



CANON SOLUTIONS AMERICA

PROPELLING YOUR BUSINESS FORWARD IN AN EVER-CHANGING COMPETITIVE ENVIRONMENT  
POSITIONING YOUR COMMERCIAL PRINTING BUSINESS FOR SUCCESS



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

# Positioning Your Commercial Printing Business for Success

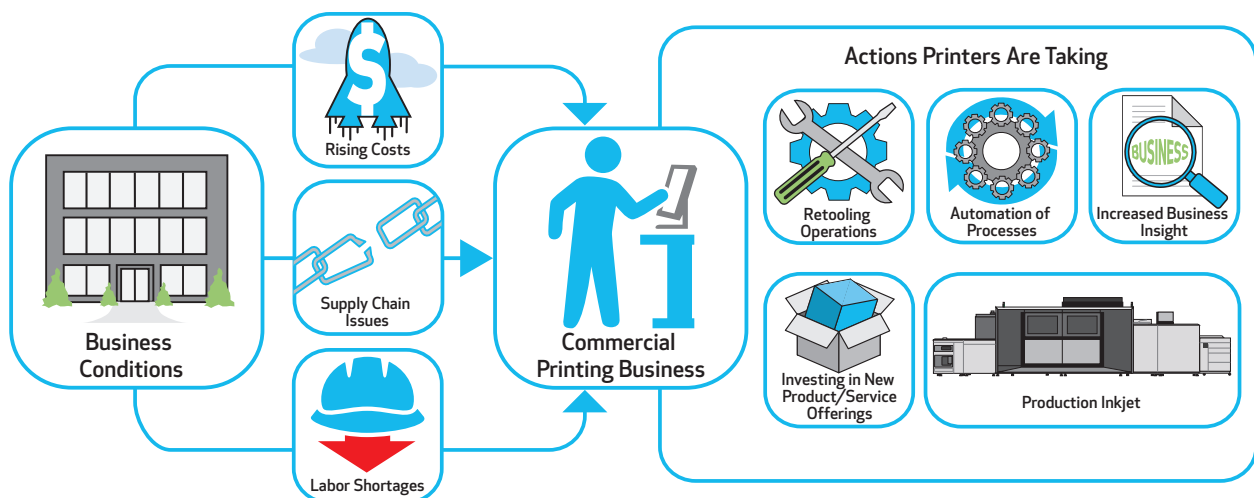
In any business, stagnancy is the enemy of progress. In the printing industry, those best positioned for success are the commercial printers committed to continually evolving and innovating their operations.

This report offers insights into how commercial printers are adapting to a changing market, ways they're enhancing customer value, and methods for strengthening customer relationships.

Canon and NAPCO Research\* conduct 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. This report's survey questions focused on the ways commercial printers are identifying and positioning their operations for success and what communication buyers and influencers expect from their print providers.

## Positioning Your Commercial Printing Business for Success



\*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:

### Competitive Challenges

- Commercial printers are navigating a challenging, competitive environment—while increasing material and labor costs are squeezing profitability, customers are still expecting high-quality products and services at competitive prices.
- Price increases are the top reason print buyer respondents end relationships with their print providers.
- Operations have some level of workflow automation, but there's room to expand. The most automated areas include prepress makeready, color management, job reporting, and preflighting; the least automated area is the bindery.

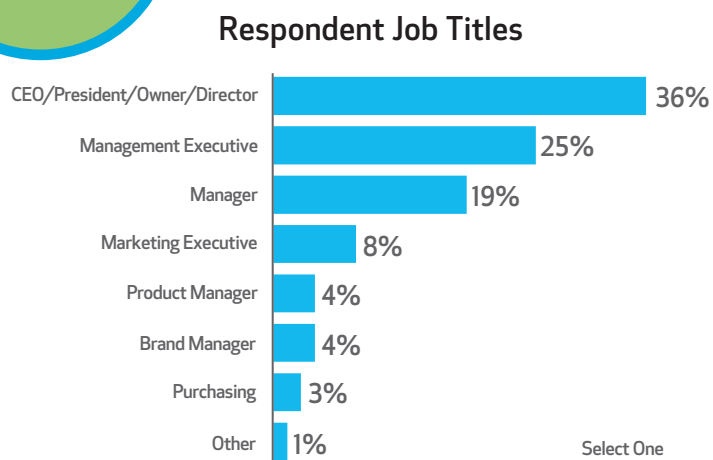
### Actions Commercial Printers Are Taking to Address Challenges

- Commercial printers are differentiating from competitors by offering a wide range of products and services. Over the next two years, respondents expect to expand their product and service offerings.
- Three-quarters are investing in efforts to improve operations, expand automation, grow business, upgrade technology, and enhance employee skills.
- Over two-thirds expect to add high-speed production inkjet.
- Almost three-quarters (70%) report using insights captured from workflow accounting and reporting systems to improve business decisions, and 66% report using data analytics to gain better operational insights into press productivity and utilization.
- Almost half (48%) report their organization is planning to acquire another firm while 40% report their company is considering selling or merging with another company.
- The primary sources used to find production staff include referrals and popular hiring websites.
- The top strategy for hiring sales staff is training and developing existing talent from within the organization.

