PRIMIR 2016 Summer Meeting – Overview Synopsis

Timely and fast paced, PRIMIR’s Summer Meeting program delivered to industry marketing strategists and thought leaders – three new studies delving into the business potential available in the North American coatings market, ink/chemical migration and food packaging compliance, and the high-potential in-plant market; an engaging “Great Debate” among prominent commercial printer’s on the NPES/PRIMIR “The Future of Print in the U.S.” study; an “insiders” plant tour of a PI 400 top printing facility; dynamic networking sessions; and, highly interactive roundtable discussions to advance “PRIMIR 2.0” in developing new research topics for 2017 – all leveraging the meeting’s theme, “Peak Performance – Pioneering Pathways to Breakthrough Success.”

PRIMIR 2.0 – Additionally, the summer meeting served as a springboard to review the impacts of the new research study models developed, and coming to market, for members in 2016. PRIMIR’s early success in 2016’s study development, leverages its proven methodology for conducting comprehensive, in-depth research studies. PRIMIR’s Executive Committee, led by Chair Frances Cicogna and Vice-Chair Rick Mullen, worked with enthusiastic members to begin development of scopes and objectives for all 2017 study deliverables, while continuing to expand upon the new research formats, inclusive of: mini-studies, white papers and webinars, in addition to the existing full study format. Meeting participants confirmed that the innovation and offering of multiple PRIMIR formats significantly increases the engagement, penetration and participation by corporate management and divisional specialists, within a broader spectrum of member companies.
Jennifer Dochstader & David Walsh of LPC, shared extremely timely and important research findings, and implications, in their PRIMIR study presentation – “North American Food Packaging Compliance: Impact on the Printing Industry.” And, though traveling in Spain, this dynamic LPC team went “above and beyond” to produce an extremely engaging and informative video presentation that debuted for the PRIMIR & NPES members attending the meeting, which was followed by a “live” Q&A from Denver with David and Jennifer conferenced in from abroad.

They shared that “Front and center in this study are the brand owners / packaging buyers – the purchasers of corrugated, folding carton, flexible packaging and labels.” According to Dochstader, “getting information about packaging and food safety issues from these companies is very difficult. They hold this information really tight to the chest because they don’t want their competitors to know what they’re developing in terms of food safety issues and how they will position themselves as a conscientious entity in front of the consumer and in front of major retailers like Walmart who are really driving some of these food safety initiatives. These companies are really at the heart of the research with over 70 brand owners participating. Also, another constituency that was really critical in this research was speaking with printed packaging converters – the printers and converters of labels, flexible packaging, and folding cartons, to acquire both quantitative and qualitative information.

Background on the study explored the global food crises that have occurred in the past and the high cost of product recalls – in terms of $10s of millions to even $100s of millions, as well as brand erosion and bankruptcies. The definition of ink and coatings migration and when it can occur, as well as what “low migration” is based on daily intake calculations was also discussed. As it relates to responses to the Brand Owners Survey and the whether the use of low migration inks and coatings is something they are forcing – 24% noted they actively mandate their packaging printers in North America to use low migration inks and coatings, while 42% are not currently mandating, but are “watching closely and will enforce within a few years’ time. This full video is available now on the NPES website and the published study will be available for PRIMIR members in just a few weeks’ time.
Holly Muscolino, Research VP, Document Solutions, International Data Corporation (IDC), and Howie Fenton, VP of Consulting, IMG, provided a very noteworthy and strategic view of “Digital Printing Technology’s Influence on the U.S. In-Plant Printing Market.” This session examined how the growth in digital printing (esp. digital color) technology impacts the opportunities now available for corporations, brand owners, and manufacturers to quickly and inexpensively produce printed materials in-house, as well as a comprehensive overview of the “in-plant” market revealing new insights into the market opportunities for traditional manufacturers of equipment and supplies to participate, and position competitively, for the in-plant market’s purchasing decision processes. Holly and Howie discussed how the nearly 30,000 U.S. in-plant printing sites (projected to decline -3.3% to ~25,000 by 2020), plan to purchase their digital printing and finishing equipment; the variety and types of products produced (and what is printed in-house vs. outsourced); the most likely verticals and plant sizes expecting growth in the next 12-months (e.g. In-Plants in Healthcare most bullish, followed by Education and Non-Profits, esp. with 5-19 and 20-49 employee-sized plants, while larger in-plants expecting “steady” business). The presentation also looked to current and future anticipated output capabilities, key products, and the important “tipping point” required for PRIMIR & NPES members to offer or develop, to bringing these services and capabilities in-house for these facilities. This valuable study’s findings, implications and opportunities will be available in just a few weeks for all members.

