

#8



On-demand printing: Show me the money

by Howie Fenton
Senior Technical Consultant, NAPL

NAPL is a not-for-profit trade association providing companies with the strategies, insights, and guidance to make informed business decisions, minimize risk, anticipate change, and profitably grow their business.

Have you seen us lately?
If you get the chance – stop by the booth 862 and say hello!



Preview

This symbol

new

means newly added slide, which is not in your handout.

Defining the market

equipment, product categories, strategies

Market Drivers

faster, better cheaper, more color, X-Media

Where's the \$\$\$\$\$\$

adding value

How do I get to the \$\$\$\$\$

equipment, software, automation

For an updated handout give me an email address - that will not block an attachment



On-demand printing: show me the money

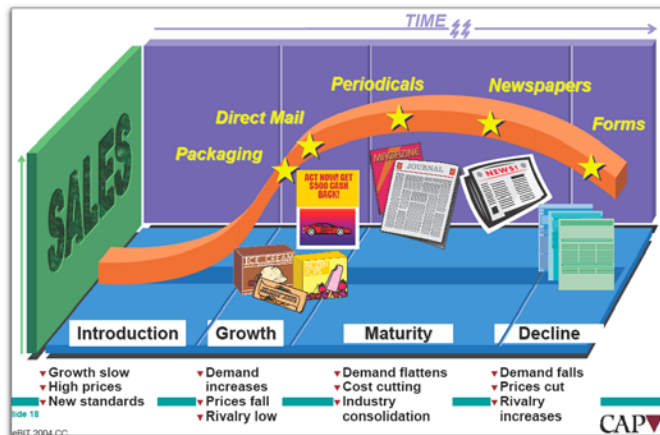
Defining the market



Competing Tech. Slow Growth Offset

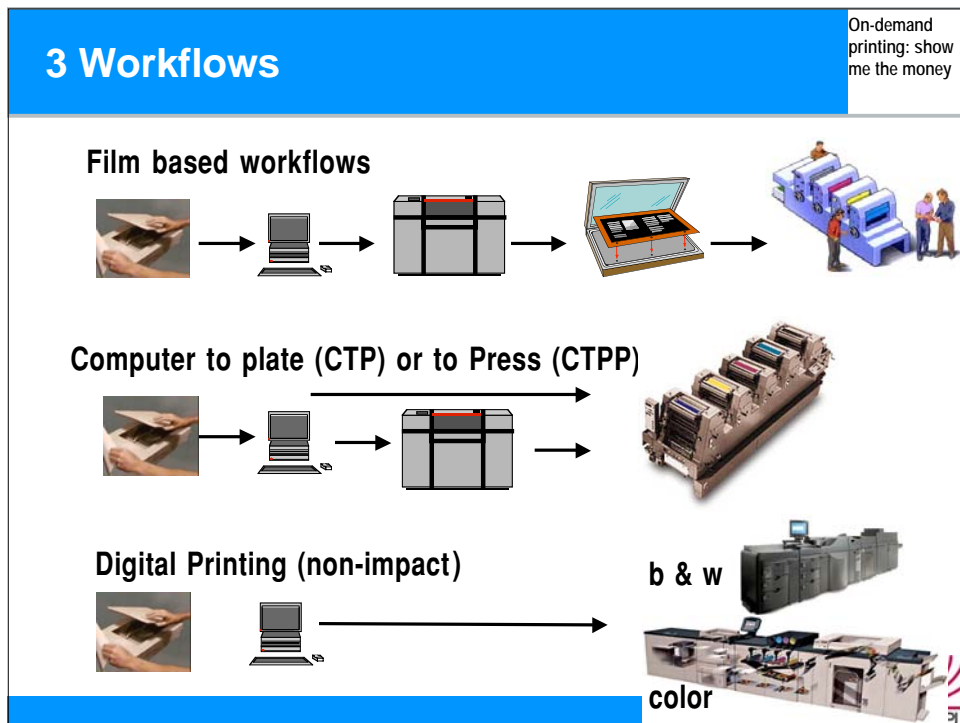
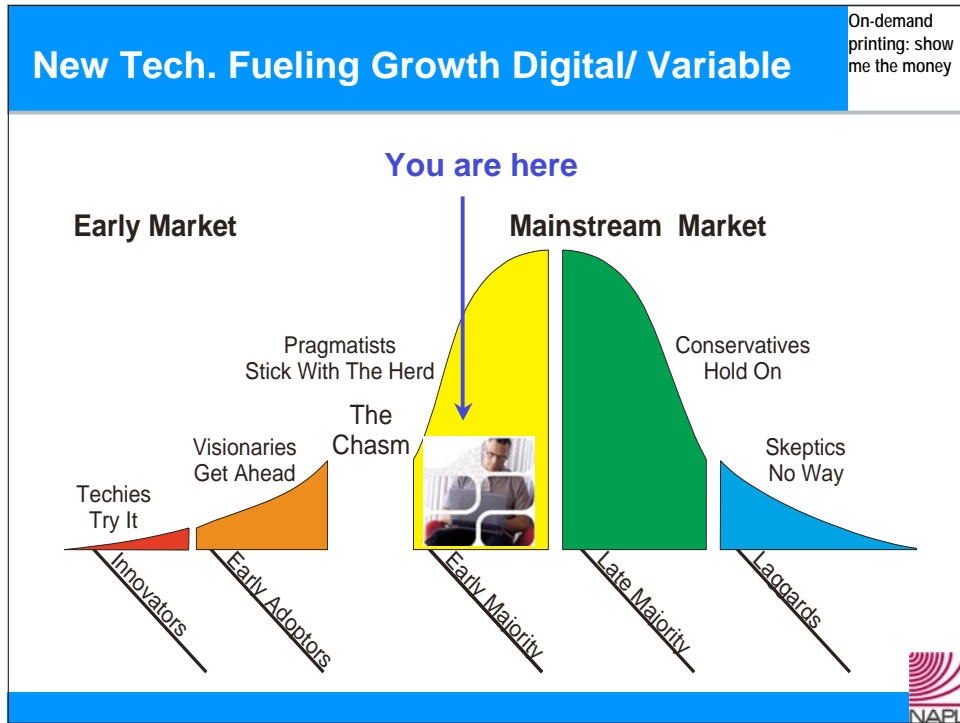
On-demand printing: show me the money








