

The Future of Black & White Production Digital Printing (U.S. Study)

Focused

Responsive

Credible

Visionary

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- **Where are the growth opportunities for black & white production printing technology?**
- **Which black & white equipment segments will be the most successful and why?**
- **Which applications continue to drive demand?**
- **Which segments will drive the markets?**
- **Who are the buyers and what criteria will they use in making their next purchase?**
- **What level of impact will color printers and UCPs have on the black & white equipment market?**



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Introduction

With the increased interest in devices offering full, spot, or highlight color and with more black & white pages being printed on color devices, what is the future of black & white only production digital printing?

There is no doubt that black & white devices have reached a state of maturity, yet it remains a significant part of the overall production digital printing market. In fact, in 2005 black & white devices produced 874 billion impressions and generated \$17.8 billion toward the retail value of print. Total equipment revenue (equipment, service, and supplies) reached \$7.41 billion.

In the future, we do expect to see the continued displacement of black & white devices by Universal Copier/Printers (UCPs) that will cost-effectively produce color and black & white pages on the same device. However, that does not mean the black & white production digital printing is without opportunities.

We also expect to see the introduction of new higher-speed black & white devices that will compete with offset technology. New entrants are expected in the market, particularly in the "light production" segment. Continued improvements in finishing as well as improvement in cost and quality of output will make black & white devices attractive for niche applications.

So, how do you identify new opportunities?

InfoTrends' study will clearly define these opportunities as well as the key factors driving the market. It will examine the planned investments in this class of equipment, explore page trends, and obtain information to better understand the application mix and digital migration of pages moving toward and away from black & white production digital printing.

The study will examine the opportunities for specific classes of equipment (i.e. roll vs. cut-sheet, by speed, by duty cycle, by price, by format, by size).

The specific equipment categories are:

- Copier printers (80 - 105 ppm, 106 - 134 ppm, 135+ ppm)
- Cut-sheet printers (80 - 105 ppm, 106 - 134 ppm, 135 - 180 ppm, 181+ ppm)
- Roll fed printers

Critical Questions this Study will Address

As part of this study, InfoTrends will survey hundreds of users of this technology in addition to conducting extensive research with resellers and vendors. We will examine the plans and behaviors of those who generate the demand for print. Our survey results will answer many questions necessary for your strategic planning, product development, and sales and marketing initiatives, including:

- Where is the black & white digital production market going?
- What are the opportunities in the various market segments, such as POD, data center, book printing, forms printing, in-plant print shops, small in-plant print/copy sites, and the various segments of the print-for-pay markets (i.e. commercial printing, digital printing specialists, quick/franchise printers, direct mail printers)?
- What is the size of the opportunities by application?

- What are customers' vendor and equipment preferences? Which segments of the market will generate the highest demand?
- What are the key requirements for workflow?
- What is needed in terms of online and near-line finishing?
- What product features are required in terms of speed, format size, quality, and paper capacity?
- What are the critical success factors for competing in this market moving forward?
- What expectations does the market have in terms of price and performance?
- Which brands enjoy the highest preference?
- Which factors influence the buying decision?
- What are customers' requirements for service and technical support?
- What is the impact and potential of facilities management?
- How will page migration back to the enterprise impact this market?
- How will more robust workgroup devices impact volume on higher-speed, more robust devices?

The research attained in this study will identify important components to drive your initiatives, including:

- Market segments
- Critical success factors
- Unmet customer requirements
- Purchasing plans

Project Objectives

This study is designed to help technology vendors and service providers of black & white production digital printing equipment to succeed in this market. The results of this study will provide necessary information to help you:

- Prioritize product and market opportunities
- Forecast placements and revenues
- Improve sales and marketing activities in key market segments
- Best leverage the purchasing process
- Train your sales organization and distribution partners
- Understand customer perceptions and requirements
- Understand opportunities and requirements for integration
- Determine pricing strategies

Market Forecast by Segment

InfoTrends will provide a detailed market forecast through 2011 for black & white production digital printing equipment, servers, supplies, and related document services by key market segments. The forecast will include placements, installed base, and revenue projections for equipment, service, supplies and retail value of print. It will provide data on applications and application page migration.

Market Segmentation and Profiles

InfoTrends will segment and profile the black & white production digital printing equipment market by key types of end customers. These markets account for the majority of equipment placements, and our profiles will help companies understand the product requirements and key selling messages.

