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PROPELLING YOUR BUSINESS
FORWARD IN AN EVER-CHANGING
COMPETITIVE ENVIRONMENT

**PINPOINTING AND
PURSUING HIGH-GROWTH
PRINT APPLICATIONS**



A NAPCO Research Study and White Paper
Sponsored by Canon U. S. A., Inc.

Pinpointing and Pursuing High-Growth Print Applications

Increasing print sales is a balancing act of offering the right product mix, understanding what customers value, and meeting client requirements and expectations.

This report offers insights on print demand trends, the value of print, and print customers' expectations from the perspective of commercial printers and communication buyers and influencers.

Canon and NAPCO Research* have been conducting annual market research studies to help print providers better understand customer needs and the operational investments and capabilities for supporting their changing requirements.

The current series, *Propelling Your Business Forward in an Ever-Changing Competitive Environment*, is based on surveys of commercial printers, in-plants, and communication buyers or influencers conducted in the first quarter of 2022.



Communication Buyers and Influencers Value Print for These Reasons ...



It Communicates Quality.



It Stands Out In Today's Media-cluttered World.



It Enhances One's Brand.



It Yields Higher Retention Levels.



It Demonstrates Credibility and Authority.

*A unit of NAPCO Media, the parent company of Printing Impressions and In-Plant Impressions and part of the PRINTING United Alliance.

Here's a summary of key research findings:

Print Is Valuable

- Of the communication buyer and influencer respondents, 83% indicated that they expect their communication budget will increase over the next two years, on average, by 8.6%.
- Over the next two years, respondents expect the largest share of their communication spending (29%) will go to print.
- Almost all communication buyers and influencers (90%) reported print to be an important communication method for their organization.
- At least 40% of the communication buyer and influencer respondents indicated that the top three reasons organizations choose to use print include (1) the value of the product or service it will support, (2) audience preference, and (3) budget.
- Of the reasons why organizations use print, over a third (39%) of communication buyer and influencer respondents selected “better tool for customer acquisition” (compared to other media).
- Most communication buyer and influencer respondents agreed that print:
 - Communicates quality
 - Gets noticed in today's media-cluttered world
 - Enhances their brand
 - Demonstrates credibility and authority
 - Yields higher retention levels
- Almost three-quarters of communication buyer respondents reported that print is not eco-friendly. This finding points to the need to educate this group on the sustainability features of print.

Print Is Effective

- The survey asked communication buyers and influencers to rate the effectiveness of print and digital media on various attributes, including return on investment, ease of use, brand building, delivering results, personalized messaging, capturing attention, measurability, and audience credibility. Overall, the majority of respondents reported that both print and digital media were extremely/very effective.
- The majority of communication buyer and influencer respondents rated printed marketing materials as “extremely/highly effective” in providing return on investment, ease of use, brand building, delivering results, personalization, and capturing attention.

Print Application Demand Trends

- The print applications communication buyers and influencers purchased or influenced mostly increased or held steady in the last 12 months as compared to the previous 12 months. Few reported decreases in the print applications they were involved with purchasing.
- In the last 12 months, communication buyer respondents' use of printed marketing collateral, bills and statements, training materials, postcards, and general office materials increased the most.
- Communication buyer and influencer respondents indicated that they expect solid increases in their print use in the next two years. A majority of buyers (50% or greater) expect to increase use of 11 of the 17 print applications included in the survey.
- Commercial printer respondents indicated that they expected demand for the print applications they produce to either increase or hold steady in the next two years. The top applications for which they expect demand to increase during that time frame are packaging, sign and display graphics, direct mail, and labels.

Requirements

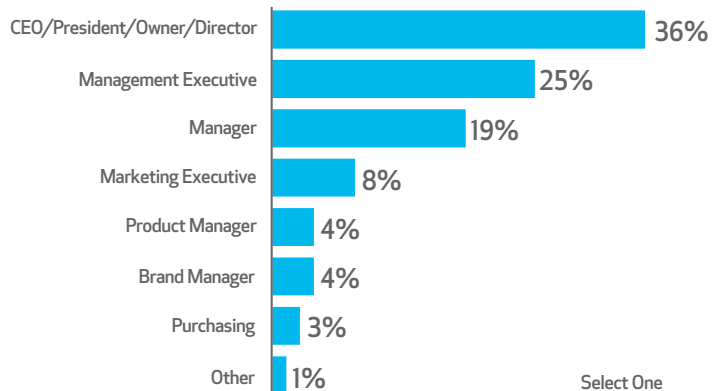
- Communication buyer and influencer respondents chose the ability to produce high-quality color printing, reliability and turnaround times, excellent client service, best prices, and the ability to order online as their top criteria for selecting print providers.
- Almost all of respondents (94%) reported color consistency across their print communications as critically important to their organization. In addition, 29% and 24% of print buyer and influencer respondents, respectively, indicated that consistency and color quality issues are among the top causes of dissatisfaction with print jobs.
- Some communication buyers reported they'd like to learn more about ways to improve color quality and consistency (39%) while 36% want to learn more about print color standards.
- Of the print buyer and influencer respondents, 44% to 66% indicated that their print providers meet their requirements for the primary print applications they purchase or influence (including, but not limited to, quality, print enhancements, quality consistency, turnaround time, color consistency, pricing, and media options); however, only one-third or less said their providers exceed their requirements for these same attributes. This indicates that there's room for improvement or an opportunity for providers to potentially exceed print buyers' and influencers' requirements to help keep parent organizations' work in-house.

