

Commercial *Printing* Industry



SIC CODES:

2732, 2752, 2754, 2759

NAICS CODES:

3231

Industry Overview

The Commercial printing industry in United States consists of more than 35,000 companies and accounts to an annual sales of more than \$100 billion. Out of these, most of the companies are small and mid-sized businesses and indulge in printing on apparel and other textile products, paper, metal, glass and plastics. The jobs also include book binding, typesetting, and platemaking. The major companies are RR Donnelley and Canadian printer Quebecor World.



Toll-free: 888-400-1602

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Products, Operations, & Technology

Major products of commercial printing industry include phone books, magazines, newspaper inserts, labels, brochures & catalogs, corporate reports and training manuals and business forms. Major services of the industry include: pre-press services, printing, finishing and fulfillment and other services like database management. Today commercial printing has evolved a lot. Industry insiders have realized the benefits of digital presses in terms of reduced man-hours, effort and time

Regional & International Issues

California, Illinois, Pennsylvania, and New York are the biggest hubs of commercial printing industry and generate 30% of the industry revenue. The industry is more in demand within the United States and export only 10% of its services to countries like UK, Mexico, and Canada. China also is United States' client for exporting their printing services.

Recent Developments

- Printing industry is facing the heat from 'Go Green'.
- Lean manufacturing is widely accepted by the companies to bring more efficiency and save costs.
- Quebecor World struggle is still going on.

Business Challenges

1. **Heavily dependent on consumer income/national growth:** The growth of commercial printing industry is directly dependent on national growth especially in the field of advertisement. Better the growth, more is the demand. Financial printing is gaining demand in the past years along with commercial printing.
2. **Inconsistent rise in price of the printing equipments:** The printing cost is directly related to the cost of printing materials like paper and ink. With increase in paper price due to environmental concerns, printing companies are compelled to increase the printing price as well. Lesser the paper price more the units produced. Similarly ink cost also varies with change in rate of oil and resins.
3. **Electronic text reduced the demand of printed material:** With information technology in its full swing, consumers prefer electronic documents and texts instead of the traditional printed documents. Most of the documents are available online which can be easily downloaded, stored, and accessed. Hence their printed forms are losing its popularity.
4. **Digital technology in demand:** In the age of information technology, customers are expecting the printing work to be done in a minute's time. This in turn is putting too much pressure on the traditional commercial printing companies for prompt fulfillment.
5. **Tough competition with in-house printing:** With the coming of Laser and color printers in the market, small companies are able to manage in-house needs independently. This lessens the opportunity for the commercial printing industry.

Industry Trends

Inclination towards digital technology: Digital presses are doing great in today's time. There is tremendous growth in printing industry due to digital technology. It gives faster output, has print option in multi-colors, and bulk orders can be completed in short span. The digital technology gives opportunity to create fine images without using a camera.

Continuous consolidation since 1990: The US commercial printing industry is experiencing the heat of consolidation since 1990s. The inclination towards digital technology and small companies inability to adopt it because of high investment is becoming a major cause for this.

Cost per page has reduced: With digital technology, the cost per page has reduced. Research says that the decline in cost per page will be around 10% per year in the days to come. The black and white print job has almost come to an end as the cost of color printing has come down.

Digital image storage in demand: With digital technology being adopted by the printing industry, companies are engaging their customers by providing facilities like digital storage of image and data along with the printed documents.

New Opportunity

Going online to reach more customers: Today printers have better opportunities to reach their distant prospects and customers through internet. Digital technology and reduction in the processing charges have bettered the chances of fulfilling customer's demand in less time and budget. Doing the print production online eliminates exhausting pre-press stage, saves money, helps in what customers are actually looking for, and saves delivery cost and time.

Making the process more secure: Printing companies have taken serious steps towards data protection. The use of UV and fluorescent; infrared (IR) inks has grown in demand. Though there are lots of scope for improvement and development.

Digital printing to stop wastage of resource: Research says a huge stock of printed books and magazines remain unsold, and printing industry loses its revenue. Going online and adopting digital technology is helping printing companies especially small ones to save wastage of resource, money and effort.

New printing materials and technology – To reduce costs and wastage of resources, commercial printing industry is inventing latest technology, tools and materials. The use of single-fluid inks has increased. This ink doesn't contain water and can be washed in water with no other solvent required. Another is computer-to-plate (CTP) system that assists small-size printing companies to save up to 50% of materials from getting waste.

Value-added services: Clients now look towards value add services along with the base offerings. With the new age printers providing marketing and advertising services, publishers should ensure that they offer the complete services. Webpage designing, binding, CD services, database management, electronic prepress, etc., provide immense value to your clients.

WEB LINKS AND ACRONYMS

Industry Web Sites

Graphic Arts Information Network

Industry news.

<http://gain.org>

Graphic Arts Monthly

Business magazine for the printing industry.

<http://www.gammag.com/>

Ink World

Articles on printing ink and coating industry.

<http://www.inkworldmagazine.com/>

National Association for Printing Leadership (NAPL)

Newsletters, publications, discussion forums, events, an online marketplace, and advice on sales, marketing, human relations, operations, technology, and financial management.

<Http://www.napl.org>

National Association of Printing Ink Manufacturers

Convention and general information; publications; issues concerning health, safety, and the environment; two magazines.

<http://www.napim.org>

Print Solutions Magazine

Top distributors, news, links, stock watches, archives, and FAQs for form printing entrepreneurs written by the Document Manufacturers Industries Association.

<http://www.formmag.com/pshome.html>

Printing News.

News.

<http://www.printingnews.com/>

Specialty Graphic Imaging Association (SGIA)

Industry news and weekly updates on the advances and interests of digital and specialty imaging and printing.

<http://www.sgia.org>

The Association for Suppliers of Printing, Publishing, and Converting Technologies

Conferences, trade shows, education, government affairs, international trade, market data, market research, product safety, standards, publications, and legal issues.

<http://www.npes.org>

What They Think

“Competitive intelligence for printing executives.”

<http://members.whattheythink.com/results.cfm>

GLOSSARY OF ACRONYMS

CAD - Computer-aided design

CTP - Computer-to-plate

EDI - Electronic document interchange

EDSF - Electronic Document Systems Foundation

NPES - The Association for Suppliers of Printing, Publishing, and Converting Technologies

PIA - Printing Industries of America, Inc.