Production Digital Printing 2025: Setting the Course to Thrive in the Year Ahead

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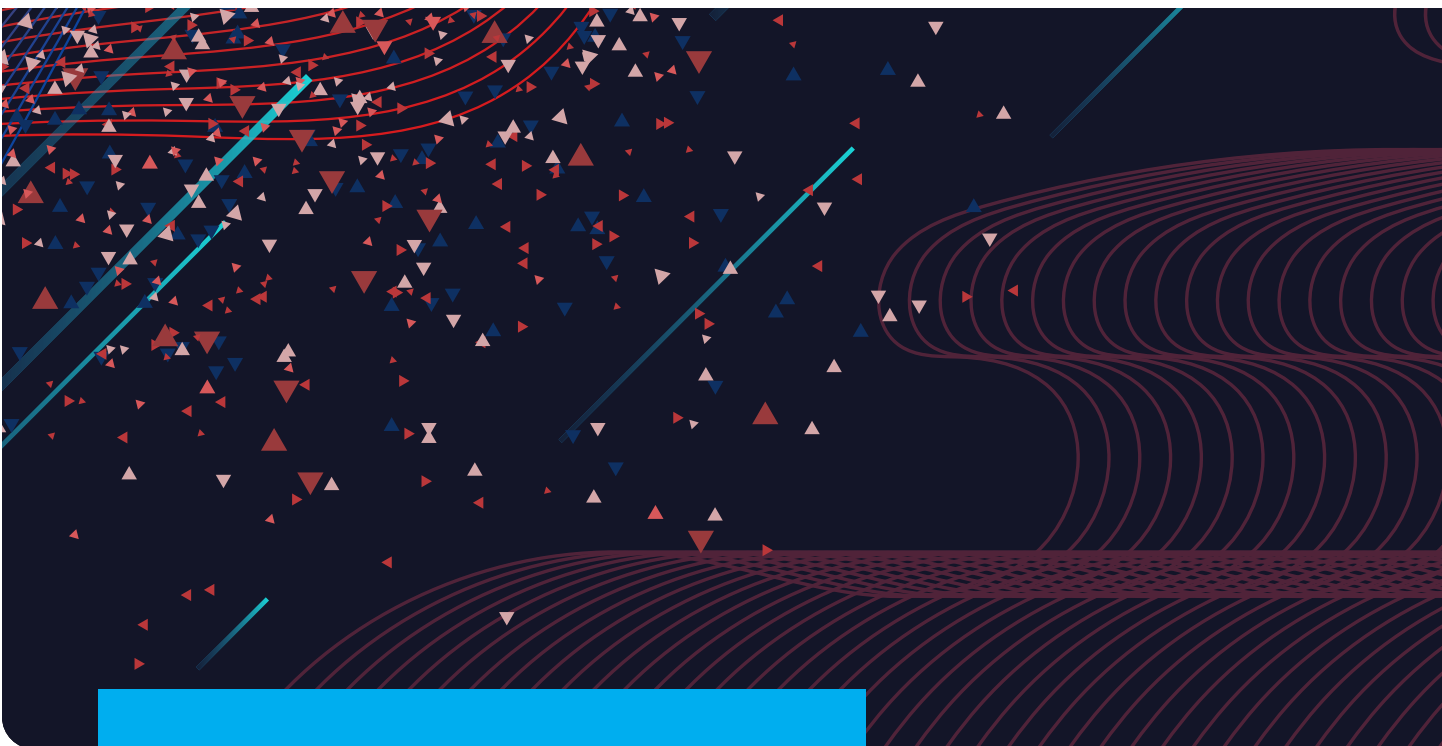
Production Digital Printing 2025: Setting the Course to Thrive in the Year Ahead

The year ahead offers print service providers many options to capitalize on emerging trends, enhance operational efficiencies, and drive sustainable growth. Success in 2025 begins by identifying and pursuing strategies and tactics that are aligned with the key market forces influencing competition and growth.

This special report, leveraging NAPCO Research's ongoing research studies, identifies 11 trends that will have considerable influence on industry competition, shape the competitive landscape, and define the essential actions for print service providers to pursue in 2025.

1. READYING FOR A NEW GENERATION OF WORKERS

A recent NAPCO Research survey found that 72% of commercial printers report hiring production staff as a critical/moderate challenge, and 63% report the same for sales staff.[1] As print service providers struggle to hire staff, finding the next generation of workers will lie in attracting and hiring Gen Z — those individuals born in the mid-to-late 1990s to the early 2010s. Oxford Economics estimates that by 2030, Gen Z will make up nearly a third of the U.S. workforce. This demographic is an essential target for print providers to attract and develop, or else it is highly likely that the industry's employee roster will be underpopulated.

[1] NAPCO Research Annual Commercial Print Trends and Strategy Service, 2024

Top Trends 2025

1. Readying for a New Generation of Workers

2. Harnessing Generative AI to Improve Operations

3. Generative AI Delivers Marketing Results for You and Your Customers

4. Digital Printing's Expanding Role in Book Manufacturing

5. Next-Generation Inkjet Investment

6. Direct Mail: Relevant and Influential

7. Rejuvenating Transactional Documents With Versioning and Color

8. Streamlining Success With Workflow Automation

9. Expanding Services Beyond Print

10. Digital Printing Enabling Migration Into Packaging

11. Maximizing Postal Savings as USPS Pauses Postage Increases

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Gen Z Characteristics

Gen Z has distinct characteristics that print providers need to understand for effectively engaging and successfully recruiting them. These characteristics include the following:

- Gen Z is the first generation to grow up entirely in the digital age.