Respondent Profiles

Figures 1 and 2 show the job titles of communication buyers and commercial printers participating in the survey along with the size of their operations/organizations.

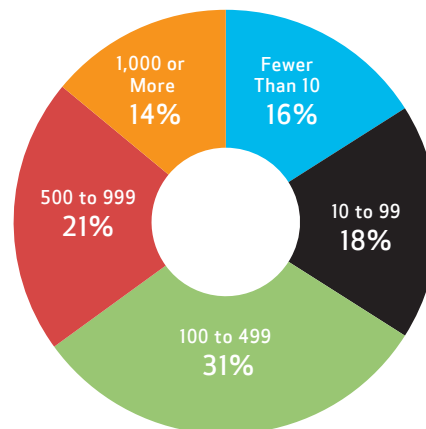
Figure 1
Communication Buyer and Influencer Respondent Profiles

Respondent Job Titles



Q. Which of the following describes your role in your organization?
N = 75 Communication Buyers and Influencers

Employees

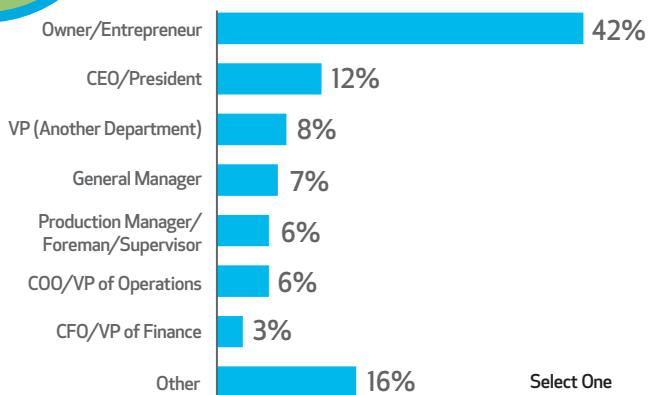


Q. In total, how many people does your organization employ?
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

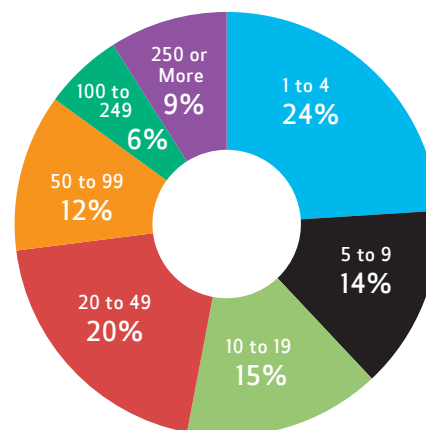
Figure 2
Commercial Printer Respondent Profiles

Respondent Job Titles



Q. What is your job title?
N = 184 Commercial Printers

Employees



Q. How many employees work at your company?
N = 184 Commercial Printers

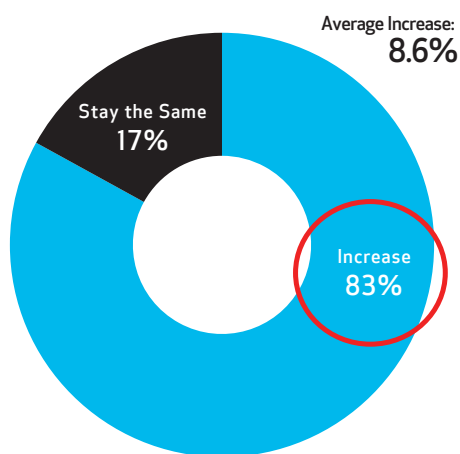
Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

Communication and Print Spending Expected to Increase

A majority of communication buyer and influencer respondents (83%) expect their communication budget will increase over the next two years, on average, by 8.6% (Figure 3). The survey asked communication buyers about their future budget plans because they include print. In the next two years, buyer respondents indicate that they expect to spend the largest share of their communications budget on print (29% of budget as compared to other media types). In addition, respondents expect print's share of spending to increase 2% annually.

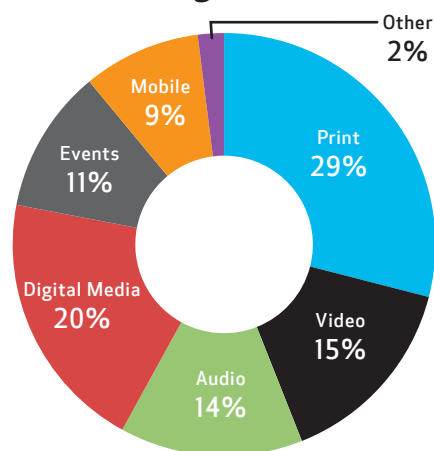
Figure 3
Communication Buyers and Influencers Expect Budgets to Increase

Communication Budget Will ...



Q. How do you expect your communications budget to change in the next 2 years?
N = 75 Communication Buyers and Influencers

Expected Communication Spending: Print Highest Share



Q. How will your total communication spending be distributed among the various communication types that you use in two years?
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

Key Reasons Organizations Use Print

When asked if print is an important communication method for their organizations, 90% of communication buyers and influencers acknowledged that it is.

Communication buyer and influencer respondents selected the top four primary factors that determine their use of print: the value of the product or service that print will support, target audience preference, budget, and better tool for customer acquisition (Figure 4).

A key takeaway here is that many print users recognize its impact, and so they use print to support high-value products and services. Another important finding is that over a third of the respondents indicated that they view print as a great tool for customer acquisition.

