The Value of PRINT

Advancing Graphic Communications
PRINTING INDUSTRIES OF AMERICA

Your offline flip-book with facts and figures to support your sales efforts in the modern media mix

www.printing.org/valueofprint

The Value of
PRINT

Misconceptions

Scan the QR code to ***access a video*** discussing the misconception section of the flipbook and the Value of Print website.

How do *you* respond to common misconceptions about print?

Using paper kills trees.

The primary ***raw material for paper*** is trees, which are a **renewable resource.** The trees in North America used for paper production ***come from well-managed forests or farms.*** *(Print Grows Trees)*

Today **the U.S. has 20% more trees** than it did on the 1st Earth Day *(AF&PA)*, which took place ***in the spring of 1970.***

Misconceptions

Private landowners ***plant about 4 million trees every day***, which is ***3–4 times more than they harvest***. This gives them the income they need to maintain, ***renew, and manage*** this **valuable forest resource sustainably**. Without that income, **landowners face economic pressures** to convert forest land to other uses, including growing other crops that are more profitable or selling the land for development. In both cases, the ***forest is removed forever.*** *(International Paper, Go Paper, Grow Trees website)*

Just **11% of the world's forests are *used for paper*** (28% for lumber; 53% for fuel). *(International Paper, Down to Earth Series, "Is It Worth Printing?"/Choose Print)*

By providing a ***market for responsibly grown wood fiber***, the U.S. paper industry **encourages forest land owners to continue managing their lands** rather than selling them for development or other non-forest uses. This is an especially important consideration in facing ***economic pressure to convert forest land to non-forest uses.*** *(Two Sides)*

Forests "left to themselves" *would perish* due to disease, fire, and other natural causes.

The Value of

PRINT

Misconceptions

Electronic communication is *more environmentally friendly* than print.

In Europe and the U.S. around **60% of energy used** to make paper **comes from renewable resources.** *(Carbon & Energy Reduction, Print City, 2010)*

Adverse health **effects from producing an e-reader** are ***70 times worse*** than producing a book. *(Daniel Goleman and Gregory Norris, "How Green Is My iPad,"* The New York Times*)*

CO_2 emissions from **making a CD** are *4 times higher* **than** from **printing a 100 page, 4-color annual report.** *(ED #13, Balance, NewPage)*

In 2008, Americans generated ***3.16 million tons*** of **electronic waste.** *(EPS, MSW 2008 data)*

The Value of
PRINT

Misconceptions

Electronic devices typically **require** the mining and refining of ***dozens* of minerals and metals**, as well as the use of plastics, hydrocarbon solvents, ***and*** other non-renewable resources.

50–80% of **electronic waste** collected for recycling is shipped overseas and ***often* unsafely dismantled.** *(Facts and Figures on E-Waste and Recycling, Electronics Take Back Coalition)*

Printing is the only medium with a **one-time carbon footprint**—all other media require energy ***every*** time they are viewed. *(2010 PrintCity report on Carbon and Energy)*

As new research emerges, it is clear that **"either/or"** is ***not* the answer**. One must consider all the inputs and outputs before making a decision about which communications are better delivered electronically or on paper. By ***linking*** the **power of paper** with the efficiency of electronics, we can ***streamline* our communications** and help maintain the best **environmental balance** possible. *(International Paper, Go Paper, Grow Trees website)*

The Value of PRINT

Misconceptions

Print isn't *green*.

Being *green* does **NOT** mean using digital communication instead of print.