Web pages
E-mail
Digital printing
Variable data printing
PDAs
Multimedia
cell phones



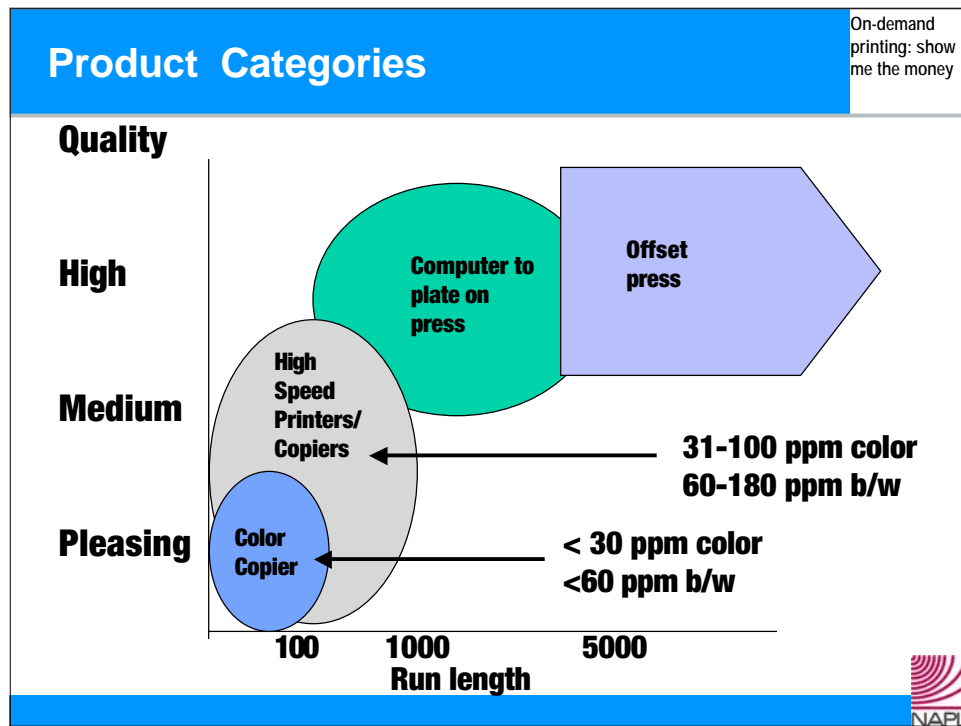
Source: CAPV





Production Changes		On-demand printing: show me the money
Yesterday	Today	
 <p>Analog prepress Make ready with film, processing chemistry, cameras, stripping</p>	<p>Digital Prepress No film, digital cameras & scanners, monitor proofing, high speed networks, WWW</p>	
 <p>Printing Longer runs to reduce the cost per page B/W toner</p>	<p>Printing CTP and DI printing Automation: CIP3/4, JDF Digital color presses</p>	
<p>Finishing in or near line</p>	<p>Finishing in or near line</p>	
 <p>Warehousing Inventory risk due to obsolesce</p>	<p>Warehousing On line ordering Less or no storage JIT manufacturing</p>	

Offset, Digital & Hybrid printing	
<p>Offset Litho. & static pages Film based, CTP, CTPP Cheaper for longer runs but less targeted Well established sales, CSR and production</p>	 <p>Riso HC5000</p>
<p>Electrophotographic & Variable Pages Less expensive make-ready, some have quality concerns Ink jet press (Versamark) & Ink jet heads (Scitex) higher quality then inkjet heads, but fewer markets Variable pages can target specific interests (increases responses), can integrate with web templates but harder to sell</p>	
<p>Hybrid Ink jet heads - lower quality (200-300 dpi), used for text mostly Shells - 4c offset and overprint b/w for personalization Riso HC5000: 105 - 11x 17 ppm inkjet office / network printer, \$40K Lower quality then offset, but suitable for many app's Buyers Lab - recommended, BERTL Innovation Award Inkjet 5¢ pg/color. .007¢ b/w</p>	<p>update</p>



Digital Presses technologies

new

- Inkjets**
 - higher speed (Versamark),
 - lower costs (Riso HC5000 inkjet 5¢ pg/color. .007¢ b/w)
- Electrophotographic (tone)**
 - Larger format (IGen3 - 14.3" x 20.5"),
 - Tools to increase uptime (NexPress)
 - Higher quality, less maintenance (HP-Indigo)
- Are coatings important?**
 - Most digital printers say no
 - But in PIA/GATF Tech Alert 05 study, 6"x9" postcards and tracked
 - About 1/3 arrived and about 1/4 were damaged

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Digital Press Coating & Finishers

new

Color Quality

The major complaints about digital printing is that "it did not look as good"

Part of that was color fidelity - part of that was gloss

The color is better then ever and now there are coating options

Kodak Nexpress 2100

5th unit, called Intelligent color, coating and glossing

In line clear toner & Near line NexGlosser

IGen3

Epic Products inline CTi-635 coating system

overall & spot UV coating, options for gloss or matte finish

HP - Indigo

working with Dorn SPE off-line UV coater to seal the sheet

Gloss, matte, satin and other finishes are offered

Xeikon's web-fed model 5000

clear toner & new Print Protector (inline flood coater)



Inline or Near line finishing

new

Another issue with digital presses are finishing options

Few have few inline options & the costs are high

New options

C. P. Bourg BB3002 near-line perfect binder

Duplo

DC-645 Slitter/Cutter/Creaser

Duplo System 5000

Square-Back bookletmaking solution (tech demo)

Morgana Systems DigiFold (creasing),

Standard Horizon ColorWorks 8000 (Docucolor 8000)



Muller Martini Sigma concept

SigmaBinder, SigmaTower, and SigmaTrimmer

MBO Digi-Finisher (bookletmaking)




Static vs. Variable

Static pages
 Every page the same (offset printing)

Variable
 Every page unique documents
 2 types





- Transactional documents (in-plant)**
 - banking, financial services, securities
 - health care, pharmaceuticals, insurance
- Sales & marketing products (commercial)**
 - direct mail, retail, wholesale, travel/leisure
 - “Congratulations, you have one \$1 million!”