- The Gen Z cohort has experienced a recession, a war on terrorism, politics at its worst, and a global pandemic.

- This population demographic is tech-savvy, socially conscious, idealistic, eco-friendly, and highly adaptive to digital tools, especially social media.

Gen Z Attraction Formula: Medium + Message

Attracting Gen Zers requires focusing on the best methods (medium) and messaging to attract them. As for the right medium, according to 2024 research from Later, 73% of Gen Zers spend more than three hours daily on social platforms. LinkedIn posts, TikTok, YouTube videos, Instagram Stories, and bite-size articles are all excellent ways to reach and educate Gen Z on the printing industry. Providers that create short-form, informative, visually engaging content that can be consumed quickly and that can educate on their organization will be in the best position to attract this demographic.

Additional research included in a blog from Yello, a talent recruitment hub, suggests that attracting the right Gen Z candidates requires face-to-face recruiting. Also, the blog notes that a Gen Z job candidate would opt for a one-on-one meeting in the office over an online meeting whenever possible. The Gen Z group also expects the recruiting process to take less than a week, from initial interview to job offer, based on a need for instant gratification.

Another important Gen Z recruiting tool noted in the Yello blog is referrals, which matter in Gen Z's job searches. Featuring current employees and their work lives on social media can provide Gen Z with a positive view of a company's culture.

The New Recruiting Messaging

When evaluating potential employees, Gen Z's priorities are different from previous generations. Here are key priorities of Gen Z job candidates to consider in recruiting messaging:

- Gen Z's most important considerations when deciding to accept a job are salary, work-life balance, and job duties.

- Gen Z expects the following employee benefits: medical insurance, paid time off, and retirement savings. In addition, Gen Zers look for maternity and paternity benefits, student loan repayment, and tuition reimbursement.

- The group is focused on learning that supports career growth and advancement. They are looking for companies that provide training and education experiences to help them grow and develop.

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- Gen Z is the most multicultural generation in U.S. history and values companies that demonstrate real commitment to social impact; doing good; and diversity, equity, and inclusion.

- Gen Z shows the most concern for the planet's well-being and influences others to make sustainability-first buying decisions according to research by First Insight and the Baker Retailing Center at the Wharton School of the University of Pennsylvania.

Review Efforts and Act

To attract and retain Gen Z employees, review efforts to reach them and make adjustments aligned with their values and preferences. Print service providers need to focus on developing attractive career paths for Gen Z. When companies integrate Gen Z values into their organizations, they can create a workplace environment for attracting and capturing the next generation of workers.

2. HARNESSING AI TO IMPROVE OPERATIONS

A recent McKinsey & Company report[2] highlights that generative AI has the potential to automate work activities that absorb 60% to 70% of employees' time. In addition, the report notes, half of today's work activities could be automated between 2030 and 2060.

In an industry plagued with labor and skill shortages, AI can be the solution to driving print providers' business growth, productivity, and profitability. According to the NAPCO Research study "Artificial Intelligence in the Printing Industry: The Journey Begins," AI tools and technologies are available for print service providers, and adoption has begun.

The AI Impact on Printing Operations

Often, AI tools are embedded in software and hardware to speed production, reduce errors, monitor and adjust printing equipment, conduct predictive maintenance, identify network security breaches, and ensure a smoother production process.

A key objective of AI is to eliminate routine tasks that employees perform. Areas in which AI can offer significant operational benefits to print services providers include the following:

- **Automating job ticketing:** Tools are available so that when a customer service representative opens a job ticket, the software immediately processes the request based on preset rules. Customer service representatives and print operators spend hours reviewing each job to make job ticketing decisions — this activity can easily consume hours each day. Systems are available to automate this process by translating customer requests into machine-ready job tickets that are consistent with past work. For print service providers, this can save time, reduce errors, and move more work through the shop efficiently.

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[2] "The Economic Potential of Generative AI: The Next Productivity Frontier," McKinsey & Company, June 2023

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- **Managing inventory:** AI tools are available to change how print providers manage inventory, as AI algorithms can analyze historical data to predict future demand. For print service providers, managing inventory effectively is crucial to avoiding waste and eliminating production delays. AI applications in inventory management can support print providers in:

  - Better managing paper buying to avoid overstock.
  - Ensuring the correct materials are purchased.
  - Identifying and adjusting to seasonal fluctuations in demand. For instance, AI can identify patterns in which certain products experience increases in demand.
  - Eliminating costly last-minute purchases.
  - Freeing employees from the manual task of tracking inventories.

- **Controlling quality:** AI algorithms can enhance print quality by analyzing and optimizing images before printing. These tools can adjust color balance, analyze designs and identify areas for adjustment, sharpen images, and correct imperfections in real time, delivering the quality that customers demand.

- **Automating workflow:** AI-powered automation can streamline print workflows. For example, AI can support print service providers in making informed decisions on job scheduling, routing, and print settings based on the type of document being printed. This increases efficiency and reduces the need for manual intervention.

- **Reducing equipment downtime:** Equipment manufacturers are embedding AI algorithms to monitor the condition of printing machinery in real time, detecting potential issues before they cause downtime. In addition, equipment manufacturers are collecting data from service representatives on repairs and problem resolution and recording it in an AI-powered database. The result for print service providers is avoiding problems before they occur or having a technician who arrives at the client location with the right components to fix customer issues.

For example, Canon high-speed production inkjet presses feature built-in, self-maintenance and diagnostic systems with an automated corrective and "sense and support" predictive maintenance system. Sense and support predictive maintenance leverages AI and machine learning to learn from historical and real-time data, detect anomalies, and provide actionable insights and recommendations for optimal maintenance.

