



# RETHINK COMMERCIAL PRINT



## WHAT THE FUTURE HOLDS FOR COMMERCIAL PRINTERS

How to achieve long-term business success



## ACCELERATING THE NEED FOR SMARTER PROCESSES

How to optimize processes through  
end-to-end solutions



## IT'S NO LONGER JUST ABOUT COST - VALUE ADDED SERVICES

How creativity + consultancy = customer loyalty

Canon

think.



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# INTRODUCTION



Any business interested in ensuring its long-term viability and success needs to regularly take the time to look beyond the challenges of the moment and to prepare for the future. This begins with building an awareness of market trends, changing customer needs, and the new opportunities being created by technological change.

In the commercial print industry, each of the three core technologies—offset, toner, and inkjet—continue to have an important role to play. But this guide, which aims to help commercial printers to “rethink commercial print,” will zero in on those technologies best suited to the demands of the future.

For a number of reasons, which we will explore in this guide, inkjet technology is particularly well suited to help print service providers (PSPs) adapt to a changing landscape and take full advantage of the creative opportunities that lie ahead.

Any analysis of current market trends or future projections made in 2020, regardless of the industry or market sector, will of course be reframed by the impact of COVID-19. This guide is no exception.

The global pandemic and associated lockdowns around the world have added an extra layer of complexity and introduced a raft of new challenges for commercial print businesses. Yet underneath it all, many of the same market trends of the last decade or so continue. And with added disruption comes additional opportunities for those with the creative thinking and market awareness to seize them.

Above all, the pandemic has crystallized the importance of adding customer value. An economic shock of this magnitude leads businesses to a forensic analysis of costs and associated ROI. Any expense that cannot be demonstrably linked to increased value is liable to be cut.

Commercial print was already on its journey from commodity to quality, and from one-size-fits-all to variable, targeted, and bespoke. And we predict that COVID-19 is likely to turbocharge that trend, rather than merely accelerate it. Adding value is the ultimate means of safeguarding existing customer relationships and winning new business, and it lies at the heart of all the other trends, challenges, and opportunities we consider in this guide.

To understand how to add value, you first must understand the customer. So, in the pages that follow, we look at how the evolving wants and needs of print buyers—including marketers, publishers, and other print buyers—are driving the changes, challenges, and opportunities of commercial print businesses in 2021 and beyond.

Just as importantly, to focus on adding value you need to have the back-up of intelligent processes. We therefore also look at business transformation strategies for commercial printers—providing tools to enhance process optimization, market expansion, value added services, and full automation with concepts like seamless print.

We’re here to show you not just how to add value, but how to do so efficiently and profitably.





# THE COMMERCIAL PRINT MARKET LANDSCAPE

The good news is that commercial printers comprise the largest market segment of the printing industry, producing a huge range of products, from books and direct mail to brochures, manuals, and magazines. Already having the flexibility to produce this wealth of applications brings so much opportunity.

Smithers Pira estimates that the commercial print sector in Europe was worth €20.53 billion in 2018. This figure was slightly down on the 2013 sector estimate of €23.79 billion, as increases in the less mature markets of Eastern Europe failed to offset reductions in Western Europe.<sup>1</sup> A corresponding

fall in overall print volumes was measured over the same period.

It's no secret that print volumes are shrinking while the number of short-run jobs is rapidly growing, often with higher associated costs and much faster turnaround times. In this section we outline these trends, the specific issues they raise, and how the pressures on commercial print customers are driving the pace of change in this market.

All the trends and challenges facing commercial printers are a direct result of evolving needs and demands among marketing professionals, publishers, and other print buyers.

## Meeting the needs of marketers

Captured in their latest Insight Report, Canon Europe recently undertook comprehensive research into the marketing communications landscape. They wanted to better understand the concerns of marketing services buyers and the challenges they face.

Among the findings was that almost all (97%) communications and marketing professionals still include print in their wider marketing campaigns. They see it as being authoritative, creative, and indicative of quality. And they recognize that it has cut-through with consumers in a market saturated with digital advertising and promotions.

On the flip side, they also see it as expensive and difficult to measure compared with digital marketing. Though print will always be a comparatively expensive medium, it has a valuable and potentially growing role to play. But commercial printers need to build their confidence to talk with authority to customers, not just about their print needs, but about how they fit into the broader marketing mix. Marketers are happy to spend more if they can be persuaded of increased

returns through seamless, automated marketing, such as programmatic print (if you haven't heard of this concept before, it's the process behind the delivery of a tailored, triggered one-to-one communication with a customer).

The market data at the top of this section should be viewed as a call to action rather than a cause for alarm. While the numbers certainly indicate that a continuing focus purely on commodity print is unsustainable in the long run as print volumes are declining, there are numerous creative possibilities that take advantage of—and build on—print's reputation for perceived value, authority, and tangibility. With print already accounting for one third of communications budgets, it's no surprise that 30% of communications buyers believe print will remain as important or become more important in the next few years.

Our research showed that many print buyers (80%) are looking for more information from PSPs on new approaches and innovations and how to combine print and digital media.

