

Act Now Plan Now!

The future of communications is one where the print and digital worlds collide, working together to create a symbiosis that's key to garnering the attention of today's consumers. Take hold of a universe full of new opportunities.

CRISIS ARE LIKE ADRENALINE FOR INNOVATION

When a once-in-a-millennium global crisis hits every corner of the planet, we gain an opportunity to experience life collectively.

THE WORLD MIGHT SEEM THAT IT'S PAUSED

The rapid adoption of smart technologies to augment traditional manufacturing processes is creating massive change at unprecedented speed.

MAKE THIS MOMENT MATTER

Patience is a virtue—not a recovery plan. Keeping a pulse on emerging market needs and equipping your shop to pivot is the best way to respond.



Act now. Plan now.



THE CASE FOR INNOVATION IN A TIME OF CRISIS

Our world and its economy are made of disparities and variability that result in polarized experiences. Rarely do we see the same reality or feel the same pain across geographies and industries. So when a once-in-a-millennium global crisis hits every corner of the planet, we gain an opportunity to experience life collectively. To learn from one another. To reshape our daily existence. To reimagine

our businesses. Survival becomes much more than a concept—something many of us are used to being far removed from—but a real, concrete call to action. For a short but meaningful time period, we see ourselves, our work, and our resources in a whole new light. Change is unavoidable. Disruptive. But it's also directable.

How will you make the most of this make-or-break moment?

“The moment is not to be lost: those who step up their game will be better off and far more ready to confront the challenges—and opportunities—of the next normal than those who do not.”

– McKinsey, From surviving to thriving: Reimagining the post-COVID-19 return

STATE OF THE WORLD

Crisis accelerates global transformation

THE WORLD MIGHT SEEM LIKE IT'S
PAUSED—BUT IT HASN'T

Facing stagnant growth, it could seem most sensible to wait out the storm that is a global pandemic and to recoup print volumes and jobs as they existed previously. But like every profession, printers will emerge from the crisis to see a whole new world, unlike the one they served before.

Just as we don't feel the earth rotate due to its extreme speed, it may feel like the world economy has stopped—but it's simply changing faster than we're accustomed to experiencing it. Businesses have to respond and adapt in order to survive, but where do they start?

The rapid adoption of smart technologies to augment and enhance traditional manufacturing processes is disrupting almost every industry in every country, and creating massive change at unprecedented speed.²

As if trying to stay competitive in a mature market wasn't enough, this new velocity is accelerating consumer behaviors and technological changes that were already poised to reshape the commercial print industry.

The competitive advantages, differentiators, and relevance to customers that kept brands successful before have been pressured by the rise of digital, and now that pressure has been compounded.

“Crises are like adrenaline for innovation, causing barriers that once took years to overcome to evaporate in a matter of days.”