As advances in generative AI use continue, print service providers need to understand the areas in which generative AI can impact their operations and find ways integrate it. Those firms integrating AI into operations will likely uncover new avenues to improve productivity and profitability and to gain a competitive advantage.

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3. GENERATIVE AI DELIVERS MARKETING RESULTS FOR YOU AND YOUR CUSTOMERS

While AI applications have existed for years in the printing and manufacturing industries, the development of natural language processing (NLP) revolutionized use by enabling machines to understand, interpret, and generate human language. NLP enabled the development of generative pre-trained transformers (GPT) AI models (ChatGPT is an example). NLP allows GPT models to understand and process human language, making AI accessible and useful to a broader audience.

Marketing is a key area in which commercial printers are starting their exploration and use of generative AI. NAPCO Research's 2024 Commercial Print Trends and Strategy Service survey asked commercial printers about their AI adoption, and the top uses, as shown in **Table 1**, are content creation and creating segmented marketing programs.

Table 1: **Uses of Artificial Intelligence**

Q. IS YOUR ORGANIZATION USING ARTIFICIAL INTELLIGENCE IN ANY OF THE FOLLOWING WAYS?	Using	Plan to use	No plans to use
Content creation (text, audio, social media, podcasts)	23%	34%	43%
Marketing (create and evaluate marketing programs, segment target markets)	21%	38%	41%
Cybersecurity (threat identification, data security/protection, predict threats)	19%	37%	44%
Customer analytics (evaluate customer comments, requests, behaviors, and preferences; identify opportunities to create value/solve problems; identify customers at risk of churning)	17%	47%	36%
Market analytics (identify and evaluate target markets in terms of size, profitability, growth potential)	15%	50%	35%
Sales (automate administrative tasks, score leads, forecast sales, evaluate sales personnel)	14%	43%	44%
Operations (predictive maintenance, quality control, supply chain/procurement management, logistics)	14%	43%	44%
Customer service (chatbots/virtual assistants to provide 24/7 support, generate customer responses to client questions/comments)	11%	34%	54%
Risk management (identify, evaluate, and predict threats such as a downturn in the economy or key market, and prepare mitigation plans)	11%	37%	52%
Performance evaluation (monitor KPIs in real time, update plans and tactics based on results)	11%	38%	51%
Hiring (identify, research, screen, and communicate with job applicants)	10%	37%	53%
Employee development/evaluation (create personalized training, measure the effectiveness of training, measure employee satisfaction/engagement, evaluate employee performance)	9%	38%	53%

n=167 Print Providers
Source: NAPCO Research Annual Commercial Print Trends and Strategy Service, 2024

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There are generative AI marketing tools and solutions available to support print service providers' success and their customers. Here are examples:

- ■ **Content creation** is one of the most common uses of generative AI, and print service providers are investigating tools to support content creation for websites, social media, video or product demo scripts, email, and marketing materials for their organizations and customers. AI can speed up the copywriting process and supply ideas to consider. A few AI content creation tools available to help print service providers get started include ChatGPT, Google Gemini, Jasper, and HubSpot's Breeze.

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- **AI Image or video production** generation tools are becoming more accessible and affordable, opening up new creative possibilities for print service providers to create professional-looking videos for their own businesses or on behalf of clients. Here are key options:
  - **Text-to-video** tools let users generate high-quality realistic videos, fast, based on text input. For example, Synthesia and invideo AI enable the creation of explainer videos, product demos, and social media clips with AI-powered avatars delivering the message.
  - **Multimodal AI** can combine text, audio, and images to create richer video experiences. Some tools can suggest music or animations based on the video footage available.
  - **Hyper-personalization** AI tools can personalize video content to individual viewers to reflect demographics, location, or facial expressions.

- **Enhancing marketing segmentation.** Print service providers are leveraging generative AI for better customer targeting through effective segmentation. AI can analyze large volumes of data quickly, using demographic, behavioral, transactional, and psychographic information to identify distinct customer groups. Tools like Google Analytics and HubSpot AI can aid in this segmentation process.

  Better customer targeting leads to:
  - Efficient use of resources
  - Better marketing and product strategies
  - Increases in return on investment (ROI)
  - Identification of new customer segments
  - Ability to generate essential data for personalized marketing campaigns

- **Customer service and support.** AI-enabled customer service is an effective way to strengthen customer relationships. Here are examples:
  - AI-powered chatbots offer round-the-clock assistance so that customers will always have access to the answers and resources they need regardless of hours of operation.
  - During customer interactions, chatbots can offer recommendations personalized to users based on their browsing and transaction histories.
  - AI chatbots can engage with customers in their channels of choice, through live chat, messaging apps, or social media.

AI for Marketing Is Here and Now

Understanding AI marketing tools and options will be key in 2025. Print service providers that use AI in supporting and implementing sales and marketing strategies will likely gain a competitive advantage.

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4. DIGITAL PRINTING'S EXPANDING ROLE IN BOOK MANUFACTURING

Books are a print application that continues to deliver value and growth. According to the PRINTING United Alliance State of the Industry Update, Second Quarter 2024 (sponsored by Canon U.S.A., Inc.), printers surveyed expect books to grow between 2.1% and 6.4%, compounded annually during the next three years. According to Statista, printed books remain an important part of consumers' daily lives, unit sales consistently surpass 700 million per year, and print is the most popular book format among U.S. consumers, with 65% of adults having read a printed book in the past 12 months.