Figure 4
Top Reasons
Organizations
Use Print



Q. What are the primary factors that determine your organization's use of printed communications?
N = 75 Communication Buyers and Influencers

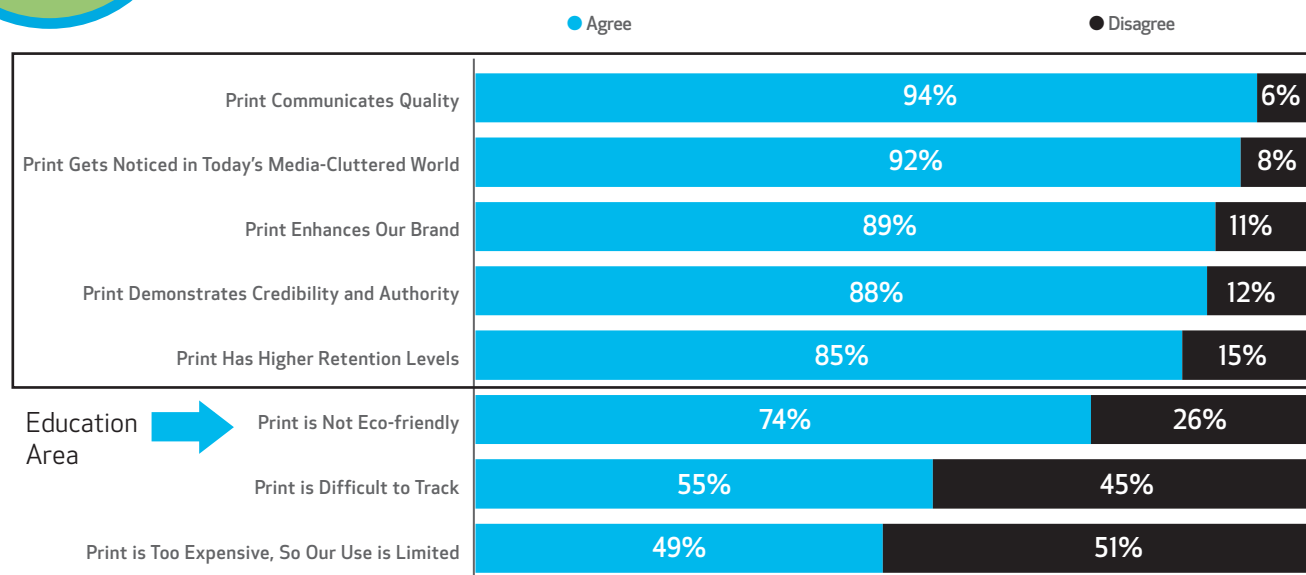
Source: *Propelling Your Business Forward in an Ever-Changing Competitive Environment*, NAPCO Research 2022

Communication Buyers and Influencers Value Print

The survey asked communication buyers and influencers a series of questions relative to the value, perceptions, and challenges in using print. Figure 5 summarizes those findings, with the top perceptions of print being highly positive, as most of the respondents agree that print:

- Communicates quality
- Gets noticed in today’s media-cluttered world
- Enhances their brand
- Demonstrates credibility and authority
- Yields higher retention levels

Figure 5
Perceptions
of Print:
Quality, Attention,
Enhances Brand



Q. Please indicate your level of agreement with the following statements relative to printed communications.
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

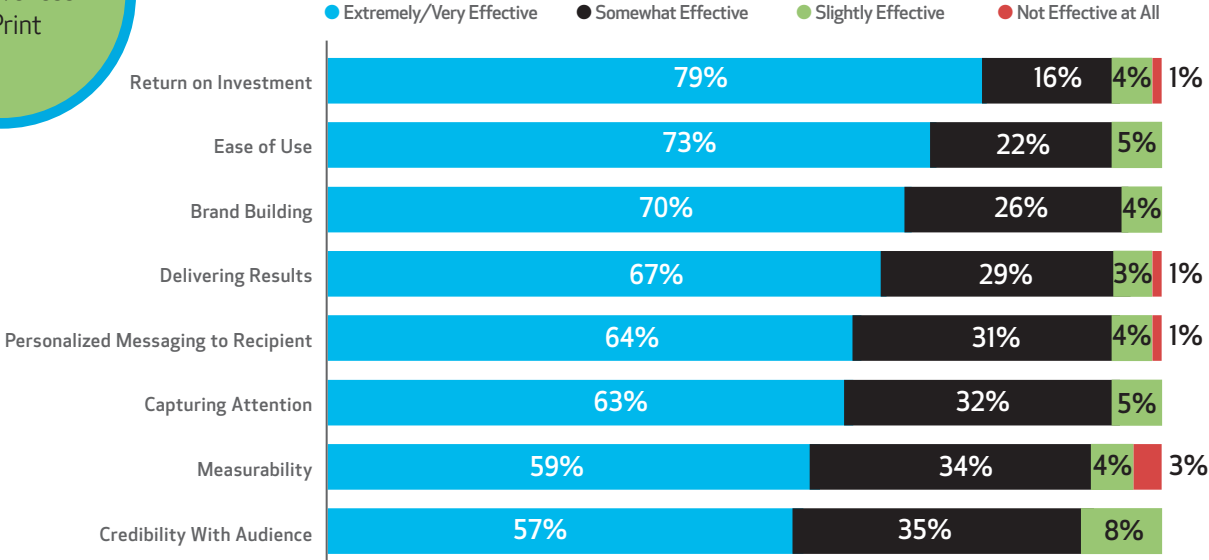
This question also warns of a negative perception on print’s effect on the environment that print providers need to address. Close to three-quarters of communication buyer and influencer respondents agreed with the statement, “Print is not eco-friendly.” This finding points to the need to educate this group on the sustainability features of print.

