



Synopsis PRIMIR Summer Virtual Meeting August 6-9, 2013

With PRINT 2013 on the horizon, as well as conflicts with summer vacations, the PRIMIR leadership devised an *outside of the box* approach by bringing the meeting to you. Member participation was strong for the presentations and task force meetings. The new concept was well-received. What follows is a brief recap of the week's activities and programming.

Presentations

Here is what you missed if you didn't attend. . . .

In his webinar presentation about the PRIMIR study "*Value-Added Printing & Finishing for Improved Profitability*," Hal Hinderliter provided insights gleaned from his research into the topic. To clarify the study, Hal referred to a quote from Torsten H. Nilson in *Competitive Branding: Winning in the Marketplace with Value-Added Brands*. "*The successful company must... ensure that it is adding tangible and [or] abstract values to the products and service it supplies, and in doing so ensuring that it is offering customers superior perceived value.*"

Hinderliter's research found that printers often do not make their customers aware of the value-added services or solutions they can provide. And, often these value-added solutions not only enhance the effectiveness of the print, but also add to the bottom line for the printer.

*This study presentation and the recorded webinar can be found at www.npes.org under **PRIMIR Research** ► **Research Studies** under the study title. You must be logged in to see the active links.*

<http://www.npes.org/primirresearch/researchstudies.aspx>

The Call to Action for Suppliers & Printers

- *The data is conclusive:*
Print that performs is not dead!
- Print buyers and brand owners do appreciate the benefits of value-add enhancements
- Printers must do more to make customers aware of new ways to improve print's effectiveness
- Vendors should help printers as they evangelize the benefits of value-added print and finishing
- Marketing investments are needed to change the discussion from "price per unit" to *superior ROI*

 Source: PRIMIR 2013 study "Value-Added Printing & Finishing for Improved Profitability" by HHCS 30

In another webinar presentation, Marco Boer of I.T. Strategies provided a look at how things have changed since the publication of two PRIMIR studies: *“Megatrends in Digital Printing Applications”* and *“Impact of Electronic Technologies on Print.”*

Marco reported that not a lot had changed on the latter since no new disruptive technologies have been announced since the introduction and wide-spread adoption of e-readers and tablets. He explains what is happening within each print market in his webinar presentation.



The journey of page volume erosion continues

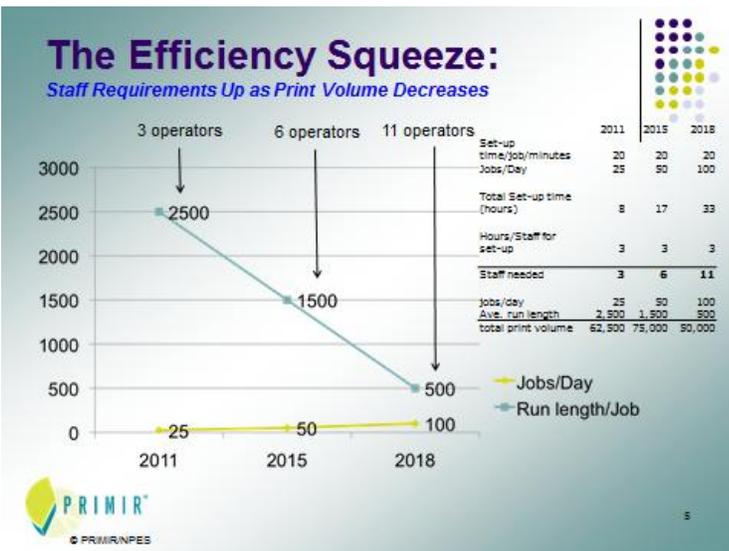
We've all become more efficient

Digital printing is a proven tool enabling even greater efficiencies

Efficiencies are starting to show cracks in the business models



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In his remarks about digital printing, Mr. Boer, explained that business models in print firms must evolve with the changing needs of the marketplace as digital printing takes on more market share and print runs continue to decline. Two of his slides shown here sum up the webinar which is available for PRIMIR members to view.