TikTok Adding Printed Books

An example indicating the relevance of printed books is that TikTok's publishing company, 8th Note Press, will launch a print book line in 2025 in partnership with Zando, a U.S. independent publisher. This effort's roots started in "BookTok," a community on TikTok in which users share reviews of books they read and discuss them. Following the success of "BookTok," TikTok's parent company, ByteDance, started publishing digital books through 8th Note Press in 2023.

Digital Printing: Transformation Continues

Digital printing continues to transform book manufacturing, offering book publishers improved operational efficiency, lower costs, and minimized business risk. Data from the NAPCO Research 2024 study "The Production Inkjet Application Revolution" reveals that buyers of book printing services are specifying digital presses to reduce the following costs:

- Cost per unit/book printed, reported by 55%

- Up-front inventory printing costs, reported by 41%

- Shipping costs, reported by 41%

- Warehousing costs, reported by 32%

- Returns costs, reported by 9%

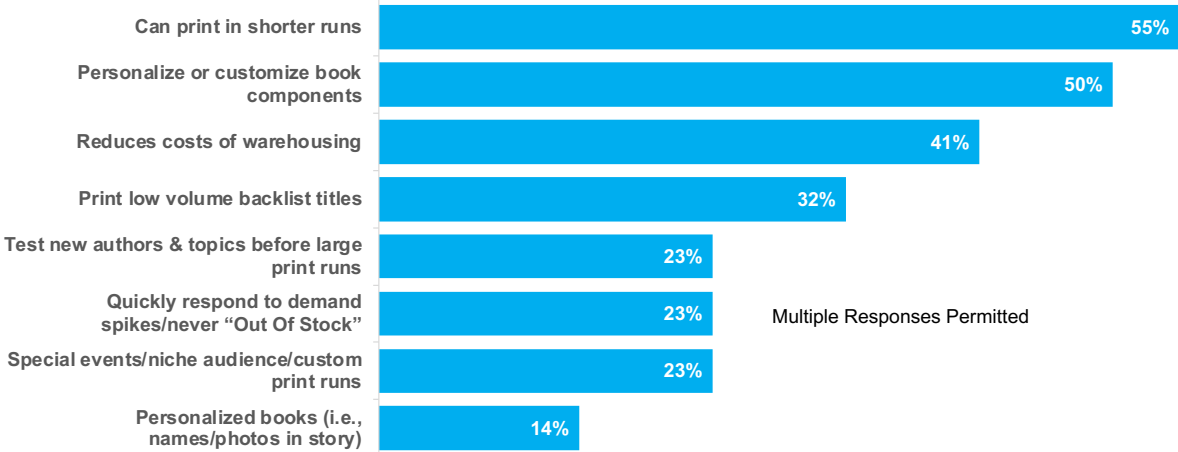Only 5% reported that digital printing didn't reduce costs.

The Inkjet Factor

Production inkjet printing will move more book work from offset presses to digital devices. According to NAPCO Research's production inkjet study, over half of print buyer survey respondents (56%) reported their books were printed on toner devices, while 48% indicted books were print on production inkjet devices, 28% printed books on offset presses, and 24% produced books via digital printing but they were not sure what process was used. This finding indicates that book producers value digital printing methods.

The top reasons survey respondents specify digital printing of their books (**Figure 1**) are shorter runs, personalization, customization, and reduced warehousing costs by printing on demand.

Figure 1: **Reasons for Printing Books on Digital Presses**
Q. What are the primary reasons you specify digital printing for producing books?

Reason	Percent
Can print in shorter runs	55%
Personalize or customize book components	50%
Reduces costs of warehousing	41%
Print low volume backlist titles	32%
Test new authors & topics before large print runs	23%
Quickly respond to demand spikes/never "Out Of Stock"	23%
Special events/niche audience/custom print runs	23%
Personalized books (i.e., names/photos in story)	14%

Multiple Responses Permitted

n=22 Communication Buyers and Influencers that influence or purchase books
Source: The Production Inkjet Application Revolution, NAPCO Research 2024

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Artificial Intelligence Driving Print on Demand

AI in book publishing may be a significant catalyst in driving demand for print-on-demand production. AI is rapidly transforming content creation and demand forecasting. Print-on-demand services could become more efficient with AI by determining the optimal resource use based on predictive sales pattern analysis. By analyzing data from past sales to consumer trends, AI models can accurately predict demand to optimize supply chains, guide smarter print runs, reduce waste, and generally increase sustainability while also maximizing availability. Overall, AI's ability to predict demand, streamline operations, and personalize the reader experience will likely lead to a significant increase in the use of print-on-demand services in book publishing.

Ongoing demands in the book publishing market for shorter runs, personalization, production agility, lower costs, on-demand printing, and waste reduction will shape book manufacturing in 2025 and likely expand digital printing's role.

5. NEXT-GENERATION INKJET INVESTMENT

Steady advances in press technology, substrates, inks, and customer acceptance have expanded commercial printers' and in-plants' adoption and additional investment in production inkjet presses. The 2024 NAPCO Research study "The Production Inkjet Application Revolution" reported solid investment in production inkjet presses and strong customer demand for work produced on production inkjet presses. The research study surveyed print buyers and print providers. Of the print buyers taking the survey that determined the printing process used to print their work (78%), 57% specified using inkjet presses to produce work.

