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*InfoTrends is the leading worldwide market research and strategic consulting firm for the digital imaging and document solutions industry. We provide research, analysis, forecasts, and advice to help clients understand market trends, identify opportunities, and develop strategies to grow their businesses. Additional information about InfoTrends is available on the Web at [www.infotrends.com](http://www.infotrends.com).*

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## **The Future of Commercial Printing in the United States: Digital Technology Driving Change**

- Color offset volume transfer to digital
- Brand/Vendor preference by market segment
- Future product and market requirements by segment
- Market size and forecast by segment

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## Who Should Subscribe?

### *Print equipment vendors and suppliers that provide:*

- Digital printing solutions
- Traditional printing
- Supplies (including paper and graphic arts supplies)
- Finishing and mailing equipment

### *Software solutions providers to the graphic arts industry, including:*

- Production workflow management software providers
- Digital front-end software providers
- Print Management Information System (MIS) providers
- Web-to-print software and solution providers
- Archiving and distribution services
- Variable data tools
- Postal automation tools

### *Print service providers, including:*

- Commercial printers
- Quick printers
- In-plants
- Office superstore print facilities
- Other print service providers interested in developing a competitive strategy

### *Other organizations:*

- Financial institutions
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## Introduction

In the world of graphic arts communications, buyers' demands and expectations of print services providers are evolving. Although cost is still a very important metric of consideration, many are looking for more effective, multi-channel ways to communicate with their prospects and existing customers. To keep up with these changing dynamics, service providers need to strive for super efficiency and, more importantly, they must demonstrate their industry knowledge and marketing skills. Service providers must possess expertise not only in print services, but also in supply chain management, multi-channel communication, and specific vertical markets.

These changes present growth opportunities as well as challenges for print services providers as they expand their service offerings to meet the needs of the market. Among the emerging service opportunities for print service providers are value added services, such as mailing, fulfillment, Web-to-print, content management, 1:1 variable data, and multi-channel marketing campaigns. Nevertheless, deployment of these services requires a major transformation of the business model, organizational structure, and skill-sets of service providers.

Given the changing market dynamics, many are wondering what the future holds for the commercial printing markets in the United States. This study will take into account the full range of commercial printing establishments, from small quick printers to large commercial printers. It will examine where the industry is today and where future opportunities reside. The study will consider what changes in strategies, business models, and the staffing of these establishments will take place as service providers expand their offerings to include a range of higher value added services.

The study will also look at the speed and nature of the migration to digital printing and integrated workflows. It will determine the barriers and adoption rates of these technologies, as well as the future of the traditional tools of the trade. It will also provide a benchmark for InfoTrends' previous study, *The Changing Print for Pay Market: The Future of Commercial Printing*, which was published in 2004.

## Project Objectives

This report, *The Future of Commercial Printing: Digital Technology Driving Change*, will provide a comprehensive understanding of the nature of the commercial print and print-for-pay markets. It will address the following questions:

### Business Strategy & Management

- How do commercial printers position themselves today? What plans do they have for the future?
- What are the future transition plans of these businesses?

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- What services do they offer today and what are their plans for the next few years? Do these plans involve offering value added services such as mailing, fulfillment, Web-to-print, and 1:1 multi-channel marketing campaigns?
- Who are the primary customers they service? Which vertical(s) do they target? What level in the client organizations are they calling on?
- What geography do they service?
- What are their major print applications?
- How are they charging for various services? What are the pricing models?
- What revenues and margins do various services generate?
- How are they staffing to accommodate advances in technology and changing market needs?

## Operational Questions

- What existing equipment do they own and what are future equipment acquisition plans?
- What workflow infrastructure do they currently have and what are their future plans?
- What is the print volume mix between offset and digital, and how is that mix trending?
- How much of their print volume today is submitted through the Web?
- By segment, how is a typical plant configured, and what is the market share, by vendor, for equipment placements?
- Who are the preferred vendors for prepress, printing, workflow, finishing, paper, and supplies?
- Who do they obtain financing from and how does access to capital impact capital investments?

## The Commercial Printing Opportunity

InfoTrends uses a consistent methodology in tracking establishments. To provide uniformity with other standardized market data sources, our definitions of the industries and types of establishments are based almost directly on the U.S. Department of Commerce NAICS standard.

An establishment is a single physical location at which business is conducted. It is not necessarily identical to a company or enterprise, which may consist of one or more establishments. An establishment differs from a firm or company in that the latter includes all establishments at all locations under common control.

A commercial printer is defined as an establishment that is primarily engaged in printing using the lithographic offset process on sheet or web-fed presses. Quick printers and digital printers, or copy centers, are not classified as commercial printers, as those establishments have their own NAICS segment. Nevertheless, we are including these establishments in our study because they often produce similar applications. Examples of jobs produced include calendars, maps, posters, coupons, labels, menus, and brochures.

InfoTrends has identified over 27 thousand commercial/litho printing, digital printing, quick printing, and copy center establishments that produced an estimated \$70 billion in revenue in the U.S in 2006. The vast majority of these establishments are small, as over two thirds have fewer than 10 employees. Just under 7% of these establishments have over 50 employees, yet we estimate that this group accounts for nearly 55% of the total revenues for all of these industry segments.

