



# PRIMIR Winter Meeting & NPES Annual Conference - Synopsis

November 2-4, 2014

Charleston, SC

Inspired by the innovation that continues to reinvent our industry, PRIMIR and NPES members gathered together for the first time to explore new formulas and successful pathways toward the new model of print. Focused on the theme, **“Print By-the-Numbers: Formulas for Success,”** a robust agenda engaged 60 meeting participants, representing nearly three dozen PRIMIR & NPES companies, in strategic conversation, dynamic presentations and new research studies underway.

## PRESENTATIONS

The combined PRIMIR Winter Meeting & NPES Annual Conference opened with a keynote presentation, **“Prosperity in an Age of Decline,”** by the widely-familiar (and keenly accurate) **Alan Beaulieu** – senior analyst, economist and principal with the Institute for Trend Research (ITR). Beaulieu provided the PRIMIR & NPES business leaders gathered, with an extremely thorough and understandable economic forecast noting that the U.S. economy has actually been growing and expanding over the past two years. U.S. industrial production and printing production indices are up +3.8% and +2.6%, respectively, year-over-year. He noted the economy will continue to grow through year-end 2014, drop less than one percentage point in 2015 (-0.6%), and climb again in 2016. He emphasized the U.S. economy’s share of global GDP at 22.7%, is nearly double that of China’s 12.4% and that the U.S. macro indicators are positive in the short term.



For the long term, however, Alan didn’t paint an entirely optimistic picture for the U.S. noting the eventual crisis to occur through systemic deficit spending, in addition to the concerns of: S&P 500 giving way to steeper-than-median decline; ongoing high unemployment (psychological); Europe slowing down; higher Affordable Care Act costs sapping the consumer; decelerating corporate profits; and, China’s debt problems impacting the U.S. His best advice, for participating PRIMIR and NPES members, was to stay informed – and, he extended an offer for a one-month free subscription to the ITR Trends Watch Newsletter – by contacting: [nikki@ITReconomics](mailto:nikki@ITReconomics), including company name and email address, and inserting into the subject line: NPES is Great!



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**Dennis Mason**, Principal, Mason Consulting, provided a thought provoking PRIMIR study presentation on “**Adaptation Strategies for a Changing Business Environment by Printing Equipment Manufacturers.**” This session illuminated key highlights of his research to identify opportunities for manufacturers during a dynamic period of marketplace change, specifically, in the areas of: transitioning offset to/with digital and other technologies; machines with inline and near-line configurations; market service, retrofits and rebuild needs; distribution network challenges and alternatives; and, partnering to leverage for core-competencies – advantages, benefits and types, including alliances and mergers. Dennis concluded with ten “Adaptation Strategies,” of which more will be addressed in the study’s in-depth report.



## Implications for All Manufacturers

- Printing will become more digital
- Direct sales prevail
- Product design benefits from customer input
- Trade shows continue to evolve
- Printing equipment becomes more like computers—parts and service declines
- Remote diagnostics important—print customers replace basic parts
- Modular design—reliability and simplicity
- For smaller businesses, significant management changes may be required



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*Frank, PRIMIR Chairman, led lively discussions during the “Member Exchanges” following both PRIMIR study sessions. Designed to dive more deeply into the research applications and key findings, these exchanges encouraged exploration of innovative new business strategies, models and revenue sources for PRIMIR and NPES members.*