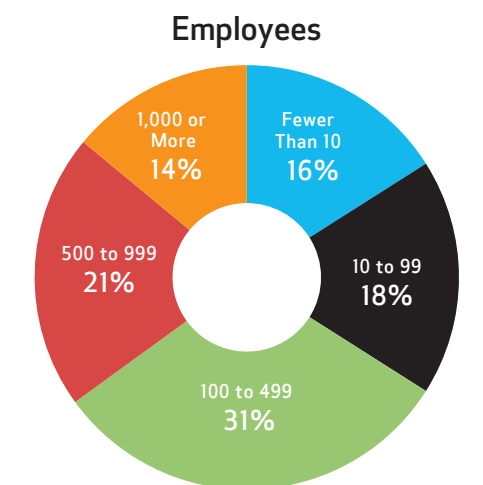
## Respondent Profiles

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



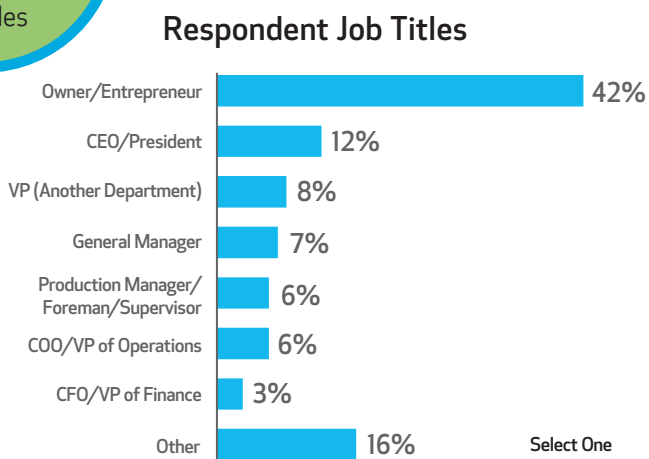
Q. Which of the following describes your role in your organization?  
N = 75 Communication Buyers and Influencers



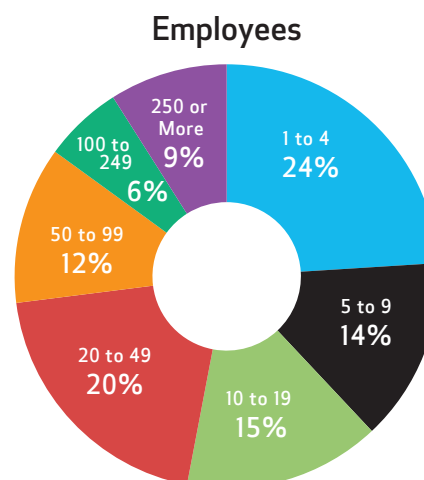
Q. In total, how many people does your organization employ?  
N = 75 Communication Buyers and Influencers

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

**Figure 2**  
Commercial Printer Respondent Profiles



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



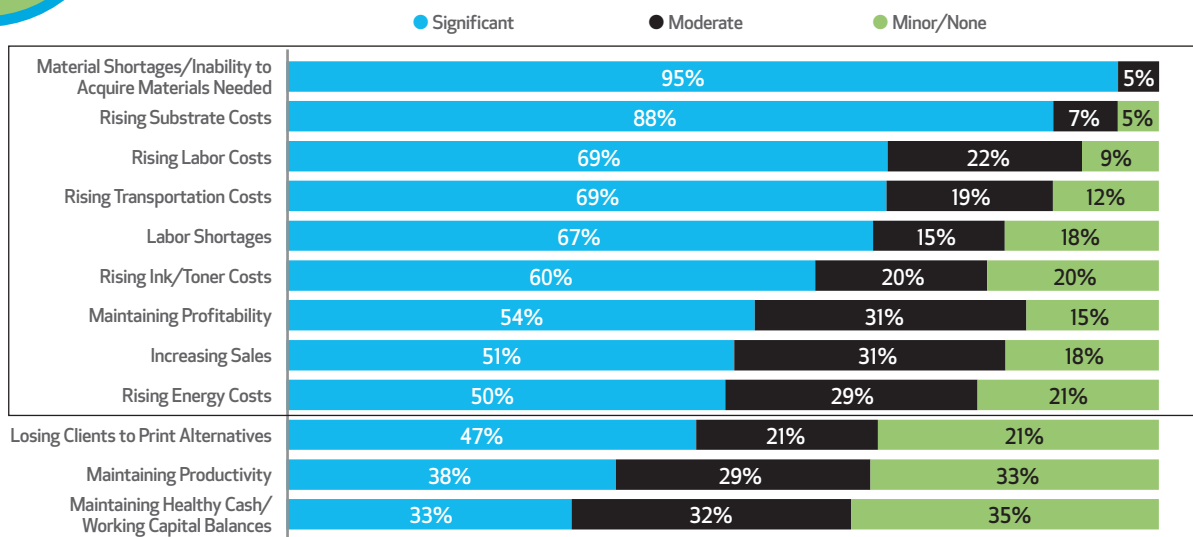
Q. How many employees work at your company?  
N = 184 Commercial Printers

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

## Commercial Printer Challenges

According to a recent *PRINTING United Alliance*\* survey, commercial printers' most significant challenges are maintaining profitability, increasing sales, managing supply and labor shortages, and navigating cost increases. The majority of commercial printer respondents participating in *PRINTING United Alliance's Q1 State of the Industry Update* identified major challenges as procuring raw material, rising costs, staffing operations, maintaining profitability, and losing print volume to alternative forms of communication (Figure 3).