63.5% of all *paper consumed* in the U.S. was ***recovered*** **for recycling** in 2010. Paper **recovery** for recycling ***has increased by 77%*** since 1990. *(Ibid/Choose Print/AF&PA)*

Printed products are **a renewable resource**. Once a printed product has served its purpose, it ***reenters the cycle*** as a **new product.**

The Value of

PRINT

Misconceptions

33% of paper comes from wood chips ***and*** sawmill scraps; another **33%** comes **from recycled paper.** *(U.S. EPA/Choose Print)*

Direct mail represents **just 2.4% of** municipal solid **waste**, according to the U.S. Environmental Protection Agency. The **recycling recovery rate** of direct mail has *grown* nearly 700% since 1990. In 2009, discarded TVs, computers, peripherals (including printers, scanners, fax machines), mice, keyboards, and cell phones ***totaled*** about **2.37 million** short **tons.** *(EPA website, Municipal Solid Waste Generation, Recycling, and Disposal in the United States)*

The Value of PRINT

Effectiveness

Scan the QR code to *access video* discussing the effectiveness section of the flipbook and the **Value of Print website.**

The Value of
PRINT

Effectiveness

Direct mail is an important part of a *marketing campaign*.

85% of **consumers** sort through and ***read*** selected pieces of **mail every day**. *(Research by Mail Print)*

40% of **consumers** say that they **have tried a new business** after receiving direct mail. *(Research by Mail Print)*

73% of consumers ***prefer*** **mail** for receiving new product announcements or offers from companies they do business with **as compared to 18% from email.** *(International Communications Research survey)*

The Value of

PRINT

Effectiveness

76% of small businesses state that their **ideal marketing mix** is a *combination* of **print and digital communications.** *(Pitney Bowes Survey/Choose Print)*

A **catalog lead costs $47.61,** while **email comes in at $53.85 per lead,** and, what is more, the **response rate to direct mail** has consistently been ***three times*** **higher than email.** *(DMA 2011 Statistical Fact Book)*

Nearly **90% of consumers** say they *want* to **receive sales and promotions via direct mail** and find offers in the newspaper. *(Nielsen research)*

Effectiveness

Print *provides* results.

In 2010 an investment of **$1 in direct marketing** advertising expenditures **returned, on average, $12.57** in sales. This high return on investment **held up *across all industries*.** *(Choose Print/DMA, The Power of Direct Marketing)*

79% of total nonprofit **gifts come through direct mail, only 10% online.** *(Choose Print/Blackbaud: 2011 donorCentrics Internet & Multichannel Giving Benchmarking Report)*

67% of **online searches *are driven* by offline messages**, with **39%** of shoppers **making a purchase.** *(iProspect Offline Channel Influence on Online Search Behavior Study 2007/Choose Print)*

63% of consumers report that they ***bought* something they saw in a custom publication.** *(Ibid/Choose Print)*

The Value of PRINT

Effectiveness

Those **shoppers** who receive a direct mail piece directing them to an online site **spend an average 13% *more*** than those who do not receive a printed piece. *(U.S. Postal Service FY07 Catalog Whitepaper/Choose Print)*

Websites supported by catalogs **yield *163% more* revenue** than those not supported by catalogs. *(USPS,* Deliver *magazine, Volume 5, Issue 5, 10/09)*

60% of merchants surveyed said that **catalogs** are their **primary sales channel;** websites came in second at 20%. *(2008 DMA Study, State of the Catalog Industry/Choose Print)*

Combining **direct mail with other marketing activities *increases* campaign payback** by **up to 20%.** *(Meta Analysis of Direct Mail study, Brand Science on behalf of Royal Mail)*

Direct mail is an ***essential mechanism*** in the marketing mix for **converting desire and intention into action.**

The Value of PRINT

Effectiveness

Print is *Alive & Well.*

Consumers continue to **view mail as** a ***highly relevant*** **and *significant* part of their lives.** *(USPS Mail and the Internet)*

A customer survey conducted by ThinkShapes Mail indicates an extremely high customer satisfaction rating among those **clients who** have ***used shaped mail*** in their most recent direct mail marketing campaigns. ThinkShapes says shaped mail **increases the response rate** over "regular" direct mail by two to three times.

