

**PURSUE YOUR FUTURE-PROOF
PRINT FACTORY**

Set the stage for a new generation of creative business models and forward-thinking leadership willing to adapt to survive.

**DIVERSIFICATION IS THE
NEW INNOVATION**

Business models are evolving to favor the multi-faceted. Once only-print service providers are now expanding to create more value.

**TAKE ON THE POSSIBILITIES
OF TOMORROW**

Opportunities are available for those who are willing to transform to keep up in an economy that's fast-changing and full of surprises.



Find Print's New Place

Real possibilities, now

Pursue your future-proof print factory

In an era where technology and society are evolving faster than businesses can naturally adapt, the phrase “**digital Darwinism**” becomes more than a concept, but a concrete reality. This sets the stage for a new generation of creative business models and forward-thinking leadership willing to adapt to survive. Consumer behaviors evolve as a result of technology and businesses either compete to get ahead of it, or avoid it and fall behind the market’s movement.

Transforming is never easy—but the rewards that it brings are market growth, new opportunities, and scalable solutions that are more efficient than ever.¹ Staying relevant is the key outcome for digital transformation. Read on to learn how commercial printers are transforming to stay relevant, now.

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Go where there's real growth

Print is declining—unless you go digital

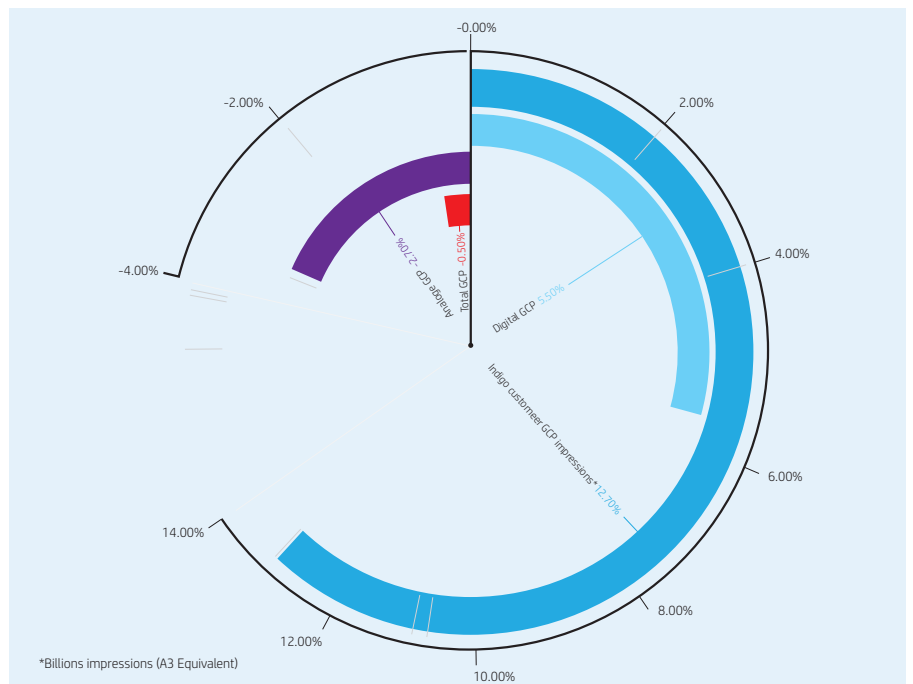
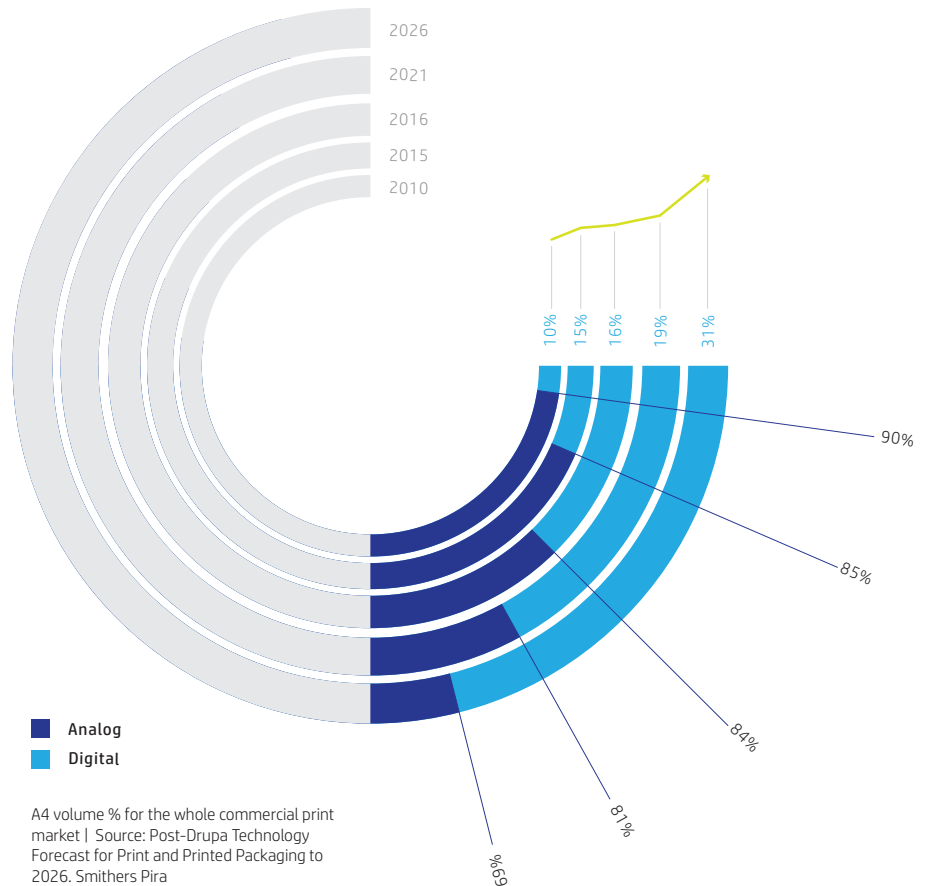
Like many industries now, commercial printing is facing unprecedented levels of disruption. Analog has slowed beyond steady and is now declining at a rate of 2.7% per year with offline print shipments following at a projected CAGR of -6.0%. While it doesn't mean extinction just yet, it's a backward movement that doesn't promise any new profits—and it's all happening amid harsh global economic conditions.²