Basic vs Complex Variable

Basic
 Versioning (change black plate offset press)
 Inkjet “Congratulations Howie you’ve won ...”
 Hybrid: 4C offset shells & b/w laser printer
144 billion pgs year are on preprinted shells

Complex:
 4 data types:
 - Customer Data
 - Transaction Data
 - Psychographic (lifestyle)
 - Demographic

More Realistic Growth

On-demand printing: show me the money

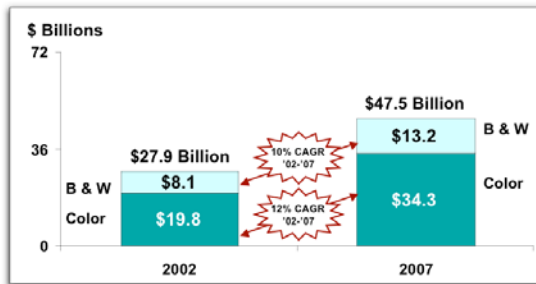
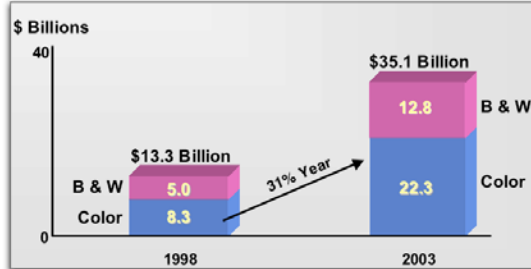
For years the retail value of digital & color page growth in the market place

Did not met expectations

In 97-98 growth of 27% growth was projected (not shown)

In the 98-03 time growth of 31% was projected

Today growth projected at 12% most reasonable



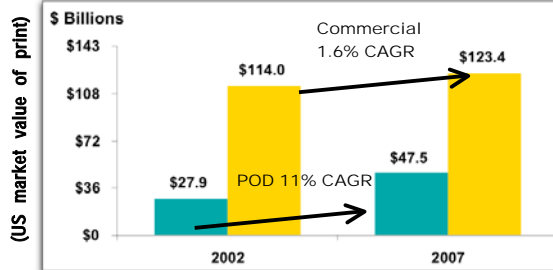
Source: CAPV

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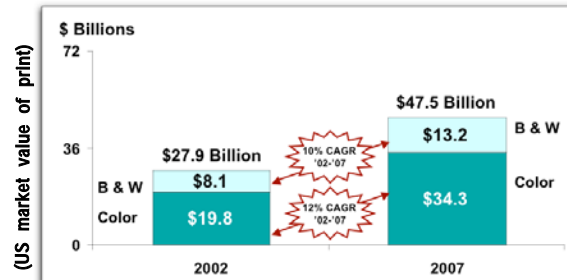
POD vs Commercial Growth

On-demand printing: show me the money

Comparing the growth of the commercial to the POD market (>5000 impressions)



Within the short run market the percent is b/w and what is color



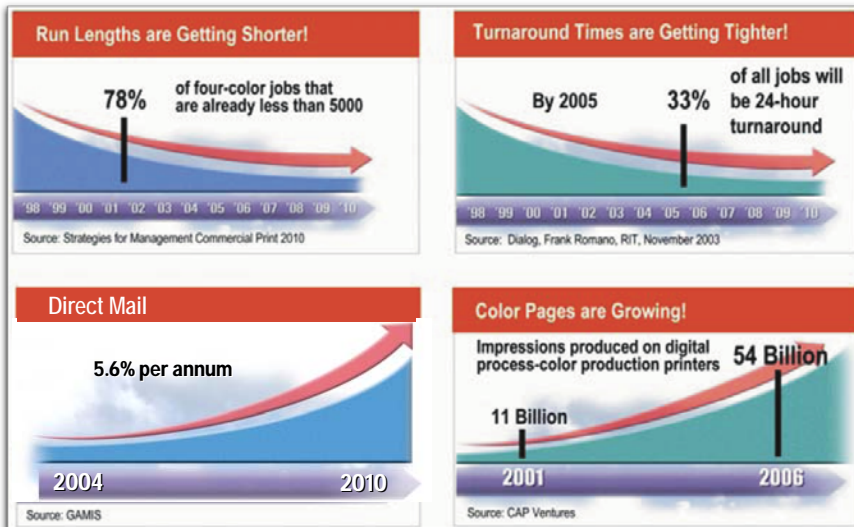
Source: CAPV

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Market Drivers



Demands are changing



Faster, Cheaper, Shorter

On-demand printing: show me the money

- **Turn times continue to shrink (59%) ...**
 as clients move to just-in-time ordering—to minimizing inventory. Who can afford bottlenecks—anywhere—with turn times shrinking?
- **Price competition is intensifying (56%) ...**
 despite recovery and consolidation as traditional roles and boundaries break down, getting everyone into everyone else's business.
- **Run lengths continue to shrink (48%) ...**
 as clients target their markets more precisely. Who can afford excessive make-ready, waste, and inefficiency with run lengths shrinking?

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Source: 2004 - 2005 NAPL State of the Industry

Cost / Page

Tug of War

Costs determined by run lengths, make-ready, finishing and how busy the digital press is kept

However some offset technology makes shorter runs cheaper


CTP, DI, Auto plate loading, auto blanket washing

Digital has constantly declined

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Color moves people to action!

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30 - 50% Acceleration in Payments


7.5% Improvement in Revenue Collection

5% Increase in Customer Approval Rating

55% more likely to pick up a color mail first

Makes an impression that is **39%** more memorable





Better Sales




On-demand printing: show me the money


Increased Response Rates (Source: USPS)

- 1-2% Average Response to Broadcast Mailing
- 3-5% Average Response to Personalized Mailing
- 6-17% Average Response to Customized Mailing

Increased Response Rates (Digital Printing Council)

Static, B&W Mailing	0.46% Response
Adding Name Only	0.66% Response (44% Increase)
Adding Full Color	0.67% Response (45% Increase)
Adding Name & Color	1.08% Response (135% Increase)
Applying Database 1:1	2.76% Response (500% Increase)

Response Rate	 <p style="color: purple; font-weight: bold;">38%</p>
Response Time	 <p style="color: yellow; font-weight: bold;">40%</p>
Retention	 <p style="color: red; font-weight: bold;">48%</p>

Source: CAPV 

Mass Media > Narrowcasting

In the 60's, ad could reach 80% USA
Today, would need 100 TV channels

TV suffering
TV viewing dropping, internet increasing
Commercials have less impact - VCRs & Tivo skip commercials
From 50's - 70's, the audience grew in sync with the prices
No more in 2002, the networks' average CPM (cost per thousand viewers) soared from \$1.96 in 1972 to \$16.79 in prime time *
And growing diversity of population

Media buyers are shifting away from Mass Media
Cross media & multiple sales channels (net, stores, direct)



TV Bureau of Advertising



Add Products and Services

On-demand printing: show me the money

For every \$1 spent on print...