Measuring Print and Digital Media Effectiveness

The survey asked communication buyers and influencers to rate the effectiveness of print and digital media on various attributes; overall, the majority of respondents rated both as “extremely/very effective.”

With respect to print, communication buyer and influencer respondents rated return on investment, ease of use, brand building, delivering results, personalization, and capturing attention as the attributes seeing the highest effectiveness from among those listed (Figure 6). This response points to communication buyers and influencers getting value from using print and leveraging digital printing’s personalization capabilities.

Figure 6
Effectiveness of Print

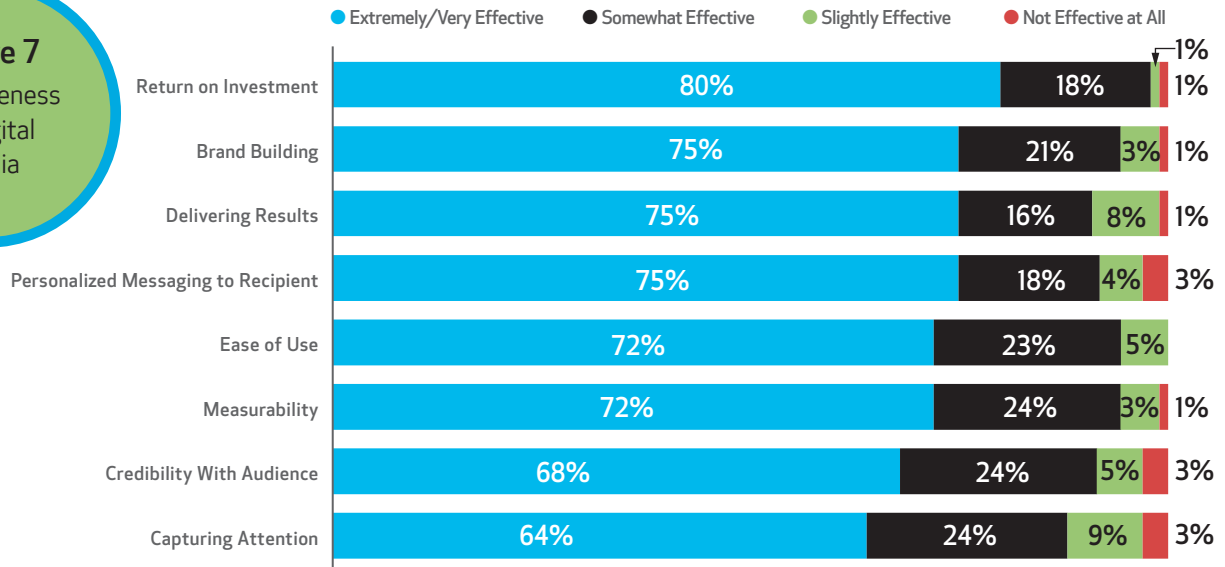


Q. Rate the effectiveness of printed marketing materials on the following attributes.
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

Most respondents also rated digital media “extremely/very effective” on all attributes listed, but for a few (credibility with audience, capturing attention, and personalized messaging), 3% of respondents rated digital media as “not effective at all” (Figure 7).

Figure 7
Effectiveness of Digital Media



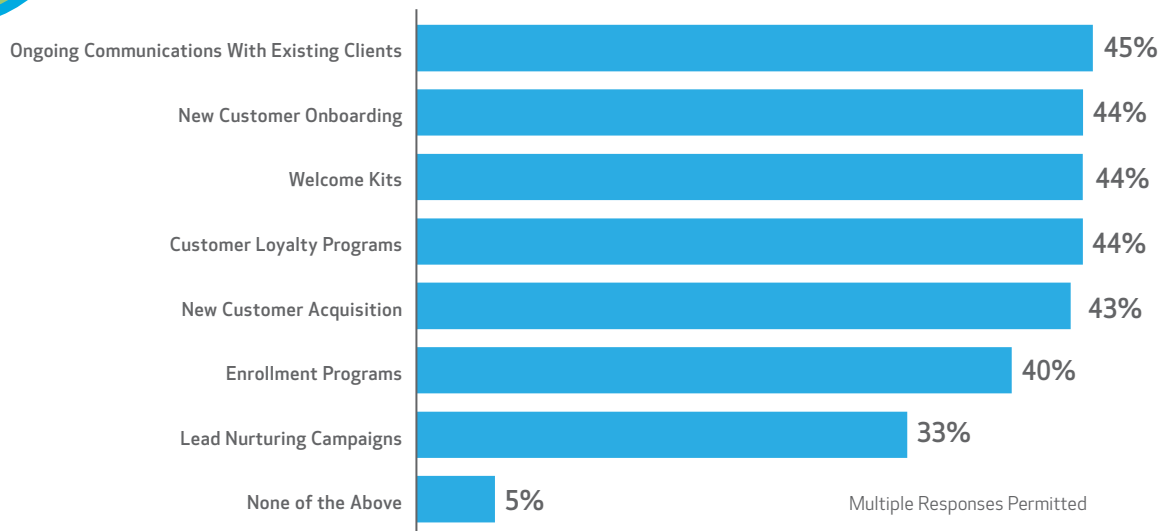
Q. Rate the effectiveness of digital media marketing on the following attributes.
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

The high ratings for both print and digital media may be an indicator of organizations combining both types. Print and digital channels can complement each other. Using print to drive customers online to view videos, order products, and access additional content leverages the strengths of multiple media; while adding QR codes, personalized URLs, and augmented reality markers to print invites an opportunity to connect it with digital content.