Kevin Karstedt, CEO, Karstedt Partners provided a preliminary look into his research and initial findings (research work still underway this summer) during his presentation of the “Coatings Market in North America by Applications and by Chemistry.” Coatings continue to be a major topic of exploration, innovative use, and competitive advantage within the marketplace for the sectors of commercial print, packaging and labels. Kevin launched his presentation with a ‘Coatings 101’ introduction, to provide a frame of reference on the uses of coatings (protection, improved “runability,” graphic appearance, smart packaging, freezing/refrigeration to cooking, etc.) and various chemistries of coatings (UV/EB/LED, water, and solvent), as well as their efficiencies and benefits in the marketplace. He also identified where coatings are prevalent, as well as technological innovations, process enhancements and adoption drivers and barriers vs. other processes and market-sizing (and forecast to 2020). As growth in use and functionality within the
What Printers Say:

About the prospects of a Universal Coating for Analog and Digital use

- Most see the allure but don’t see it as doable
  - Seen to be most practical/doable in commercial, flexible and label applications
  - Seen to be less practical/doable in carton applications
- There are many possible benefits
  - Inventory management/reduction
    - One substrate for multiple processes—single substrate certifications
    - Benefit to both the substrate supplier and the printer
    - Cost benefit to substrate supplier could reduce costs overall
- Would you be willing to pay more?
  - No! It should reduce the overall cost of inventory and WIP and that savings should be passed on

Packaging markets continue, alongside the sustained and new developments for commercial and label sectors—the future trends and end-use markets will be more aligned and better positioned to enhance their ROI, as will press manufacturers and suppliers throughout the value chain. Further, the PRIMIR Member Exchange (that follow every study presentation, without the consultants in the room), was a lively session to solicit input and a “reality check” from those members in attendance, whose companies manufacture, market or utilize coatings. The study’s task force with staff, has compiled and forwarded feedback and since meeting in Denver, conducted a follow-up conference call with the Karstedt Partners staff to discuss various aspects of the study’s preliminary findings of market-sizing, applications and technologies that require deeper dives of both primary and secondary research. Overall, however, both the task force and PRIMIR leadership remain confident of the value of this mini-study for release to members in late-summer.

PDFs of the PRIMIR study presentations—“North American Food Packaging Compliance: Impact on the Printing Industry” (includes full-length 50-min. taped presentation video), as well as “Digital Printing Technology’s Influence on the U.S. In-Plant Printing Market” are posted online at PRIMIR Research ► Research Studies, under the actual study title at this link. PLEASE REMEMBER: You must be logged-in with your username and password to access these presentations. Contact Rekha Ratnam for log-in access help: rratnam@primir.org.

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In another timely and informative session, laying the groundwork for future exploration, industry outcomes and potential webinar(s) – a very dynamic printer panel session engaged in the “Great Debate” over “The Future of Print in the U.S. – Landscape, Implications and Opportunities,” a recent PRIMIR study released this earlier this year. Framing the debate were the facts – since 2000, the U.S. print industry has weathered tumultuous change. Shipments have declined over 40% and more than 30% of businesses have consolidated or disappeared. The evolution will potentially continue with another 7,000-8,000 businesses to be lost over the next five years. For the next decade, the U.S. commercial print industry will continue to grapple with a rapidly changing environment, as outside forces dampen the demand for print.