– McKinsey, Innovation in a crisis: Why it's more critical than ever



STATE OF THE WORLD ECONOMY

Tuning into new trends arising from crisis-accelerated change

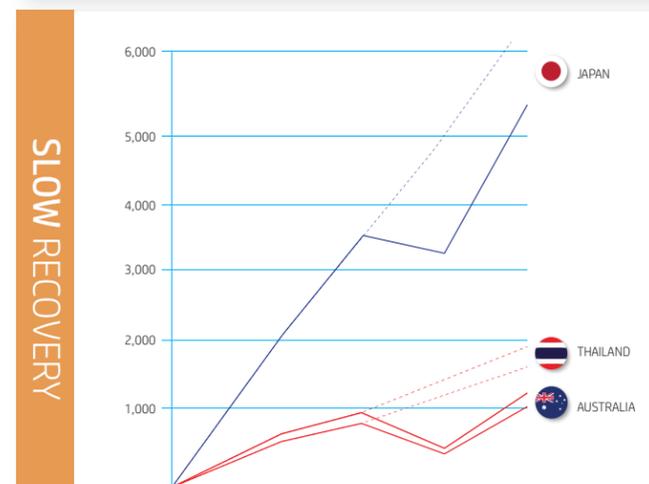
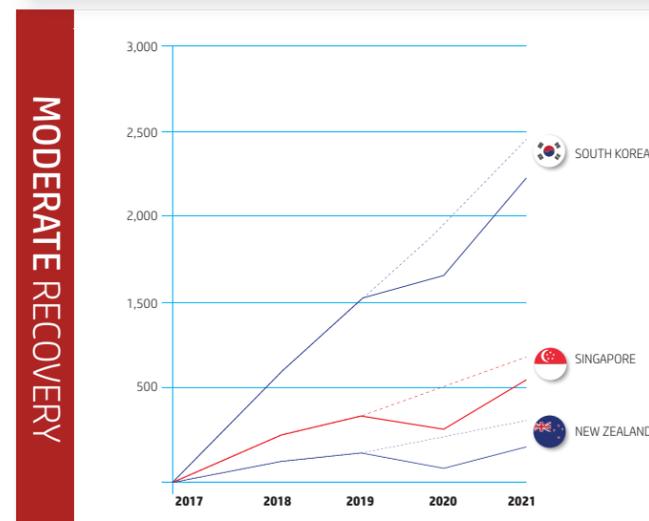
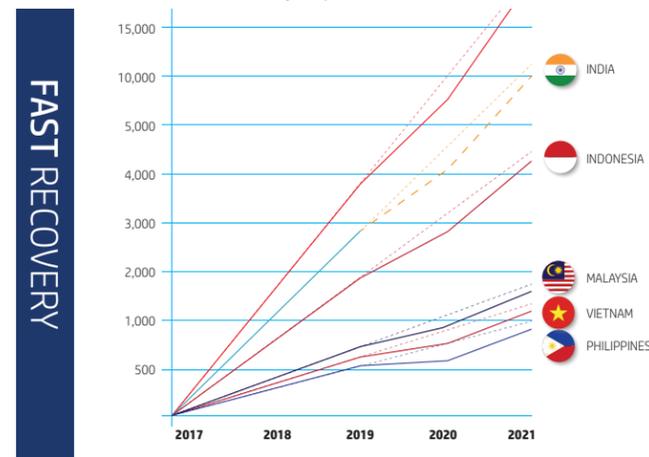
CHECKING IN WITH THE GLOBAL RECOVERY LEADER

As the first country to grapple with the crisis, China has been on the frontlines both of post-COVID-19 economic recovery, and of the societal changes the pandemic has precipitated. Efforts to stabilize the domestic economy are already well underway, and as that recovery takes shape, several important shifts in the makeup of China's economic landscape have already become apparent.

The Global Financial Crisis (GFC) has accelerated preexisting trends, ushering in the arrival of a future we were likely already on track to realize.⁴

As we see in China, these projected fundamental changes to industry are already arriving, and they're calling on executives to act immediately, before they've fully crystallized. Read on to find out how business leaders plan to investigate and act in the face of a new economy.

Significant variation in recovery trajectory estimated for APAC region, with China, India, Indonesia and Malaysia predicted to have fastest rebound.



Source: Bain & Co.

1. Rapid acceleration of digitization in both B2C and B2B markets
2. Rise of more agile and tech-savvy competition
3. Major shift away from global markets to domestic and local

PEER ATTITUDES + HOW TO START RESPONDING

Getting a pulse on executive attitudes

HOW BUSINESS LEADERS ARE MOBILIZING DURING CRISIS

In McKinsey & Company's survey of 200 organizations across industries, more than 90 percent of executives expect the impact of a GFC to fundamentally alter the way they do business, not just temporarily scale them back.

changes, businesses have to adapt their fundamental structures in order to stay relevant in the post-crisis "new normal."

Recognizing crisis-born changes as a catalyst for new business opportunities is a reason to be hopeful, but how do business owners identify these possibilities and pursue them intelligently and concretely?

echoes another prominent recovery strategy by Bain & Company recommends⁵: What both have in common is that recovery requires quick, in tune capturing of newly risen opportunities and preparing for long-term structural changes.

The executives also agreed almost unanimously on something else—that the financial crisis won't just bring fundamental changes, but also significant new opportunities for growth. It makes sense. If the market experiences fundamental

Responding to fundamental shifts

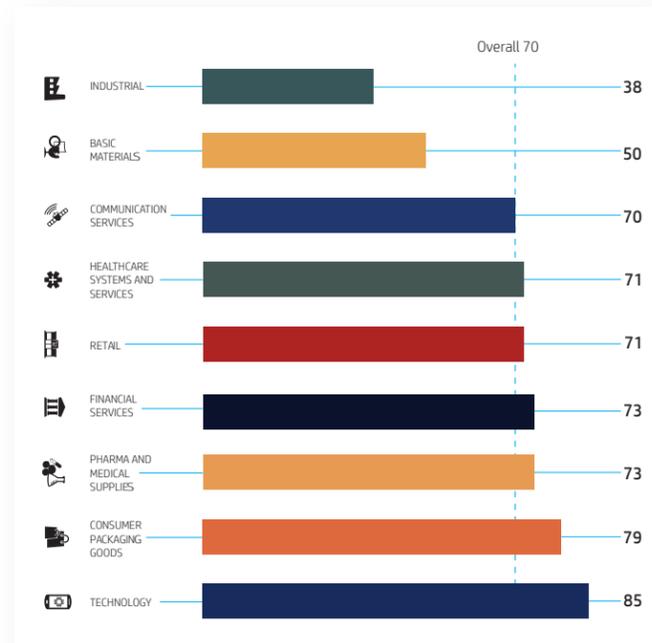
- Working locations and habits
- Company-customer interactions
- Customer choice and purchase habits
- Supply chain delivery