**Figure 3**  
Commercial Printer Challenges



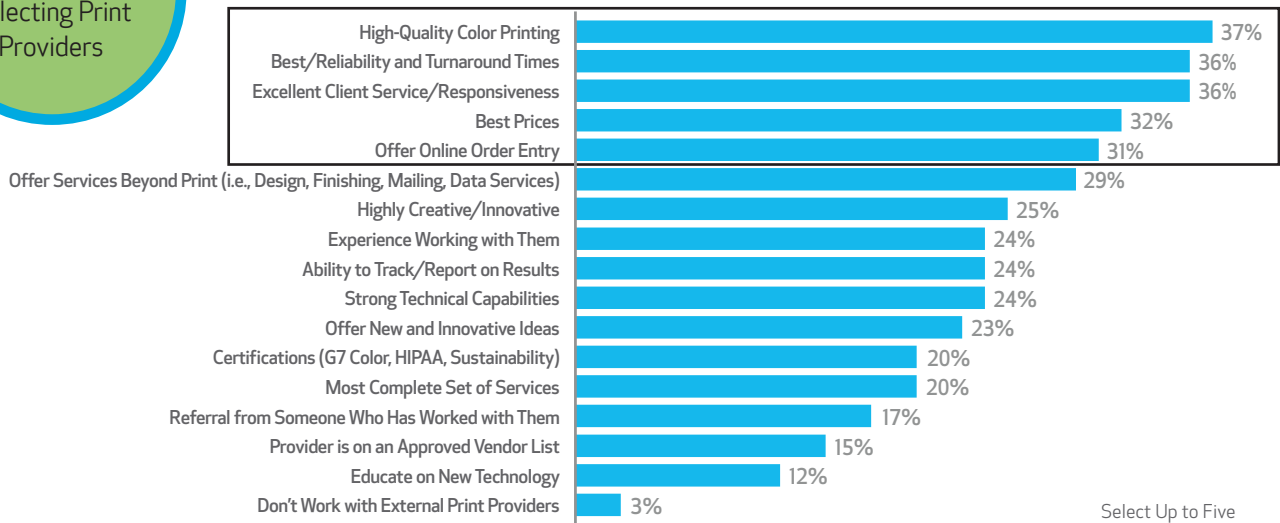
Q. How much of a concern do you expect the factors [above] to be for your company this year?  
N = 159 Commercial Printers

Source: *PRINTING United Alliance State of the Industry Update, Q1 2022*

\* A trade association representing nearly all segments of the printing industry; NAPCO Research is a part of the *PRINTING United Alliance*.

As commercial printers navigate a challenging business environment, customers still expect high-quality products and services at competitive prices. Communication buyers participating in the NAPCO Research/Canon research survey report that the most important criteria for choosing print providers are high-quality color printing, reliability and turnaround times, excellent client service, best prices, and the ability to order online (Figure 4).

**Figure 4**  
Criteria for  
Selecting Print  
Providers



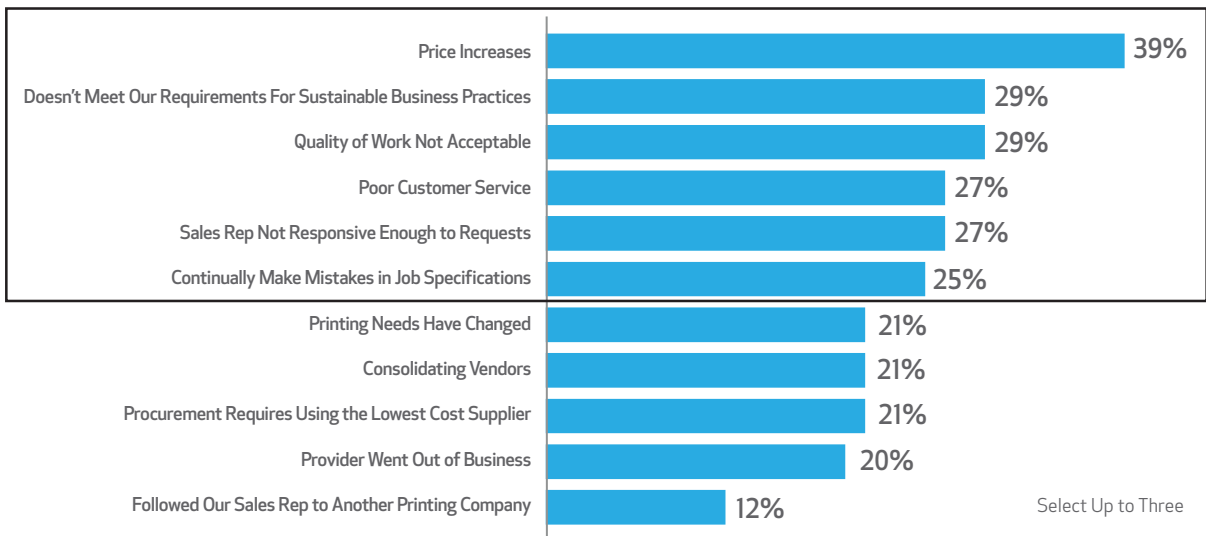
Q. What are your organization's TOP CRITERIA when selecting an external service provider for printing?  
N = 75 Communication Buyers and Influencers

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

While price wasn't the top selection factor, it is the main reason respondents end relationships with print providers (Figure 5).

Print customers report a variety of reasons that could result in ending a relationship with a provider. Beyond the top response of price increases, other key reasons communication buyer and influencer respondents end relationships with print providers are that they're not meeting requirements for sustainability, quality, service, and job specifications.

**Figure 5**  
Reasons Print Customers End Provider Relationships



Q. What are the top THREE reasons your organization would end a relationship with a print provider?  
N = 73 Communication Buyers and Influencers