- Markets
 - o Corporate/Government/Education

- CRD/In-plant shops
- Data center
- Facilities management
- o Print-for-Pay
 - Commercial printers
 - Quick printers
- o Franchise printers
 - Copy Shops
 - Digital Printing specialists
 - Book and other specialty printers
 - Direct mail printers
 - Data center service bureaus
- Profile elements
 - o Description
 - o Population of companies by size
 - o Penetration of black & white output devices (model, brand)
 - o Vendor awareness, perceptions, and preferences
 - o Brand share
 - o Purchasing intentions
 - o Applications
 - o Identifying decision-makers for technology purchases
 - o Operating issues that could be leveraged
- AMPV
 - o Peak volume requirements
 - o Shifts
 - o Equipment
 - o Document services (i.e. scan-to-disk, variable, composition, electronic submission)
 - o Value of print
 - o Job submission and job ticketing
 - o MIS support requirements (i.e. print shop ERP systems, corporate networks, and business systems)

Application Requirements and Analysis

InfoTrends will develop profiles of the leading applications that account for the majority of black & white output. These profiles will help companies understand the product requirements and key selling messages.

- Applications
 - o Forms
 - o Books
 - o Magazines/Periodicals
 - o Directories
 - o Manuals/Technical Documentation
 - o Catalogs
 - o Proofs of jobs that will be printed on other devices (i.e. pre-production copies)
 - o Brochures, flyers, sell sheets, or other marketing collateral (except direct mail)

- o Direct mail
- o Proposals & reports
- o Spreadsheets, memos, or other general office documents
- o Presentations
- o Books
- o Financial reports
- o Statements/Invoices and other transaction documents
- o Newsletters
- o Financial/Legal printing (i.e. prospectuses, contracts)
- o Office stationery (i.e. business cards, letterhead)
- o Non-document printing (i.e. labels, photos, tags)
- Analysis elements
 - o Print quality
 - o Run lengths
 - o Duplex
- Paper requirements (i.e. basis weights, types, sizes, tabs, other media)
- Finishing (i.e. in-line, types of finishing)
- Percentage of total print volume

Document Services Opportunities

InfoTrends will identify, define, profile, and size the market for key document services. Many of these services are critical elements of an overall solution and/or represent important incremental revenue opportunities. They also assist in understanding which companies should develop strategic relationships with which vendors.

Variable data	Integration/Consulting
Web2Print	Document management
Printing (prepress, printing, & finishing)	Personalization
Fulfillment	Print procurement
Web-based submission & delivery	Facilities management

Competitor and Partner Profiles

InfoTrends will identify, categorize, and summarize the leading technology vendors and related service providers participating in the black & white digital production market. This information will be vital for understanding competitive positioning as well as potential partners. Key vendor categories will include:

- Marking engines
- Front-end systems & servers
- Document scanning
- Composition
- Finishing
- Distributed/Internet print services and Web2Print

Market Research

Primary Research

Our research will include an extensive review of existing data and over 325 interviews with technology vendors, resellers, and end-users (including print managers and operations executives). Ultimately, the research will identify market segments, critical success factors, unmet customer requirements, purchasing plans, and other items that will drive vendors' production, service, marketing, and sales activities.

Secondary Research

InfoTrends has conducted extensive research over the past 12 years with technology vendors, document service providers, and print customers. Relevant research reports that we can leverage as part of this study include:

- The Future of Mail & Transaction Documents: A North American study from 2006 that examines the future of transaction documents and direct mail. This study surveyed 412 consumers at shopping malls in the U.S. and Canada, 438 consumers with Internet access at home, 212 document owners who were responsible for the purchase and/or development of direct mail programs, 244 document owners who were responsible for the purchase and/or development of transaction documents, and over 300 print providers.
- A Vertical Market Approach to Document Services in the United States: An August 2006 study with a focus on 11 vertical markets, including interviews with 1,396 print buyers and document owners
- The Evolving U.S. Digital Color On Demand Printing Opportunity: A 2005 study that features interviews with 240 print buyers/document owners and 356 print providers
- The Changing Print-for-Pay Market: The Future of Commercial Printing: A U.S. market study from 2005 that includes surveys with 516 print providers
- Corporate Print Services: The In-Plant Printing Opportunity: A U.S. study published in 2004 that surveyed 401 in-plants
- U.S. Print On Demand Market Forecast (Annual)
- U.S. Document Outsourcing Market Forecast (Annual)
- U.S. Production Workflow Solutions Market Forecast (Annual)
- U.S. Printing and Publishing Market Sizing Forecast (Annual)
- Print On Demand Quarterly Equipment Tracking Program (provides quarterly equipment placement activities)