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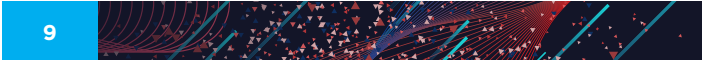
Print service providers with production inkjet presses reported the presses are delivering significant advantages, including:

- A 9% decrease in paper costs/consumption

- A 9% decrease in production waste

- An 8% increase in profits

- A one-person decrease in press operating staff

These benefits are why over half (54%) of print providers participating in the study reported operating production inkjet presses. As shown in **Table 2**, of those that operate a production inkjet press, 25% reported operating a sheetfed inkjet press, 16% a webfed inkjet press, and 13% both sheetfed and webfed inkjet presses. Of those that do not operate a production inkjet press, 23% plan to invest in one in the future. Table 2 also breaks out responses by print-for-pay and in-plant respondents.

Table 2: **Production Inkjet Capabilities**

Inkjet Capabilities	All Respondents, n=219	Print-for-Pay Respondents, n=159	In-plant Respondents, n=60
Operate **sheetfed** production inkjet press/presses	25%	21%	35%
Operate **webfed** production inkjet press/presses	16%	17%	13%
Operate **sheetfed** and **webfed** production inkjet presses	13%	16%	5%
Do NOT operate a production inkjet press but plan to invest	23%	25%	20%
Do NOT operate a production inkjet press and no plan to add	23%	21%	27%

Source: The Production Inkjet Application Revolution, NAPCO Research 2024   ◯ **NAPCO**RESEARCH

When it comes to investing in production inkjet presses, respondents identified their top reasons as increased productivity (45%), meeting customer demands for shorter runs (43%), shorter turnaround (39%), moving offset work to inkjet (36%), reduced cost of ownership compared to toner (35%), migrating toner work to inkjet (35%), and printing more personalization/variable data print work (35%).

In the next year, respondents expect to invest in a variety of production inkjet presses, as shown in **Table 3**.

Table 3: **Inkjet Investment Plans**

Q. Are you planning to invest in any of the following printing presses within the next 2 years? Inkjet responses shown	Print for Pay, n=159	In-plant Print Shop, n=60
Webfed digital inkjet up to 22"	13%	10%
Sheetfed digital inkjet B2	13%	5%
Sheetfed digital inkjet A3/SRA3	9%	18%
Webfed digital inkjet 30" to 42"	7%	0%
Sheetfed digital inkjet B1	6%	5%
Webfed digital inkjet 42"+	1%	0%
Not planning to invest in printing presses within the next 2 years	30%	45%

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In the year ahead, print providers participating in NAPCO Research surveys expect to expand their investments in production inkjet. Over half (56%) of print providers participating in NAPCO Research's 2024 Commercial Print Trends and Strategy Service survey expect to either expand investment in production inkjet or add production inkjet.

6. DIRECT MAIL: RELEVANT AND INFLUENTIAL

Direct mail will continue to evolve in 2025, as users will leverage technology to unite printed mail with digital media. Direct mail plays an important role in the marketing mix and is a key tool for capturing consumer attention. According to Sequel Response's 2024 Direct Mail Marketing Benchmark Report, consumers indicate direct mail is more influential and enjoyable than popular digital channels, and in 2024, 61% of marketers had increased their direct mail investments, up 12% from 2023. In addition, 54% of marketers expected to continue to increase their direct mail budgets in 2024, a trend expected to continue in the year ahead.

The most influential trends facing print service providers that offer direct mail in 2025 include:

- **Generative AI will strengthen personalization**
  Marketers' ability to combine data, buying behaviors, and demographic information to create customized direct mail campaigns will yield a competitive edge. This is an area in which print service providers can support marketers with generative AI to enable hyper-personalization. AI's ability to analyze large volumes of customer data and identify unique preferences, behaviors, and interests for specific individuals enables delivering custom messages that significantly enhance the likelihood of engagement.

- **Real-time mail performance**
  In 2025, measuring direct marketing success and channel attribution will become more important. Tools like comprehensive match-back analytics, unique QR codes, and campaign-specific phone numbers will be used to track response rates. These tracking methods will provide real-time insight into how physical mail is performing versus other channels. This data-driven approach can help direct mail users adjust their strategies on the fly to ensure ROI optimization of campaigns.

- **Sustainability in delivering the mail**
  Environmental concerns will be increasingly important to marketers. Consumers are conscious of the sustainability practices of the companies they buy from. Consumers will expect the use of recycled paper, soy-based inks, and environmentally responsible practices from the brands they support.

In an era of digital fatigue, printed direct mail will continue to play an essential role in direct marketing. While the landscape of direct mail marketing continues to evolve, a well-crafted campaign can leave both a good and lasting impression.

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7. REJUVENATING TRANSACTIONAL DOCUMENTS WITH VERSIONING AND COLOR

Digital printing will continue to rejuvenate transactional documents with color and personalization as organizations look to make these documents more effective and expand their communication roles. A noticeable change in bills, invoices, statements, policies, confirmations, account updates, notifications, and other transactional documents is the increased use of color and personalized messaging to enhance customer experiences, responses, and communication effectiveness.

According to the NAPCO Research study "The Production Inkjet Application Revolution," 91% of buyers of transactional materials reported they include marketing and customer service messages targeted to the recipient, while 76% reported the majority of their customer communications are printed in color. In addition, 80% of respondents plan to add more color to future customer communications.

An ongoing practice that is likely expanding the use of targeted messaging and color is the use of transactional documents as marketing tools. This trend started when full-color, high-speed variable digital printers enabled the ability to produce custom print communications for nearly the same price as black and white. Further expanding color and customization opportunities for transactional documents is production inkjet. First, webfed production inkjet made color communications affordable and endlessly customizable. As the volume of printed transactional documents continues to decline (as organizations opt for digital alternatives), sheetfed inkjet is now an attractive option for printing transactional documents.