Elsewhere in commercial printing, there's another kind of momentum gaining traction. A forward-moving, growth-oriented shift that's charging the industry with a new world of limitless possibilities. And it's the perfect time to take hold of it.

The Global Commercial Printing Market was valued at USD 400.46 billion in 2019, and it is projected to be worth USD 460.28 billion by 2025, registering a CAGR of 2.24% during the period 2020-2025. So what's behind this industry growth when analog and offline are on the decline?³

Digital print is driving growth with its unique ability to respond to rising customer demands and optimize operations. Its upward progression stands at a CAGR of 5.5% since 2014 amid analog's decrease of 2.7% YOY over the same 5-year stretch. **With forecasts of digital becoming 30% of total market revenue by 2026, it's easy to see where there are real growth opportunities available for the taking.**⁴

Capturing this growth rests on the ability to quickly react and sell to a changing market, improve operational agility, and provide a faster time-to-market. But, how can digitizing your production line keep you competitive and profitable in an unpredictable economy?



Diversification is the new innovation

Strategic transformation for commercial printers

Digital printing technologies have leveled the playing field, and are democratizing and breaking down the barriers that once existed between various types of printing operations and market segments. As a result, markets are converging, enabling all types of printers to acquire relatively lower cost digital output devices and finishing equipment in order to offer services and products well beyond their traditional scope—it's a phenomenon that's even going beyond diversification into a state of convergence.⁵

In a survey conducted by the SGIA Commercial Printing Panel more than 47% of respondents describe themselves as a combination of company types rather than a single company type. Descriptions go from mailing services (42.6%), provider of fulfillment services (28.2%) and provider of marketing services (20.1%), with just

34% defining themselves exclusively as a general commercial printer.⁶

Instead of abandoning existing offerings altogether, business models are evolving to favor the multi-faceted. Once only-print service providers are now expanding to manage order handling, printing production, shipping and various marketing services. The growth of web-to-print, or print e-commerce, has made adding these services simpler and more cost-effective—even allowing printers to seamlessly intake both B2C

Digital and offset can be paired to create a strategic alliance that optimizes the production floor—a way to bring out the best in both presses.

and B2B jobs. To be able to take hold of these opportunities quickly and efficiently, printers need the flexibility and agility that only digital can provide. But that doesn't mean printers need to abandon their offset presses altogether.