Experts at McKinsey say that the steps to innovation during crisis slightly differ from typical recommendations they make during times of stability. It

Here's a closer look at the 3-step approach experts recommend for putting these principles into action: **Discover, Evolve, and Choose.**

Nearly three of four executives agree that changes brought about by COVID-19 will be a big opportunity for growth, with variation across industries.

Share of executives who expect the COVID-19 crisis to be one of the biggest opportunities for growth in their industry, %



Source: McKinsey Innovation through Crisis Survey

DISCOVER

Identify real possibilities. Uncover differentiated, winning value propositions based on actionable industry, market, customer, and technological insights.



EVOLVE

Use discovery insights to create new business models that offer robust, scalable profit sources. Identify offerings unlikely to return.



CHOOSE

Reconstruct portfolio, reform resources and allocation toward opportunities that best represent "next normal" and away from those that will no longer apply.



A new economy means a new way of doing business, but knowledge and action are two different things.

what's available in your industry, specifically? Read on to find out how leaders approached innovation in recent crises and what real possibilities exist for you in this one.

When do you start applying this new information? And

WHEN TO START RESPONDING

Harness the power of now

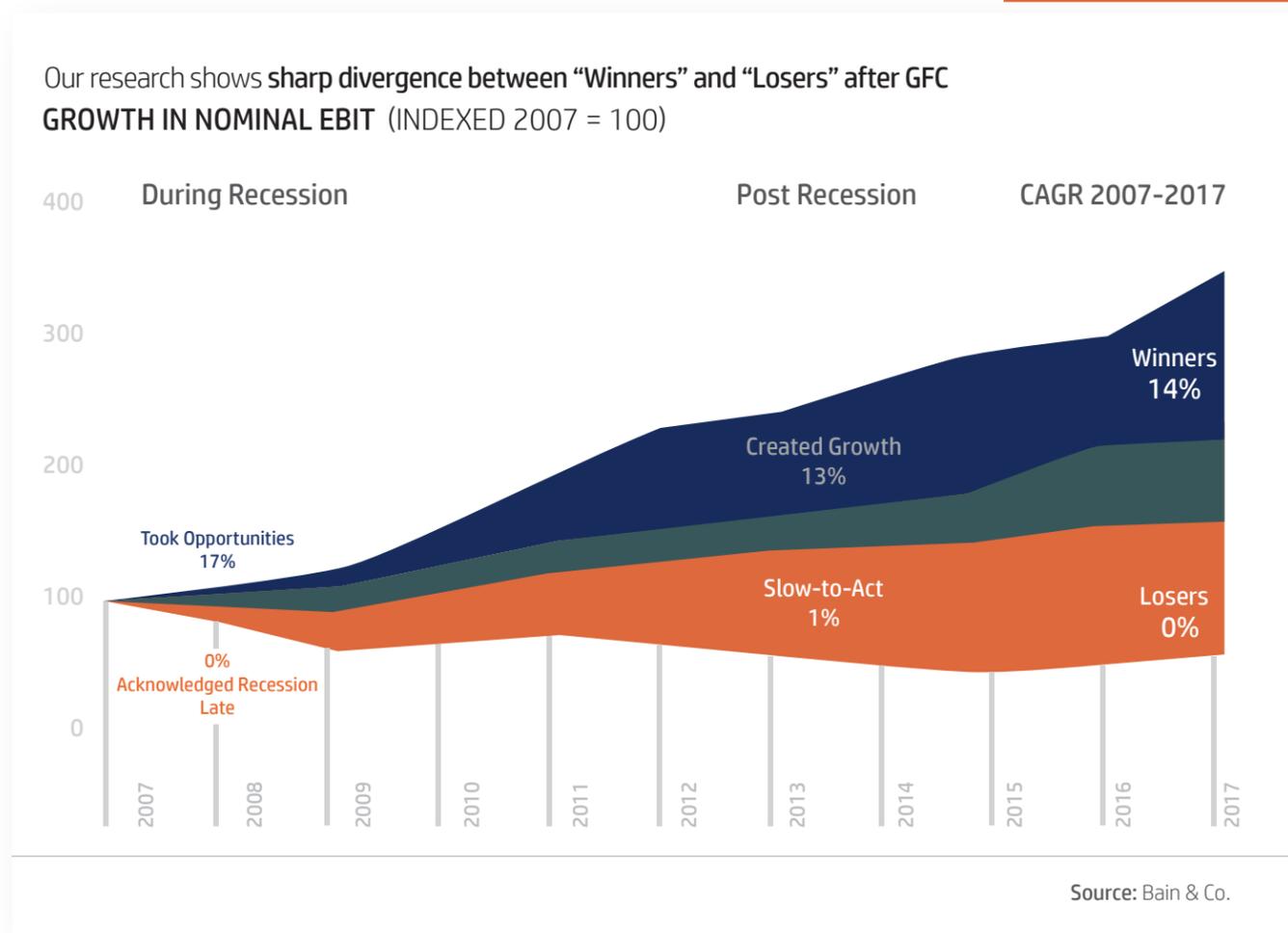
HISTORICAL DATA AND EXPERTS WARN: WINNERS DON'T WAIT

If we can learn one thing about recovery from the 2008 Global Financial Crisis, it's that timing is everything. The graph below shows the CAGR

experienced by companies from 2007-2017, tracking how different recession responses affected growth for the following years. Those that acted swiftly in

the midst of crisis not only survived, but created double-digit growth, while their slow-to-act counterparts experienced 0% growth over the same period.

Real possibilities exist for the resourceful, and history has proven it.



Innovative business owners in all industries, including print, are looking at this fast-changing global market with fresh eyes. Activating their entrepreneurial spirits, they're finding new ways to use their skills, tools, and assets

to serve new markets and carve out much-needed profits. What might be a quick save for your bottom line today, just might become a highly relevant new revenue stream that lasts for years to come.

Responding to new demands rising now by capturing a profitable niche, innovating into a submarket, and creating more value for existing customers aren't just strategies to survive a temporary downturn—they're how to

make the most of a make-or-break moment and gain the competitive edge needed to survive.

But what does that look like in commercial printing? Read on to find out.