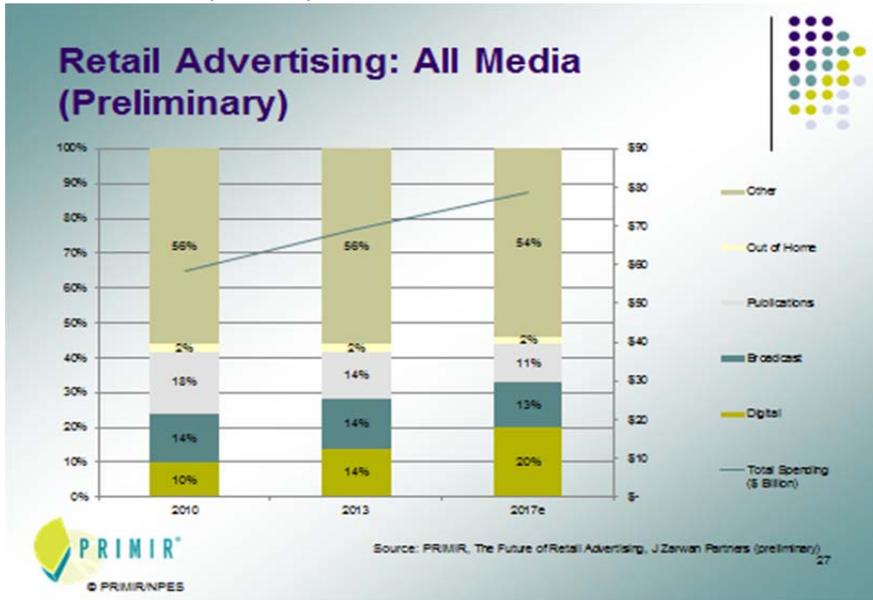


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In another PRIMIR study presentation, “**The Future of Retail Advertising.**” **Dr. John Zarwan**, of J Zarwan Partners, shared key findings and implications for PRIMIR and NPES members from his research in the retail advertising space that is rapidly evolving with the proliferation of digital media options. Zarwan emphasized how trends in customer acquisition and retention in the retail sector are changing for all primary types of applications (print and digital) inserts, direct mail, catalogs, mobile marketing, social media, and online coupons; and, across key merchandise markets (general merchandise, apparel, electronics, and more). Most importantly, that advertising is becoming “Omni-Channel, in that, the “connected consumer” has caused a blurring of boundaries by shopping



across a number of different channels, choosing the one that works for each purchase at a particular time – buying from the same retailer, but from more than one channel. He underscored that the dynamics have changed for how the consumer wants to buy, not how the brand wants to sell. Also, that there will always be pressure by brands to reduce ad spend, but PRIMIR and NPES members must learn the new technologies, and work directly with retailers to develop programs and make suggestions where and how print can be effective. While retail is the link between brand manufacturer and consumer, the print sphere must determine its most effective and invaluable role to remain prominent and relevant to both parties (and, not forget relationships with agencies too).

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**Sam Richter**, Founder and CEO, SBR Worldwide & the Social Selling Institute, provided the closing presentation for the joint PRIMIR and NPES meeting, with a tremendously engaging session on, “**Using SEO to Know More (and Sell More).**” Richter’s talk was not simply about selling, but rather how to utilize Internet resources and search engine optimization, to learn more about prospects, customers, colleagues and friends – than previously thought possible. Richter emphasized that business and sales are all about personal relationships, and when you know more about your prospects and clients, you’re better able to relate, build more meaningful connections, tailor offerings, and win more business. He simplified very complex internet “Boolean” search techniques, revealed how best to use Google filters, where to locate hidden files, monitor when you’re identity is at risk, set-up search alerts on key subjects, how to hunt for business and much more – all in a dynamic 90-minute presentation. This eye-opening presentation concluded the PRIMIR Winter Meeting & NPES Annual Conference, on a very high note!



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Each of the two PRIMIR study presentations, are posted under PRIMIR Research ► Research Studies under the actual study title at this [link](#). **And, as a bonus – the presentation by Alan Beaulieu, Institute for Trend Research (ITR)** is also posted for PRIMIR members' reference. This presentation can be found under PRIMIR Research ► Presentations, Articles & Videos. **REMEMBER: You must be logged in to see all of these presentations.**

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## Current PRIMIR Research Recap

\*\* NPES Member Studies

### ***Adaptation Strategies for a Changing Business Environment by Printing Equipment Manufacturers \*\****

A presentation of the findings and implications was provided at the PRIMIR Winter Meeting & NPES Annual Conference in Charleston, SC. Dennis Mason is concluding his research and commencing writing the draft final report to circulate for review by the task force, with the goal for publication and distribution in early 2015.

### ***The Future of Retail Advertising***

A presentation of the findings and implications was provided at the PRIMIR Winter Meeting & NPES Annual Conference in Charleston, SC. Dr. John Zarwan is concluding his research and commencing writing the draft final report to circulate for review by the task force, with the goal for publication and distribution in early 2015.

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

Research is completed, findings were presented by Mark Hanley of I.T. Strategies at the PRIMIR Summer Meeting, and a draft report was circulated to all task force members for review and feedback. Task force co-chairs, members and staff provided significant input to Mark Hanley on the draft, and the goal is to publish and circulate the final report by year-end.

### ***Tag & Label Printing Trends: Processes, Applications & Consumables***

Research is completed, findings were presented by Jennifer Dochstader & David Walsh of LPC, at the PRIMIR Summer Meeting, and a draft report was circulated to all task force members for review and feedback. Task force co-chairs, members and staff provided significant input to LPC on the draft, and the goal is to publish and circulate the final report by year-end.

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## New PRIMIR Research Task Forces

\*\* NPES Member Studies

*Following are the RFP draft background and scopes of new research as determined by task forces that met at the November 2014 PRIMIR Winter Meeting & NPES Annual Conference. If you would like to join a task force, e-mail Rekha Ratnam ([rratnam@npes.org](mailto:rratnam@npes.org)) and she will add you, to be kept informed of conference calls or other meetings, and e-mail activities between now and the **2015 PRIMIR Summer Meeting in Nashville (tent. May 10-12)**.*

Breakout roundtable sessions were conducted, to review and refine study draft RFPs, for the six new research task forces underway for 2015 and 2016. Four of the studies will be funded and launched for 2015 research and presentations at the PRIMIR Summer and Winter meetings. Two of the studies will be launched and underway in 2015 for presentation and publication in 2016. Below are brief study descriptions derived from the RFPs' background and scopes. Further details can be found in the RFP objectives and deliverables developed by the task forces. Edited RFPs will be distributed to task force members and final review conference calls conducted. Next steps include task force co-chairs review with the PRIMIR Executive Committee, before circulation for consultant bids. Members interested in joining any of the task forces should contact Rekha Ratnam.