The speed, automation, and overall efficiency benefits that digital provides can work in perfect harmony with existing offset presses. Digital and offset can be paired to create a strategic alliance that optimizes the production floor—a way to bring out the best of both presses.

For example, digital can step in to take on the short run work that's rising in the industry, while offset presses can be rededicated to long runs to create a more profitable outcome. Read on to find out what trends are driving the need for this new partnership.



Capture the demands of a market in constant change

Print's new place in a digital world



Premium products. Premium prices.

Diversification of business models can even happen at the micro-level, as digital allows for both huge pivots as well as smaller, gradual expansions. Today's consumers demand more choice and higher-quality products and those looking to catch their attention are willing to spend for it.

Marketers are willing to pay premiums in the range of 24% to 89% for digital print enhancements over CMYK-only work, setting digital up to take advantage of these increasing desires. Print providers who want to stay as pure print providers can still innovate their business model on a smaller scale by simply adding a new substrate or otherwise increasing their premium appeal.⁹

3 ways print's power is shifting, not diminishing

1. Allow brands to rise above the "digital racket"
2. Ideal for hyper-local markets
3. Complement and encourage digital interactions⁸

-Forbes Communications Council



Make it personal

Another way to pivot to an evolving market is adding personalization capabilities. Today's consumers have a growing desire to be actively courted before loyally committing, which is being noticed by marketers and other consumers of commercial printing. Print personalization can be a powerful vehicle for marketers to target exactly who they need to, with the visual elements and messaging optimized to make an impact on a specific person, driving repeat visits and brand engagement.

The penchant for personalization isn't just a millennial preference. It crosses generations. According to a survey of 1,000 consumers ages 18-64, 80% of

respondents indicated they are more likely to do business with a company if it offers personalized experiences and 90% indicated that they find personalization appealing.¹⁰

Further, as 68% of consumers globally feel more loyalty toward the brands and organizations that make it easy and convenient to engage with them, timing and relevance are becoming an integral part of personalization. There's a lot of potential to be mined from personalization strategies in 2020 and beyond, and for digital to enable servicing this SKU proliferation more efficiently.¹¹

90% of today's consumers are drawn to personalization

Convenience is key

Timing and convenience isn't just becoming prominent in the realm of personalization. **Web-to-Print is projected to grow by a CAGR of 5.2%, reaching \$48 billion by 2021.**¹² This forecast suggests print customers will increasingly turn to higher convenience web-based systems to submit print jobs to service providers, and service providers must be prepared with the right technology systems to meet this demand, especially during a global crisis that favors remote orders.

It's the same reason global e-commerce is exploding. **ACI Worldwide Research announced in 2020 that global e-Commerce retail sales had achieved 209% YOY revenue growth and there's been a 110% YOY increase in pure e-commerce orders in the U.S. alone.**¹³ With brick-and-mortar hanging in the balance, the safety and convenience of online ordering and communications is here to stay.



Sustainability is multi-faceted

Choosing production methods that are cost-savers by nature is enabling printers to take on the growing demand of shorter runs that often shrink profit margins, helping to open them up to a world of new jobs that didn't make sense to accept before.

Infusing print production with digital technology that automates tedious but cost-saving tasks has allowed for saving ink, optimization of paper and other raw materials, as well as a reduction in energy costs—benefits that reach your bottom line and beyond. It's made products that traditionally produce a lot of waste, like books, more profitable and reduces the need for excessive, expensive warehouse space.



Transform to take on the possibilities of tomorrow

We're doing business in a world of digital Darwinism—but opportunities are available for those who are willing to transform to keep up. In an economy that's fast-changing and full of surprises, being flexible and agile in order to respond to new and vastly varied demands is the new standard in commercial printing.

With newly risen desires predicted to sustain their growth for years to come, capturing the opportunities that are trending today is safeguarding success for tomorrow. Take hold of a universe full of new opportunities. Digital is your driving force. Learn more.