Another key trend of note is that demand for transactional documents is under constant pressure from electronic substitution and rising paper and postage costs. Many large banks, utilities, and financial firms are moving to paperless or charging customers for printed documents to reduce costs. As demand for transactional materials declines, providers are moving to expand into high-value direct mail applications, an area in which they can leverage their data security and tight service-level agreement skills.

Ongoing shifts in the role of transactional print applications will likely continue to expand the use of color and personalization as organizations look to enhance the effectiveness and value of transactional communications.

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8. STREAMLINING SUCCESS
WITH WORKFLOW AUTOMATION

Profitability, by definition, is revenue in excess of expenses. Print service providers' key routes to profitability include reducing costs, increasing sales, improving efficiency, or a combination of all three.

Investment in automation is attractive to print service providers because it:

- ■ Removes bottlenecks in workflows that impede job volume throughput, hinder productivity, and constrain profits

- ■ Reduces human touchpoints so that jobs move faster through the production process and eliminates the possibility of errors from human intervention

- ■ Lowers staffing needs, a benefit given current labor shortages

Print service providers report that achieving profitability goals is challenging. According to NAPCO Research's 2024 Commercial Print Trends and Strategy Service survey, 78% of print providers indicated that maintaining profitability is a key challenge. In turn, 77% of respondents are automating workflows to reduce costs, overcome labor shortages, eliminate workflow bottlenecks, and manage profitability.

Other data points on the key role of automation in the year ahead surfaced in the PRINTING United Alliance State of the Industry Update, Second Quarter 2024 survey, as 88% of respondents want their capital investments to increase productivity and efficiency. In addition, 84% of respondents expect to make a capital investment in the next 12 to 18 months, and 58% want that investment to automate operations.

Process automation is essential to profitability, as it can improve operational efficiencies, expand production capacity, reduce error rates, and lower costs. In addition, print workflow automation is a vital tool for meeting print buyers' productivity and service delivery expectations — so it can enhance customer experiences.

Automation's effects are far-reaching in any printing operation. The benefits of investing in tools and technology to automate processes will be important for printers of all sizes. In 2025, those print service providers that invest in workflow automation will be best positioned to address profitability challenges and better meet customer requirements.

9. EXPANDING SERVICES BEYOND PRINT

Print service providers are expanding services to pursue new revenue opportunities, win a larger share of current customer business, and attract a broader base of customers. According to NAPCO Research's 2024 Annual Commercial Print Trends and Strategy Service survey, printing companies are expanding services or intend to, as indicated by the following responses:

- **74%** reported expanding services (e.g., creative, data, mailing, fulfillment)

- **65%** expect to expand product offerings in the next 12-24 months

- **64%** expect to diversify production capabilities in the next 12-24 months

Service expansion is a critical strategy for ensuring long-term business sustainability. At the forefront of the printing industry's service expansion is omnichannel communications — defined as using multiple marketing channels to create one seamless experience for the end customer.

Omnichannel Solutions Are Important to Print Customers

In today's communication environment, consumers move across all channels — in person, online, and beyond — to get what they want. According to McKinsey & Company, research on omnichannel marketing shows more than half of business-to-consumer customers engage with three to five channels each time they make a purchase or resolve a request. The following data points highlight the omnichannel opportunity and why delivering these services is critical for print service providers' customers:

- The omnichannel marketing industry is expected to grow at a compound annual growth rate of 22.3% through 2030. (Source: Market Research Future)

- Two-thirds of shoppers use more than one channel. (Source: Verde Group)

- Sixty-two percent of marketers say that implementing an omnichannel strategy is a top priority for their organizations. (Source: Martech)

- Companies with omnichannel customer engagement strategies see an average 9.5% yearly increase in annual revenue compared to 3.4% for other non-omnichannel-based companies. (Source: WiserNotify)

These data points indicate a strong opportunity for print services providers in supporting potential customers in all facets of their communication needs.

Adding Omnichannel Is Delivering Success

Print service providers are experiencing success in providing omnichannel services. Phoenix Innovate in Troy, Mich., is an example of a print service provider successfully expanding services. Founded in 1987 as Phoenix Press, a traditional commercial printer, the company began to transition from a traditional printing company to a data-driven, omnichannel services provider in the mid-1990s.

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Recalls Chris Dubach, the company's executive vice president of sales and business development, "We realized early on that to be different, we needed to be integral to our customers' business strategy. As we listened to our client base, they wanted a full-service partner that could deliver end-to-end communication solutions and track results."

This approach, Dubach says, led Phoenix Innovate to deliver a broad portfolio of advanced omnichannel support services. The company follows a research-led approach when working with clients on campaign strategy. It uses data to identify the right customer, message, and media channels. Phoenix Innovate works with clients to design cohesive and personalized communications that yield results. Its range of services include primary and secondary research, content development, design, SEO, website development, digital marketing, social media services, mobile marketing, influencer marketing, and print.

As Dubach explains, "We carefully monitor performance metrics across all channels to help the client improve response and data, identify what works well and what doesn't, and adjust campaigns accordingly. We still see print delivering the highest ROI, but when used in conjunction with other channels, it gets even better results."

The results of Phoenix Innovate's strategy are significant. Dubach reports, "Gross profit has drastically increased. Today we price based on value. If the client spends $1 with us and we can translate it to a $5 increase in revenue, the focus changes from price driven to value driven. We can price omnichannel services based on the ROI to the client, and that leads us to a very different discussion."

As print service providers look to grow their businesses, service expansion is a solid strategy. Print service providers expect to add services in the year ahead to benefit from the market opportunity present in offering services beyond print.