Recognizing these impacts—which include changing consumer preferences and the direction of both the U.S. economy and print-related industries (technology, advertising, publishing, and packaging) – is critical for all stakeholders in the print value chain. On the upside, examining the
future landscape through the lens of these key drivers does reveal new business opportunities that this PRIMIR printer panel, the study’s co-chairs – Steve Mattingly and Paul Jaynes – and, moderator Mark Subers of NAPCO Media, explored. This essential and timely study, produced by The Economist Intelligence Unit, sheds light on what lies ahead; and, the panel discussion on the topic generated a great deal of passion, as most of the trends identified in this study, serve to drive down the overall demand for print; however, they will create new opportunities for progressive print industry pioneers. Undoubtedly, PRIMIR members will lead in pioneering the new frontier ahead.

The newly released PRIMIR study, “The Future of Print in the U.S.—Landscape, Implications and Opportunities,” served to produce a tremendously interactive “Great Debate” printer panel session. Introducing the macro-environment and future prospects that the study projects for the industry – Steve Mattingly, SVP, Southern Lithoplate (standing R) challenges the panelists (seated front, L to R): Steve Larson, Owner, C & D Printing; Dean Hruby, VP-Sales & Marketing, Henry Wurst; Luann Wood, President, Your Bindery Finishing; and, Gary Bennett, President, D & K Printing – to share their thoughts after reading the full study and how it reflects their businesses and relationships in the supply chain, both up and downstream. PRIMIR printer panel sessions, always rate very highly with members attending, and this program was exceptionally highly-rated.

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**PRIMIR Research Recognitions & Plant Tour**

Frances Cicogna, PRIMIR Chair (R to L) recognized Sharad Agarwal of Verso Corp. and Doug Greenman of Avery Products Corp. for their task force leadership in the work to complete a new PRIMIR 2.0 white paper, “North American Brand Owners’ Influence on the Printing/Purchasing Process.” Beyond this new PRIMIR product release to members, a webinar is being scheduled to include project consultants – John Zarwan and Margie Dana.
Megatrends in Digital Printing Applications: An Update of the 2010 Study Data and Future Outlook

Co-Chairs: Paul Jaynes & Rick Mullen

As digital printing technology continues to mature with more capable equipment, new innovations and lower capital and operating costs, it will continue to impact traditional print technologies and the traditional print value chain. This study data update will take a detailed view of North America (U.S. and Canada) of digital printing and its impacts using 2015 as a benchmark to provide forecasts through 2020 and provide some general worldwide insights. RFPs were sent to consultants in April and the study task force met on a May 10 conference call to review proposals, which were extremely competitive between two finalists. Task force co-chairs and staff weighed all the features and benefits of the two proposals, past PRIMIR relationships with the consultants, and specific experience and access to resources; and, gave the edge to I.T. Strategies, former consultant on the 2010 original study. A study kick-off meeting was held between Marco Boer of I.T. Strategies and the PRIMIR Task Force on June 13. With nearly 30 years of experience in advising and guiding senior executives of Fortune 1000 and smaller innovative companies to successful business solutions in emerging digital printing, Marco Boer has a deep understanding of ink jet printing technology and its applications. A presentation of the findings, implications and actionable recommendations is slated for the PRIMIR & NPES joint meeting Nov. 14-16 in Marco Island, FL. Publication and distribution of the final report to follow.

World-Wide Market for Print: Identifying Global Opportunities – Packaging **

Study Partners: NPES/PRIMIR & VDMA

In 2013, NPES/PRIMIR completed the “World-Wide Market for Print” (WWMP) study produced by The Economist Intelligence Unit (EIU) which established a new modeling framework, methodology and baseline for examining select countries comprising the majority (90%) of the global graphic communications market. With much of the world either, recovering, in the midst, or entering economic recession – the global approach was important to help understand where major developments in the print industry are occurring and allow key players in the markets to adapt to
significant changes and leverage market opportunities. This study, approved for funding by the NPES Board of Directors and partnering with VDMA, focuses exclusively on Packaging with a geographical scope of 25-key countries for market sizing and forecasts, with six countries selected for “deep-dive analysis” – all singled-out as either the largest markets or fastest growing. Leading the study, the EIU will provide a benchmark baseline 2011-2015 data and annual five-year forecasts through 2020. A presentation of the findings, implications and actionable recommendations is slated for the PRIMIR & NPES joint meeting Nov. 14-16 in Marco Island, FL. Publication of a highly-functional dashboard w/ pivot tables and comparative data analysis, and study summary will follow, with distribution to all PRIMIR & NPES members.