Another \$6 is spent on content and fulfillment!
Up to 15% of a company's overall revenue is spent on Content

Value Added is a \$1 Trillion Market

Source: IDC & CAP Ventures



Where is the \$\$\$\$



What & How is Value Added

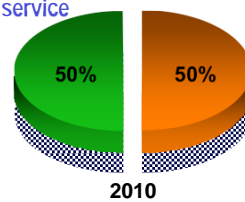
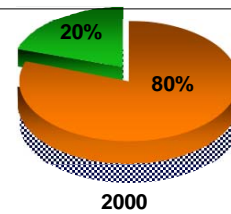
Webster's dictionary says value-added pertains to
"something added to a product to increase its value or price"

A "value-added" product or service:

- augments/enhances the product making it more attractive
- benefits the end-user better than the competition's product or service
- is preferred by a customer (even if it costs more)
- has more inherent perceived value to the end-user

How will you add value?

- Outstanding sales & world class customer service
- Faster Speed, Higher Quality, Decreased Costs
- Greater Convenience: On-line
- 1 stop shopping: Design, Finishing, Fulfillment



Print Revenues

Non-print Revenues

Source: CAPV

Value for Transactional Printers

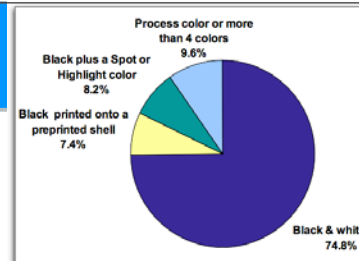
On-demand printing: show me the money

Transactional documents are statements, bills, policies, contracts, compliance documents)

The goal of DAM is to reduce customer turnover



Transactional Printers Need More Color & More Personal



Transactional documents usage

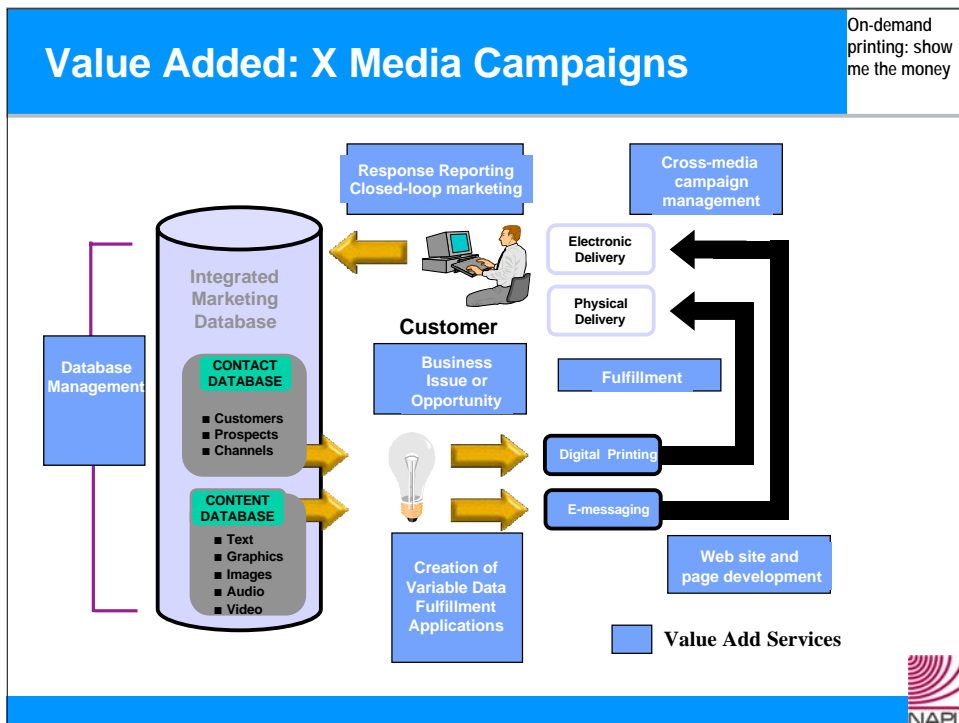
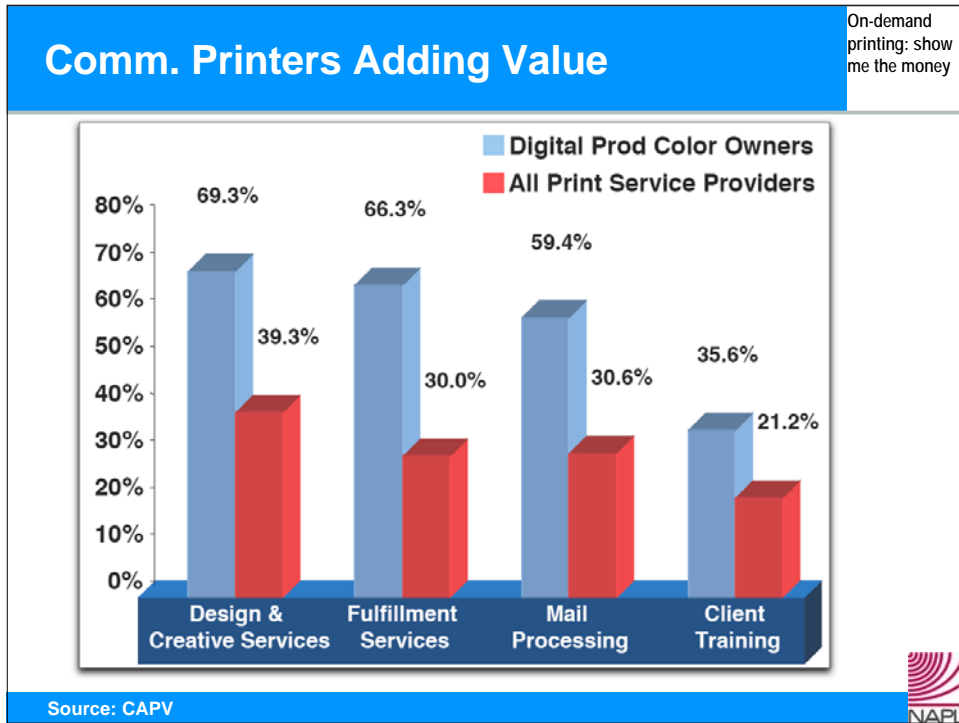
- 75% printed in black & white only
- 25% evenly divided between spot/highlight color, preprinted shells, and process color
- 56% is personalized