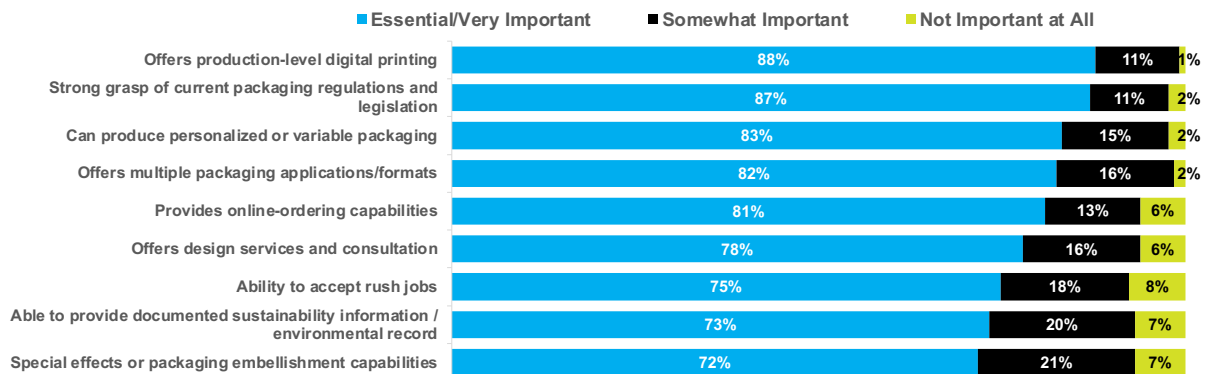## 10. DIGITAL PRINTING ENABLING MIGRATION INTO PACKAGING

Digital printing is continuing to remove entry barriers and enable print providers to move into the package printing segment. As many commercial printers have experienced the digital replacement of traditional print products, packaging is an attractive product offering because there are no electronic alternatives, and it is on a growth trajectory. According to Smithers' The Future of Package Printing to 2029, global packaging value in 2024 will reach $505.9 billion and grow at a compound annual growth rate of 3.6% to reach $604 billion in 2029. Across the same five years, Smithers forecasts that output will increase from 14.31 trillion to 17.12 trillion A4 equivalents of labels, corrugated board, folding cartons, flexible paper and plastics, rigid plastic, and metal packaging.

The Smithers report also indicates that digital print is the fastest-growing print technology for labels and packaging.

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NAPCO Research's 2024 study ["Digital Packaging: The Pursuit of Prosperity"](#) finds that brand owners are familiar with digital printing and prefer working with providers that offer production-level digital printing and the ability to produce personalized or variable packaging (**Figure 2**), both attributes for which digital printing excels.

Figure 2: **Brand Owners' Criteria for Selecting Packaging Providers**

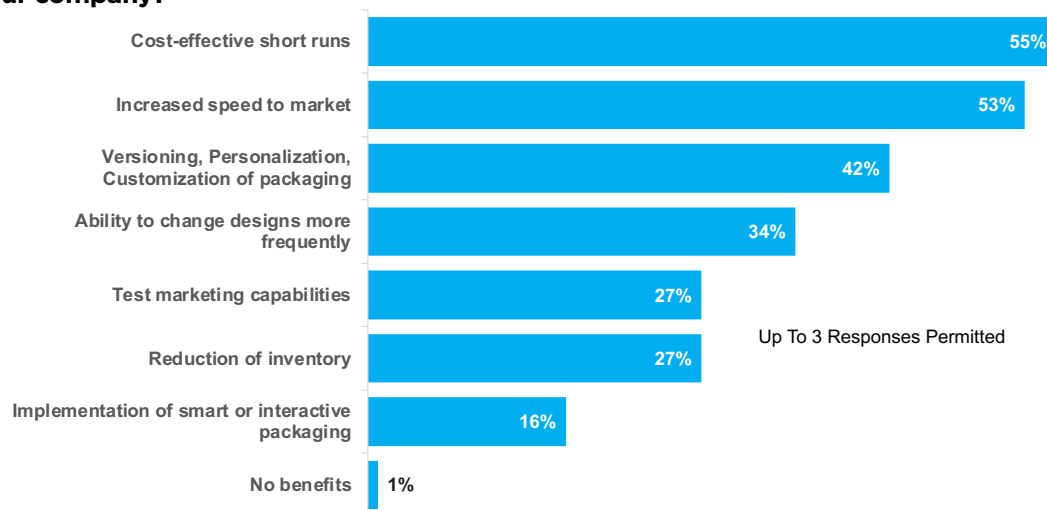**Q. Please rate the level of importance of the following attributes in selecting a label or packaging printer.**

Legend: ■ Essential/Very Important ■ Somewhat Important ■ Not Important at All

Attribute	Essential/Very Important	Somewhat Important	Not Important at All
Offers production-level digital printing	88%	11%	1%
Strong grasp of current packaging regulations and legislation	87%	11%	2%
Can produce personalized or variable packaging	83%	15%	2%
Offers multiple packaging applications/formats	82%	16%	2%
Provides online-ordering capabilities	81%	13%	6%
Offers design services and consultation	78%	16%	6%
Ability to accept rush jobs	75%	18%	8%
Able to provide documented sustainability information / environmental record	73%	20%	7%
Special effects or packaging embellishment capabilities	72%	21%	7%

n=131 Brand Owners
Source: Digital Packaging: The Pursuit of Prosperity, NAPCO Research 2024

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The survey asked brand owners to identify the top three benefits of printing labels and packaging on digital presses. As shown in **Figure 3**, brand owners view digital printing as a cost-effective way to print short runs; offer increased speed to market; provide versioning, personalization, and customization of packaging; improve the ability to change designs more frequently; support product test marketing; and reduce inventory.