<sup>1</sup> Source: The Future of European Printing to 2023 - Smithers Pira - 2018

<sup>2</sup> Source: [https://www.midlandpaper.com/wp-content/uploads/2019/07/Two\\_Sides\\_Print\\_and\\_Paper\\_In\\_A\\_Digital\\_World.pdf](https://www.midlandpaper.com/wp-content/uploads/2019/07/Two_Sides_Print_and_Paper_In_A_Digital_World.pdf)

# Understanding the demands of publishers



Physical books have proved much more resilient than many expected. A 2017 survey by Two Sides found that 72% of people prefer reading printed books and newspapers, and 69% turn to print to “switch off” from their electronic devices.<sup>2</sup>

But e-books, social media, and other digital entertainment formats are not going away. Audiobooks are gaining audience share, and the self-publishing movement continues to generate thousands of new titles every year.

So, although the printed book is still popular, these and other trends are continuing to result in shorter print runs and thus declining total page volumes. Stability is not progress, cost control is not a long-term solution, and simply improving the efficiency of old business models may only delay decline.

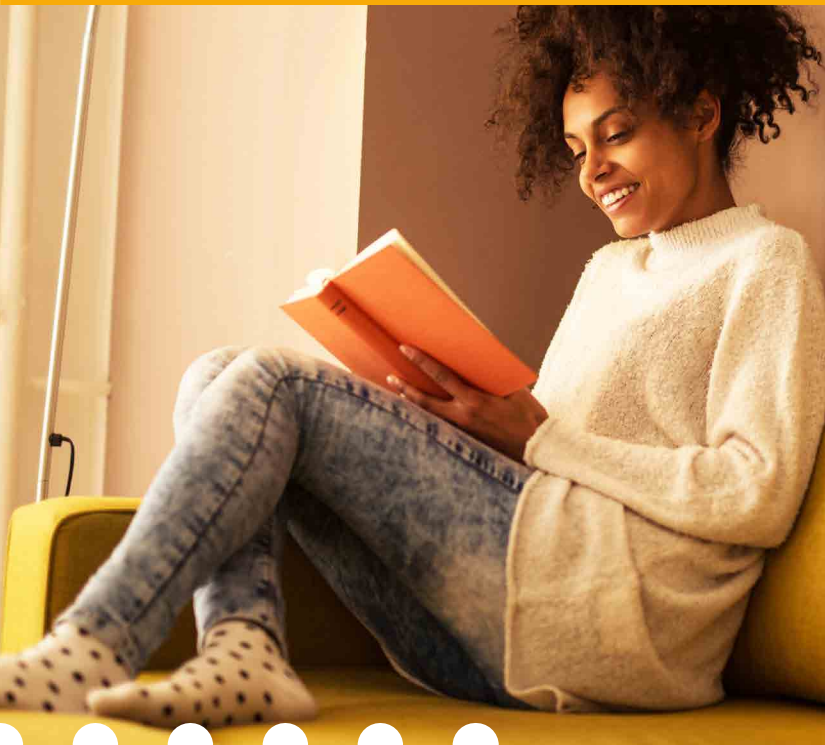
Publishers and commercial printers can meet these challenges by incorporating digital printing into a variety of business models that handle and distribute content in multiple ways, print or digital, offering attractive and substantial added value to their customers.

Readers now demand to be treated as valued individuals and offered content that reflects their individuality and recognizes their loyalty. And they're prepared to pay a premium for something more personal. If they want to succeed in the future, publishers must use consumer insight to market targeted products that deepen readers' experiences.

Dynamic—or smart—publishing can deliver highly relevant variable content to target groups or even individual consumers. Based on templates hosted on online platforms, users can combine content, including their own images and text, from various sources.

As a result, the educational publishing market is fertile ground for dynamic publishing as ideas of modular and collaborative learning gain currency. The benefits include opening up new revenue streams with high-margin, personalized products and services, often based on the re-utilization of existing assets.

Taking full advantage of these opportunities begins with gaining a robust understanding of your customers' challenges and needs and then developing a clear plan to demonstrate how you can add the value they're looking for.



“ Personalization is key to engaging a customer. One of our best performing campaigns used personalization; we used our customer data to send them personalized discount vouchers for their most bought products. Being able to digitally print something and being able to go to that level of detail was absolutely key for us. ”

Charley Howell,  
Assistant Marketing Manager, Waitrose & Partners





# THE CHALLENGE AND THE OPPORTUNITY

## Challenges facing commercial print service providers

### ... A consolidating industry

With consolidation through mergers and acquisitions happening both among technology manufacturers and print businesses, the market remains in flux, making long-term strategic planning a challenge. And this trend has certainly been accelerated by the disruption caused by COVID-19.



### ... Changing market requirements

The future of print is spontaneous, customized, creative, and integrated with digital media. Rather than just competing with rival PSPs, you're also up against multiple digital channels that are vying for a share of your customers' budget. However, if you can help them leverage these market trends and advise them about how print can be used more efficiently by combining it with e-media, they will happily spend and even invest more.



### ... Optimizing production efficiencies for short-run work

With much long-run work starting to be phased out<sup>3</sup> as it falls out of step with the needs of modern marketing campaigns and book and magazine readers' preferences, overall print volumes in the commercial sector look certain to fall. Being able to streamline processes to match changing order structures and respond and deliver faster will be key to improving overall production efficiencies.



