

PRIMIR Summer Meeting

PATHWAYS TO SUCCESS –
Growth Markets, Technologies & Applications

June 16-18, 2015
Nashville, Tennessee



PRIMIR 2015 Summer Meeting – Overview Synopsis

Timely and fast paced, PRIMIR's Summer Meeting program delivered to industry marketing strategists and thought leaders – **two new studies** delving into the business potential available in flexographic and wide format inkjet printing; two engaging **industry expert panels** on food packaging compliance and the commercial printer's view; an "insiders" printing and packaging **plant tour**; **dynamic networking** sessions; and, highly interactive **roundtable discussions** to advance "**PRIMIR 2.0**" in developing new research topics for 2016 – all leveraging the meeting's theme, "*Pathways to Success: Growth Markets, Technologies & Applications.*"



PRIMIR Chair, Eric Frank, facilitated a highly-interactive and informative program for PRIMIR & NPES members, and guests gathered in Nashville, TN, for the annual summer meeting. In addition to introduction of PRIMIR's latest study research findings, that revealed key business opportunities, profitable niches and evolving trends in flexography and wide format inkjet printing – he also introduced "PRIMIR 2.0" for member development of 2016 studies to leverage more effective study design and delivery formats. Nearly 30 representatives, from two dozen industry firms across the print value chain, benefitted from the breaking market research and creating the framework for 2016 research projects.

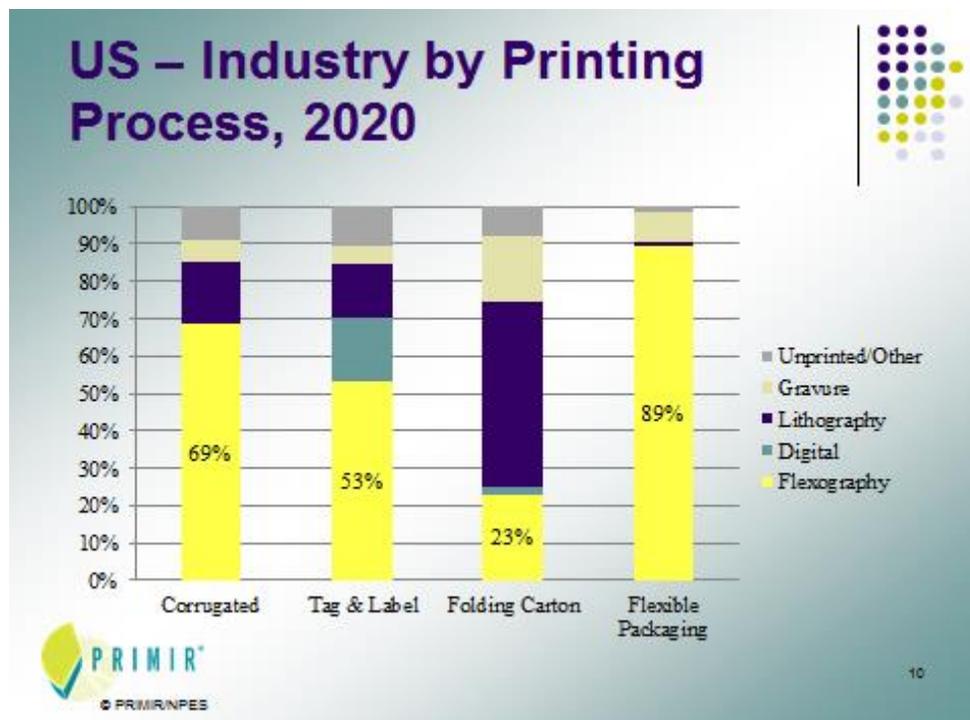
PRIMIR 2.0 – Additionally, the summer meeting served as a springboard to advance new research study models for 2016 research projects identified by PRIMIR and NPES members in the annual topic survey process. Leveraging PRIMIR's proven methodology for conducting comprehensive,

in-depth research studies, **PRIMIR's Executive Committee**, led by Chair Eric Frank and Vice-Chair Frances Cicogna, worked with enthusiastic members to begin development of scope and objectives for 2016 study deliverables in new research formats, to include: **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 will significantly **increase the engagement, penetration and participation** by corporate management and divisional specialists within a broader spectrum of member companies.

FEATURED STUDY PRESENTATIONS

John Sherwin, Project Manager, and **Joe Gabriel**, Project Analyst, of **Freedonia Custom Research**, shared key research findings and implications for members, from examination of end-use markets in their presentation of **“U.S. Market Trends for Flexographic Printing.”** The team identified where flexo is prevalent, as well as technological innovations, process enhancements and

adoption drivers and barriers vs. other processes.