Figure 3: **Benefits Digital Printing Offers Brand Owners**

Q. What do you view as the top benefits digital printing of labels and packaging can provide to your company?

Benefit	Percentage
Cost-effective short runs	55%
Increased speed to market	53%
Versioning, Personalization, Customization of packaging	42%
Ability to change designs more frequently	34%
Test marketing capabilities	27%
Reduction of inventory	27%
Implementation of smart or interactive packaging	16%
No benefits	1%

Up To 3 Responses Permitted

n=119 Brand Owners that have their labels and/or packaging digitally printed
Source: Digital Packaging: The Pursuit of Prosperity, NAPCO Research 2024

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Innovations in digital printing presses for packaging are expanding migration of work from analog processes to digital. Output quality is improving on inkjet and electrophotographic (toner) presses, while these presses are becoming more cost-competitive for longer print runs. Today's digital press options offer shorter turnaround times, less waste, and expanded customization/personalization options and can be easier to integrate with online design and ordering systems.

An example of digital press advancement is Canon's LabelStream LS2000 water-based digital label press, slated for 2025 availability. The press, developed specifically for the label and packaging markets, is Canon's first water-based inkjet label press, which prints CMYK and white inks that comply with food safety standards on self-adhesive substrates.

In addition, the company is now actively looking to advance its role in other packaging segments, including folding carton and corrugated. While existing Canon presses, such as the imagePRESS V1350, varioPRINT iX3200, and large-format solutions (including the Colorado M-series, Arizona UV Flatbed, and Texas UV Flatbed), can be used to digitally print some folding carton and corrugated packaging applications, the company plans to expand into the corrugated printing market. The company introduced a concept (shown in this video) for a single-pass, sheetfed inkjet press, with 1200 dpi resolution and four to seven colors with water-based inks, that is compliant for indirect food contact. The industrial-scale digital corrugated printing system is designed to combine offset-like print quality at a 1.7 m print width, productivity of up to 8,000 sqm/hr, and new levels of cost-efficiency.

As technology entry barriers to printing packaging continue to lessen, commercial printers' migration into packaging will continue. Ongoing progress in technology innovation, early adopter successes, process simplification, customer demands, and fierce competition are all forces in the coming year that will entice and enable more commercial printers to offer labels and other types of packaging.

11. MAXIMIZING POSTAL SAVINGS AS USPS PAUSES POSTAGE INCREASES

Print providers are starting the year without a postal rate increase, as the U.S. Postal Service (USPS) announced late last year that there will not be a price increase in January 2025 for Market Dominant products, which includes Marketing Mail, First-Class Mail, Periodicals, and Package Services. This is a reprieve for print providers that have had to endure print declines sparked from six rate hikes in the past three years.

The postal increase pause offers an opportunity to further benefit from USPS annual incentive promotions. USPS Mailing Promotions, offered for more than a decade, give postal discounts to marketers, printers, and mailers that use technology and print techniques in their mailings that drive customer engagement and results.

In 2025, promotions will fall under two categories: primary and add-on. Primary promotions offer stand-alone discounts, while two add-on promotions provide extra discounts of up to 1% each when combined with primary promotions.

A new promotion this year is Continuous Contact. It offers a 3% discount for marketing mail efforts to the same address with coordinated messaging, not duplicate mailings. While there is no discount for the first mailing in the series, each subsequent mailer receives a 3% discount. The content of the

follow-up mailers must not be identical yet still be related to the first piece, and every piece must be sent during the promotion period. USPS is trying to reinforce the idea that response rates can improve when households get multiple mail pieces in a direct mail effort.

The two new add-on promotions include the following:

- The Informed Delivery promotion, formerly a stand-alone promotion, will earn the mailers an additional 1% discount.

- Sustainability, a new promotion, offers an additional 1% discount for mailers that demonstrate the paper used in the mailing is responsibly sourced and sustainably produced by exhibiting an eligible certification from either the Sustainable Forestry Initiative (SFI) or Forest Stewardship Council (FSC).

USPS offers educational guidebooks and videos on the 2025 program.

FINAL THOUGHTS

The year ahead offers print service providers many options to pursue growth, enhance productivity, move into new markets, expand services, and integrate AI into operations. Plotting the course to success in 2025 begins by identifying key market trends and their implications. Use the trends presented in this report to support plans, strategies, and decisions.

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Led by a former Forrester Research analyst, the NAPCO Research team crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision making.

WHO WE ARE

NAPCO Research can help with:

• Business goal prioritization

• Opportunity discovery

• Market segmentation

• Landscape insight

• User needs and wants

• Product features and functionality

• Content marketing strategy

• Sales strategy and tactics

• Market conditions

• Benchmarking

• Industry trends

• Brand awareness

WHO WE ARE

Canon

About Canon U.S.A., Inc.

Canon U.S.A., Inc. is a leading provider of consumer, business-to-business, and industrial digital imaging solutions to the United States and to Latin America and the Caribbean markets. With approximately $29.4 billion in global revenue, its parent company, Canon Inc. as of 2023 has ranked in the top five overall in U.S. patents granted for 38 consecutive years[†]. Canon U.S.A. is dedicated to its Kyosei philosophy of social and environmental responsibility. To learn more about Canon, visit us at www.usa.canon.com and connect with us on LinkedIn at https://www.linkedin.com/company/canonusa.

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About thINK

thINK is an independent community of Canon production inkjet customers designed to provide a forum for members to network, gain knowledge, discuss common challenges, and access tools, training and resources. thINK membership is free to all Canon inkjet customers.