### ... Lowering costs to improve profitability

Keeping costs down so that you can achieve higher margins is critical to growth. The right technology and processes must be in place to optimize efficiencies and the total cost of ownership. That is why having production technology that gives you agility and flexibility and more options for automation is so important—being able to quickly turn around short-run, creative work to deliver against a client brief in a profitable way.



### ... Business growth through print innovation

A changing market landscape brings about new business models. And with these new business models comes plenty of opportunity to create new applications. From the scope of applications that can now be created to the choice of different weights and types of media, through to personalization thanks to the clever use of data, commercial printers can now create applications with more value and, therefore, higher margins.



<sup>3</sup> The Future of Digital vs Offset printing to 2024 - Smithers Pira, 2019

## Challenges facing their customers

(marketers, publishers, and other print buyers)

### ••• Commercial pressure

Downgraded forecast revenues caused by the COVID-19 pandemic have resulted in the severe reduction of many budgets. Printed elements often form a significant part of marketing campaigns, so downward pressure on total budgets has hit and will continue to hit print spend as well.



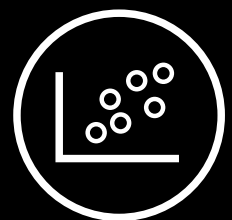
### ••• Combining online and offline channels

Marketers are integrating print components into wider campaigns involving multiple online channels and other media. However, as revealed in our Insight Report, they often do this with little understanding of best practice or of what print applications and production options are available to help them. Most respondents said they would welcome a more consultative relationship with their print supplier rather than a purely transactional one. The same applies to the publishing industry, where the rise of e-media has led to lower book, magazine, and newspaper volumes. Key to growth in the future will be how to merge these offline and online worlds to enhance the value of the printed book.



### ••• Measurement

When compared with digital ads, e-shots, or social media, the perception is that responses to print promotions are not as easy or quick to measure. While it's hard to fully replicate digital's immediacy and trackability, emphasizing print's key advantages (such as in the next bullet point) is crucial. You need to be able to talk intelligently to your clients—not just about the print you're producing for them, but about how it fits into their wider plans and how it can contribute to their overall success. That is demonstrable value.



### ••• Digital fatigue

In a world where many of us spend most of our lives in front of screens, print can provide welcome respite. And audiences are proven to engage with print at a deeper level compared with the fleeting nature of digital communications. Many marketers understand this, and all are constantly on the lookout for ways to get their message heard above the noise—one way being through one-to-one communication. There are huge opportunities for print solutions here.



# THE CHANGING TECHNOLOGY LANDSCAPE



As we said in the introduction, the three major technologies of the commercial print sector—offset, toner, and inkjet—backed up by robust workflow software systems, all have a role to play today and into the future.

These three major technologies now work as complementary technologies in many print environments to give commercial printers the flexibility to handle any customer demand.

Though each of them has its strengths and weaknesses, one of them—inkjet—is uniquely suited to supporting the rapidly changing needs of the commercial print business of the future,

bringing together the best of both offset and digital technologies to offer high speed, high quality, and high value print opportunities.

No one could have predicted the scale and impact of the pandemic on the commercial print industry and the wider economy. It has served as a brutal real-life lesson in the importance of businesses remaining nimble, flexible, and adaptable. Investing in technologies to further these goals needs to be a high priority for printers who are serious about surviving and thriving in the long-term and there is a powerful case for inkjet to be an integral part of those plans.

## Offset: The choice for long runs



In terms of both print volumes and revenues, offset will remain the dominant print technology for the foreseeable future. However, its market share is shrinking and COVID-19 looks certain to hasten this trend. For long-run work, it will remain the obvious choice but, as average run lengths continue to come down, more and more work will migrate to digital alternatives.

With brands and consumers also increasingly conscious of their environmental impact, the consumables and make-ready waste typically associated with offset—from plates to water and processing chemicals—will also encourage a move to digital. For some time to come, the

great majority of printed products around the world will be printed on offset presses. But declining run lengths and a drive for more targeted and value-added communications will push demand for digital printing. And as a result, more and more of the highest value, creative products will be digitally printed. To take advantage of those opportunities today—and to lead the market and generate more high-value work in the future—commercial printers need to invest intelligently in digital solutions.



# Toner:

## The choice for short runs



Toner technologies, both liquid and dry, are well-established in the commercial print market and their quality has increased markedly over the years. They offer digital flexibility for on-demand work with the option for personalization and provide a real alternative to offset for the increasing number of short-run jobs the sector requires.

Another advantage is that many toner devices can now be seamlessly integrated with workflow software, as well as with feeding and finishing solutions, driving more automated and efficient production processes.

But toner does have its limitations. As an established, mature technology, it's not developing at the same speed as inkjet and cannot produce high volumes of output as quickly.

While toner remains a viable option for very short-run work, its lack of speed compared with inkjet is another disadvantage, making it less commercially viable for medium-run cross-over jobs, where printers need to calculate whether to print offset or digital.

Toner systems do have the advantage of requiring a significantly lower up-front capital investment than inkjet though, so businesses need to think carefully and weigh all the pros and cons before making a decision.

# Inkjet:

## The choice for the future



Current projections all point to inkjet as very much the print technology of the future. The most advanced inkjet systems already print consistently and reliably a level of quality on a par with offset and at high speed, no matter whether you're printing a run of one or a run of thousands. While it's still a technology in its infancy, it has reached a new level in the last two years and is still advancing very rapidly. This makes it a more obvious alternative for taking on the growing range of medium-run work that is difficult to produce profitably on offset.