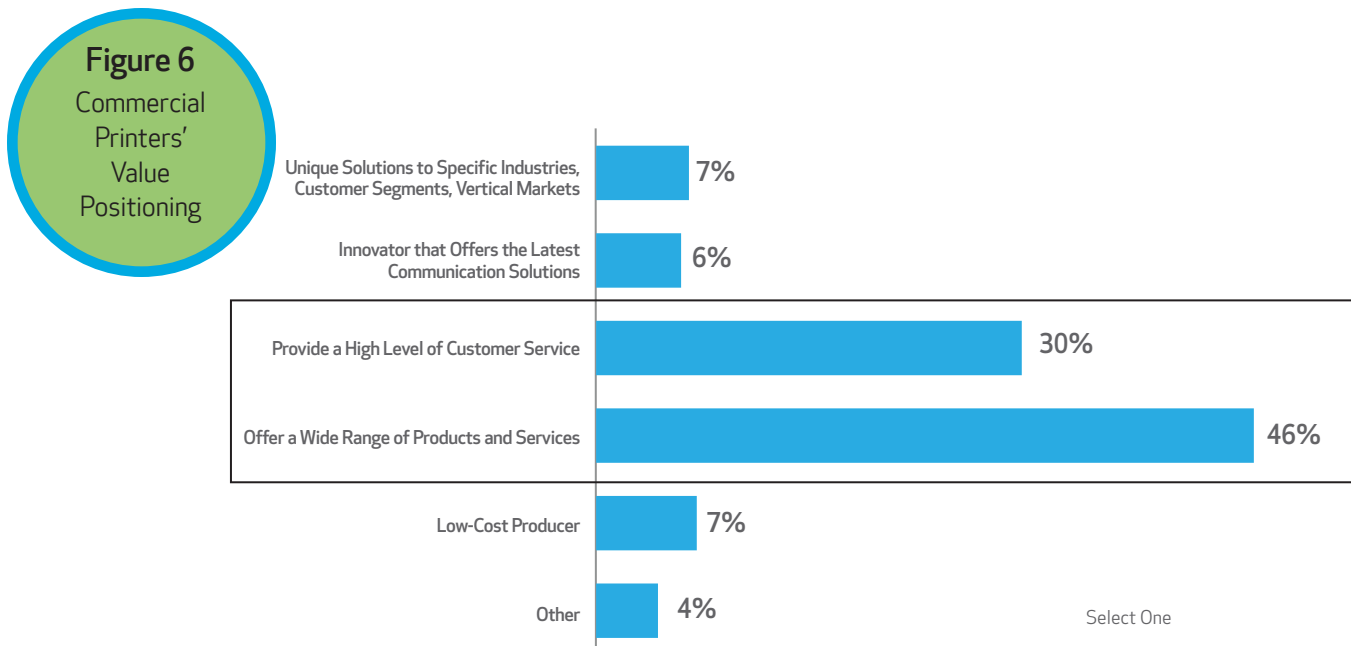
Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

## Ways Commercial Printers are Positioning for Success

Commercial printer respondents reveal that they're taking actions on several fronts to navigate business challenges, meet changing customer demands, and position their organizations for success. Here are the key steps survey respondents are pursuing to meet market challenges, demands, and expectations.

### 1. Expanding Product and Service Offerings

The top ways commercial printer respondents describe their market positioning are as providers that offer a wide range of products and services or providers of a high level of customer service (Figure 6). Respondents were limited to one response when asked to select the best description of their value proposition. The response to this question is an indicator that commercial printers are embracing strategies focused on adding customer value rather than just reducing price. Seven percent of respondents report positioning as a low-cost producer.



Q. Which of the following best describes your company's brand vision/value positioning?  
N = 184 Commercial Printers

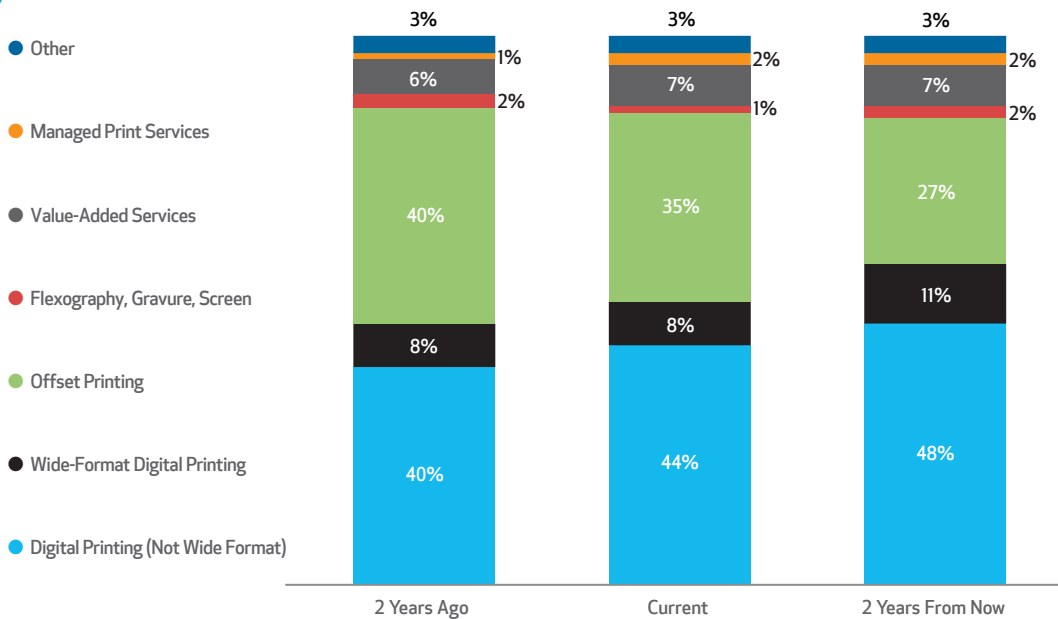
Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022



Other survey findings point to commercial printers expanding their product and service offerings to provide their customers with more. Figure 7 shows the past, present, and expected future distribution of commercial print respondents' services. In the next two years, respondents expect wide-format digital printing, value-added services, and digital printing to represent larger shares of their workloads.

The response to this survey question also points to the ongoing migration of offset to digital printing.

**Figure 7**  
Commercial Printers' Shares of Work Produced



Q. What percentage of your organization's work falls/fell/will fall into the following types of services 2 years ago, today, and 2 years from now?  
N = 184 Commercial Printers

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

Offering a variety of services is important to communication buyers and influencers. According to the 211 communication buyers and influencers who participated in the NAPCO Research 2021 *Enhancing the Print Customer Connection* research series (sponsored by Canon), 52% reported that providing a variety of services is very important when selecting a print provider while another 39% deemed it moderately important.