30% more dollars *are spent* by multimedia shoppers than single-medium shoppers. *(USPS Mail and the Internet White Paper)*

41% of **Americans shop using *both* catalogs *and* Internet.** *(USPS Mail and the Internet White Paper)*

The Value of
PRINT
Effectiveness

70% of Americans, including **69% of 18–24-year-olds**, state they **“prefer to read print and paper communications, *rather than* reading off a screen.”** The majority of respondents (67%) say paper is more pleasant to handle and touch than other media. *(Survey commissioned by Two Sides)*

Consumers in the **18–34-year-old demographic *prefer*** to learn about marketing offers via **postal mail and newspapers, *rather* than online sources** such as social media sites. *(Finding the Right Channel Combination: What Drives Channel Choice, ICOM, a division of Epsilon Targeting)*

70% of Americans enjoy **reading printed magazines *even though*** they know they could find most of the **same information online.** *(State of the Media Democracy, Deloitte Research, March 2011)*

74% of **college students *prefer* a printed textbook** when taking a class, and **53%** of college students **would not consider buying digital textbooks** even if they were available. *(Student Watch 2010, National Association of College Stores [NACS])*

The Value of PRINT

Effectiveness

Research shows people **learn *more effectively* from print than a computer.** Paper has major advantages in supporting annotation while reading, quick navigation, and flexibility of spatial layout. This allows readers to ***deepen*** their understanding of the text, ***extract*** a sense of its structure, ***create a plan*** for writing, ***cross-refer*** to other documents, and ***interleave*** reading and writing. *(O'Hara, K. and Sellen, A., 1997, Two Sides)*

It is *all about* the mix: Readex Research, survey specialists serving publications, associations, and corporate researchers, conducted **Media Usage Studies** between September 2010 and May 2011. Media used regularly by professionals to keep current:

- 77% report regular use of search engines.
- 74% say they rely on print editions of magazines.
- 74% say they depend on e-newsletters related to their industry.
- Websites of professional publishers, associations, or others informing the industry came in at 55%.
- Social media came in last, with 30% indicating regular use.

The Value of PRINT

Effectiveness

A new generation of **digital natives** show strong preferences for paper, still the **favored medium** of all age groups **for reading and safekeeping** of documents. *(Research conducted by IPSOS, in association with industry organizations Two Sides and Print Power)*

There are almost **187 million magazine-reading adults** in the U.S. Almost **half of all magazine readers** (46%) are interacting with their favorite magazines **exclusively in print.** *(Fall 2011 wave of Affinity's American Magazine Study which surveys 60,000 U.S. consumers)*

The Value of PRINT

By the Numbers

Scan the QR code *to access video* discussing the economic impact of the industry and the **Value of Print website.**

The Value of

PRINT

By the Numbers

Printing is one of America's **oldest manufacturing industries** with roots dating to before the Revolutionary War and Benjamin Franklin. While the industry has a long and distinguished past it also has a **large presence today** and ***a positive future*.** And, as America's most geographically dispersed manufacturing industry, it **provides thousands of good jobs** and entrepreneurial opportunities in every state and metropolitan area throughout the country.

Print's Large Economic Footprint

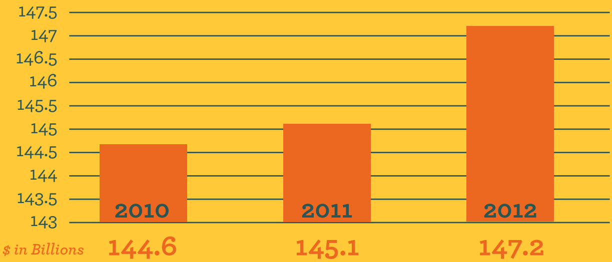
Printing has a very large economic footprint. The total value of shipments produced by the **American printing industry** in 2011 is **estimated at $145.1 *billion*.** According to Printing Industries of America's print market tracking model, **U.S. printing shipments increased** by approximately 0.4% in 2011. The growth was the result of the overall economic improvement and gains in advertising and promotion printing, particularly direct mail promotion related to the 2012 election cycle.