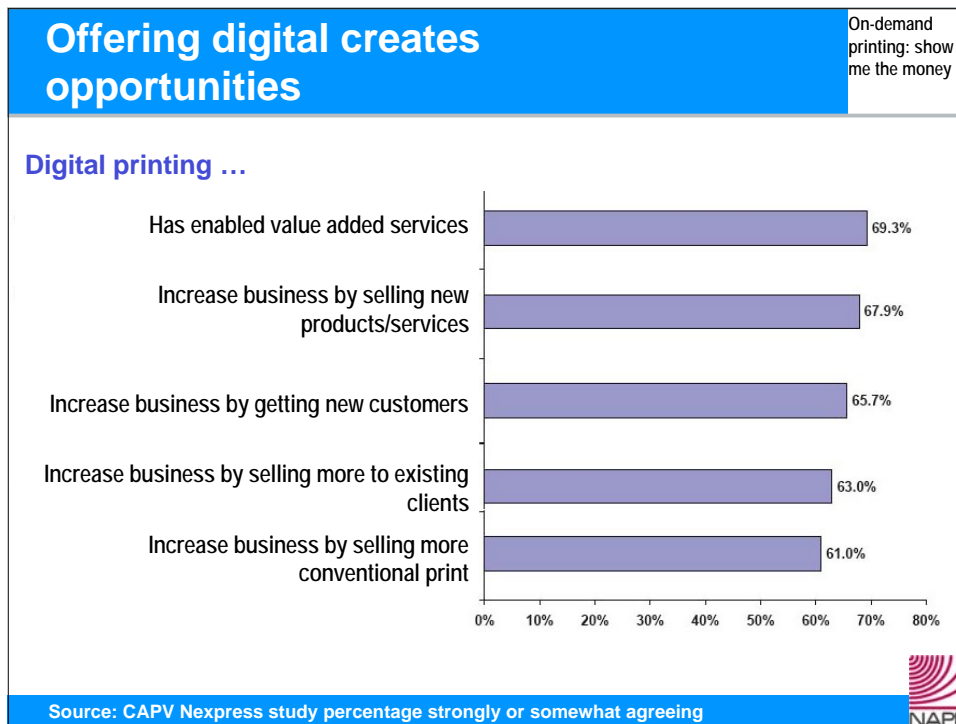
Transactional document drivers

- 78% new customers
- 70% company growth
- 40% more staff
- 36% new or additional government regulations
- 35% increased pressure from competitors

Source: CAPV







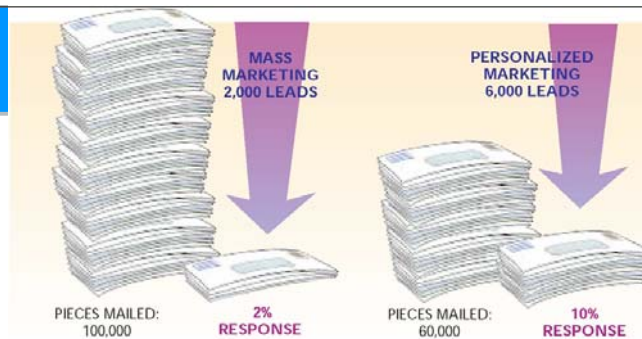
Swamped in Advertising

On-demand printing: show me the money

- **Relevance: you talking to me?**
- **Synergy: target market via multiple media options is a force multiplier**
- **Efficiency: bang for bucks**



Targeting



\$30K - static offer
100K pieces in the mail
 (30¢/ea = 10¢/ea +
 .20¢/ea mail)
2% response yields 2k
leads

\$30K - variable offer
60K pieces at 50¢/ea
 (30¢/ea + 20¢ mail)
10% return yields 6k
leads



Targeting & Relevance

On-demand
printing: show
me the money

For publishers, retailers, catalogers & direct marketers

Targeting - reduces the promotion costs

Relevance - increase increase sales

How are world class companies achieving?

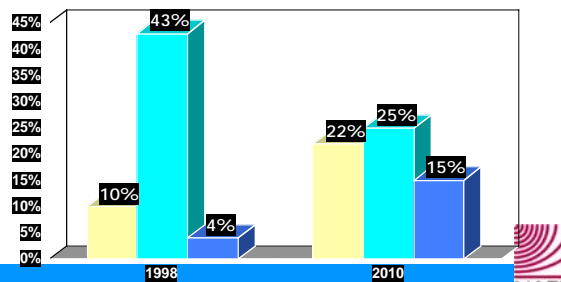
Targeted email, opt in email (overcome spam filters)

Customized product lines (Babies R Us) and catalogs (specialized catalogs)

Targeted publications (W Jewelry, Successful Student)

Flexible and customized content (searchable library online, single chapters, etc.)

Personalized web page experiences



Source: Institute for the Future 2000

Personalization, Relevance, Targeting & Convenience

On-demand
printing: show
me the money

Static message

At Avis we try harder

Personalization is good

“John, at Avis we try harder for you.”