According to one finding from *Print in the Eye of the Buyer*, the 2020 NAPCO Research survey sponsored by Canon reports, less than half of the communication buyer and influencer respondents frequently use print and digital media together. *Print in the Eye of the Buyer* revealed that various multichannel communication campaigns included a print component (Figure 8).

Figure 8
Print Use
in Multichannel
Communications



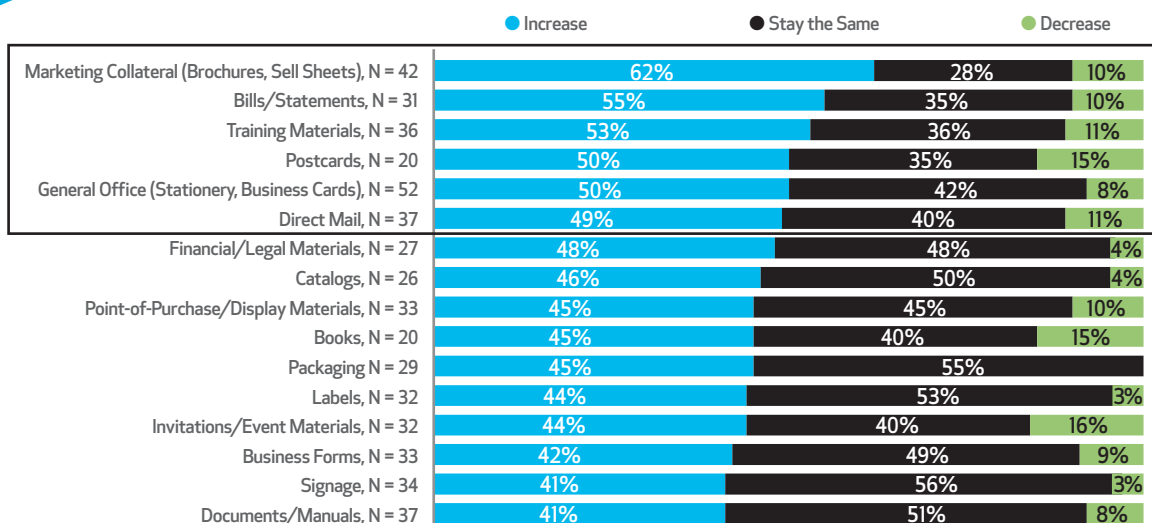
Q. Which of the following customer communication outreach/campaigns do you support with multichannel communications that include print?
N = 230 Communication Buyers and Influencers

Source: *Print in the Eye of the Buyer*, NAPCO Research 2022

Print Application Usage Trends

Communication buyer and influencer respondents indicated that, from among the 16 print applications listed, those they purchased or influenced mostly increased or held steady in the last 12 months as compared to the previous 12 months (Figure 9). Few respondents (16% or less) indicated that they had decreased their use of such print applications during that same period. Among those applications with the highest increase during the 12 months prior to completing the survey were marketing materials, bills/statements, training materials, postcards, office stationery, and direct mail.

Figure 9
Buyer and Influencer Print Use Trends Last 12 Months



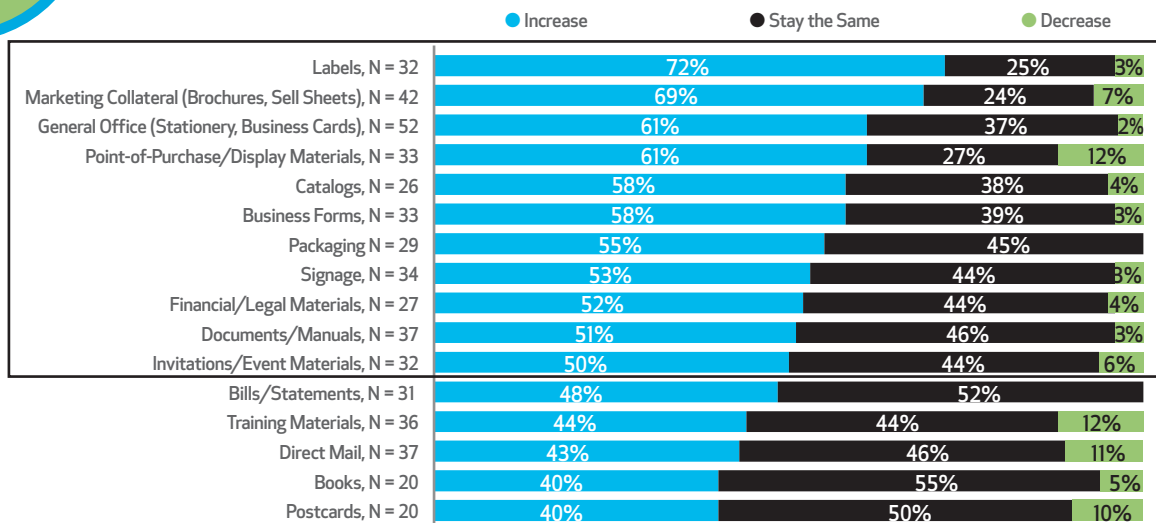
Q. Of the print applications you influence or purchase, which best describes your use in the last 12 months as compared to the previous 12 months?
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

Over the next two years, communication buyers and influencers expect solid increases in their print use (Figure 10). A majority of buyers (50% or greater) expect to increase use of 11 of the 17 print applications included in the survey.