*The link for this presentation along with the webinar recording can be found at www.npes.org under **PRIMIR Research** ► **Presentations, Articles & Videos**. You must be logged in to see the active links.*

<http://www.npes.org/primirresearch/presentationsarticlesvideos.aspx>

Current Research Recap

Following is a summary of activity for each current research task force at the August 2013 Virtual Meeting. If you would like to join a task force, e-mail Mark Horvath (mhorvath@npes.org) and he will add you to the database so you will be kept informed of conference calls or other meetings and e-mail activities between now and the next meeting.

Emerging Printing Technologies & Applications

This new study will provide an understanding of adjacent product markets that could utilize printing technologies to manufacture such as RFID, security applications, displays, electronic circuits, bio-sensors and micro printing. It will reveal threats, opportunities, drivers and barriers as well as applications in the printing industry over the next three to five years. This study will also explore stages of development and commercialization. The scope of the study will be global product development with attention to those that could offer opportunities to the North American printing industry.

Tom Ashley provided the final read out of the research results and findings during the Spring Meeting. Due to an unforeseen family emergency the report has been significantly delayed. We expect it to be published and circulated to PRIMIR members in early fall.

Packaging in Emerging Markets (Latin America & Asia-Pacific)

An evaluation is needed to examine trends in reverse manufacturing, criteria for determining manufacturing location and packaging/converting location, market sizes, how labor trends in emerging markets will affect the purchasing decision, and effects of sustainability on the purchasing decision. The study will also evaluate the tipping point at which production might move back to mature markets based on cost, delivery, quality or other factors.

Research is well underway. Interviews and surveys have been completed with all but the brand owners which are underway in the various regions. LPC is working with an economic consulting firm in the US to develop a cost model that will use a sample product and compare current production costs for that product in China compared to the US, with a projection of how those costs will change and exactly when a cost parity will occur in the future based on materials, freight, labor, and import costs. It will be an important add-on to the final report. The study completion date is late fall 2013 with findings presented at the PRIMIR Winter Meeting in Chicago. The draft report will be circulated to task force members for review in November.

UV/EB Curing Technologies in Printing

With limited data available in this rapidly changing marketplace, this study will focus on commercial and package printing markets and will include both historical data and forecasts through 2017 for market size. The study will be limited to North America and Europe and will address key drivers, barriers and opportunities for further adoption of UV and EB curing technologies in various applications for both digital and analog printing technologies.

Marco Boer of I.T. Strategies has completed much of the research and interviews for this study, however, as with the packaging study, the brand owners' interviews have taken more time than expected to secure. Even with the delay, the consultant expects to complete the analysis and draft report in late fall with findings slated for presentation at the PRIMIR Winter Meeting.

Value-Added Printing and Finishing for Improved Profitability

This study will address foiling, coatings, color, laminating, and die cutting. It will identify how brand owners manage color requirements. It will also address cost constraints and return on investment and trends by application. It will also address how print with these high-end finishing options can compete against e-technologies.

Hal Hinderliter presented his preliminary findings during the Virtual Meeting. He will also make a presentation around this topic at PRINT 13 with full attribution to PRIMIR. The task force should expect to review the draft report in October. This study's anticipated completion date is late-fall 2013.

Tag & Label Printing Trends: Processes, Applications & Consumables

Focused on North America, this study will cover tags and prime labels (wet glue, pressure sensitive, clear, stretch or shrink-wrap, and pull-out labels) as well as in-mold labels and heat transfer labels. It will include shipments, export data, information about functionality by product and market segment, technology investments (incl. speed, productivity, image quality, color consistency, run length, and more). Print process usage and shifts by market segment along with substrate and other consumables usage stats and trends will be included.

The task force reviewed bids from several firms and selected LPC to complete this research. The task force will meet October 15 in Chicago with LPC to kick-off the research. The study is expected to be completed in late spring 2014 with findings from this research revealed at the June 2014 meeting.

Future Research Studies

Future of Retail Advertising (update of 2005 study)

This study will update the first PRIMIR report done in 2005. It will address the current and future status of retail advertising's use of print media. It will investigate both brick & mortar as well as online advertising barriers and drivers, trends and growth areas. Segments include direct mail (blast and targeted), Sunday inserts, and digital media (mobile, online, coupons, QR codes, PURLs, etc.) Baseline data will be for 2012, with a 2 year look back (2010) and a 5 year projection (2017). The study will also cover distribution, use of variable data printing, and emerging applications.

