



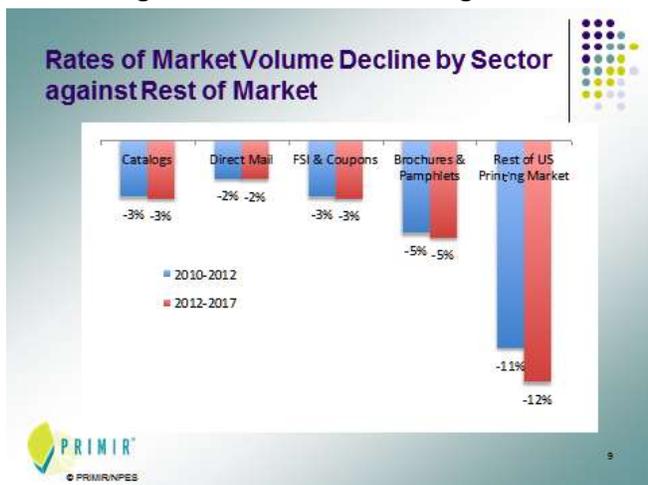
Synopsis PRIMIR Summer Meeting July 21-23, 2014

Without a doubt, the PRIMIR Summer meeting delivered on the theme “Print’s Evolution-Changing Markets, Firms, Technologies and Applications.” More than 30 attendees departed with a strong understanding of how the industry is changing and where they will find new opportunities.

What follows is a summary of the PRIMIR Summer 2014 Meeting. It provides details of happenings during task force sessions and a brief write-up from each of the Roundtable Discussions where attendees discussed the scope and objectives for these new PRIMIR research studies. If you have questions about anything in this synopsis, please contact Rekha Ratnam at rratnam@npes.org or Greg Safko at gsafko@npes.org. Both can be reached by phone at (703) 264-7200.

Presentations

The PRIMIR Summer 2014 Meeting opened with a presentation from Mark Hanley, President of I.T. Strategies who reviewed findings from their recent research for PRIMIR about “Print



Applications: Commercial Printing Revenues, Processes and Run Lengths.” Mark noted that the four segments of focus (catalogs, direct mail, FSI/Coupons and brochures/pamphlets) will remain fairly stable with minimal declines through 2017 in the minus 2-5% range, while the overall industry is projected to decline by 12%. Only catalogs are experiencing notable non-print substitution effects. He noted that digital printing has not had much impact on these markets except in fast-response, low volume print runs. Variable data printing is minimal. Perception by both printers and brand owners is that analog print is efficient and

adequately serves these markets for the foreseeable future.

Tuesday’s sessions began with a panel of printers discussing “The Evolving Print Firm.” Al Carrero of Hudson Printing and Tom Weber of CardPak provided frank insights into their operations and how things have changed in their 25+ years in the industry and where they see the industry going. Uniquely, both have MIS systems that they utilize fully. As one stated, “We are in the paper business with a paperless business process.”

Key take-aways for PRIMIR members: they need more knowledge and information sharing from suppliers and better service and support on a local level; they seek more automated and in-line solutions; chemistry-free processes, and increases in make-ready efficiencies; more training seminars both in-house and off site are also needed.

Surprisingly, the two printers had very different definitional perspectives on long- versus short-runs and both stated that impressions per run have dropped. This supports Mark Hanley’s presentation findings on Monday.

In another PRIMIR Study presentation, “Tag & Label Printing Trends,” Jennifer Dochstader and David Walsh of LPC shared key findings and implications for PRIMIR members. Their findings encapsulate responses from printers and converters, suppliers and brand owners. The North American tag and label market is fragmented with more than 2,000 companies, nearly 90% of which have less than \$10 million in annual sales. Total market value in 2013 was \$12.3 billion, more than half in pressure sensitive, and growing.



Findings from all respondents indicated that the market will be increasingly digital, with more colors and more complex formats including special effects like foil stamping/embossing and metallic inks and also special security elements.

Each of the two PRIMIR study presentations is posted under PRIMIR Research ► Research Studies under the actual study title at this [link](#). **REMEMBER: You must be logged in to see the download link.**



The final presentation came from Don Carli of Nima-Hunter who brought attendees up-to-speed about functional printing, intelligent-printed sensor ‘things,’ printed electronics and much more in the way of applications that provide new opportunities for the graphic arts value chain.

This presentation can be found under Presentations, Articles & Videos.

Attendees also enjoyed an insightful tour of nearby Tap Packaging Solutions.

Recognitions:

Greg Safko, Managing Director of PRIMIR and NPES Vice President recognized Eric Frank (l) along with Rick Mullen and Paul Jaynes (r) for their task force leadership in the completion of two recently completed PRIMIR studies: **Packaging in Emerging Markets** and **Emerging Printing Technologies & Applications**.



Current PRIMIR Research Recap

Following is a summary of activity for each current research task force at the July 2014 PRIMIR Summer Meeting. If you would like to join a task force, e-mail Rekha Ratnam (rratnam@npes.org) and she 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.

Adaptation Strategies for a Changing Business Environment by Printing Equipment Manufacturers

This study should provide a qualitative analysis of changing revenue sources with some quantitative data regarding total revenue and percent derived from sales vs. new revenue sources such as service, retrofits, rebuilds, consulting services, etc. for the various constituents of PRIMIR and NPES including press manufacturers, digital press manufacturers, bindery and other equipment, and press accessories. The study will also provide trends and forecasts for the next 3-5 years.