No other print technology is forecast to grow at the rate of inkjet in the coming years. In terms of value, Smithers Pira estimates that inkjet will represent 13.3% of value of the global print and packaging market in 2025, having grown from 6.4% to 9.6% from 2015 to 2020.

And it's expected to grow by 7% CAGR by 2025 in Western Europe.<sup>4</sup>

The fact that inkjet's value is so disproportionately large compared with its share of print volume is an excellent indicator of how this technology can help you succeed in a market in which overall volumes are falling. Inkjet will help to address the declining volumes of existing offset work and will also provide the capability to create new applications such as high-volume, mass-customized and hyper-personalized print applications that don't exist today, but could add so much value to the overall communications mix. This will all be driven by innovative business models that offer better value and services to the market.

<sup>4</sup>Source: Smithers Pira: The Future of Inkjet Printing to 2025 (2019)



# WHAT THE FUTURE HOLDS

As discussed in the previous sections, the commercial print sector in Europe is likely to see an overall decline in print volumes over the next few years. As the trend towards shorter run work continues, digital print solutions, particularly inkjet, will play an ever-more prominent role.

## Business survival in 2021 and beyond

It's likely that this trend towards shorter print run work has been accelerated by the events of 2020. Industry analyst Marco Boer predicts that "offset will disappear two years faster than we originally thought. The pandemic has accelerated that decline."

In part Marco Boer attributes the rapid disappearance of offset printing to the impact of the pandemic on the cost of paper:

**“ More and more paper mills are closing, either temporarily or permanently. As they do, the economies of scale for paper production are being lost. This will make the delta between offset-printed pages and inkjet-printed pages that much smaller. In this environment, it no longer makes sense to mail 100,000 pieces at 1% and 2% response rate. Whatever gets mailed must be more relevant.”**

Commodity printers—especially small-scale operators—are very unlikely to survive, as the lower volume print of the future will be more intentional, more targeted, and more relevant.

As this trend continues, Smithers Pira estimates that, between 2014 and 2024, the global share of digital print by volume compared with analogue processes will double to around 5%. At the same time, digital print's global share by value will also nearly double to around 21%.<sup>6</sup>

It's worth noting, of course, that this forecast was made just before the COVID-19 pandemic, so it's very possible that digital's total market share will grow more rapidly than this forecast predicted, albeit as part of a smaller overall total.



# Drive success with digital

As digital print solutions increasingly replace analogue processes, smaller volumes will go hand-in-hand with higher value print products, created for specific purposes. Here again is where the opportunity lies to add value, prioritizing premium quality and investing in technology to enable flexibility and a broader product offering, with the scope for personalization.

In keeping with trends in production lines across a range of industries, the commercial print industry has seen significant automation in recent years and this trend will continue.



<sup>5</sup> Source: <https://whattheythink.com/articles/102039-marco-boer-it-strategies-how-pandemic-will-drive-inkjet-growth/>

<sup>6</sup> Source: The Future of Digital vs Offset Printing to 2024, Smithers Pira, 2019

**Web-to-print** is a relatively advanced area of technology now. Jobs can be received, printed, and dispatched with very limited human intervention. Increasingly, jobs that can be produced like this will be. And this type of automation is key to handling increasing amounts of shorter run work.

To add to this, high-speed digital printing solutions seamlessly linked to **inline finishing** options have contributed a lot to the increased efficiency of handling orders and optimizing costs across the production process.

And thanks to this automation and optimization of processes through complete **end-to-end workflow solutions**, commercial printers can move away from production and refocus their time on having more valuable conversations with their clients about creating solutions that will ultimately help customers use print more efficiently.

Digital print solutions also integrate with a variety of different **software solutions** to manage things like customer data. These technologies can now link with CRM systems and data management platforms in order to use this information with print.

It's critical to never forget that opportunities to add value will require continued interaction with customers and discovery of their requirements. Eliminate person-to-person contact altogether and you're back to a transactional relationship. Then it's all too easy for customers to be driven by price or simply to repeatedly order what they think they need, rather than what is actually going to give them the best results.

With digital print technology, especially inkjet, advancing so rapidly, your customers will be unaware of many of the possibilities. Don't wait for them to ask. Work to understand their wider plans and needs now and propose solutions that run in the background and are completely seamless within their existing systems and processes.

There's no doubt that businesses that adopt a more consultative and service-oriented approach with their customers will be best placed to maximize production efficiencies and thrive in the commercial print landscape of the future.



# ADDING VALUE

It's no longer just about cost

**Print-for-pay applications are often driven by price. But this is not sustainable in the long term, with online print services now competing for business.**

As referenced earlier, the great majority of marketing professionals still include print elements in campaigns, but there's a danger that many do so out of habit, rather than in response to hard data and facts. During the current economic downturn, many marketing budgets are being cut back. This leaves print marketing at risk of falling victim to the same "low cost" perception as digital communications if you can't convincingly demonstrate its value.

Similarly, many publishers just take orders to print, rather than thinking of the wider opportunities available with omni-channel and more targeted content in industries from education to healthcare.

In the future, it won't just come down to cost—it will be about adding value through offering a more consultative service to ensure customer loyalty. And more business means higher margins.

