now able to turn around jobs in two days. Orders tend to be 500-5,000, but some clients want 200,000 labels each month and this isn’t a problem.”



Nasser says the HP Indigo Digital Press has already exceeded expectations, with revenues well ahead of target. More than this, he says the printer has brought HMC closer to its customers and is helping attract new customers. While the company is the only print service provider in the country with an HP Indigo Digital Press, it is holding a series of open houses, inviting customers and prospective customers to see its range of services and meet its in-house design team.

“Customers can come in and see the jobs being printed. They can check the colors live, whereas in the past we’d have to send files and wait for their response,” continues Nasser. “While they’re here they can meet our design team and discuss branding and promotion. We can take notes and get involved.”

For Petropal the superior print quality has helped differentiate its products from local, low cost rivals. It prints full color plastic labels onto plastic oil containers. The labels need to withstand oil and grease. The company is now looking to expand its export business, competing with multinational oil brands for market share in Jordan, Egypt and the UAE.

“Previously, retailers would put our products behind other international products on the shelf,” says Abu Rayyan. “Now, with the new, modern designs and high-quality labels from HMC, our products are the first to be displayed on shelves.”

The shift in brand perception has had a dramatic effect on sales. Since introducing the new label, Petropal’s Turbo 6400 15W40 diesel engine oil, which sold 554 gallons in 2010, sold 786 gallons in the first five months of 2013. Additionally, Petropal’s First Plus 5W30, which previously sold 200 gallons per year, now sells 2,000 gallons per year.

“We’re seen as having a better quality product and have been able to raise our prices,” says Abu Rayyan. “If we are to succeed internationally, we have to be of an international class. HMC is helping us do that. They care about their customers, they care about quality, and it’s good to work with someone who cares about our quality.”

For HMC, the future is digital. “We want to grow our business with HP Indigo’s support. There is a need for this service in Palestine, and it’s one of the most profitable parts of our business.”

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