If the economy trends as projected, **print markets should continue to grow in 2012.** All in all, our projection is for **3% *growth* in 2012** and **3.3% *growth* in 2013** on a nominal or non-inflation adjusted basis.

The Value of PRINT

By the Numbers

Total Printing Shipments
$ in Billions



America's Largest Small Manufacturing Business

In contrast to many American manufacturing industries that are concentrated in large plants located in a few cities or a state, **printing is composed of virtually all scales of operations**: small, medium, and large plants scatted throughout the country. In fact, there are **more printing plants** in the United States ***than McDonald's*** outlets, making **America's printing industry the most geographically dispersed manufacturing industry** with plants located in every state and sizable city.

The Value of
PRINT
By the Numbers

At the end of 2011 there were approximately **31,500 printing plants** in the U.S. ***employing almost 850,000 employees***. On average, each printing plant employed around 27 with annual **shipments of almost $5 million.**

America's Largest Small Manufacturing Business

End of 2011

Plants	31,500
Employment	847,400
Shipments *per Plant*	$4.73 Million
Employment *per Plant*	26.9

The Value of

PRINT

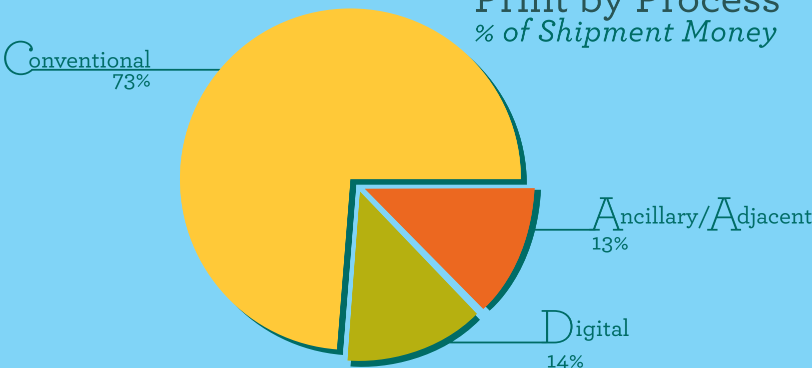
By the Numbers

A Diversity of Processes and Services

America's **printing plants utilize a variety of processes to produce numerous products and services** for their customers.

In terms of process, ***almost three-fourths*** of the annual dollar volume of printers' sales is produced by **conventional printing processes**—mostly sheetfed and web offset lithographic printing. The remainder of printers' sales is from digital toner-based and inkjet printing and various ancillary services such as creative design, mailing, database management, and other services.

Print by Process
% of Shipment Money



The Value of PRINT

By the Numbers

Print Is Multi-Functional

Although many print products and services provide multiple functions, we can sort data on shipments and plants by three major intended functions:

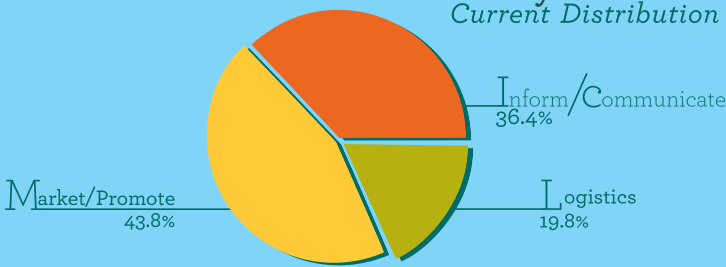
Print intended to ***inform or communicate*** factual and editorial information such as magazines, newspapers, books, and reports.

Print ***providing product logistics*** to manufactured products packaging, labels, wrappers, and product user manuals.

Print ***intended to market, promote, or sell various products***, services, political candidates, positions, or ideas—marketing and promotional print such as catalogs, direct mail, and brochures.