**“ For the long term, I think we're going to come out from a digital printer perspective much stronger than ever before. And those commercial printers who find those new business models and find new ways to sell digital output, those are the ones who will do just fine. But it's going to be a difficult period of change. ”**

**Marco Boer,**  
Print Industry Analyst, IT Strategies

## How you can add value



### Be creative/agile

Customers should no longer see print as a static medium—it has so many dynamic capabilities. Being able to demonstrate this is vital, and inkjet has an important role to play here.



### Be consultative

There's a massive opportunity for commercial PSPs to add value to customers through consultancy and services to help them integrate print elements into a wider campaign or make printed assets more valuable within a wider content mix. And you will be able to charge a higher price for printed output as a result.



### Be multi-channel

Print doesn't exist in a vacuum. Advising customers how best to integrate print with digital channels provides an excellent and as yet largely untapped opportunity to extend the scope of your customer relationships.

## How can digital print technology help you add value?

Digital print technology, and inkjet in particular, has advanced rapidly in recent years; yet many print buyers, including marketers and publishers, will be unaware of the extent of its creative potential or its huge range of added-value possibilities.



But aside from the exciting creative opportunities, the bottom line is that the right production technology gives you the ability to efficiently and cost-effectively produce short runs. According to InfoTrends, in as recently as 2018, only about 13% of print service providers had fully or mostly automated workflows.<sup>7</sup> This figure is worrying, since the rapidly changing demands among print buyers, and the associated downward price pressure, make it vital to maximize the efficiency of your production processes.

The dynamic changes that are taking place in your customers' businesses make it extremely difficult to predict what future demand will look like. This is a serious challenge in its own right and the best response is to introduce as much production flexibility as possible in order to diversify your offering and to boost automation and efficiency. You'll then have the best possible chance of being fully prepared to quickly respond to whatever opportunities come your way.

Adding value is one side of the coin; investing in smarter processes is the other. That's what we will turn to look at next.



### Be digital

The flexibility of inkjet production allows for campaign-scale variable data printing, such as the addition of unique response or discount codes, the integration of QR or NFC (Near Field Communication) codes, and a range of other personalization and customization possibilities that can substantially boost sales and ROI and help with tracking engagement.

<sup>7</sup> Source: European Production Software Investment Outlook, InfoTrends 2018

# ACCELERATING THE NEED FOR SMARTER PROCESSES

## The future is end-to-end



Digital print technology can help offer more integrated services that merge both offline and online worlds, and allows you to do this quickly and without much manual intervention in order to provide the best service to the customer.

Investing in flexible workstreams and diversifying production capabilities is essential to enable you to deliver what your customers need, when they need it. And beyond that, to give you the option to pitch and provide extra elements to add value to their content.

This may mean adding capacity or it may involve consolidating capacity on fewer, more productive devices. Do this, and not only will you ensure that customer demands can be met, but also, demonstrating your

knowledge and consultative value, that you can generate creative ideas above and beyond even what your customers are asking for.

However, the stark reality is that any business that relies entirely on offset is going to find itself having to turn down more and more work as the market continues its trend towards shorter runs, faster lead times, and more creative applications.

Nevertheless, even if offset work is going to be your mainstay for a while yet, there are still lucrative opportunities if you invest in complementary digital print systems to turn around short-run, high-quality work, quickly and reliably.

## The future is automated

Human skills and experience will always be valuable to print businesses (not least for providing the consultative value discussed on the previous pages) but automating processes wherever possible reduces labor costs as well as maximizes productivity and minimizes the scope for human error to cause costly delays or mistakes. Having the right workflow software solution to balance process optimization versus flexibility is a key part of this and is vitally important whether you're printing with offset, toner, or inkjet, or with all three.

Automated end-to-end workflows, including software, printing, and finishing, are crucial to running digital printing technology efficiently, and inkjet technology in particular can help to cut out many of the cumbersome production process steps.

Inkjet systems eliminate many of the manual interventions necessary in offset printing and minimize set-up time between jobs. They are much easier to automate and operate, reducing the need for costly and time-consuming training as well as reducing your labor costs. Not only that, but inkjet systems are also very robust and reliable, with very high up-time, even compared with toner presses.



# The future is smart

Just as the digital elements of a broader campaign can be updated instantly, marketers increasingly need to be able to tweak messaging, targeting, or artwork in printed products as quickly as possible in order to keep them relevant.

Thanks to the flexibility of digital production models—in publishing, for example, limited editions and “early bird” specials—customized content, such as embellished or personalized editions or content curated specifically for micro-communities, can now be delivered at short notice.

Inkjet combines offset quality with digital flexibility like no other technology, matching market demand and enabling you to build highly automated workflows to produce customized, high-quality print products. This flexibility offers you not merely a lifeline to secure existing business, but a means to diversify your product offering and generate more high-value, high-margin opportunities with enhanced services.

Successful implementation depends on PSPs having an efficient on-demand printing workflow in place and both print buyers and commercial printers having the IT expertise to handle data and database-driven production. And with the latest advances in digital print solutions, you can rest assured you will have exceptional levels of quality, quickly and efficiently.

Customized direct mailers as part of multi-channel brand loyalty campaigns. Short-run, premium-quality books or catalogs to promote a luxury brand to select high-net-worth individuals. Individualized magazines, micro-targeted to niche audiences. Ultra-responsive programmatic print fueled by real-time customer data. These are all examples of the flexible, adaptable, high-value future of print. And it's available now!