## **Print Industry Consolidation: Landscape, Implications and Opportunities \*\***

Consolidation is taking place in all quadrants of the printing industry, (not just with print firms) from manufacturers of equipment and supplies and paper companies to print firms themselves. A smaller, leaner printing industry, experiencing generational changes in both consumption of print and in the industry itself, along with technological transformational changes, will present opportunities for the ‘surviving’ print firms or suppliers. More importantly, what will the industry look like tomorrow? The study will focus on the U.S. printing and packaging industry across key segments and, to a lesser extent, consolidation trends in the vendor community should also be evaluated by segment. The study will provide PRIMIR and NPES members a view of the current state of the industry and forecast/trend information through 2018, providing insights through 2025.

## **The Future of Books**

In 2009, the study “Trends in Books: 2007-2012” was published and, with all the changes in the book market segment, a new study is overdue. Various factors threaten printed books, ranging from electronic substitutes to demographic changes. Emerging technologies create an entirely new set of media sources, which compete directly or indirectly with traditionally printed books. Most PRIMIR members have a stake and seek to understand the current state of the book market, how it will evolve through 2018, and how that impacts their business. The focus of this study is on United States and Canada, but a discussion about trends in the book market (readership, distribution, etc.) needs to be from a global perspective. The study will also provide a brief historical perspective, benchmark where the book market is today (2014), and provide an overview forecast of data and trends through 2018 and beyond. The scope of the research will cover major segments of the book publishing industry, specifically: trade books, educational and reference.

## **Food Packaging Compliance - Impact on the Printing Industry**

Migration of chemicals that affect food or its consumer have long been a concern in the food packaging industry; however migration has recently become a focal point. All companies in the food packaging value chain need an understanding of the impact their role plays in the responsibility of the final packaged product. Printers and converters as well as ink, coating, adhesive and substrates suppliers and other firms in the print value chain, need a better understanding of food packaging regulations, trends and the impact on the printing/packaging industries. With a global focus, the study will provide data and trends for the major regions of the world and, also, a historical overview of 2009-2014 and trends through 2018-19 for printed packaging. Segments to be included are: flexible packaging (incl. confectionary and pouches); folding cartons; labels and shrink sleeves produced by package printers/converters; and, label printers. Printed packaging end-use segments include: food and beverage (pre-packaged food and beverage off-the-shelf retail foods – does not incl. restaurant foods ready for consumption).

## **North American Market Trends for Flexographic Printing \*\***

In 2009, PRIMIR published a study of the “Worldwide Market Trends for Flexographic Printing.” While flexographic continues to be one of the fastest growing printing technologies globally, PRIMIR members believe a new study should focus solely on U.S. trends, threats and opportunities. This study is important to PRIMIR and NPES members to provide an understanding of where the market is today and, in particular, how trends will affect the U.S. printing market for the future. The study will focus on U.S. flexo segments in the food, beverage, pharmaceutical and industrial (incl. agricultural) vertical markets. Segments include: corrugated; tag and label; folding carton (including cup and tub); and, flexible packaging. The study should benchmark where the market is today (2013/14), and provide a forecast through 2020.



## **Trends and Future of Direct Mail**

This study will revisit findings from a 2004 GAMIS study, evaluating all aspects of direct mail. In addition to providing a definition of direct mail today, the study will identify verticals using direct mail, utilization of new technologies, demographic trends impacting direct mail usage, competing media and supply chain needs. Aside from packaging, direct mail is a key application that is purportedly still in a growth mode for some businesses. In light of demographic and technological changes, PRIMIR members seek a fresh perspective about threats and opportunities relative to this key print application that touches many firms in the print value chain. The study will focus on the U.S. non-catalog direct mail industry and its suppliers; some additional perspectives on Canadian differences should be included. It will provide a five year historical perspective and a three year forecast (2015-2018) including volumes and financial returns. The study will focus on the broad direct mail segments, including B2B and B2C and on heavy direct mail end-users.

## **Wide Format Printing Trends & Opportunities**

Printers and vendors alike are seeking new revenue opportunities in the wide format printing market. While this market is not new to analog and screen printers, digital wide format graphics is growing rapidly. However, there are emerging technologies that may disrupt printed wide format graphics/displays (like electronic signage). The study will provide an understanding of the opportunities and threats in this market including areas to vertically integrate. This study will focus on the U.S. market for wide format printing in packaging, industrial and, signage in commercial print firms and specialized trade shops and/or sign shops. It will address analog and digital processes. Some coverage of 'electronic signage' will be needed to address displacement of printed wide format graphics. The study will feature historical data for 2010-12, current 2013/14 data and trends along with trends and forecasts through 2018.

***Watch for upcoming details on the 2015 PRIMIR Summer Meeting (tent. May 10-12) in Nashville! And, best wishes for a profitable and productive 2014 year-end!***