Relevance & Targeting is the better

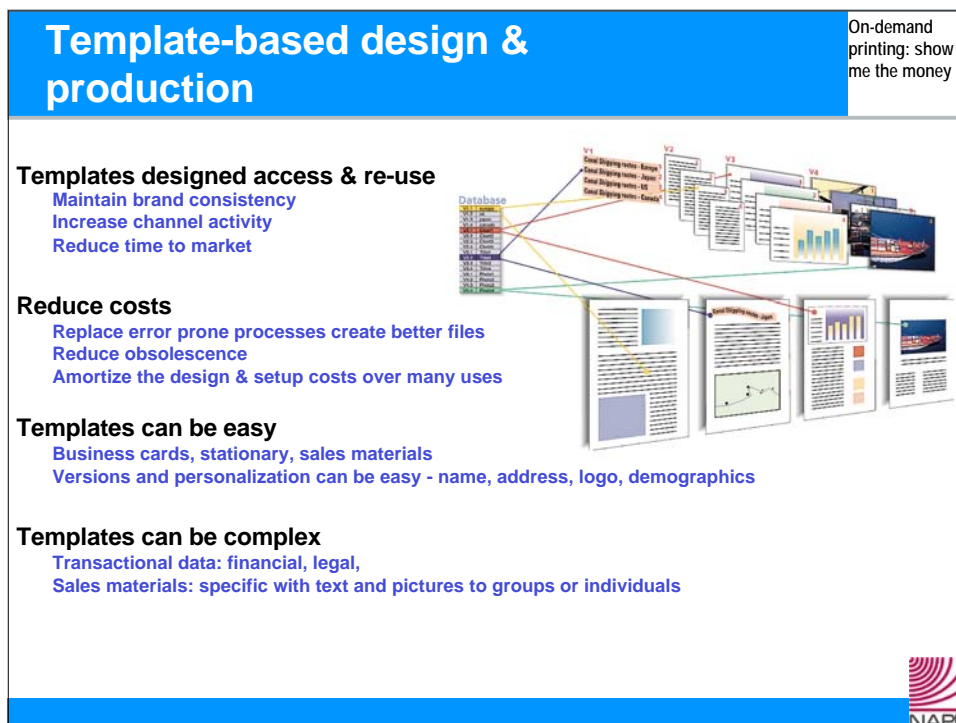
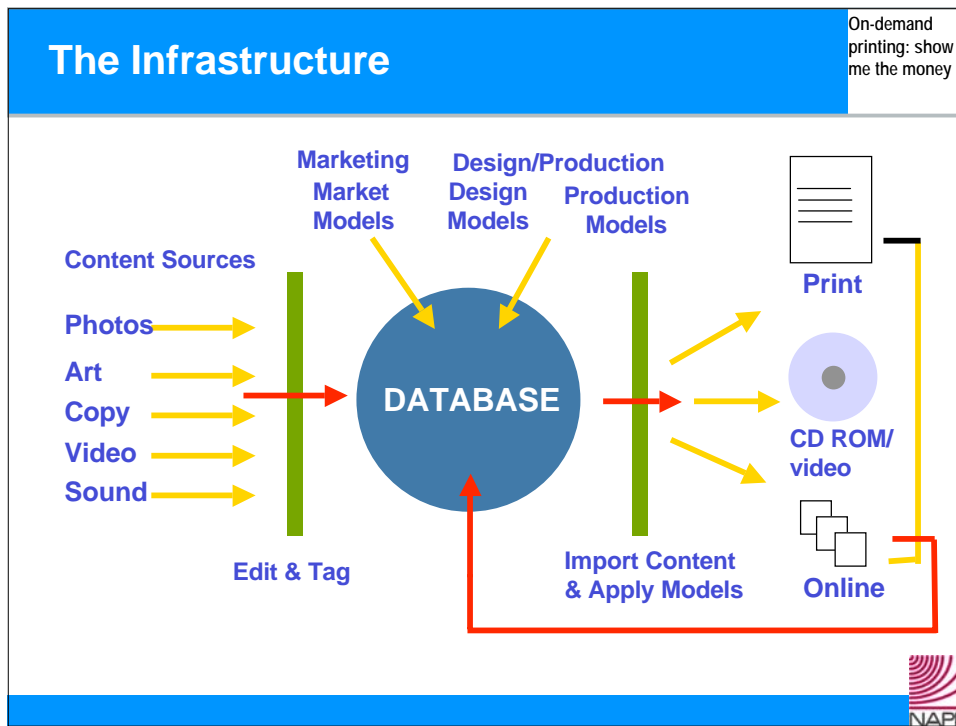
“John, as a buyer for Acme Construction you spend an average of \$1.3 million per year on rental car expenses.”

Relevance, Targeting & Convenience is the best

“John, we have set up a call center and web site for your staff. In less than 3 minutes, your staff can make reservations and save 20% annually.”

Source: Podi.org





Value = Convenience = On Line

On-demand printing: show me the money

estimates
ordering reprints
template design
variable data
job submission
preflight
proofing
job tracking

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Internet Changes Everything!

On-demand printing: show me the money

ARE YOU STILL BUYING MARKETING RESEARCH DONE THE OLD-FASHIONED WAY?

Direct
Sales, research products, cross media marketing
75% US online & 75% research products online
New demographic, internet not TV

Indirectly
Greater convenience
order, track, preflight, proof

Revolutionary
Data gathering for DB
New services: template driven design, collaborative production

Do it better on the Internet with the company that pioneered online marketing research. Our panel of more than one million consumers from all across the Internet is the largest of its kind. It produces robust samples of any demographic or lifestyle you choose. You'll get richer, more actionable information quicker than you can say dot com.

Join the Research Revolution! Contact the world's most experienced internet marketing research company for studies online, on time, on target and on budget.

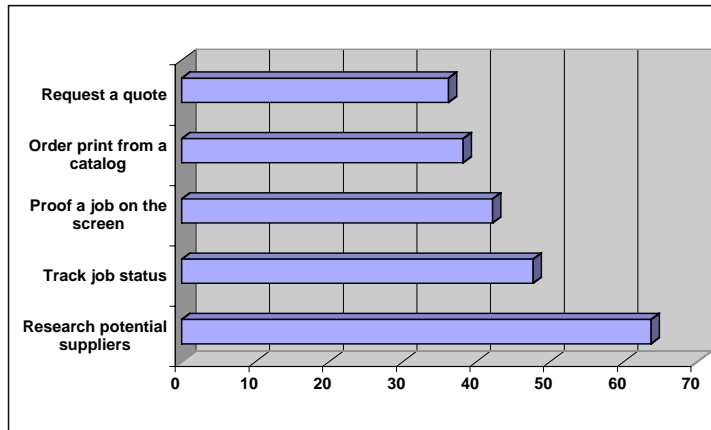
www.greenfield.com 888.291.9997

Greenfield Online
Leading the Research Revolution!