**Inline Finishing Solutions in the Digital and Offset World **

**Co-Chairs: Eric Frank & Mark Hunt**

This study investigates available solutions for both conventional and digital presses, outlining the pros and cons of inline finishing; and, will cover various options and scenarios where inline finishing has been successfully implemented and the future trends for in-line finishing. RFPs were sent to consultants in April and the study task force met on a conference call on May 10 to review proposals. The resulting review and discussions resulted in selection of Hal Hinderliter who is a consultant and author with 37 years of printing industry experience; clients include Fortune 500 corporations, packaging and commercial printers, publishers and reprographics companies; and, he has experience as the Executive Director of the Institute for Graphics and Imaging; Director of the Graphic Communication Institute at Cal Poly; and, Director of the Center for Imaging Excellence at GATF. Hinderliter is the author of six textbooks, 120+ magazine articles and numerous technical reports. A kick-off meeting was held on May 24th and the presentation of findings will be conducted via live webinar or in-person at an upcoming PRIMIR meeting, followed closely by the publication and distribution of the final report.

**North American MIS/ERP Adoption in Commercial Printing**

**Co-Chairs: Ted Vickers and Rao Meka**

This mini-study identifies which MIS/ERP solutions are most popular, their capabilities and adoption rates. MIS solutions in the printing industry have the reputation of being unwieldy and underutilized. The purpose of the study would be to explore what typical features of MIS solutions were purchased, and to what extent they were actually implemented. The end result would provide valuable insight to MIS vendors on what is important to users and where improvements should be sought. Task force recruitment activity was underway in advance of, and during, the PRIMIR Denver meeting to further the development of an RFP. The Denver roundtable session was productive and PRIMIR staff will be circulating a newly revised study RFP, inclusive of scope, objectives and deliverables, to the newly formed task force for final refinement and review by the Executive Committee to obtain approval for circulation to consultants. This mini-study is slated to be completed and distributed by year-end 2016.

**NPES Members will have access to these studies**

**New PRIMIR Research Task Forces – 2017 Deliverables**

Following are the draft overviews of new research studies discussed at roundtable sessions during the June 2016 PRIMIR Summer Meeting. Study Task Forces are organizing now – if you would like to join a task force, e-mail Rekha Ratnam (rratnam@primir.org). You will be added to the task force roster to be kept informed of conference calls or other meetings, and e-mail activities, between now and the 2016 PRIMIR & NPES Meeting in Marco Island, FL, Nov. 14-16.

Breakout roundtable sessions were conducted for six new 2017 research studies now underway for activity in 2016 and 2017. As a reminder, “PRIMIR 2.0” was launched by the PRIMIR Executive
Committee as an outgrowth of strategic planning to increase engagement, penetration and the active participation within member companies. This year, both PRIMIR and NPES members were instrumental in this effort, through active participation in the 2017 new study topic survey, which included topic prioritization and specific delivery formats best suited for the research. Besides the traditional full studies, the roster for 2017 also includes: two mini-studies and two white papers; in addition to webinars – to deliver the technology, applications and market research requested by members.

Networking and the dynamic exchange of ideas are at the forefront of PRIMIR’s core value to members, and more importantly in contributing to the development of new studies’ scope and objectives. You need to be in attendance at PRIMIR meetings to have the biggest impact in shaping research to meet your own corporate market intel needs. The forefront table depicts Tony Laurino of Sun Chemical making a point for the new 2017 white paper “Adoption of LED UV Curing in Package and Label Printing,” to (L to R) Deanna Klemesrud, Flint Group; Chad Fiedler and Chris Calomino, ACTEGA North America; and, Kaz Tanaka, Konica Minolta Business Solutions, U.S.A. Concurrent roundtables included a large number of diverse members and new NPES President, Thayer Long attending his first PRIMIR meeting.