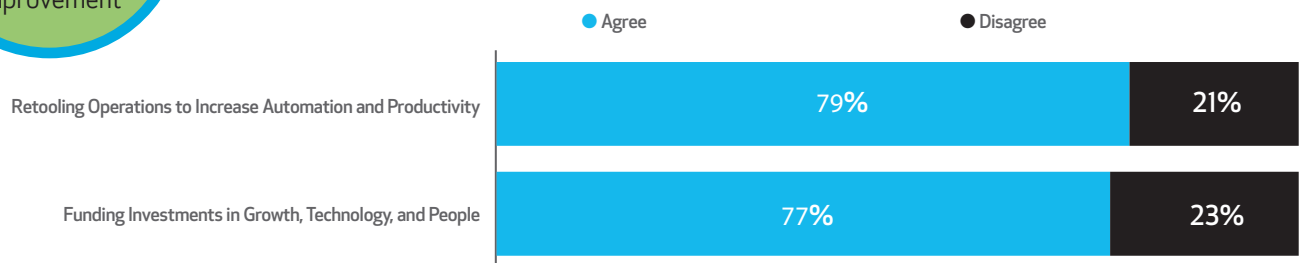
## 2. Retooling Operations and Investment

Over 75% of commercial printer respondents report investing in efforts to improve operations, expand automation, grow business, upgrade technology, and enhance employee skills (Figure 8).

A likely reason commercial printers are retooling operations to increase automation and productivity is to combat profitability challenges. Close to two-thirds of commercial printers (62%) participating in the NAPCO Research's *Enhancing the Print Customer Connection* research agreed that automation is the most crucial element in keeping their operations profitable.

In addition, the high number of commercial printer respondents planning to fund investments in growth, technology, and people points to a recognition that staying competitive requires ongoing attention, action, and a willingness to spend.

**Figure 8**  
Commercial Printers Investing in Operational Improvement

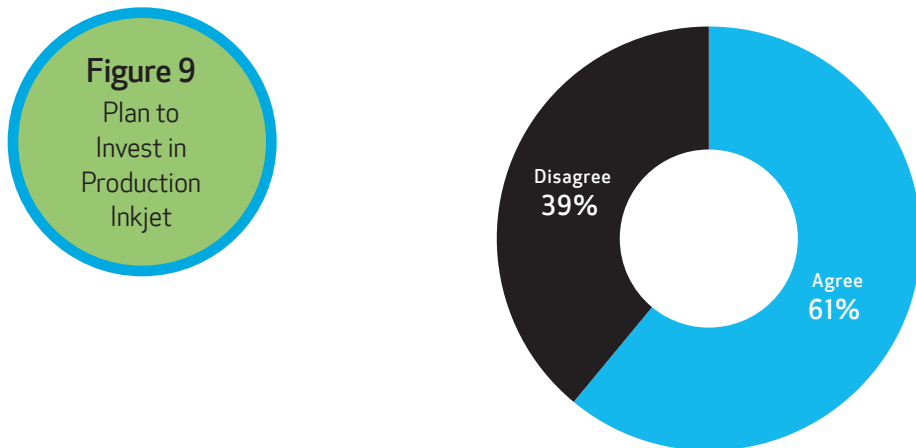


Q. For the following statements, please indicate your level agreement. Our operation is ...  
N = 166 Commercial Printers

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

### 3. Investing in High-Speed Inkjet

Over half of commercial printer respondents (61%) expect to add high-speed production inkjet (Figure 9). The high percentage planning to invest in inkjet is reflective of the technological advancements that have made it such an attractive and versatile technology.



Q. For the following statement, please indicate your level of agreement: Our Operation is Adding High-Speed Production Inkjet.  
N = 166 Commercial Printers

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

For example, while the first high-speed production inkjet presses were roll-fed systems, the introduction of sheetfed inkjet presses is expanding opportunity for print service providers by offering affordable, high-quality color printing, attractive running costs, smaller footprints, substrate flexibility, and enhanced productivity.

Production inkjet can offer commercial printers the following benefits:

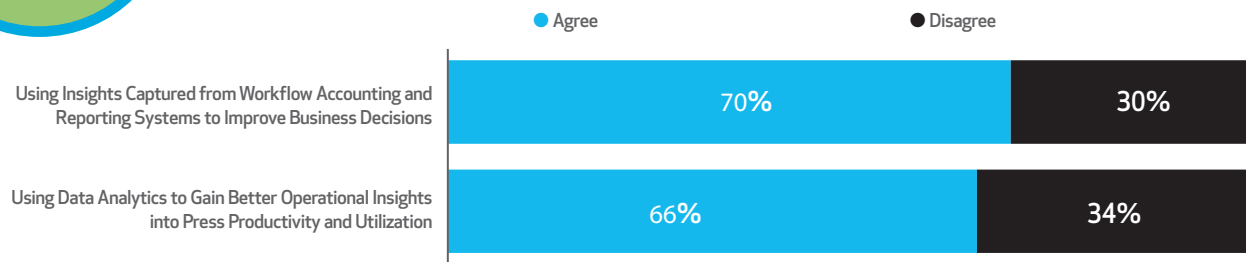
- Extending the crossover point for digital print versus offset, enabling more pages to migrate to digital print.
- Expanding variable data use to print more personalized materials, which is particularly attractive for increasing communication response rates.
- Potentially increasing operational and customer benefits through the expanded options for printing books, direct mail, and transactional documents due to faster printing speeds.
- The ability to produce more applications via inkjet printing due to the advancements in inkjet print quality.
- Expanded offerings, thanks to the growing range of supported substrates.
- The ability to print high-volume or short-run jobs, which is made possible by the speed, productivity, reliability, low running costs, and high levels of automation of today's presses.
- Printing full-color variable content in one pass, removing the need for a two-step process (in which offset-printed color shells are overprinted digitally with monochrome text) to personalize direct mail; with inkjet, the entire job can be printed on one device, saving time and money.