Mason Consulting was contracted to complete this PRIMIR research and the research is underway. Currently the task force is in the process of reviewing interview guides and providing feedback to the consultant. A presentation of the findings is slated for the PRIMIR Winter Meeting in November in Charleston, SC.

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.

John Zarwan was selected to complete the research which is well underway with a planned findings presentation set for the PRIMIR Winter Meeting in Charleston. John recently sent an outline of the report for the task force's input prior to John beginning to draft the report findings.

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

This research provides a qualitative assessment of the current state of packaging and converting in two primary regions: Latin America and Asia-Pacific (major countries producing packaging including Mexico, Brazil, China, and India and other emerging markets). It includes benchmark data on packaging shipments (including separate breakouts for packaging exports and trade flows) for folding cartons, flexible packaging, labels, and corrugated for 2001-2012 and forecasts through 2017. Trend analysis and a view of the marketplace in 2017 include: criteria for determining manufacturing location and packaging/converting location, labor trends in emerging markets impacting the purchasing decision, and sustainability.

The published final report was shipped the week of July 14 to all PRIMIR members.

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

This study will provide quantitative statistics for run lengths by print process in commercial, quick and retail printers with a focus on marketing and advertising applications to include: catalogs, brochures/pamphlets, inserts, direct mail, coupons and other. This study is Phase I of an approach to understand applications, processes and run lengths in the printing industry. 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.

Research is completed and findings were presented at this Summer Meeting. The draft report will be circulated to all task force members for review/feedback in early August with hopes for a final publish/circulation date in early September.

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.

Research is completed and findings were presented at this Summer Meeting. The draft report will be circulated to all task force members for review/feedback in early August with hopes for a final publish/circulation date in early September.

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.

There have been some major delays in securing a final report that meets the criteria set forth by the task force and PRIMIR staff. The consultant is working to resolve task force leadership concerns to get this study in the hands of the members soon.

New PRIMIR Research Task Forces

Six new research task forces were developed during the PRIMIR Summer Meeting: Below is a brief summary of each roundtable discussion. Task forces were formed and PRIMIR staff is currently developing draft RFPs which will be circulated to the task force members for further refinement. If you wish to join any of these task forces so you can be engaged in the process of refining the scope and objectives of a particular study, notify Rekha Ratnam via email at rratnam@npes.org. **This is your opportunity to assure your company's needs are addressed.**

Exploiting Opportunities with Print Industry Consolidation—Consolidation in the printing industry is happening in every sector from printing firms to manufacturers of equipment and supplies serving the industry. This study should explore impacts on all firms in the print value chain. Discussion should include mergers, acquisitions, and other types of consolidation options for printers and manufacturers; explore the challenges, opportunities and threats; and implications on the industry by types and sizes of firms. Global trends, economic drivers, regulatory issues, leadership and succession planning should also be covered.

The Future of Books—Revisit the 2008 GAMIS study providing both historical as well as current data on the various book segments, providing updated conclusions and implications. Outline new technology trends and the associated impact on firms in the conventional book publishing/manufacturing value chain. Explore automated manufacturing technologies (i.e. book of one) as well as in-line finishing methods. Provide trends and forecasts for the next three years

relative to print process, dollar volume of book sales by segment, e-book and other adoption rates/volume, and more.

Global Food Packaging-Impact on the Printing Industry—This study will identify global rules and regulations (such as the impact of Nestle ordinance) by 4 major regions. It should identify where improvements are needed and opportunities, threats and challenges for all firms in the print value chain. Study would provide an understanding of the implications for serving global brands vs. local/regional brands and will address food packaging coatings, lightweighting, and active packaging intelligence implementation including opportunities, drivers and barriers. Migration concerns and ultimate responsibilities for food packaging safety will also be addressed.

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, the study would identify verticals using direct mail, utilization of new technologies including variable data printing, QR codes, Urls, augmented reality, 3D and more. It will address manufacturing technology changes, the role of ‘big data,’ and supply chain needs. It will explore end user (brand owner) perspectives including direct mail vs. other marketing media, response rates, and generational reach differences; drivers for utilizing direct mail such as cost, quality, timing, and other newly identified drivers. Will discuss PSP-MSP role and how direct mail has changed. Historical as well as forecast data and trends for the future are important.

North American Market Trends for Flexographic Printing—Perceived to be a high-growth printing process; flexography should be examined in depth to provide an understanding of opportunities and threats through 2020. A key focus area is flexible packaging (corrugated is excluded) for the food, beverage, medical, bag, industrial, and other segments (as defined through the study) with analysis of quality/image requirements. Study will address adoption rate vs. other processes, environmental issues or regional bans, life cycle cost, technological advancements and trends in presses, consumables (adhesives, doctor blades, plates) substrates and inks. It should also address process enhancements including digital, coatings and screen.

Wide Format Printing Trends & Opportunities—Provide a definition of wide format including market size, equipment, markets, etc. Study should identify equipment and media currently in use and explore emerging trends in technologies and applications. Covering both analog and digital processes, the study should size the market (both historical and 3-5 years hence); identify typical vertical markets utilizing wide-format printing; evaluate workflow; provide data and analysis of equipment installed base (both press and finishing), inks and substrates data and trends, color trends, drivers and barriers for growth (such as electronic signage) and opportunities for the future.

MARK YOUR CALENDAR: The next PRIMIR Meeting will be held November 2-4, 2014 in Charleston, SC in conjunction with the NPES Annual Conference. Watch for program details coming soon!

We hope you enjoy the remainder of your summer!