Below are the brief study descriptions, derived from the draft background and scopes developed by members in surveys and further advanced at the summer meeting roundtables. As task forces are officially organizing to begin work on RFP objectives and deliverables, there will be group conference calls and interim activity to identify appropriate study consultants, finalize RFPs and solicit Executive Committee approval for the bidding process by consultants to begin. Members interested in joining any of the task forces should contact Rekha Ratnam: ratnam@primir.org.

**FULL STUDY**
6 mos.; 100+ pages; quantitative & qualitative research/findings; detailed executive summary and implications

**Global Trends in Packaging Affecting N.A. Converter & Supplier Markets (2009 study update)**
The 2009 study identified global packaging trends that impacted the North American converter and supplier markets, identified drivers and barriers and demographic, environmental, or regulatory issues influencing packaging, including offshoring issues. This study sized the market and provided forecasts for labels, folding cartons, corrugated, flexible and retort pouch packaging and identified trends impacting each segment, including substrate and coating requirements. This study also evaluated food versus other packaged goods and identified the package format specifiers and their future needs. This study update should revise the objectives from the 2009 study and encompass new aspects (as applicable) such as:
- Clear sub-segmentation, volume bands segmentation – demographics and type of companies, adoption to digital in the next 5 years, volume base, evolution in ink consumption, new product and consumer trends.
- Trends in materials, processes and substrate mix, percentage of process color versus spot color, and use of extended gamut and digital print, understand geographic shifts (re-shoring) and latest low-cost producing countries. Detail on the specific materials, spot/process, digital use. Also, raw data to sift through as needed (presses and plants by application, e.g., packaging/commercial, print process, materials mix, and geography, for instance).

**Printing Industry Consumables Usage & Trends (2011 study update)**
The 2011 study provided an understanding of the usage trends for the numerous consumables utilized by the various print processes (flexo, gravure, offset & digital) and by major application segments (packaging, newspapers, general commercial, publication, and government/in-plant/education). Consumables included were: inks (UV, toner, inkjet, conventional), coatings, plates, blankets, sleeves and other pressroom chemistry. This study identified consumables shifts as printers transition from conventional to digital by application. This study also provided secondary research quantitative estimates for consumption patterns and shifts. The study update should revise the objectives from the 2011 study.

**MINI-STUDY**
3-4 mos.; 100-125 pages; primarily qualitative research/findings; brief executive summary and implications

**Service to Printers Trends and Outlook**
Evaluate the perceived value of service to printers. Evaluate the service business by segments size in the print industry and future projections. Evaluate the preferred service program delivery: manufacturer or 3rd party. Customers key requirements for service providers. How much the printers are spending on average on service as a % of the product price.

**The North American Market for Plastics in the Printing Industry**
This overview will discuss the market for plastics in the various applications such as card manufacturing (credit cards, gift cards, loyalty cards, security cards as well as flexible packaging (food packaging, agriculture, wraps, etc.) and niche markets such as lenticular. Gain a better understanding of the general market and printing trends. Include the security printing market as it relates to credit cards, gift cards and the like.

**WHITE PAPER**
45-60 days; 15-25 pages; educational and practical; introduction and executive summary; provides facts

**The Retail Print Marketing Product Evolution in a More Digital World**
Where are the flyers, in-store products, catalogs and direct mail going with the rise of eCommerce and mobile / digital usage? What are the needs of retailers and of e-retailers? How can a printer best serve them? Does it need to offer a full suite?

**Adoption of LED UV Curing in Package and Label Printing**
Would like this study to cover all print applications, print processes, and market segments. Would like the study to review the adoption rates of this fairly new curing technology for package and label printing - looking from 2014 thru 2025.
Mark your calendars and watch for upcoming details on the 2016 PRIMIR & NPES Fall Meeting to be held Nov. 14-16, in Marco Island, FL! And, best wishes for a profitable and productive (and, relaxing) summer!