## 4. Leveraging Operational Data in Decision-Making

Commercial printer respondents report collecting and analyzing accounting and press productivity and utilization data to gain better operational insights (Figure 10). For example, 70% of commercial printer respondents report using insights captured from workflow accounting and reporting systems to improve business decisions while 66% are using data analytics to gain better operational insights into press productivity and utilization.

Commercial printers recognize that collecting and analyzing data is valuable in providing a full picture of their operations and uncovering trends and bottlenecks. By leveraging key data consistently, commercial printers can optimize their operations, make data-driven investment decisions, and drive profitability.

**Figure 10**  
Making  
Decisions with  
Data and  
Analytics

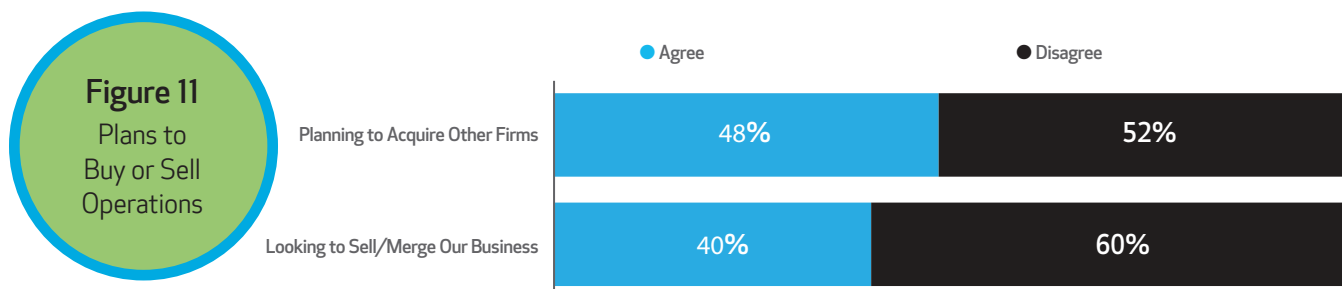


Q. For the following statements, please indicate your level agreement. Our operation is ...  
N = 166 Commercial Printers

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

## 5. Considering Mergers or Acquisitions

The survey asked commercial printers about their plans for either acquiring other firms or selling their operations. A common strategy for expanding products and services is to acquire a firm with the sought-after expertise. Almost half of commercial printer respondents (48%) report that their organizations are planning to acquire other firms. In addition, 40% report that their companies are considering selling or merging with other companies (Figure 11).



Q. For the following statements, please indicate your level agreement. Our operation is...  
N = 166 Commercial Printers

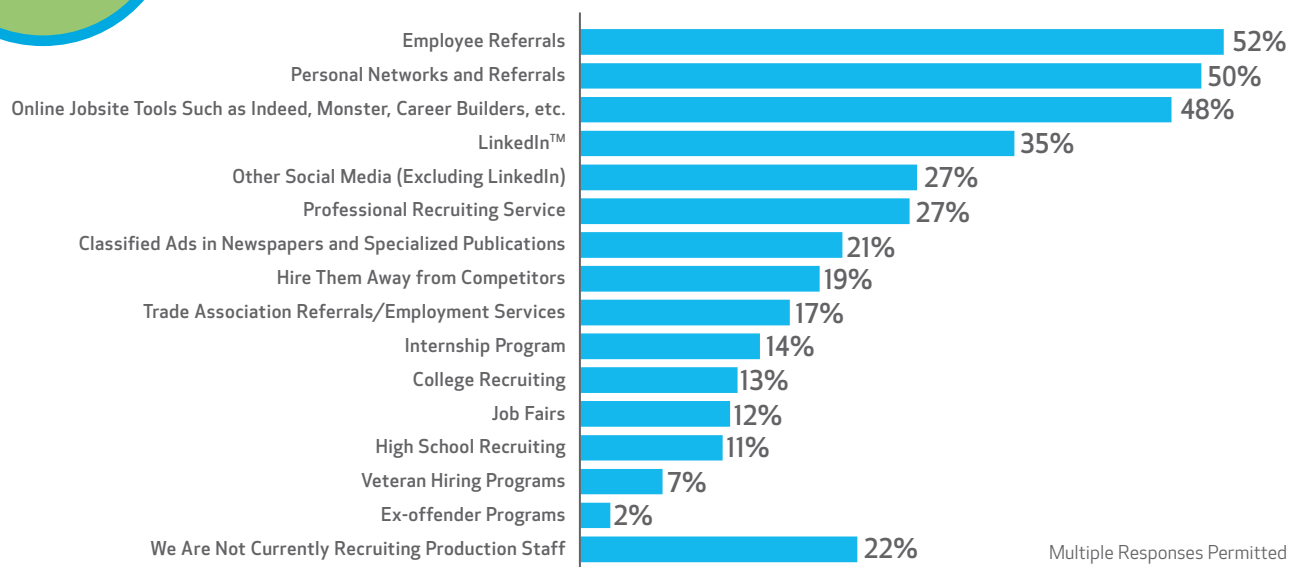
Source: *Propelling Your Business Forward in an Ever-Changing Competitive Environment*, NAPCO Research 2022

## 6. Addressing Labor Shortages

Staffing commercial printing operations is a continual challenge. The sources for employers to find job candidates have expanded over the past decade or so, especially with the multiplying options of online sources such as jobsites and social media platforms. The survey asked commercial printer respondents to identify the sources they use to find both production and sales staff.

Respondents indicated that referrals are the top sources for finding production staff. While referrals offer the advantage of validating job candidates, they may not cast a net wide enough for finding the most qualified staff (Figure 12). As such, online recruiting websites are also popular resources. Other potential areas for expanded recruiting efforts are job fairs, high schools, and internship programs; however, most commercial printers are not exploring those options.