Print by Function

Current Distribution



Generally, **print logistics printers** tend to be **much larger** than printers specializing in the other two functions. In terms of annual sales volumes, print logistics printers ***averaged*** around **$16 million compared to $7.2 million** for inform/communicate printers and $2.5 million for market/promote printers.

The Value of

PRINT

By the Numbers

Multiple Products and Sectors

Most printers focus on particular products or market segments such as direct marketing or packaging. These segments have their own demand drivers, challenges, and opportunities. A **sorting of sales** changes for each sector relative to **print's overall sales trend** demonstrates a **diversified pattern of relative growth trends.**

Highest Relative Growth

Greeting Cards | Direct Marketing | Packaging

Modest Relative Growth

Labels & Wrappers | General Commercial

Less Relative Growth

Magazine Printing | Book Printing | Trade Services | Newspapers

Least Relative Growth

Business Forms | Financial/Legal

The Value of

PRINT

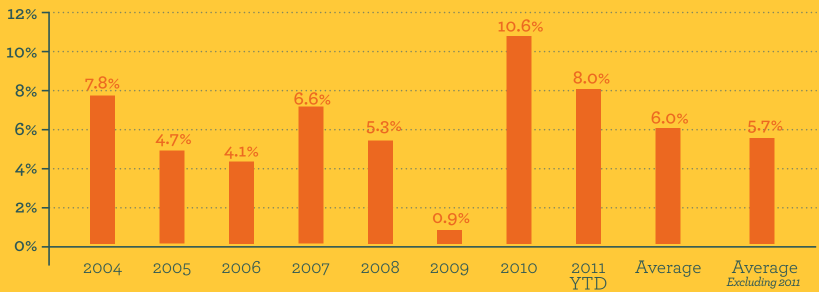
By the Numbers

Growing Importance of Digital Printing

Digital printing ***has increased*** at a rapid pace over the past decade. What is the source of this growth in digital printing? The primary reason is that **digital technology** is **consistent with customer needs** for smaller, more flexible printing. Also, digital toner-based printing allows for **more personalization and customization.**

Annual Percent Change in Digital Toner-Based Print

(Sales Weighted by Size of Firm)



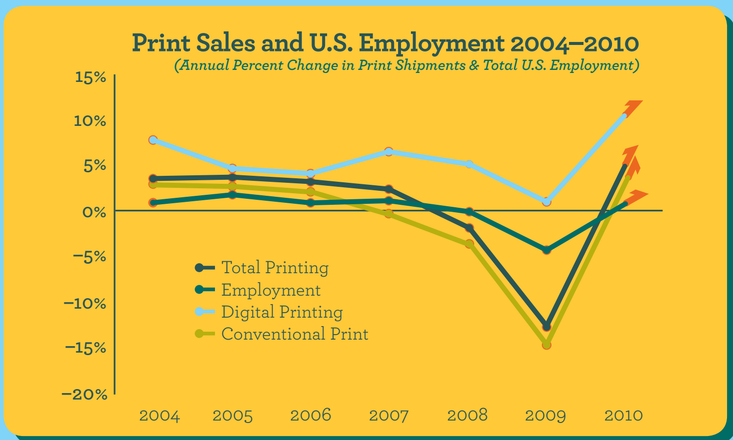
The Value of

PRINT

By the Numbers

Print and the Economy

In general, printing activity is correlated with various economic metrics such as gross domestic product (GDP), industrial production, and total employment. As demonstrated in the chart below, the **annual percentage change in total printing**, digital printing, and conventional (non-digital printing—primarily lithographic) ***track closely*** **with annual changes in total U.S. employment** over the study period.