To thrive in the long term, you need to combine a constant aspiration to add value to your customers together with smarter work processes to reduce costs and boost efficiencies. It's about your bottom line, but it's not just about your bottom line. It's also the only way to continue to meet—and exceed—customer needs over the long term.

“ Our ideal future would be one in which every book we produce is already sold. That way we can remove unnecessary warehousing and make forecasting production a lot easier.

Marko Silventoinen,  
Managing Director, Otava

“ We work with large retailers to develop personalized coupon books using data that is generated daily in their shops by the end customer. Personalization is only one way to work with this technology [digital inkjet]; versioning, small runs, print on-demand are typically other applications, which are traditional and can be used on this type of technology.”

Alex Joos,  
Owner, Group Joos



# BUSINESS MODEL TRANSFORMATION

Every commercial print business is different. And while all should be investing in smart processes and seeking out new ways to add value to customers, this process will look different depending on your immediate needs and challenges, your customer profile, and, of course, your competitor landscape.

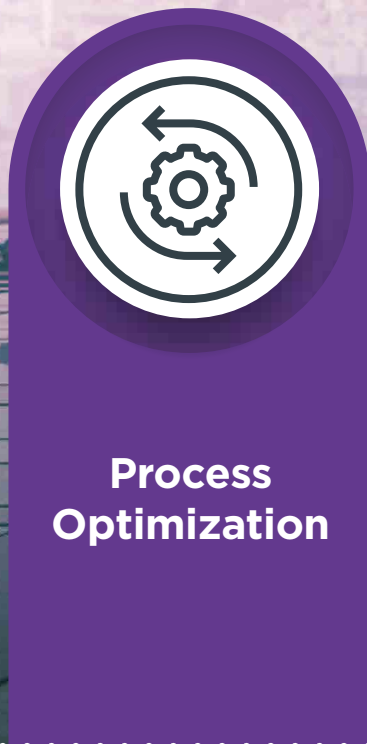
A key rationale for digital printing is its ability to drive new and innovative business models. These can be understood as ways of using digital print in the context of internal processes and customer services. In the commercial print market, we

recognize various business models and are able to categorize them under four headings, derived from our observation of the market. We hope that our models will serve as an inspiration for commercial PSPs to reposition themselves and develop their business with digital printing.

The latest advances in high-speed digital printing solutions (combining quality, speed, and media flexibility) are geared up to leverage the opportunities of the four models.

## General commercial print business models

Level of services



Increase operational efficiency



Grow business based on efficiencies



**A key rationale for digital printing is its ability to drive new and innovative business models.**



**Value-add  
Services**

**Offer customer  
services  
beyond print**



**Seamless  
Print**

**Offer fully  
automated  
(data-driven) services**



**Degree of  
automation**



# PROCESS OPTIMIZATION

The general goal of process optimization is to achieve the optimal ratio between input (in terms of the cost of people, time, and effort) and achieved output (in terms of revenue and margin) which is defined as operational efficiency.

There are generally three different journeys for PSPs in order to achieve more operational efficiencies with digital print.

- ① From offset to digital
- ② From digital toner to digital inkjet
- ③ From digital cutsheet to digital webfed

Each scenario can offer differing points of process optimization from an **end-to-end workflow perspective** (including business and production processes, e.g. offer, order intake, prepress, press, and post-press).



Having seen how successful print on-demand has been for our business, we now offer short-run printing as well, so we can be more cost competitive for our publishers. We can now handle the production of a single copy as well as large volumes if a book becomes a bestseller, switching seamlessly between print on-demand and offset when needed.



Dave Van't Wout  
Production Manager, Centraal Boekenhuis



## Benefits to print service providers:

Optimizing internal production processes can maximize throughput and efficiency, creating cost transparency while minimizing costs. Digital print production workflows also allow you to eliminate unnecessary steps in production to save time and reduce errors and operator costs. Management Information Systems (MIS) and Enterprise Resource Planning (ERP) systems enable streamlined and automated business processes to handle more jobs and reduce time and manual touchpoints.

## Benefits to print buyers:

Print service providers can deliver quality products and services to existing customers in the most cost-effective and timely manner, as well as stay competitive in a price-sensitive environment while increasing profits. They will also have the increased flexibility to adapt to existing market demands such as faster delivery times, broader scope of run lengths and applications. The beauty is that they can print exactly what they need.



# MARKET EXPANSION

Market expansion is the ability to grow—by entering new application or customer segments—based on production efficiencies.

In addition, digital print capabilities will provide you with opportunities to offer higher margin or new and innovative applications, especially by using variable data and dynamic finishing solutions.



When you look at the manual, catalog, and self-publisher market, the new system [Canon ColorStream] will secure us 10-15% more business in these areas in the next several years. Our growth will also come through Edubase and the delivery of rapid, short print runs, mostly from web2print. This print system has made the future look very bright for us. It's very exciting.



Sergio Nobile  
Managing Director, Edubook.

## Benefits to Print Service Providers:

A high degree of efficiency in internal processes can free up capacity to expand existing customer segments and develop new markets. An increased flexibility regarding run lengths allows offset providers to produce short-runs more efficiently and digital print providers to acquire higher print runs. There is also the ability to create a wider range of higher margin applications, thanks to finishing and variable data capabilities respectively.