**Figure 12**  
Methods  
for Staff  
Recruiting

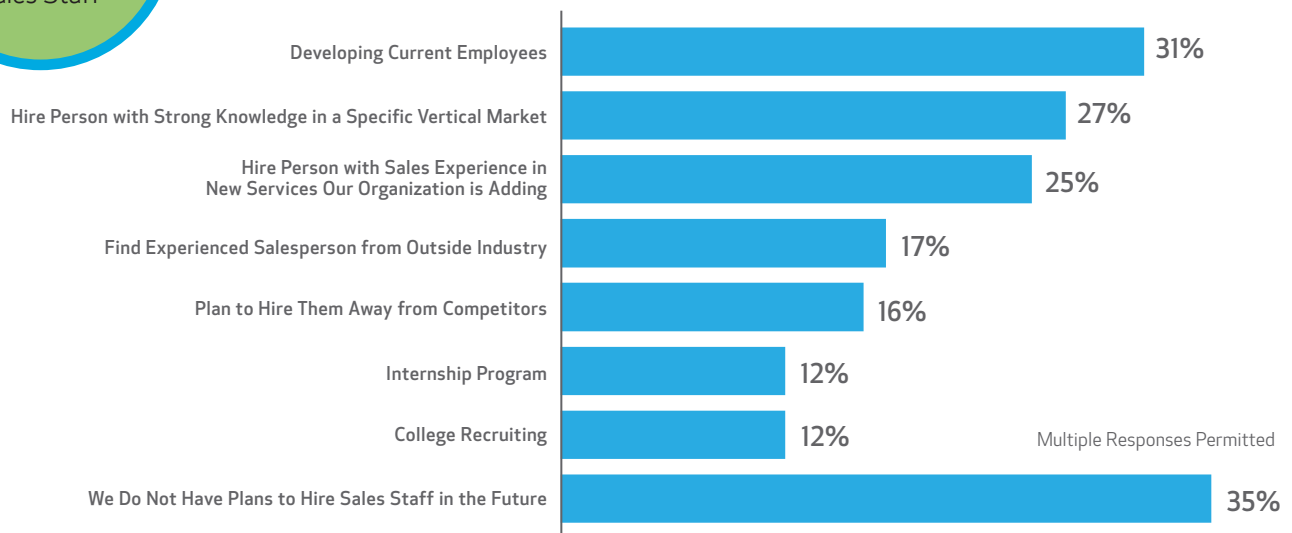


Q. Which of the following methods is your organization using to recruit and hire production staff?  
N = 166 Commercial Printers

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

As for sales staffing, commercial printer respondents' top strategy was training and developing existing talent from within their organizations (Figure 13). Other approaches for finding future sales staff include hiring people with strong knowledge and experience in a specific vertical market or a new service to be added. Over one-third of commercial printers (35%) report they don't have plans to hire sales staff, noting that they've made recent hires, they expect current staff to stay for the foreseeable future, or their current staffing aligns with sales goals.

**Figure 13**  
Strategies  
for Hiring  
Sales Staff



Q. What are your strategies for hiring future sales staff?  
N = 166 Commercial Printers

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



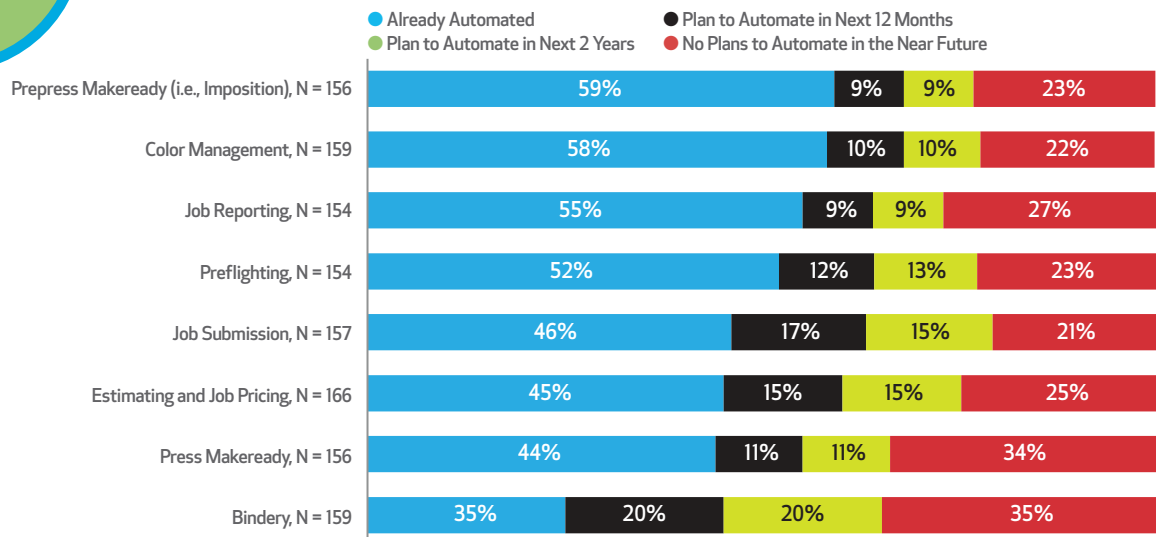
## 7. Investing in Workflow Automation

A fundamental goal of operational success is balancing customer requirements with productivity. Automating processes can lead to operational efficiencies that expand production capacity and lower costs, resulting in higher revenue and profitability.

The extent to which a business is automated has a strong influence on how likely it will be to reach its sales and profitability goals. Higher levels of automation can reduce production overhead, running costs, waste, and employee overtime — all key operating factors that impact profitability.