A likely reason for expected increase in application demand is digital printing, as it enables more organizations to use print. Digital printing’s ability to print affordable short runs and its expanding application options — such as use in labels and packaging — are allowing more organizations to use it.

Figure 10
Printing Use
Next 2 Years



Q. Of the print applications you influence or purchase, which best describes your use in the last 12 months as compared to the previous 12 months?
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

Table 1, below, compares the top applications buyers and influencers expect to see grow over the next two years as compared to usage in the last 12 months. Overall, buyers expect solid growth across these applications. Respondents identified labels as the top area of increase, and packaging was strong as well. Digital printing is a likely factor fueling the expected use of packaging, as it enables new, shorter runs and personalization options that encourage greater use by organizations. Other increases may reflect the return to in-person events.

Table 1: Buyer Demands Last 12 Months vs. Next 24 Months

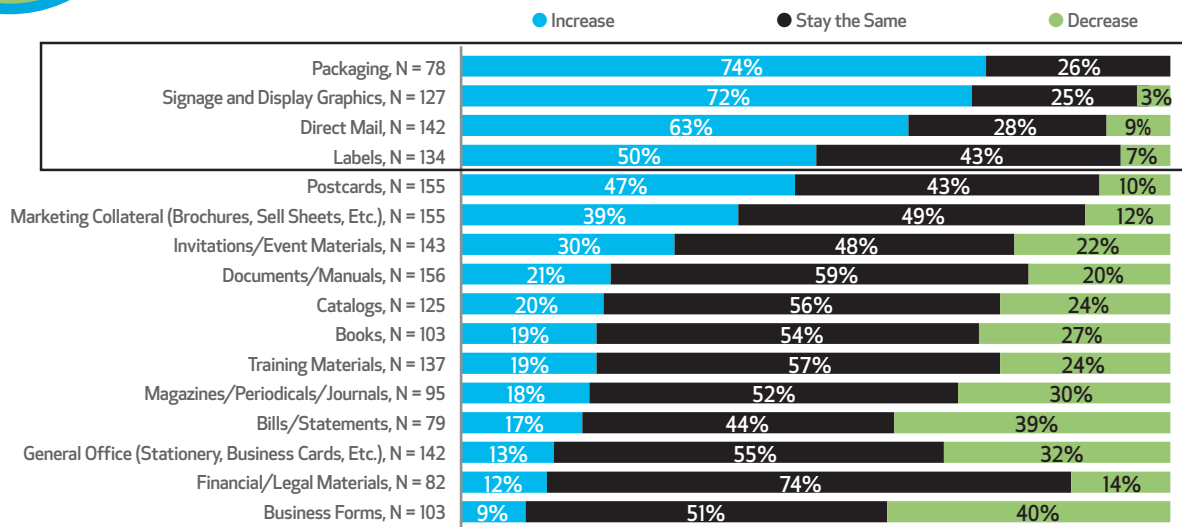
Application		Increase	Same	Decrease
Labels, N = 32	Last 12 Months	44%	53%	3%
	Next 24 Months	72%	25%	3%
Marketing Collateral, N = 42	Last 12 Months	62%	28%	10%
	Next 24 Months	69%	24%	7%
Point-of-Purchase/Display Materials, N = 33	Last 12 Months	45%	45%	10%
	Next 24 Months	61%	27%	12%
General Office, N = 52	Last 12 Months	50%	42%	8%
	Next 24 Months	61%	37%	2%
Business Forms, N = 33	Last 12 Months	42%	49%	9%
	Next 24 Months	58%	39%	3%
Catalogs, N = 26	Last 12 Months	46%	50%	4%
	Next 24 Months	58%	38%	4%
Packaging, N = 29	Last 12 Months	45%	55%	—
	Next 24 Months	55%	45%	—
Signage, N = 34	Last 12 Months	41%	56%	3%
	Next 24 Months	53%	44%	3%
Financial/Legal Materials, N = 27	Last 12 Months	48%	48%	4%
	Next 24 Months	52%	44%	4%
Documents/Manuals, N = 37	Last 12 Months	41%	51%	8%
	Next 24 Months	51%	46%	3%
Invitations/Event Materials, N = 32	Last 12 Months	44%	40%	16%
	Next 24 Months	50%	44%	6%

Source: Propelling Your Business Forward in Ever-Changing Competitive Environment, NAPCO Research 2022

Commercial printer respondents expect print application demand to either increase or hold steady (Figure 11); the top applications expected to increase over the next two years are packaging, sign and display, direct mail, and labels.

Packaging is an attractive segment for commercial printers because digital media alternatives cannot replace it, and digital printing is reducing entry barriers to offering packaging.

Figure 11
Commercial Printers' 24-Month Application Projection



Q. What do you expect the demand trend will be in the next 2 years for the print applications you offer or plan to offer?
N = 184 Commercial Printers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

When asked about the application demand expectations in the next 24 months, there were similarities and differences in the responses from commercial printers and buyers, as shown in **Table 2**, below. Though the two groups reported high demand expectations for packaging and both signage and display graphic applications, they indicated differences in other key commercial print applications. For example, commercial printers expect higher future demand for direct mail while buyers expect higher increases in marketing collateral materials. Buyers also expect to increase purchasing of office stationery and business cards as compared to commercial printers.