Noting the overall CAGR for flexo will average 3.0% in the coming five years, Sherwin and Gabriel emphasized that many of the underlying market and economic trends, favor increased demand for flexographic printing in the U.S., with the following sectors projecting activity through 2020, as follow:

Corrugated – flexography has been the preferred corrugated printing technique for over 50 years. In-line sheetfed presses are used for direct print, but flexo will grow with the industry, losing slight market share to lithography, which is better suited to print high-quality graphics (CAGR 3.0%).

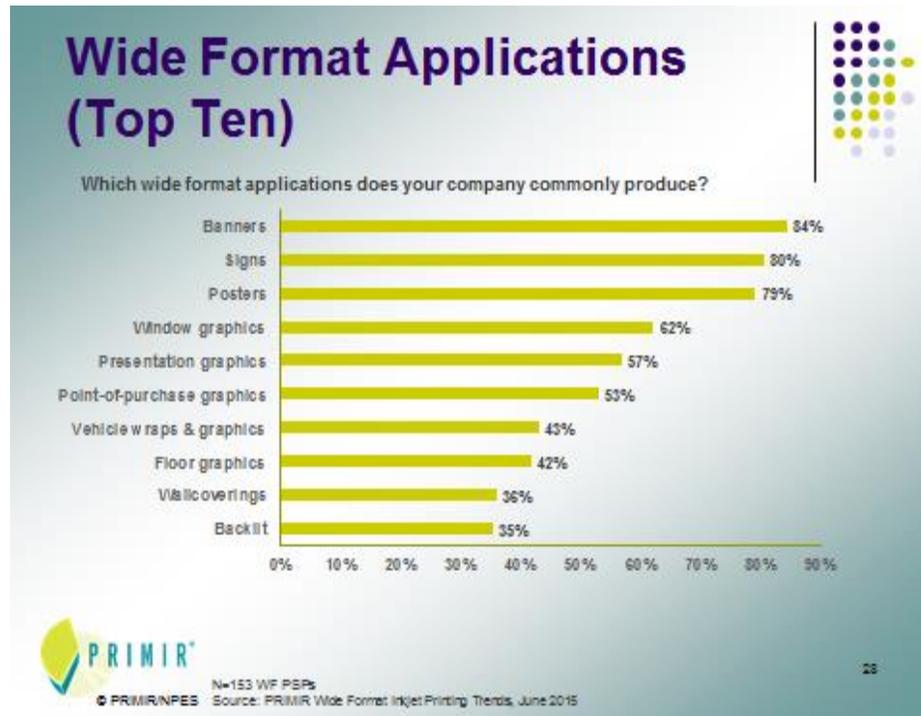
Tag & Label – gains will be driven by the widespread use of flexography in the large pressure-sensitive adhesive label segment and the fast-growing sleeve label segment (CAGR 4.1%).

Folding Carton – growth of flexography will be stifled by its limited use in creating high-quality graphics in the folding carton industry. Flexography is more commonly used in instances where customers cannot afford the high-quality graphics provided by lithographic printing (CAGR 1.1%).

Flexible Packaging – Gains will be supported by continued growth in flexible packaging, in use primarily by wide-web central impression presses, but also attributed to integration of expanded gamut printing and a lack of alternatives (CAGR 3.4%). New efficient technology and increasing demand for prototypes and short-run flexible packages will drive digital growth.

* * * * *

Tim Greene, Research Director – Hardcopy Solutions, International Data Corporation (IDC), provided another timely new PRIMIR study presentation – **“Wide Format Inkjet Printing Trends & Opportunities.”** Greene defined the current landscape, with trends, forecasts and opportunities through 2018, examining the major technology segments of aqueous, solvent and latex inkjet, UV (flat bed and roll-to-roll) and dye-based, including market size dollar volume, technology breakouts, installed machine base, ink consumption, key verticals and potential displacement from digital/electronic signage. He also detailed wide format printing providers’ profiles and perspectives, as well as, buyers’ requirements.



Greene noted the retail value of print from wide format inkjet is expected to grow from \$19.3B in 2013 to \$24.4B in 2018, a 5-year CAGR of 4.8%. Over 50% of these revenues will be driven by five applications – POP, posters, backlit displays, signs and banners. Similarly, manufacturer revenue is expected to grow from \$2.42B to \$2.73B in 2018, a 5-year CAGR of 4.2%. Customer demands for higher service levels is driving the growth and investment in new

technology for faster production (faster printers, instant drying), and new application and market development. Other key trends include: the demand for sustainable printing and versioned prints (variable) will drive digital conversion; supply-side innovations such as LED curing and latex will drive new applications and higher volumes; and, a greater number of competitors, will continue to drive the requirement for increasingly low-cost, wide format display graphics printing.