The Value of

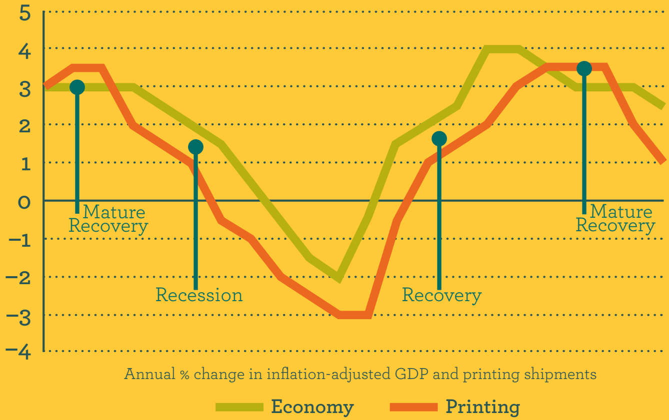
PRINT

By the Numbers

When compared to general economic cycles, **print typically leads recessions and lags recoveries** so that printing shipments turn down earlier as the recession begins and turn up slower once the economy recovers. **Print *does best* when the economy reaches a mature recovery phase.** In this sweet spot **print may outpace the economy** for a few quarters.

Profiling Economic Cycles

Typical Pattern: The Economy & Print



Annual % change in inflation-adjusted GDP and printing shipments

A Domestic Industry with a Global Reach

For the most part, **print remains a domestic industry** as most print that is produced here is consumed here and most print consumed here is produced here. However, **many printers *do export* a portion of their output** to foreign countries. According to our surveys almost **one in four printers sells to foreign customers**. On average, **exports comprise just over 7% of sales** for these firms.

Export Products/Services

Export: Yes or No	% of Printers	Average % of Company Sales	Median % of Sales
Yes	**23.5**	**7.3**	**2**
No	76.5		

The Value of

PRINT

By the Numbers

Financial Overview

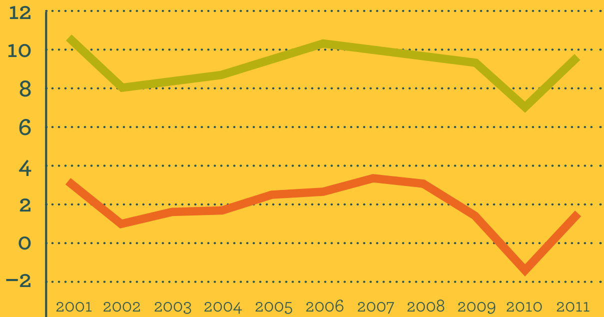
The printing industry incurred an **average profit for 2010** of **1.4%** ***for all*** **printers** participating in the 2011–12 *Ratios* Survey. This is an **increase of 2.8%** from last year's average loss of 1.4% and ***ends*** **a trend** of the three prior years of consecutive decreases. Looking back over the 90-year history of the *Ratios* Studies, an astute businessperson might predict the **reversal of the industry's recessionary trends**, as it has always happened. But with the ever-changing environment, even veteran industry leaders have expressed concern over the recovery. This report should alleviate some concerns. The industry showed approximately **$2.1 billion in total profits** over the course of the year, quite the opposite from 2009's approximate $1.9 billion in total losses. 38% of printers participating in the *Ratios* Studies posted a financial loss for the year, down from the 55% who reported losses in 2009.

The Value of PRINT

By the Numbers

Printers' Profits

Profit as a % of Sales 2001–2011



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
All Printers	3.1	1	1.6	1.7	2.5	2.7	3.4	3.1	1.5	−1.4	1.4
Profit Leaders	10.5	8	8.4	8.7	9.4	10.3	10.1	9.7	9.4	7	9.5

The industry's profit leaders, printers in the top 25% of profitability, **saw their profits *rise significantly*** over the year, **increasing to 9.5% *from 7.0%*** the previous year. Considering the conditions of the economy and the overall industry results, these top performers should consider themselves fortunate.

The Value of PRINT

By the Numbers

A Dynamic Future

As printers have ***focused* on diversification** over the years, they have moved from specializing in the production of printed products to **providing ancillary services** to offering their customers **communication solutions** and **print management services**. While there are many printing firms in each step of this progression, the unfolding trend is extremely dynamic as **firms *think ahead*** to the next step in the spectrum.

