



Four generations of the Sixto family are involved in day-to-day operations. From left, Emilio Jr.; Emilio Sr.; Andres Sr.; Andres Jr.; Carmen; Felipe E.; Felipe H.; and Felipe I.

Every Client is Family At Sixto Packaging, Service to Niche Markets Fuels Growth

Print...Laminate...Slit—it all happens at Miami-based Sixto Packaging, where short run lengths, short lead times and a diverse and niche market-minded clientele are key ingredients in day-to-day plant operations.

Here, flexible packaging buyers from familiar names like Badia Spices, Banah Sugar, Goya Foods, Winn Dixie, Aldi, Food City, and Sedano's Supermarkets demand quality graphics that instantly make emotional and cultural connections with their target customers.

CULTURE & COMMERCE

- Store brand sales reached \$90.3 billion, an increase of 19.4 percent in the last three years
- With purchasing power projected to reach \$1.3 trillion by 2013, Hispanics, who now account for 16 percent of U.S. families, are not to be ignored
- Tapping into the Hispanic consumer segment is not as easy as translating packaging text into Spanish—printers/converters and package buyers must make emotional and cultural connections with consumers
- One small converter in an industry landscape dominated by giants—Sixto Packaging—uses short run lengths and short lead times, coupled with vertical integration of quality and consistent converting, to overcome challenges

This family owned and operated company can boast of a long and consistent track record of doing just that—one that, at this FTA member dates back to the 1970s.

In August 1986 **FLEXO**, published an article "Cuban Family Uses Printing As Ticket to the American Dream," on the operation, founded by Felipe and Carmen Sixto after they fled Cuba in 1961. At the time, their thriving pasta business was confiscated by the Castro government. Realizing that in America, the pasta business was too well established, the couple began making bags for foodstuff packaging.

Today, run by brothers Felipe H., Emilio and Andres, the 40-year old Sixto Packaging continues to grow and invest in equipment. The staff includes four generations of the Sixto family, all of whom have a hand in daily operations and flexible packaging conversion.

Over the last few decades, Sixto Packaging has found its production niche among two growing segments, private label/store brands, and the exploding Hispanic consumer market. Below, the management team tells its story.

STORE BRANDS

Walk into any supermarket, club store or any retail outlet and you will see an array of private



The Sixto family in 1986 with founders from left, Felipe S.; Carmen; Felipe H.; Andres Sr.; and Emilio Sr.

label and store brands on the shelf. Many stores have cut back on national brands to make room for more private label goods. There are also stores dedicated to private label brands—Lo-blaw's No Frills, Trader Joe's and Aldi. They use an economy of scale advantage, marketing generic labels by employing a low price, high volume system to generate profits.

According to a 2011 Nielsen study, store brand sales within food, drug and mass merchandise outlets reached \$90.3 billion, an increase of 19.4 percent from 2007. Some argue that the private label boom is a long-term trend, while others believe that it is a short-term reaction to the current economic situation. What is certain is that private label brands have won over unbelieving consumers with quality and price.

One industry that has shown brisk growth and has revealed hot opportunities for Sixto Packaging has been the private label coffee market. Premium gourmet coffee sales are surging throughout the country as private label brands evolve and expand into new market segments building company awareness and consumer loyalty.

Consumers are now seeing private label coffee packaging to be of equal or higher quality in comparison with other brands, unlocking opportunities for small business. "Private label coffee packaging is upscale in both perception and practice," says Felipe H. Sixto, vice president. "In the past many small coffee roasters were forced to slap adhesive la-

bels on their packages. With our custom printed, high-barrier foil lamination, we can provide roll stock or pre-made printed degassing valve bags, in relatively small quantities, to private label roasters and small retailers alike." Sixto Packaging has supplied flexible packaging for store brands such as Winn Dixie, Aldi, Food City, and Sedano's Supermarkets.

In addition, major health and wellness trends are driving sales of private label coffee brands as consumers seek healthy alternatives to traditional products by switching to natural, organic, fair trade and nutrient infused coffees.