Full PowerPoint decks for the two featured PRIMIR study presentations, are posted online at PRIMIR Research ► Research Studies, under the actual study title at this [link](#). **REMEMBER: You must be logged-in with username and password to access downloads. Contact Rekha Ratnam for log-in access help: rratnam@primir.org**

* * * * *

In another timely and informative session, laying the groundwork for a 2016 study, PRIMIR Executive Committee member, **Deanna Klemesrud (Flint Group)**, facilitated an expert panel on **“Food Packaging Compliance – Current Issues & Impact on the Print Industry.”** This highly interactive exchange provided meeting participants with an understanding of the current issues in the migration of chemicals that affect food and its consumers, which have increasingly become a concern globally, in the food packaging industry. The panelists were comprised of experts from Sun Chemical, MeadWestvaco, Flint Group, and the National Association of Printing Ink Manufacturers. This presentation detailed how all companies in the food packaging value chain need to understand the impact their role plays in final packaged products, as well as, providing an broader understanding of food packaging regulations (domestically and globally), trends, and the impact of responsibilities within the printing and packaging industries.



Experts in the field of chemical migration in printing and packaging provided PRIMIR members with a greater familiarity of responsibilities shared by all respective parties to consumer protections. Serving on the panel were: Konstantin Zuyev, PDL Manager-Narrow Web, Flint Group; Jim Bishop, Field Product Manager, UV, EB & Conventional Packaging Inks, Sun Chemical Corp.; Jon Hellerstein, Senior Lead, Global Product Stewardship, MeadWestvaco; George Fuchs, Director-Regulatory Affairs and Technology, NAPIM; and, moderating was Deanna Klemesrud, Global Marketing Manager, Packaging and Narrow Web, Flint Group.

* * * * *

PRIMIR Research Recognitions & Plant Tour



Greg Safko, Managing Director of PRIMIR and NPES Vice President (L to R), recognized Ben Gore of Sonoco Products; Frances Cicogna, Canon USA; and, Eric Frank, KBA- North America for their task force leadership in the completion of four recent PRIMIR studies: “Wide Format Inkjet Printing;” “Tag & Label Printing Trends;” “Print Applications;” and “Adaptation Strategies for a Changing Business Environment.”



An integral highlight of most PRIMIR membership meetings are printing plant tours. In Nashville, the historic Marshall and Bruce Company, founded in 1865, welcomed PRIMIR members for dialogue and an informative “on-the-floor” experience of this national commercial print, custom packaging, and point of purchase, wide format specialty shop that boasts generations of high-quality, business success.

Current PRIMIR Research Recap

U.S. Market Trends for Flexographic Printing **

A presentation of the findings, implications and actionable recommendations was provided at the PRIMIR Summer Meeting in Nashville, TN. John Sherwin of Freedonia Custom Research has submitted a draft report for the PRIMIR study task force for review, with the goal for publication and distribution in mid-July 2015.

Wide Format Inkjet Printing Trends & Opportunities

A presentation of the findings, implications and actionable recommendations was provided at the PRIMIR Summer Meeting in Nashville, TN. Tim Greene of IDC is concluding his draft of the report for submission to the PRIMIR study task force by mid-July, with the goal for publication and distribution in early-August 2015.

Trends and Future of Direct Mail through 2020

PRIMIR has partnered with Interquest, LLC, to evaluate all aspects of direct mail – providing a definition of direct mail today; identification of verticals using direct mail for all heavy end-use sectors (including B2B and B2C); 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. Through mid-June, telephone interviews with agencies/experts are completed, with mailer and provider phone interviews to begin in late-June, in conjunction with a provider online survey. The study presentation is slated for the Oct. 26-28 PRIMIR & NPES meeting; and, publication and distribution of the full report for late-November 2015.

Print Industry Consolidation: Landscape, Implications & Opportunities **

The Economist Intelligence Unit (EIU) is chairing a one-day expert panel meeting to be held on September 14th at Graph Expo in Chicago. The purpose of the meeting is to engage experts from inside and outside the print industry to explore key factors changing the industry landscape in the U.S. and identify areas of opportunities for businesses, despite the industry's recent challenges. This panel and background industry research will be the primary drivers for an EIU findings presentation at the Oct. 26-28 PRIMIR & NPES meeting; and, report for publication and distribution in late-November 2015.