## Benefits to your print buyers:

Your customers can have a broader choice of applications with the benefit of getting all of their print needs addressed by one service provider. In general, more efficient digital print production allows for quicker turnaround times to optimize value or supply chains. In addition, in the promotional segment, they can commission content that is far more targeted, which in turn increases sales engagement and garners a better ROI.





# VALUE-ADDED SERVICES



Historically, print production has been the key service for most commercial printers, having grown their business offering, expertise, and craftsmanship. Hence, consultative customer services are strongly based around the print product itself, e.g. paper selection, finishing options, etc.

With efficient digital print production and business workflows in place and a skilled sales and marketing team, PSPs are able to establish themselves as true service providers beyond print, offering added value to their clients' business. One basic requirement to achieve this is the close collaboration between PSP and client.

Competence in IT and a consultative sales approach, as well as the appropriate software solutions, are important to implement integrated workflows with clients in practice.

The goal with an added-value business model is to differentiate in the market, while at the same time creating a much stronger relationship with the client. This increases customer loyalty and allows a less price-driven and more solution-driven business.

The focus of this business model is to offer your customer an optimized and integrated service into their supply chain. The added value for print buyers can be diverse depending on their business goals and challenges.



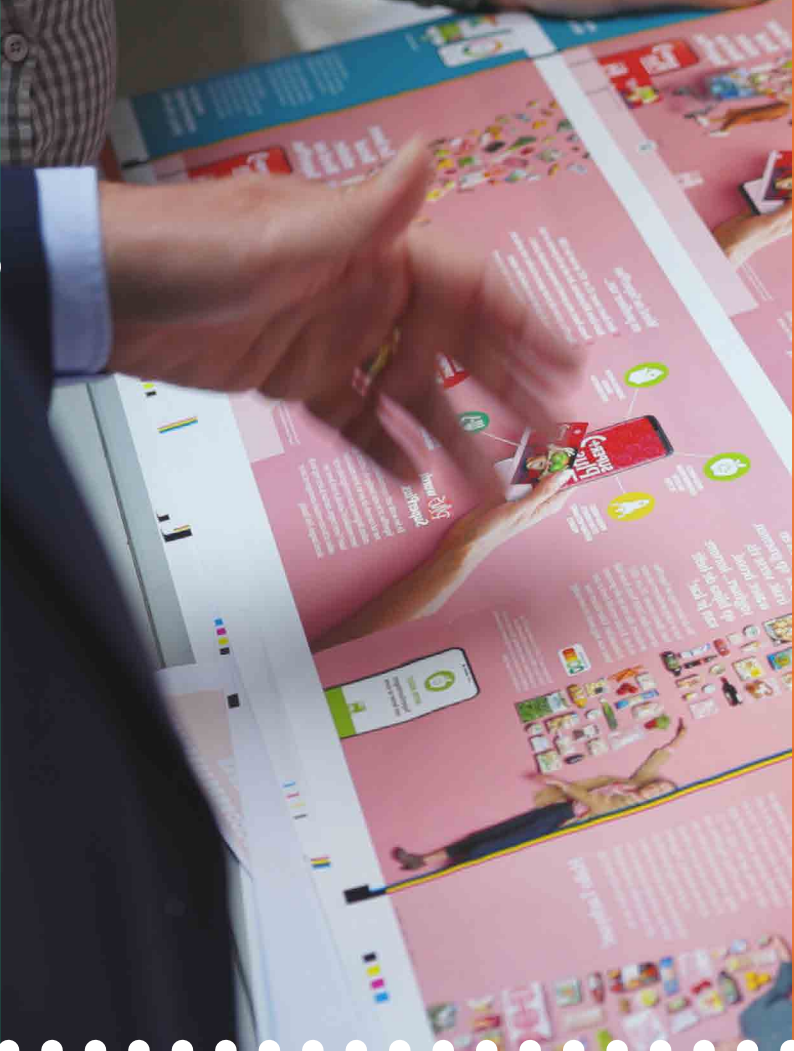
## Benefits to print service providers:

By upselling the services on offer, there is an opportunity to generate more revenue and build closer ties with your customers. The focus on price per printed piece is replaced by a broader view which considers cost savings along the value chain as well as value gained, i.e. demonstrating print's role in the customer journey and how data can be integrated to enhance print applications and leverage print's creativity.

## Benefits to your print buyers:

Added value services can optimize the supply chain of the client's print products. For example, to minimize a publisher's cost for keeping books in stock, printers could offer on-demand services based on an optimized order management system like web-to-print. Alternatively, in the promotional sector, adding value could be improving a print application with variable data fusing user-centric, highly personalized data to improve response rates and customer experience and integrated data management services.