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## Building on Market Data

This study follows previous InfoTrends market research, including:

- The Future of Black & White Digital Production Printing in the U.S., 2007
- The Future of Mail 2006 – Direct Mail, Transaction, and TransPromotional Documents, 2006
- A Vertical-Market Approach to Document Services in the U.S.: The Evolution from Printer to Partner, 2006
- The Evolving U.S. Digital Color On Demand Printing Opportunity, 2005
- The Changing Print-for-Pay Market: The Future of Commercial Printing, 2004

InfoTrends will build on the data that was gathered in these previous studies as well as our ongoing coverage of the production digital print, workflow solutions, custom communications, and document outsourcing markets, including our market research on vertical markets, to develop trending data as appropriate.

## How This Study Can Benefit Your Organization

This study is designed to profile the commercial printing and print-for-pay markets and evaluate current and emerging trends. The results of this study will present information that will help you:

- Prioritize product and market opportunities
- Size the commercial printing/print-for-pay market now and in the future
- Understand how the market is segmented
- Understand the trends impacting the commercial printing market
- Identify new business opportunities
- Support product and service strategic planning
- Improve sales and marketing activities in key market segments
- Understand the purchasing process and the impact that technology is having on that process
- Understand customer perceptions, brand preferences, and requirements
- Identify successful print providers
- Assess competitive pricing strategies

## Critical Results of the Study

To achieve the objectives described above, InfoTrends will administer a survey to commercial printers that addresses the topics listed below.

- Company size (revenue, employees)
- Demographics (ownership, type of corporation)
- Key financial metrics (budget, revenue, etc.)
- Services offered and plans for future offerings

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- Equipment configuration and workflow
- Typical applications produced (by color content, run length, etc.)
- Work purchased from trade services
- Work submitted via the Internet
- Status of existing sales and marketing resources
- Extent to which commercial printers are participating in cross-media activities
- Investment plans
- Importance of workflow solutions
- Brand preferences
- Business transition plans
- Existing penetration of digital printing equipment & MIS solutions
- Views on turnaround times, acceptance of digital color, etc.

## Market Research

The research will include discussions with key commercial printers regarding the dynamics they are observing in the commercial printing market. These discussions will cover their current state and future plans, as well as their views on critical industry topics.

Unlike other studies that rely on panels or specific segments of the market, we will deploy a random survey of the industry that will provide statistically relevant data by sub segment (such as establishment size, type of printer, etc.). The research will enable us to define today's commercial printing environment, identify the trends that are impacting these operations, and develop a future picture of the commercial printing market. The study will guide commercial printing professionals as well as suppliers to this segment in developing an effective portfolio of offerings that meets new and emerging business requirements.

## Desk Research

InfoTrends will thoroughly examine existing market information on the commercial printing environment. We anticipate using a variety of sources including but not limited to:

- Industry trade associations and trade publications
- Government agencies
- Published industry reports
- Bureau of Labor Statistics
- Periodicals and trade articles
- Industry databases
- Web sites

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- Vendor white papers
- User groups
- Research reports

InfoTrends will also review research that it has published previously as part of its continuous consulting services and multi-client studies.

## **Survey of Commercial Printers – 347**

A survey of senior management within the commercial printing market will be critical in assessing the current state and strategic direction of these operations, including scope, size, organizational trends and strategies, sales process and pricing trends, and perceptions of unmet market needs and emerging opportunities. These interviews will extend to and generate reliable data on all sub-segments (such as digital print service providers; small, medium, and large printers, etc.).

## **Personal Interviews with Leading Quick and Commercial Printers – 15**

An essential element of the project will be extensive primary research that will address issues that previous industry analysis has not covered. The primary research will include a series of in-depth personal interviews with leading small, medium, and large commercial printers. These interviews will also help inform the broad based survey.

## **Analysis and Project Deliverables**

We will conduct extensive analysis of the desk research, personal interviews, and surveys to develop a comprehensive understanding of the opportunities and issues presented by the commercial printing market. The research will clearly define and detail this market segment, including market size and potential moving forward.

Clients will receive a combination of reports, presentation materials, and data for senior management, product managers and planners, and sales and marketing executives. These materials will include:

- An executive summary that addresses key issues, findings, and overall recommendations
- A detailed written report with text, charts, and graphs addressing the objectives of the study
- An electronic PowerPoint presentation for internal communication of the research results
- A data book of the Web survey research for additional analysis of key questions and market segments with extensive cross-tabulations
- A discussion of the key elements of a successful business plan for commercial printers as they guide their operations into the future
- Profiles of successful providers in this market space and key identifiers

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## **Project Fees**

The fee for clients is \$15,000. A personal presentation is available for an additional fee of \$2,500 plus travel expenses. Additional copies of the final report are available to subscribers for \$350.

## **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.

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### **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.

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## Authorization

### The Future of Commercial Printing in the United States: Digital Printing Technology Driving Change

For more information on the study or how to order, please send an e-mail to [sales@infotrends.com](mailto:sales@infotrends.com).

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