We will thoroughly examine existing market information on key applications, market segments, competitors, and product categories. InfoTrends anticipates utilizing a variety of sources, including:

Industry trade associations	Published industry reports
Periodicals and trade articles	Department of Commerce
Web sites	Industry databases
Bureau of Labor Statistics	Research reports
Vendor white papers	

Personal Interviews with Print Providers (10)

InfoTrends will conduct a series of 10 in-depth personal interviews with leading print providers. The interviews will be with corporate (i.e. financial services, insurance, healthcare, manufacturing) as well as print-for-pay providers (i.e. digital print specialists, data center service bureaus, quick printers, commercial printers, and specialty printers).

Personal Interviews with Manufacturers and Distributors

InfoTrends will interview all existing participants in the market that are manufacturing black & white production digital equipment and major distributors. The purpose of these interviews is to understand technology, product roadmaps, go-to-market experiences, major obstacles and challenges in this market, and requirements for success (i.e. sales training, support, integration, services).

Surveys with Print Providers (300)

Following the in-depth interviews, we will conduct a structured survey with print providers' representatives of the installation base as well as corporate and commercial print providers. The print provider research will be essential in determining market awareness, product requirements, price sensitivity, purchase plans, technology preferences and directions, and other factors influencing the adoption of on demand printing equipment. InfoTrends will survey decision-makers in these printing establishments.

Vendor Profiles

InfoTrends will develop a series of profiles of leading vendors in key industry segments. The profiles will include a summary of vendors' product lines and document services, a description of their market focus, an identification of technology or marketing partners, a description of distribution channels, and other information. Profiles will cover vendors in the following areas:

Web2Print	Variable data software
Production workflow solutions	Document scanning
Composition and document management	Printing systems
Feeding and finishing	Output servers
Facilities management	Distributed printing
Systems integration	

Analysis and Project Deliverables

InfoTrends will provide extensive analysis of the desk research, personal interviews, and surveys to develop a comprehensive understanding of the opportunities and issues for document technology and service providers. Clients will receive a variety of reports and data for senior management, product managers, planners, and sales and marketing executives. The materials will include:

- An Executive Summary that addresses key issues, findings, and overall recommendations
- A detailed written report (at least 150 pages) with text, charts, and graphs addressing the objectives of the study
- A set of PowerPoint presentations
- A data book of the survey research for additional analysis of key questions and market segments with cross-tabulated data

Project Schedule

InfoTrends intends to launch this project in January 2007. Based on the following schedule, the project will be completed with materials distributed by the second quarter 2007. Throughout the project, InfoTrends will issue regular updates on its status. In addition to a discount on the price of the study, early subscribers will be able to provide input on the survey documents.

Milestone Completion Week

Data from field	February 2007
Report delivery	May 2007

Project Fees

For clients that sign up before January 31, 2007 the participation fee is \$13,995 (USD). After January 31st, the participation fee is \$14,995 (USD). A personal presentation is available for \$2,500 plus travel expenses.

Technology Provider

- Early subscribers (before 1/31/07): \$13,995
- Subscriber (after 1/31/07): \$14,995

Print Service Provider

- Early subscribers (before 1/31/07): \$5,995
- Subscriber (after 1/31/07): \$6,995

Terms and Conditions

Liability for Advice

Although reasonable efforts will be made by InfoTrends to ensure the completeness and accuracy of the information contained in written and oral reports in connection with the proposed study, no liability can be accepted by InfoTrends for the results of any actions taken by the client in connection with such information, opinions, or advice.

Copyrights

InfoTrends retains all copyrights. The reproduction of any materials is prohibited without written consent from InfoTrends.

Confidentiality

InfoTrends will use its best efforts to ensure that any confidential information obtained about the client and its business during the course of the proposed study is not, unless agreed otherwise in advance, disclosed to any third party without the prior written permission of the client. InfoTrends retains the right to re-use any non-proprietary information as part of its ongoing analysis of the office automation and printing and publishing industries.

Timely Delivery

InfoTrends will take all reasonable steps to ensure that the time scales called for by the proposed study are met in accordance with the agreed-upon schedule, but no liability can be accepted for the consequences of delays, howsoever caused.

Terms

One half of fee upon initiation and one half upon report delivery.

Authorization

Client Address & Contact

Contact Name

Company Name

Street Address

City, State, Zip

Billing Address & Contact (if different)

Accounts Payable Contact

Company Name

Street Address

City, State, Zip