WHERE TO START IN COMMERCIAL PRINTING

Print's new place in a digitized world

WHY PRINT IS WORTH THE INVESTMENT IN 2020 AND BEYOND

Already pressured with the challenges of a mature market and accelerating digitization, there's never been a better time for the commercial printing industry to embrace change. Headed in a direction beyond diversification and into convergence, it's essential for printers that want to keep growing to evolve into a business that is multifaceted in both its product and service offerings.

As marketers and print customers drive new demands based on the modern consumer's preferences, these new desires are presenting new opportunities for growth in an industry faced with decline in traditional business models.

Just because these traditional business models aren't spurring growth in the industry, doesn't mean print as a whole is suffering. If you turn your attention to emerging trends that have been accelerated by the global financial crisis, the staying power of print is clear—but it's also backed by science.

A collection of studies published by Forbes solidified the new symbiotic

relationship between print media and digital media. Overall, it found that a multichannel marketing strategy that uses the unique benefits of paper along with the convenience and accessibility of digital platforms creates ideal performance.⁶ Here's why:

LONGER REVIEW TIMES
Stacked against digital ads, print has shown the ability to keep potential customers reviewing the ad, longer.



EMOTIONALLY CONNECTIVE
Studies show ad viewers become more emotionally stimulated by print's physical qualities.



GREATER RECALL
Print has shown that it has the power to create lasting impressions of brands and messages



DESIRE-DRIVING
Compared to digital ads, customers showed a greater desire and placed a higher-value marker on products shown in print.



Marketers looking to create deeper connections and to optimize their budgets are using this powerful combination of print's sensory superiority and the multimedia, interactive qualities of digital. But in what specific areas are there opportunities to elevate print right now? Read on to find out.

REAL POSSIBILITIES, NOW.

Real possibilities taking shape in commercial printing

WHERE TO FOCUS EXPANSION EFFORTS

The GFC has shifted the way we live, what products we purchase, and how we interact with brands at every stage of the buying journey. A surge in certain products doesn't just mean more opportunity for printed items as the object of attention themselves—it also means more printed materials for non-paper goods.

Think inserts, how-to guides, booklets, warranties, coupons, and branded restaurant takeout collateral. Plus, all of these influxes mean more marketing campaigns that are poised to take on the print/digital hybrid of today's engagement strategy.

Here's where real possibilities are showing up in our new economic landscape.