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14 AND DREAMING

If you had a wish, what would it be? If a genie arrived and granted you a wish, would it be a worthwhile one? I think our wishes change based on how we grow up, what we're taught, whom we hang our wish, and what our parents do. Our culture has a dreaming problem. It was largely created by the current regime in schooling, and it's getting worse.

42 | Stop Stalling Dreams

Dreamers in school are impatient, unwilling to wait for the results of all, hard to fit into existing systems. One more question to ask at the school board meeting: "What are you doing to fuel my kid's dreams?"

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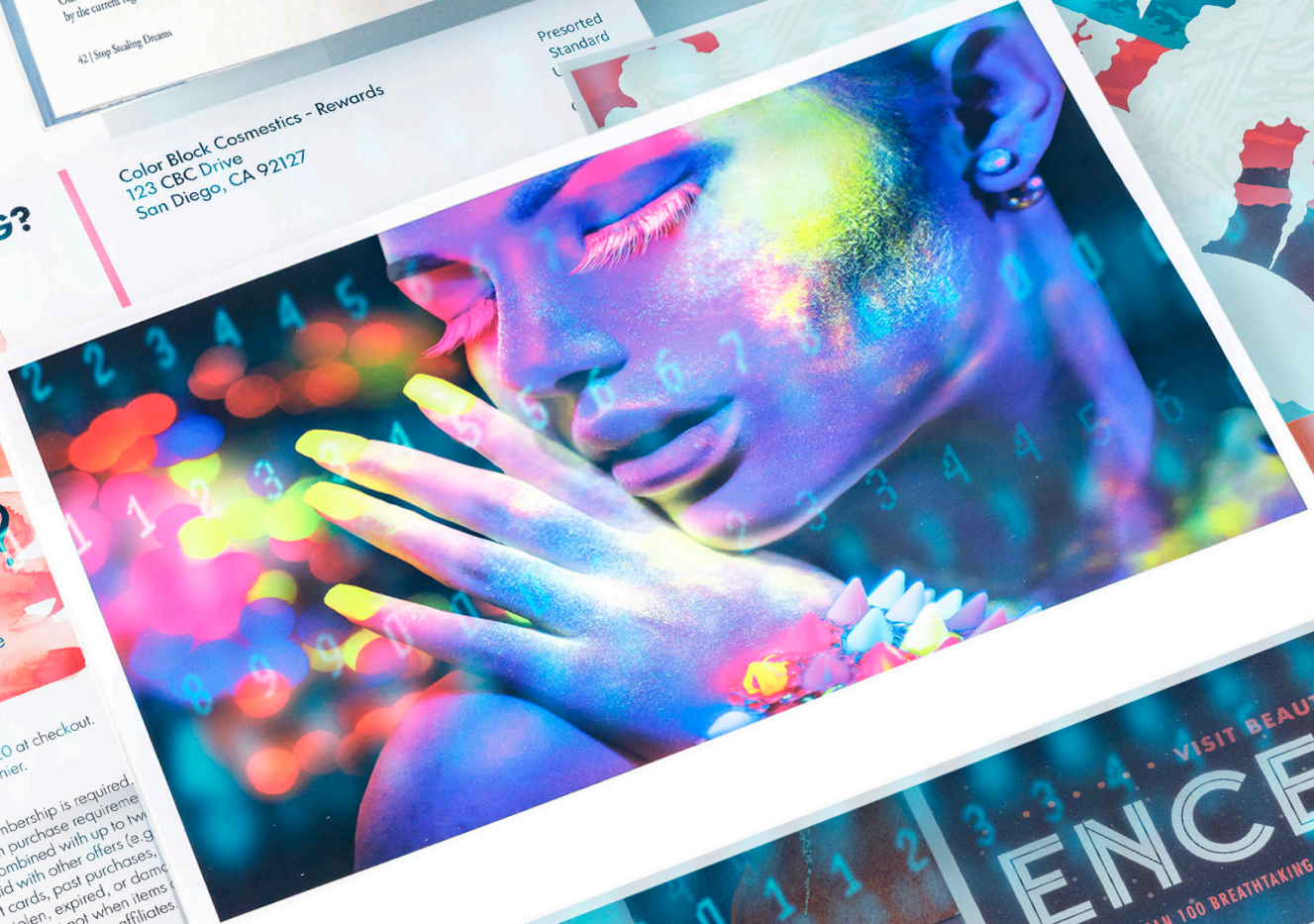
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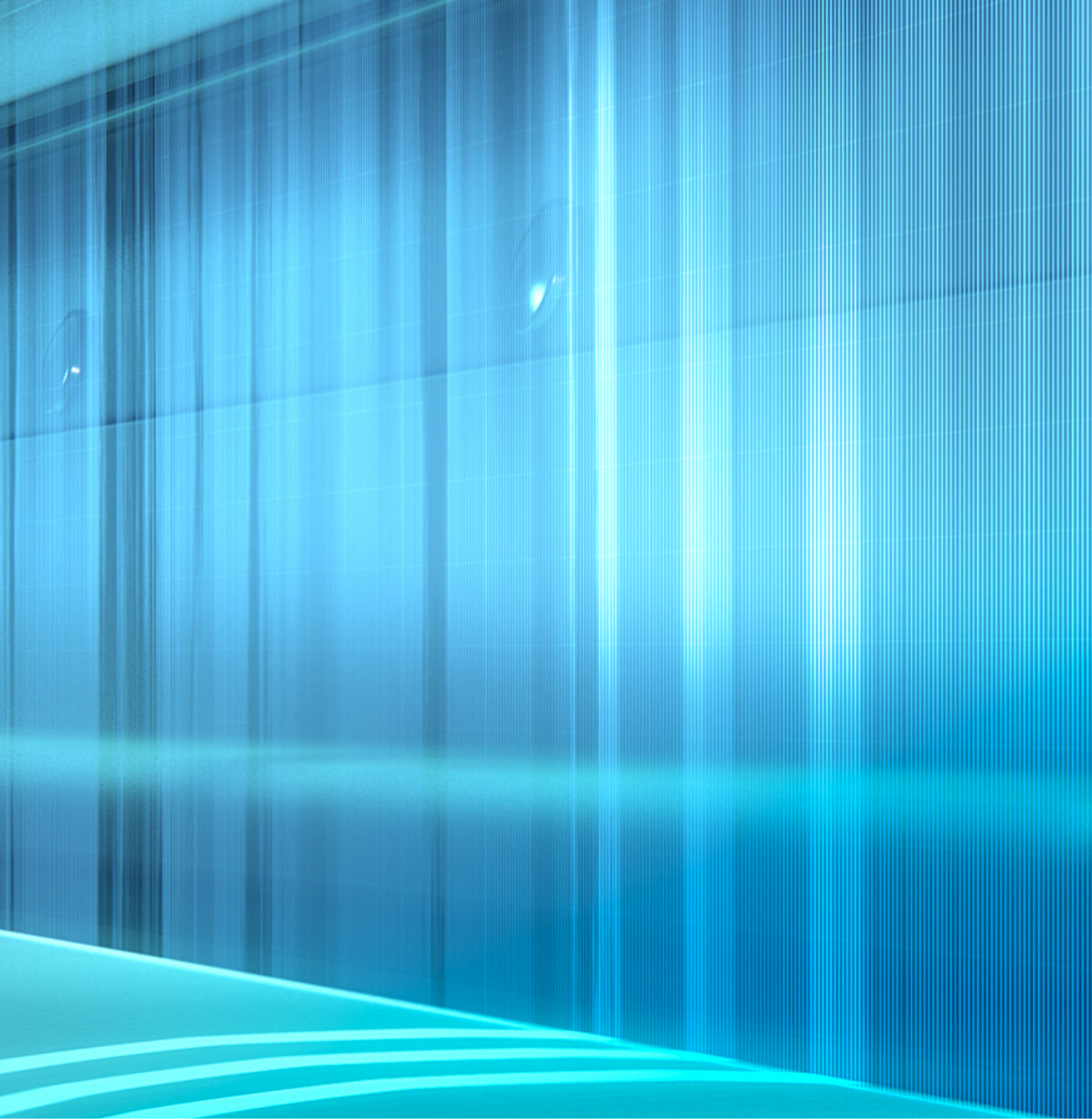
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