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Popular Internet-Enabled Tools

On-demand printing: show me the money



Most frequently used internet based tools in Fortune 500 companies

Source: CAPV, New Corporate Print Customer 2003



PDF->HTML conversions

new

Variety of tools and suppliers
Vertis complete solution to transform print catalogs to web, build db and shopping cart

Others

- PDF Online
- PDFtoHTML
- Click to Convert
- Amber PDF converter
- PDF to HTML
- Adobes online PDF converter
- GlobalShareware
- PDF Ripper



Source: Images Vertis, 340 converters pdfzone.com

Web Based Print Services

On-demand printing: show me the money

Benefits


- Decrease costly "hands on" steps (writing estimates, job jackets, etc)
- Automate production (On-line estimates, PDF proofs, job queue)

Features - Basic

- Web storefront- accept jobs
- Capable of supporting output devices from many manufacturers
- Maintain printing companies web site look and feel of branding
- Support standards (XML, PDF, JDF, PPML, WfMC)

Features - Advanced

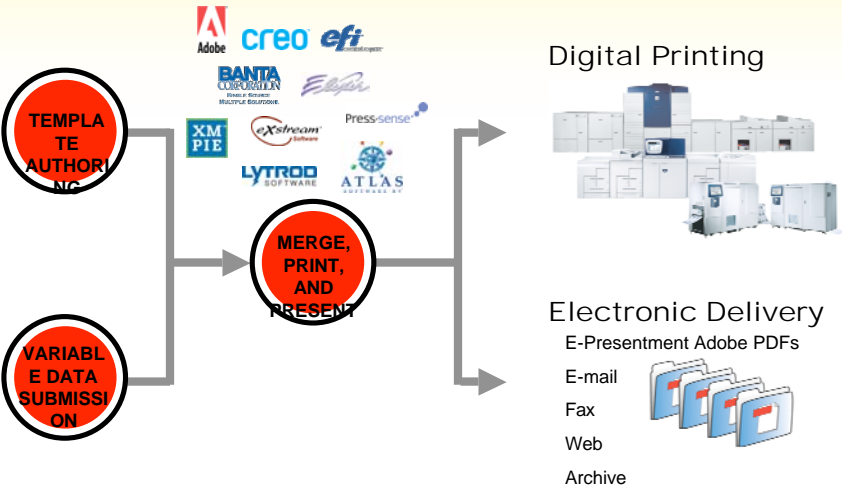
- End 2 End solution (buyer interface, printer interface, print manager)
- Facilitate reordering (I.e. letters, envelopes, forms, etc)
- Prompt users for print specifications
- Server applications that can read the data and take appropriate action to route the digital files to the appropriate production server queues
- Enables jobs to be received, electronically proofed, approved, scheduled produced and shipped
- Template based production - maintain the look and feel of branding for stationary and marketing pieces



Workflows for print and e-docs

On-demand printing: show me the money


Super efficient workflows for print and electronic documents



Digital Printing

Electronic Delivery

- E-Presentation Adobe PDFs
- E-mail
- Fax
- Web
- Archive



The Ultimate in Personalization

On-demand printing: show me the money

Personalized URL
Personalized email
Personalized print

Personalized Web Response Page
www.hp-education.com/herb.herbertson

- PURL
- Personal note to prospect
- Image of prospect's city
- Most probable cross-sell based on previous class
- Relevant links to class information

Front Side of Printed Direct Mail

- Personal note to prospect references prior course
- Image of course location
- Copy cites class name, location, & date

Personalized Email

- Relevant Location Photo
- Personalized URL
- Cross-sell Class, Closest City, Date of Class


How do I get to the \$\$\$\$

On-demand printing: show me the money


Create a Value Added Strategy

On-demand printing: show me the money


- Faster turnaround**
Can you get 1-2 days off your turn-around times
- Higher quality**
Higher line screenings, Hi-Fi color, FM or XM screening
- One stop shopping**
Creative, complex finishing, mailing, warehousing
- On line services**
Estimates, orders, status, preflight, proofs, templates
- Variable data services**
Customized, personalized, DB production
- X-Media**
Can you combine web, email, digital & offset print



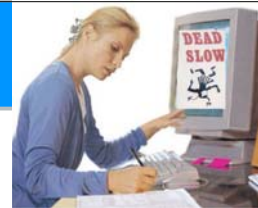
Roadmap for strategy



Faster turnaround	1 stop shopping	Higher quality	X-Media
Online software	Design services	Quality Audit	DB infrastructure
CTP	Finishing services	Process control	Online software
Remote proofs	Mailing services	CMS	Variable software
Digital Press			Digital Press



Faster requires automation



Traditional Problems

Printing evolved from different and separate fields
i.e. halftones, color separation, DTP, printing, finishing

Result is time consuming procedures

Paper forms, copy, paste and reenter info, manually set up

Today's innovators create "Islands of automation"