Table 2: Buyer vs. Commercial Printer on Key Application Demand Projections

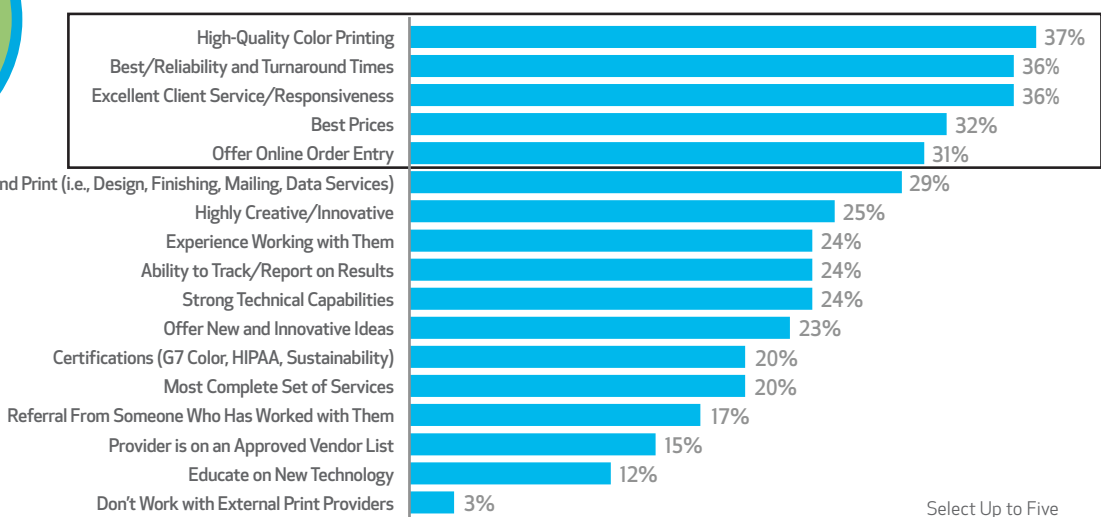
Application		Increase	Same	Decrease	Takeaway
Marketing Collateral	Buyers	69%	24%	7%	Two-thirds of buyers expect an increase.
	Printers	39%	49%	12%	Printer respondents are less optimistic than buyers.
Direct Mail	Buyers	43%	46%	11%	Printers expect more of an increase than buyers.
	Printers	63%	28%	9%	
General Office	Buyers	61%	37%	2%	Almost two-thirds of buyers expect an increase and almost one-third of printer respondents see it decreasing.
	Printers	13%	55%	32%	
Point of Purchase	Buyers (POP)	61%	27%	12%	Overall, buyers and printers expect increases, though 12% of buyers expect a decrease in POP.
	Buyers (Signage)	53%	44%	3%	
	Printers	72%	25%	3%	
Labels	Buyers	72%	25%	3%	Almost three-quarters of buyers expect label use to increase.
	Printers	50%	43%	7%	
Packaging	Buyers	55%	45%	—	Almost three-quarters of commercial printers expect demand for packaging to increase as compared to 55% of buyers.
	Printers	74%	26%	—	

Source: Propelling Your Business Forward in Ever-Changing Competitive Environment, NAPCO Research 2022

Defining What Customers Value

Communication buyers' and influencers' top criteria for selecting print providers are the ability to produce high-quality color printing, reliability and turnaround times, excellent client service, best prices, and the ability to order online (Figure 12). Another survey question that supports the top criteria of high-quality color printing is that 94% of respondents reported color consistency across their print communications as “critically important” to their organization. These findings—combined with the 60% of communication buyers and influencers participating in the *Print in the Eye of the Buyer* survey who said G7® color certification was “absolutely essential/very important” when selecting a print provider—indicate the importance color standards and certifications can offer commercial printers.

Figure 12
Criteria for
Selecting
External Print
Providers



Q. What are your organization's TOP CRITERIA when selecting an external service provider for printing?
N = 75 Communication Buyers and Influencers

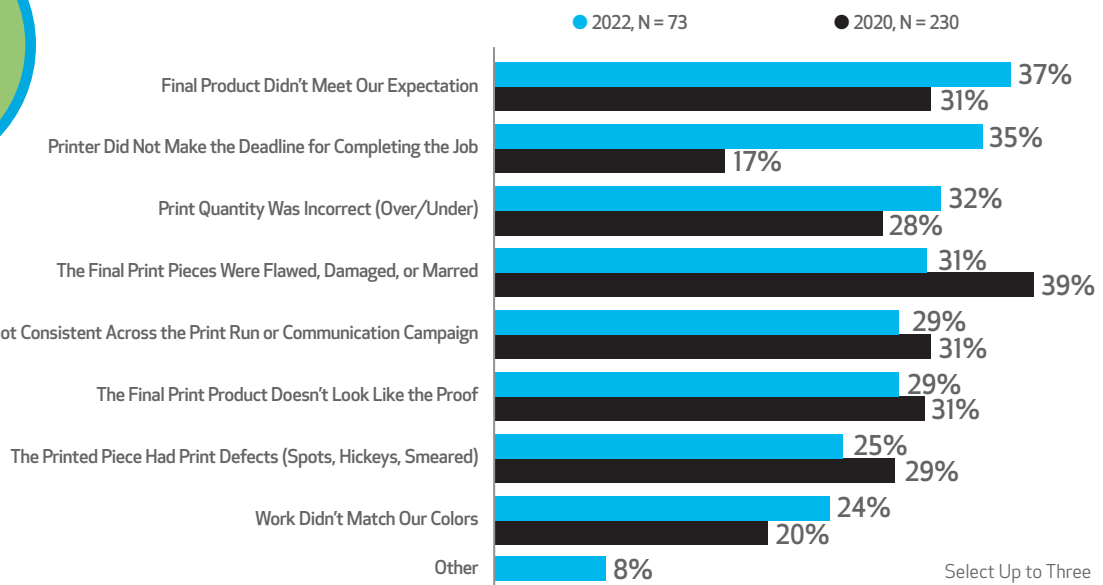
Source: *Propelling Your Business Forward in an Ever-Changing Competitive Environment*, NAPCO Research 2022

In addition, print buyer respondents indicated that color quality and consistency are among the key causes of dissatisfaction with print jobs. Figure 13 provides a comparison between this 2022 survey's print buyer and influencer respondents and those who participated in the 2020 *Print in the Eye of the Buyer* research on the reasons they're not satisfied with a finished print job.