Networking and the dynamic exchange of ideas are at the forefront of PRIMIR's core value to members. Sessions include task force updates at which current research projects are shared and invitations extended to join in future task force activity. Steve Mattingly of Southern Lithoplate and serving as co-chair for the "Print Industry Consolidation" study (center right to left), and Hal Stratton, Komori, discuss the progress of recruiting expert panelists to work with study consultant, the Economist Intelligence Unit.

New PRIMIR Research Task Forces – 2016 Deliverables

Following are the draft overviews of new research studies discussed at roundtable sessions during the June 2015 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 2015 PRIMIR & NPES Meeting in Palm Beach, Oct. 26-28.

Breakout roundtable sessions were conducted for six new 2016 research studies now underway for activity in 2015 and 2016. As a reminder, “PRIMIR 2.0” was launched by the PRIMIR Executive Committee as an outgrowth of strategic planning that identified the need for PRIMIR to adopt new research models and delivery formats. To increase engagement, penetration and participation within member companies, alternatives were necessary for the comprehensive, (and, sometimes overwhelming) full research studies produced. PRIMIR and NPES members were instrumental in this effort through active participation in the 2016 new study topic survey, conducted earlier this year, which included the identification of specific study and delivery formats best suited for the research. Besides the traditional full-study, the roster for 2016 also includes: mini-studies, white paper and webinar options – to deliver the technology, applications and market research requested by members.

Below is 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: rratnam@primir.org.

FULL STUDY

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

Digital Printing Technology’s Influence on a Resurgence of In-Plants**

Growth in digital printing technology has not only had a big impact on how traditional print service providers produce products, but it also provides an opportunity for corporations, brand owners and manufacturers to quickly and inexpensively produce their printed materials in-house. This study would investigate this market and provide insights into opportunities for traditional manufacturers of equipment and supplies. It could investigate their equipment decision process including how they purchase their digital printing and finishing equipment, types of products produced (and what is printed in-house vs. outsourced), installed base and more.

MINI-STUDY

3-4 mos.; 50-75 pages; primarily qualitative research/findings; brief executive summary and implications

Coatings Market in North America by Applications and by Chemistry

This study would be a comprehensive analysis of the use of coatings in North America. Coatings have become a major topic for innovative ideas. Barrier coatings, aesthetic effects and protection characteristics are keys to securing business. Market size, types, chemistries (UV, EB water, solvent, oil) are all key factors in developing inks for the future. Understanding the chemistries and applications are key in creating synergistic products to maximize value to the end users. Market trends also guide the end users to manufacturing the next best products.

Food Packaging Compliance – Impact on the Printing Industry

Focused on chemical migration from packaging into food, this study will identify global rules and regulations (such as the impact of Nestle ordinance) by four 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, light weighting, and active packaging intelligence implementation including opportunities, drivers and barriers. Migration concerns and ultimate responsibilities for food packaging safety will also be addressed.

Inline Finishing Solutions in the Digital and Offset World**

Many OEMs want to include certain finishing options in-line with their offset or digital press. What options are available for offset vs digital, currently or future technology? Does this make sense or does it lock-in certain formats. This study will address cut-sheet only, predominantly in the digital (75%) vs. offset (25%) environment; and, cover various options and scenarios where it has been successfully achieved, with new and retro-fit equipment; and, how the future of in-line finishing will develop through 2020.

WHITE PAPER

45-60 days; 6-8 pages; educational and practical; introduction and executive summary; provides facts

Brand Owners Influence on the Printing/Purchasing Process**

This will provide an update on the role and responsibilities of the brand owner in today's business environment. How much influence do they have on printing processes, substrates, etc.? It will also cover a brief look at where major corporations see the brand owner of the futures' role. (will also include a webinar)

OTHER

Megatrends in Digital Printing Applications (2010 study data update)

This study provided detailed page volume findings for North America, and top level findings world-wide through 2014. It covered electrophotography (toner & ink), inkjet, and hybrid (digital with litho) and page volumes and usage/adoption trends for major applications such as catalogs, magazines, newspapers, books, direct mail, and packaging. It also evaluated digital printing costs vs. analog. Study provided an understanding of digital printing adoption impacts on the entire print value-chain, including analog print technologies. Purpose of the 2016 deliverable is to work with consultant to primarily "update" the data from the 2010 study, and other areas as essential to support the update.

** NPES Member Studies

Mark your calendars and watch for upcoming details on the 2015 PRIMIR & NPES Fall Meeting to be held Oct. 26-28 in Palm Beach, FL! And, best wishes for a profitable and productive (and, relaxing) summer!