Different companies - design, prepress, press, postpress

Different areas - estimating, order entry, prepress, press

Tomorrow will create super-efficiencies, throughout and across departments

Automate admin: estimates, order entry, billing

Reduce production: prepress, press post-press set ups

Improve communication and convenience with customers

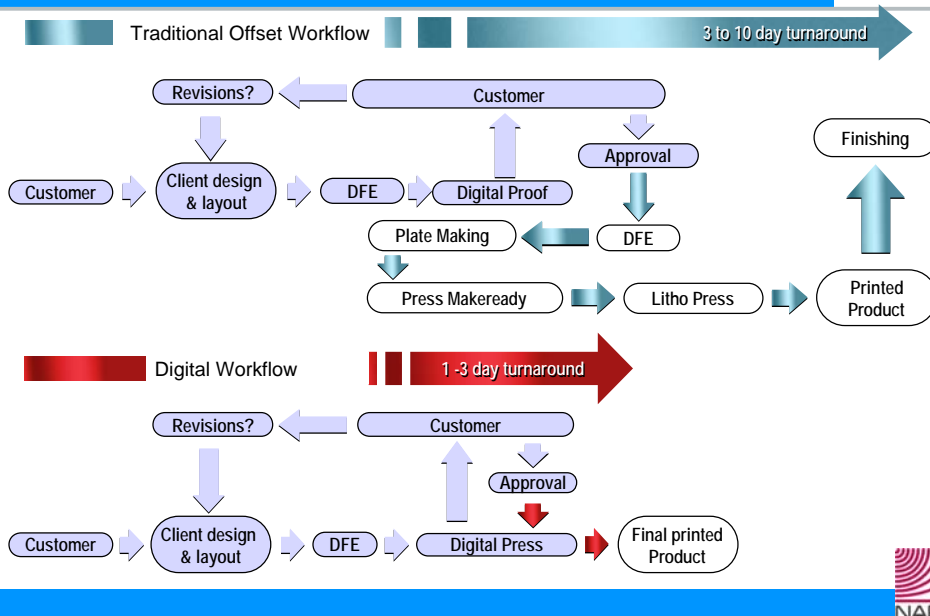
clear, complete job descriptions


estimates, order, tracking progress

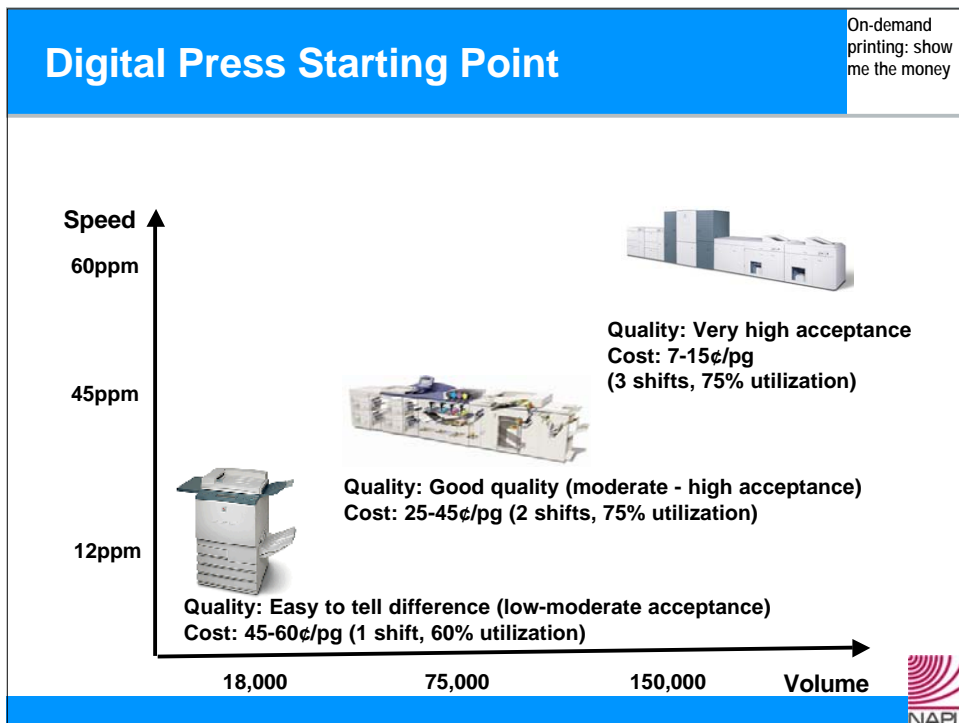


Simplified Workflow Equals Faster Turnaround

On-demand printing: show me the money



Faster, 1-stop shopping, variable, & X-Media require digital press		On-demand printing: show me the money
<p>Small Companies</p> <p>Less than \$1 million commercial printers Advertising Agencies \$5M or less In-plants/CRD's for companies < \$5 M sales</p>	<p>30 ppm black and white 6-12 ppm color device</p>	
<p>Mid - Size</p> <p>\$1 - \$10 M commercial printers Advertising Agencies \$5 - \$50M In-plants/CRD's for companies \$5 -20 M sales</p>	<p>45 - 90 ppm black and white 45 - 60 ppm color device</p>	
<p>Large</p> <p>\$10 M + commercial printer Advertising Agencies \$5-\$50M In-plants/CRD's for companies \$20 M + sales</p>	<p>(2) 90+ ppm b/w device or 1 - 150+ ppm (2) 45 - 60 ppm color devices or 1 - 100 ppm</p>	



Color Copiers new

Maker	Product lines
Canon:	ImageRunner, CLC
HP:	ColorLaserjet, Color
IBM:	InfoPrint
Konica Minolta:	8000 series, CF
Lexmark:	KM
Oce:	CDS, CS, TS
Oki Data:	C series
Pitney Bowes:	CD
Ricoh:	CL, Afcio
Riso:	M, R, V Series
Savin:	SD, C, CLP
Sharp:	AR
Toshiba:	e-Studio
Xerox:	Docucolor, WorkCentre

Small step - Equipment

Commercial application
Jay Pontiac-Buick
 Wanted to increase call sales and service started with 60 ppm device

In-plant / CRD
Securian retirement services
 manages \$5.7 billion for 2,800 plans and 180,000 plan participants nationwide

Strategy
Both started slow
 60 ppm, \$150K device
After proven success
 Added another or upgraded to 100 ppm

SOLUTIONS January 4, 2008 - March 31, 2008

Are Your Plan Assets Diversified?

Investment expectations vs. historical performance

Followers get easier

Small step - Variable w/ Offset


Hybrid: Offset shells & laser printer
 Print black and white - offset
 Run through a high speed black and white printer


Versioning
 different products, different groups

Offset - change the black plate

Selectric Binding - different sections

Simple Inkjet Personalization
 "Congratulations Howie you've won"






Marketing & sales are different

Its not	It is
Selling 1 job @ a time	Sell program, consultative sales, research their objectives, ongoing campaigns (& revenue streams)
Easier to sell	Tougher to sell: more education, show ROI's, longer sales cycle, different contact
More competition	Less competition
Longer runs, greater times, higher prices/job with decreasing cost per page	Shorter runs, faster turnaround, charge less \$ / job, more \$/pg., more responses/\$, more leads/\$
Smaller profits, easy for customer to leave	Higher profits, tougher for customer to leave

On-demand printing: show me the money



Template-based design & production

On-demand printing: show me the money

Templates designed access & re-use

Maintain brand consistency
Increase channel activity
Reduce time to market



Reduce costs

Replace error prone processes create better files
Reduce obsolescence
Amortize the design & setup costs over many uses

Templates can be easy

Business cards, stationary, sales materials
Versions and personalization can be easy - name, address, logo, demographics

Templates can be complex

Transactional data: financial, legal,
Sales materials: specific with text and pictures to groups or individuals



Thanks

On-demand printing: show me the money

Sources of info

My newsletter

Digital Technology Trends Emailed upon request

How do you get it?

Give me your card & write

Newsletter on back

Other Sources:

www.napl.org/randecouncil.aspx

R&E Council and Digital Smart Factory

www.podi.org

www.gain.net

www.ipa.org

www.HowieFenton.com

If you get the chance – stop by the NAPL booth #862 and say hello!

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