Commercial printer respondents report that their operations have some level of automation across workflow activities (Figure 14), but there’s also room to expand. Most automated areas include prepress makeready (59%), color management (58%), job reporting (55%), and preflighting (52%). The least automated area is the bindery (35%).

**Figure 14**  
Workflow Automation Actions



Q. What best describes your plans and priorities for automating the following workflow activities?  
N = 171 Commercial Printers

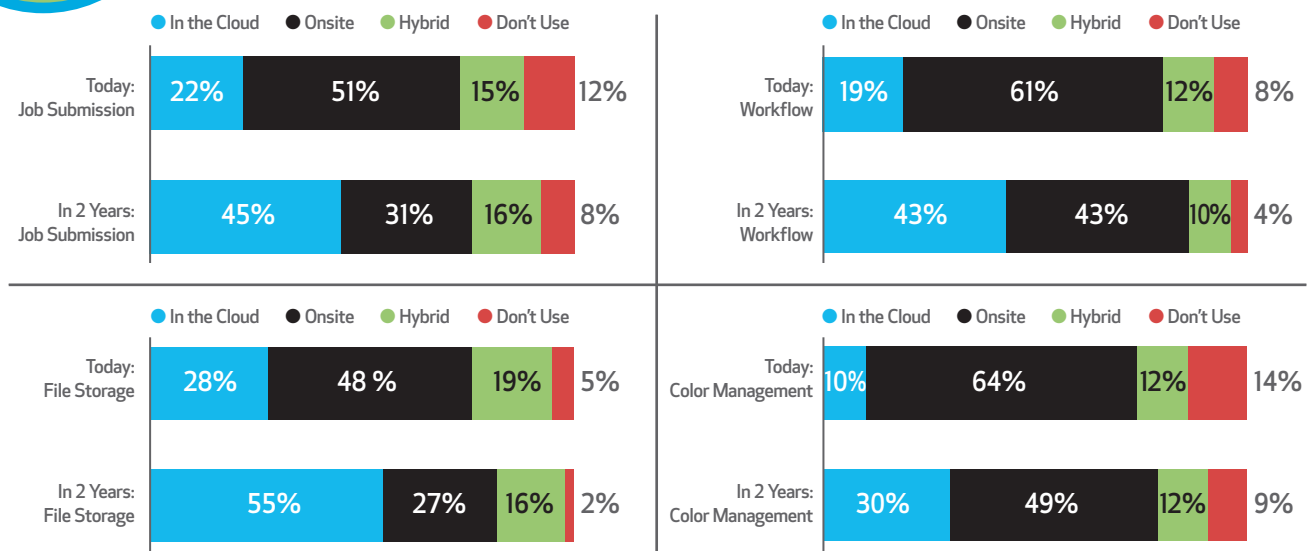
Source: Propelling Your Business Forward in an Ever-Changing Competitive Environment, NAPCO Research 2022

Core benefits of automation include:

- **Breaking production bottlenecks**, which are the choke points in a manufacturing process that obstruct job-volume throughput, hamper productivity, and strain profits.
- **Reducing human touch-points and errors in print manufacturing**, so that jobs move through production faster. Every time a worker physically touches a print job, it opens up the possibility of an error, which can result in extra costs to fix mistakes.
- **Lowering required headcount**. With the current labor shortages impacting printers' abilities to attract and hire staff, transitioning human-driven processes to automation reduces the number of employees needed on the shop floor.

As software continues to transition to cloud-based platforms, commercial printers can more easily automate workflow processes. While the majority of commercial printer respondents report that job submission, workflow, file storage, and color management software mostly reside onsite, they expect growth in the migration of this software to the cloud in two years (Figure 15). Using cloud-based software or workflow often reduces costs and complexity, as commercial printers don't need to invest time and resources in maintaining, upgrading, and staffing their software infrastructure.

**Figure 14**  
Software Moving to the Cloud



Q. What best describes how the following software used in your operation is hosted?  
N = 171 Commercial Printers

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

## Conclusion

Competitive market challenges have commercial printers pursuing strategies to be more profitable, expand product offerings, compete on service, and strengthen customer relationships. Commercial printers are making investments to automate, upgrade, enhance services, and grow.

In addition, commercial printers have, or plan to, invest in production inkjet-technology, workflow, and people. Operational data and analytics are guiding those decisions.

An area where commercial printers can expand efforts is workflow automation. While respondents report plans to automate across all activities listed in the survey, between 21% and 35% had no plans to automate any of the areas included.

Despite competitive challenges, commercial printers are positioning their businesses for success in a dynamic market.

## 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

For more information,  
call 1.877.623.4969  
or visit [csa.canon.com](https://csa.canon.com)



The authors and publishers of this content are not engaged in the rendering of professional advice or services, including, without limitation, legal or regulatory advice or services. Individuals and organizations should perform their own research and conduct their own due diligence concerning the products and suggestions discussed in this white paper. Canon U.S.A. and Canon Solutions America do not make any warranties concerning the accuracy or completeness of the opinions, data, and other information contained in this content and, as such, assumes no liability for any errors, omissions, or inaccuracies therein, or for an individual's or organization's reliance on such opinions, data, or other information.

Canon is a registered trademark of Canon Inc. in the United States and may also be a registered trademark or trademark in other countries. LinkedIn is a registered trademark or trademark of LinkedIn Corporation and its affiliates in the United States and/or other countries. All other referenced product names and marks are trademarks of their respective owners. The "Gamut" company portrayed, and the names used herein, are fictitious; any resemblance to the names, characters, or history of any person or business is coincidental and unintentional. Specifications and availability subject to change without notice. Not responsible for typographical errors.  
©2022 Canon U.S.A., Inc. All rights reserved.

CSAPPS-22-1371  
1122-PWP-PYCPBFS-PDF-IH

**Canon**  
CANON SOLUTIONS AMERICA