Other factors leading to unhappy customers include the final product did not meet expectations, the printer missed the job deadline, the print quantity was not correct, and the final product was flawed/defective or did not match the proof. All these reported reasons for customer dissatisfaction are opportunities for print providers to improve their processes with color management practices and more controlled, streamlined workflows.

In addition, the survey asked communication buyers what they'd like to learn more about with regard to print production, and the top response was improving color quality and consistency (39%) closely followed by print color standards (36%).

Figure 13
Top Causes of Job Dissatisfaction



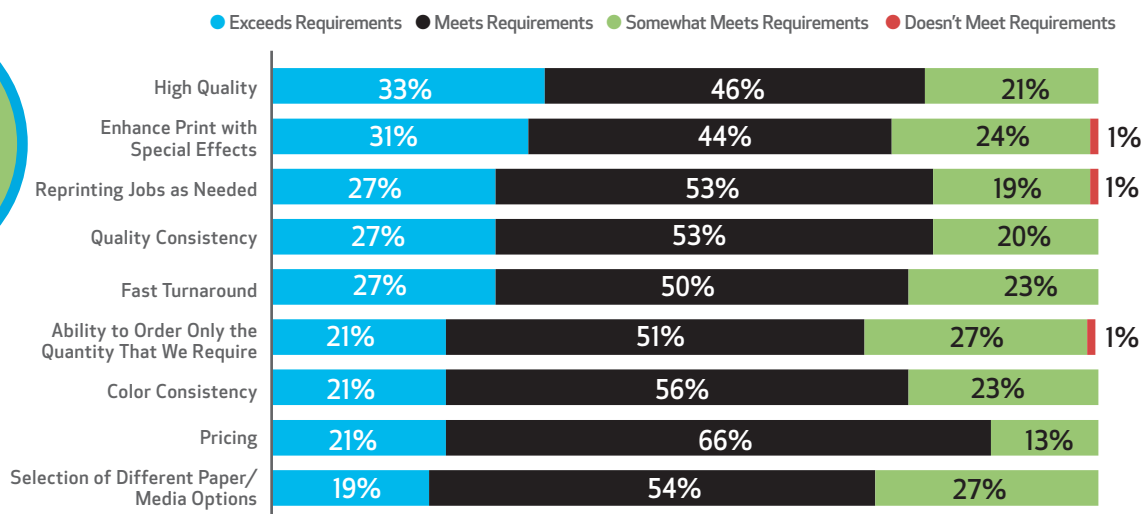
Q. What are the top causes of dissatisfaction in the finished print work you receive from a print provider?

Sources: *Propelling Your Business Forward in an Ever-Changing Competitive Environment*, NAPCO Research 2022
Print in the Eye of the Buyer, NAPCO Research 2020

Areas Where Commercial Printers Can Improve

The survey asked communication buyers and influencers to rate their print providers on various quality and service attributes; Figure 14 shows how well these providers were able to meet their customers' needs. While 44% to 66% of the respondents rated the print providers of the primary print applications they purchased or influence as "meets requirements," only one-third or fewer rated their providers' ability to meet their requirements for quality, print enhancements, quality consistency, turnaround, color consistency, pricing, and media options as "exceeds requirements." This indicates there's room for improvement or an opportunity for competitive providers that can exceed these requirements.

Figure 14
Opportunity to Better Meet Print Customer Needs



Q. With regard to the primary print applications that you purchase or influence for your organization, rate your print service providers' ability to meet your requirements on the following attributes.
N = 75 Communication Buyers and Influencers

Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

Conclusion

Print is a valuable tool in an organization's communication mix, and respondents use it to support high-value products, help acquire customers, build branding, demonstrate quality, capture attention, and command authority. Respondents who purchase or influence communications reported that their print use is mostly increasing or holding steady, presenting opportunities for providers that can meet their buyers' expectations and requirements. Digital printing, too, continues to be a key force driving print use, as it may enable more organizations to use print.

Buyer respondents select print providers based on their ability to produce high-quality color printing, reliably meet turnaround times, provide excellent client service, offer competitive prices, and support online ordering. In addition, color consistency across print communications is critically important, and respondents reported that this can be a major cause of dissatisfaction with print jobs. In turn, communication buyers indicated interest in learning more about ways to improve color quality and consistency and print color standards.

Respondents reported that, overall, print providers meet their requirements for the primary print applications they purchase or influence, but there's room for improvement, as few noted providers exceed their expectations. This presents an opportunity for print providers that can exceed potential customers' requirements.

About The Research and Report Series

Propelling Your Business Forward in an Ever-Changing Competitive Environment is a

series of thought-leadership content pieces based on a NAPCO Research survey of communication buyers, commercial printers, and in-plants, sponsored by Canon U.S.A., Inc.

Reports in the series include:

1. Print 2022 and Beyond
2. Enhancing the In-plant Product and Service Offering
3. Pinpointing and Pursuing High-Growth Print Applications
4. Positioning Your Commercial Printing Business for Success

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