Work styles and locations get reworked

As more workers operate at home, office equipment changes, too. The global office supplies market is estimated to grow to \$247 billion by 2020,⁷ with the global paper products market expected to register a CAGR of 0.3% from 2019 to 2025.⁸ Surprisingly, the paper-based stationary segment is expected to grow at more than double the rate of the general global paper products market.⁹

Plus, all the personal finance companies that workers engage with to keep their finances in order are steadily the biggest contributors to direct mail. The insurance industry, credit card companies, mortgage and loans providers, banking, and investment sectors soar past a combined \$11B in direct mail consumption.¹⁰

Approaching learning with a new outlook

Movements to home-based learning have produced a need for more home-based learning materials. As the use of digital learning platforms and devices varies among age groups, geographies, and other socioeconomic factors, paper isn't facing elimination any time soon. Plus, younger learners not ready to engage in coursework need products that enable enrichment.

For example, the toys and games market is expected to



grow by \$54.72B from 2020–2024, according to market research report by Technavio.¹¹ The global smart learning market accounted for \$19.41 billion in 2018 and is expected to reach \$82.88 billion by 2027 growing at a CAGR of 17.5%.¹²

But even digital learning doesn't totally free education from paper—that's due both to the high cost of digital learning production as well as the vast variations in teachers' embracing of technology for learning and working. Textbooks, notetaking materials, workbooks, and even instructor resources are still being used as teachers continue with the industry's popular blended-learning style.

Textbooks aren't the only books still popular in print. As genre tastes and reading methods evolve, new opportunities for print have been ushered in along with the e-book wave. Print-on-demand capabilities have given a resurgence to the self-publishing and independent publishing segments.¹³ The global books market is valued at \$115B and set to grow at a CAGR of 0.9% through 2025.¹⁴

Reconfiguring how we navigate our communities

In Asia, local brands are growing at twice the rate of multinational brands,¹⁵ and these hyperlocal markets are

latching on to direct mail to engage consumers—especially personalized direct mail. Think grocery mailers, auto offers, dentistry reminders, and more.

The way local brands reach their customers has changed, but the way that customers navigate these brick-and-mortar locations once they choose to visit has also. The printed signage market was valued at \$45.88B in 2019, with the market expected to reach a value of \$46.85B by 2025. Additionally, the global safety signs market is expected to grow by \$258.65M, as per Technavio, adding up to a 3% CAGR over the same forecast period.¹⁶

Keeping keepsakes physical

Though the convenience of digital media and online platforms serve the moment well, print's permanence makes it a perfect candidate for helping people create lasting, treasured keepsakes.

The global personalized gift market is set to grow by \$15.92B through 2023, which is photo-forward and diverse in its application range.¹⁷ Photobooks themselves, in the US alone, are expected to reach a market size of \$6.51B by 2022. These photobooks are seeing growth in both the personal and professional sectors, with most popular uses being for family photo books and

professional design portfolios. More specific to the home front, family recipe books and cookbooks have seen double-digit growth rates in recent years, with a CAGR of 21% and 25%, respectively.^{18,19} More time at home and more time to hone domestic skills as hobbies may keep the numbers strong for years to come.

Rethinking how we dine out

As many are finding ways to dine with their favorite restaurants from home, what comes with the takeout trends is also a refresh of the collateral that comes with the meals. Online food delivery revenue in the US alone is expected to show an annual growth rate of 5.1%, resulting in a projected market volume of \$32M by 2024,²⁰ with opportunities for an increase in takeout menus, delivery collateral, single-use menus, and single-use utensils and serving equipment.

These print items aren't just another method to convey marketing information to customers. High-quality prints are adding value in a way that helps restaurants create a strong branded experience—even if they can't do so in person.

CONCLUSION

Make this moment matter

INNOVATE TO UP YOUR PIVOTAL POWER

Patience is a virtue—not a recovery plan. Keeping a pulse on emerging market needs and equipping your shop to pivot is the best way to respond to a downturn, ensuring your business can stay relevant no matter what the economy looks like post-crisis.

While the growth opportunities for print are obvious, it's important to note that they are different than the opportunities of the past. With the rise of personalization, premium products, bespoke brands, the pressure for convenience and more, printers need to be tech-savvy and equipped with tools that keep them agile so they can catch possibilities as they arise and evolve.

A future-proof printshop will offer runs of all lengths, greater product quality and diversity, customer-centric services, and cost-optimizing equipment in order to capture the growth opportunities taking shape today.

It's time to get moving! Learn how we're helping printers like you recover, retool, and capture real possibilities right now.

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