The task force met during the Virtual Meeting and made significant edits to the RFP. Work continues to finalize this RFP so it can get circulated to consultants for bids in the fall. A January start date is anticipated with completion later in 2014.

Adaptation Strategies for a Changing Business Environment by Printing Equipment and Supplies Manufacturers (formerly Changing Business Models for Printing Equipment & Supplies Manufacturers)

This study will evaluate revenue sources—total revenue and percent derived from sales vs. other revenue streams such as service, retrofits, rebuilds, consulting services and possibly manufacturing outside of the graphic communications industry. With a focus on commercial printing markets conventional (offset) and digital press, bindery and other post-press equipment, color management software, consumables (rollers, inks/chemicals, blankets, plates and press accessories) and substrates manufacturers will be covered. It will provide trends and forecasts for the next 3-5 years (through 2017).

This study's RFP was vastly improved during the Virtual Meeting. During the meeting there was considerable discussion about the scope and focus of RFP. Major edits were made to clarify the study. Work continues on the draft RFP. The revised document will be circulated to the task force members for further refinement. A 2014 start date is anticipated.

Print Applications: Revenues, Processes and Run Lengths in Commercial Printing

This study will provide quantitative statistics for run lengths by print process for applications (books, catalogs, magazines, direct mail, packaging, etc.), along with job frequency and revenue. The study will help manufacturers and dealers understand opportunities and trends by application and print process. Additionally, the study will explore the revenue breakdown since the value of pages is different between the various processes.

The draft RFP was discussed on a conference call prior to the meeting and the scope was narrowed, removing the need for ratios of consumables along with direct and in-direct printer costs. The task force also narrowed the study to nine applications and decided the market segment breakouts would be in the commercial printing sector. In-plants will be an optional add-on. Staff will make changes to the draft RFP and circulate it to the task force for further review and input.

If you wish to join any of these task forces, notify Mark Horvath via email at mhorvath@npes.org.

Other Research

As part of their Strategic Plan, NPES commissioned two research studies managed by PRIMIR. As a result, earlier this year PRIMIR members received the study, *Defining and Understanding Communication Platform Trends: Implications to the Print Value Chain* by J Zarwan Partners and Sherburne & Associates.

As mentioned in our last Synopsis, NPES is updating the 2006 PRIMIR *World Wide Market for Print* study and database. The new research, *The World-wide Market for Print: Identifying Global Opportunities for the Print Industry*, which somewhat mirrors output in the PRIMIR

studies completed by Pira in 2006/2007 (and updated database in 2009) is nearing completion with a team from The Economist Intelligence Unit. A task force of NPES and PRIMIR members has been working closely with the research team. The full report is currently being drafted. The final report should be distributed in early fall to all PRIMIR members with an Executive Synopsis to both NPES and PRIMIR members. A full presentation is slated for the PRIMIR Winter Meeting in December.

Standards Update

The NPES Standards Update provides information on the activities of national and international standards development including the work being done in CGATS, B65, ISO/TC130 and the International Color Consortium. In addition, each issue includes a list of recently published standards, news on events of interest in the printing industry and links to other standards news. The first edition of the NPES Standards Update is available for download at the following link:

<http://www.npes.org/programs/standardsworkroom/standardsupdate.aspx>

Changes at PRIMIR

Kip Smythe, President of PRIMIR, retired at the end of June. He remains involved in PRIMIR on a very limited basis. Ralph Nappi, President of NPES, is engaged in an active search for an individual to serve in that capacity while also fulfilling several other duties for NPES. Jackie Bland continues to work on a part-time basis with various programs and projects for PRIMIR. Your full-time staff located at NPES headquarters are Mark Horvath and Rekha Ratnam.

Plan Now!! Registration and full program details coming soon.

PRIMIR Winter 2013 Meeting

December 9-11, Holiday Inn Mart Plaza, Chicago, Illinois

Program Highlights:

Two Study Presentations:

- Packaging in Emerging Markets (Latin America & Asia Pacific)
- UV/EB Curing Technologies in Printing

and

- The World-wide Market for Print: Identifying Global Opportunities for the Print Industry

plus

A nearby plant tour and task force meetings for ongoing research.