"We have seen a sharp interest in nutrient infused private label diet coffees like JavaFit and South Beach Java," says Felipe H. "Distribution channels are opening up in the service sector as private label coffee packaging is no longer a marketing success used exclusively by retailers. Businesses, from high-end hospitality to professional office services are establishing their private label coffees," says Felipe H.

NICHE TO MAIN STREAM

A number of years ago, marketing and producing packaging for Hispanics was considered a niche. Today with their growing purchasing power, projected to reach \$1.3 trillion by 2013, Hispanics are not to be ignored.

During a packaging conference in 2011, Felipe E. Sixto, director of sales and marketing, chronicled the impact of

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the Hispanic consumer on future packaging. "The growing influence of the Hispanic consumer should lead packaging companies to consider new directions. Hispanic households represent the fastest growing ethnic group in the U.S., now accounting for 16 percent of U.S. families," he stated.

As importantly, more than 40 percent of these households earn more than \$50,000 annually and tend to spend more than the average American for food products, averaging 26 grocery trips per month. Yet, packaging has continued to



Sixto Packaging provides custom printed, high-barrier foil lamination, in roll stock or pre-made printed degassing valve bags, to private label roasters and small retailers.

lump Hispanic-marketed packages in with those aimed at other segments of the population.

Cultural, regional, and culinary differences within this group are often not considered, nor are the types of graphics or marketing needed to appeal to specific subgroups. "Tapping into the Hispanic consumer segment is not as easy as translating packaging text into Spanish, you must make emotional and cultural connections with consumers and must avoid stereotyping Hispanics," Felipe E. said. "Cookie-cutter, one-size-fits-all approaches do not work."

Sixto Packaging has used its own cultural understandings and has specialized in manufacturing flexible packaging for this market. It is a certified minority supplier and has registered as a diverse supplier with an array of companies. The firm is often directly involved in the artwork design and marketing strategy for many of its customers.

"We believe in being more than a converter. We strive to make sure our clients succeed and in turn establish lasting client-supplier relationships spanning decades," says President Carmen Sixto. "My husband and I founded our company more than 40 years ago with one mission, to treat every client like family and have real customer intimacy."

Today, Sixto Packaging produces flexible packaging for a number of Hispanic companies and brands with thousands of SKUs for companies such as ARA Food Corp, Alpine Fresh, Badia Spices, Banah Sugar, Goya Foods, Higgins Pet Foods, Natural Fruit Corp, Javalution Coffee Roasters, Rowland Coffee Roasters, United Coffee and Tea, among many others.

SERVICE AT SIXTO

Being a small converter in an industry landscape largely dominated by giants, Sixto Packaging has used the service-based approach of short run lengths and short lead time, coupled with vertical integration of quality and consistent converting to overcome challenges. The company specializes in short and medium runs and maintains inventory for a number of customers.

"In today's market situation customers want to maintain inventory levels low and expect quick production lead times, we strive for two to three weeks," says Emilio Sixto, vice president. "Our customer knows that we will bail them out of emergencies 99 percent of the time. Many larger converters have large minimum order quantities and will refuse to run shorter runs, particularly when high barrier foil laminations are involved."

He continues, "We can manufacture reverse printed, high-barrier laminations for the coffee and spice industry, mono-layer surface prints for bakery and ice creams, and modified atmospheric packaging for fresh produce in the same week," says Emilio. We believe that our ability to print, laminate, slit, and make bags in-house is a clear advantage."

Sixto Packaging prints and laminates on a number of substrates including BOPP, PET, PVC, PE, Foil, Paper, and Nylon. It is equipped with an eight-color and a six-color CI-flexo presses; two solventless laminators, three slitters/rewinders, shrink sleeve machines, and a number of different bag-making machines. The company serves both primary and contract customers in the Southeast United States, the Caribbean and Central America.

Sixto Packaging plans to continue growing and investing in equipment and infrastructure in the coming years. "We believe there is a great opportunity for continued growth in flexible packaging particularly in the products and markets we have expertise in," says Felipe E. "We will continue my grandfather's mission of working hard, maintaining high standards of quality and simply treating every client like family." ■



Sixto Packaging has found its niche market in the manufacturing of flexible packaging for private label and Hispanic brands. Photos: Sixto Packaging.