**“ The ProStream is part of a full set of possibilities, meaning we not only print inserts on the ProStream but we offer our customers the possibility to use the envelope as a communication channel to make an end-to-end experience for our customers. ”**

Alex Joos  
Owner, Group Joos

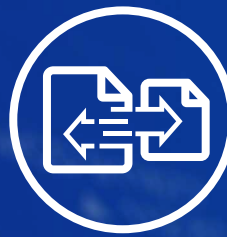
**“ Digital makes it possible to merge print with online platforms to realize bespoke communication solutions with significantly shorter turnaround/delivery times compared to conventional production. It enables us to implement highly personalized and individualized campaigns where each printed item is unique, featuring different images, texts, and perforations. In evaluating a number of [Swiss Direct Marketing] SDM-implemented campaigns, we have clearly seen that the more relevant the content, the higher the response rates. With that in mind, print will continue to play a part in the work SDM does. ”**

Nadine Krienbuehl  
Marketing Director, Swiss Direct Marketing

**“ We’ve now been able to convert some really high quality work with really high quality photography. We were able to convert it over to a fully digitalized, personalized service for our customer, allowing them to target different consumers with different messaging. ”**

Mike Hughes  
Managing Director, Latcham Direct

# SEAMLESS PRINT



**Seamless print describes the implementation of highly automated trigger-based workflows. The big difference in this model is the level of automation and using data to commission production and business processes.**

This data-driven, trigger-based print business model ties complete processes together seamlessly from end consumers and intermediates to production and logistic partners, connecting the complete supply chain. And it plays into the emerging trends of individualization, mass-customization, user-centricity, and real-time customer experience.

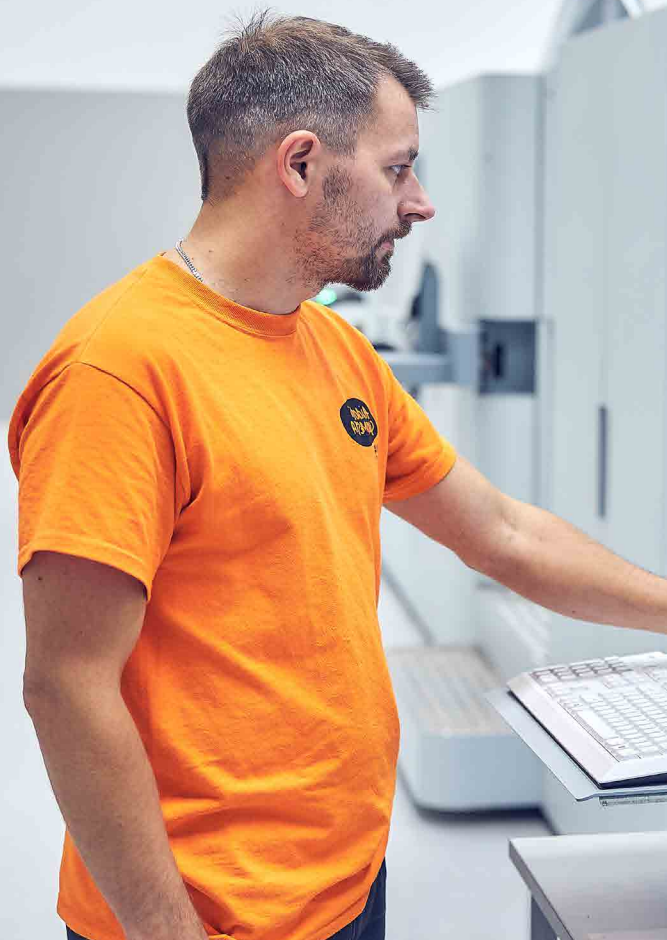
The concept of seamless print can also be used by other print buyer groups to optimize supply chains. For example, in the promotional market, the business model is known as “programmatically printing.” Here, consumer

activity can trigger a real-time, highly personalized message, delivered through an efficient, data-driven, fully automated print production workflow. This allows marketers to seamlessly and efficiently integrate print into a multi-channel customer communication journey.

In the publishing market, seamless print is applied in different scenarios. “Dynamic publishing” offers publishers highly targeted content based on streamlined data workflows, automated document composing, and production processes. Business models such as “book lifecycle management” or “print-on-demand” follow the same seamless workflow concept of orders being triggered directly from point of sale or from an automated stock replenishment system, guaranteeing the availability of book titles for sale.

**“ We do a mailer for a retail client, which has 15 areas of personalization for just one individual. This is where programmatically print comes in: at each stage of the client lifecycle, you can make sure they feel appreciated, wanted, and informed, by putting it into a trigger-based marketing campaign. It’s an option that most people don’t know you can do, and it’s pretty cost effective now. ”**

Simon Bitcliffe  
CEO, Webmart



## Benefits to print service providers:

The advantage of such a business model is that once the workflow is set up, there is an automatically generated, constant flow of print jobs, with minimal manual intervention, leveraging the company’s sales efforts and increasing customer retention.

## Benefits to print buyers:

With this business model, print buyers can automate their procurement processes while optimizing their print supply chains. All in all, the model contributes to a much more efficient workflow and increased effectiveness of print, helping to drive sales through a more targeted approach.



# WHY CANON

## ● ● ● ● WE BELIEVE IN THE POWER OF PRINT

We believe in print and the power of print as an outstanding communicator.

## WE WORK AS A TRUE PARTNER

Canon collaborates with our customers, inspiring them to build better businesses, guided by highly skilled professionals.

## WE GO ABOVE AND BEYOND - TECHNOLOGY, SERVICE, AND SUPPORT

We develop leading-edge technology enabling end-to-end solutions, with the widest application scope, supported by best-in-class service.

**So let's reTHINK commercial print together.**



# Canon

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