Looking further into the future, the **print logistics** function, although mature, ***should continue to grow*** in shipments at a pace about equal to the overall economy. This is true as long as manufacturing activity in the U.S. remains fairly healthy. While the **inform/communicate** function of print is declining it ***remains a large sector***. On a year-to-year basis, there may be some years when **total sector sales *grow*** when the economy grows at a particularly high pace. Also, not all firms in this sector will experience declining sales since some will **gain market share** at the expense of others.

The Value of

PRINT

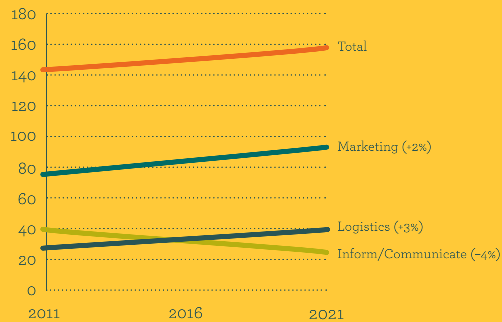
By the Numbers

The last functional sector, **market/promote,** is somewhere between the previous two sectors: in the late stages of maturity but ***not yet* in decline**. Shipments of print designed to **market and promote will likely increase** but at a pace less than the economy.

Printing Industries of America projects total, real, or **inflation-adjusted shipments *will likely grow*** at a modest pace over the next decade. By function, the inform sector is projected to decline by 4% per year over the next decade. The **marketing function** is **projected to *increase* by 2%** per year and the **logistics function by 3%** per year.

Annual Printing Shipments

By Function in $ Billions—Likely Scenario



Note: Inflation- and cycle-adjusted projection

The Value of PRINT

Resources

Scan the QR code to *access video* discussing additional resources that one can use and how to access them on the **Value of Print website.**

Resources

Print Grows Trees
printgrowstrees.org

"Focus on re-forestation rather than de-forestation. Supporting paper gives tree farmers the financial incentive to renew forests rather than clearcut them. Think before you DON'T print."

Choose Print
chooseprint.org

"Print is a powerful resource that can grow your business and actually help sustain forests."

Print in the Mix
printinthemix.com

"Even in the digital age, print is an essential piece in the marketing mix."

The Print Council
theprintcouncil.org

"Educating the print industry, the media, and marketers about the importance of print in the media mix."

American Forest & Paper Association
afandpa.org

"The national trade association of the paper and forest industry emphasizes sustainable practices and recycling."

Resources

Mail Moves America
mailmovesamerica.org

"Advertising mail fuels many American jobs in the mailing industry."

Print Power
printpower.eu/en

"Promote print media through focused advertising as a complement to online and television advertising."

Direct Marketing Association
the-dma.org

"Emphasizes direct marketing as a powerful tool that yields high ROI and responsibly educates consumers about their mail preference choices."

Down to Earth
internationalpaper.com

"Print on paper pays off economically and pays back environmentally."

Paper Because
paperbecause.com

"Paper is a sustainable, renewable, recyclable, plant-based product that connects us in so many ways to the important things in life."

The Value of
PRINT

Resources

The Paper Life Cycle
thepaperlifecycle.org

"Promotes a wider understanding and positive action around the key environmental issues affecting the life cycle of paper."

Paper Recycles
paperrecycles.org

"Recycling increases energy efficiency, reduces greenhouse gas emissions, and promotes sustainable forestry practices."

SGP (Sustainable Green Printing Partnership)
sgppartnership.org

"Print plays a vital role in the graphic communications industry, and sustainable business practices ensure continued viability and growth."

Two Sides
twosides.us

"Understand sustainability issues related to the graphic communications supply chain and more effectively promote the sustainability of our industry and your business."

USPS
about.usps.com/what-we-are-doing/green/welcome.htm

"Eco-friendly products and services from a company that has been doing it the "green" way for years."