



Adding Value to Digital Printing



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Adding Value to Digital Printing

EXECUTIVE SUMMARY

Print service providers offer many value-added services to differentiate their companies from the competition. A new and emerging area is adding special effects and embellishments to digital printing. Many new technologies are available to enable customers to include spectacular special effects in their printed materials. Many print applications — from marketing materials to labels and packaging — can benefit from printing enhancement technologies making the inclusion of special effects more efficient and affordable.

NAPCO Research (a unit of NAPCO Media LLC, the publisher of *Printing Impressions*, *In-plant Impressions*, *Packaging Impressions*, and *Wide-format Impressions*) conducted a research study to define the opportunity printing enhancements and embellishments offer print service providers and their customers. The comprehensive research effort focuses on trends, demands, challenges, and requirements of brand owners/marketers specifying special effects in their print applications. It also notes the actions printers/converters are taking to offer enhanced print capabilities and deliver print that wows.

KEY FINDINGS

The research offers important insights into the use, obstacles, and benefits of enhancing all types of printed materials with special effects and substrates. Here is a summary of key research findings:

Print Providers Are Embracing Digital Print Enhancement

- A number of today's digital printing devices and finishing solutions support special effects and embellishments to enhance print. These capabilities can transform printed materials from commodity, price-sensitive offerings into higher-value products that command a premium.
- The majority of respondents offer digital printing, and most of the work printed on their digital presses is four-color work.
- Almost half of print provider respondents that offer digital printing report enhancing digital print with special effects, while another 23% plan to add it.
- Providers expect monochrome and spot color work to decline over the next two years, while digital print work with specialty colors (i.e., white, metallic, or fluorescent), extended color gamut, and textured effects will increase.
- Printers are charging premiums for color enhancements, and marketers are willing to pay for them.
- Most print providers offer more traditional coatings, including flood, lamination, and spot. Newer effects, like texture, digital foiling, and special effect coatings are starting to gain traction.



- Print provider respondents report that most special color effects are produced in-line, while many coating and foil effects are outsourced.
- The primary reasons enhancements to digital printing are produced off-line versus in-line is that respondents don't have in-line equipment or offline is more cost-effective because it supports multiple press lines.

The Substrate Enhancement Opportunity

- Another important enhancement is the ability to print on a wider variety of materials. Today's digital print engines are capable of supporting an increasing array of substrates, including heavier stocks and synthetic materials. This brings great flexibility to print buyers in terms of the jobs they can produce.
- More than half all print provider respondents (54%) report that customer demand for special substrates is increasing, and 49% are using substrates to enhance print.
- More than one-third of respondents (37%) indicate that offering new substrates to customers improves profitability.
- There is an opportunity to increase the use of special substrates, as 57% of marketing/brand owner respondents are not familiar with using special substrates to enhance print. Meanwhile, 30% of marketing/brand owner respondents indicate using more specialty substrates/paper in their printed materials.

A Market Education Gap Exists

- Print providers are offering digital print enhancements, but there is a gap in knowledge and utilization of special effects across print segments. Packaging printers and converters are most familiar with digital print enhancement, while publication printers are the least familiar.
- Marketers with longer experience purchasing or influencing print are more familiar with printing processes than those with less experience.
- Many younger buyers are not familiar with print, and many older buyers don't fully understand the benefits of digital printing. There is an opportunity to invest in educating buyers on printing technology and special effects.

Key Adoption And Selling Obstacles

- More than half of print provider respondents did not offer printing enhancements to digital print work, citing lack of customer demand as the top reason.
- While marketers report being highly familiar with special ink effects and embellishments, they are not using them. The key reasons marketers do not use printing enhancements are that they think it is too expensive and takes too much time to produce.
- Two-thirds of marketer respondents don't use metallic color enhancements. Those that do are more likely to use gold or silver compared to iridescent or other metallic colors. Brand owners that purchase or influence packaging printing are more likely to use metallic special effects.
- Key print provider challenges in selling printing enhancements center on customer education. Marketers love enhancements but don't think they can afford them.
- Printers highlight lack of customer demand as the primary reason for not offering special effects, yet they do not know how to effectively sell them and communicate the value in terms of ROI and the ability to help customers build their brands.
- Printers offering special effects charge a premium for the enhancement, and marketers are willing to pay it. More printers need to understand the positive bottom-line impact.
- Printers need to educate customers and staff, as there are knowledge gaps in the types of special effects available, the value of print enhancements, how to price, and how to communicate ROI.

Marketers Value Printing Enhancements And Embellishments

- Marketers need education on print enhancement. They have a strong desire for giving brands a premium look; capturing attention; differentiating from competitors; and enhancing corporate image.
- Agencies are strong influencers on the look and feel of marketing materials, even though the corporate client is the final decision maker. It is important to target and educate print production specialists, creatives, and graphic designers within the agencies.
- Marketers rely on printers to determine the best printing methods.

INTRODUCTION

A growing opportunity for print service providers is offering customers print work that is embellished or enhanced with special effects produced on digital presses or finishing equipment. Commercial printers, packaging printers/converters, publication printers, and in-house printing operations all stand to benefit from offering customers print products that include eye-catching special effects.

Many types of embellishments, such as extended-gamut colors, specialty colors, embossing, foiling, and specialty coatings, aren't new. But, the ability to produce them on digital devices is making them more affordable to marketers and brand owners, while also offering new products previously not possible.

Ongoing advances in printing technology, finishing solutions, and substrates enable new methods to enhance the power and value of print. There are many options to enhance print applications, including spot colors, clear coatings, specialty colors, extended color gamut work, textured effects, security features, foiling, diecutting, and MICR. In addition to special effects, another important consideration in enhancing digital printing is a device's substrate capabilities.

A number of today's digital printing devices and finishing solutions support special effects and embellishments to enhance print. These imaging capabilities can transform printed materials from commodity, price-sensitive offerings to higher-value products that command a premium.

NAPCO Research conducted this study — sponsored by the Specialty Graphic Imaging Association (SGIA), MGI, Konica Minolta, Xerox, and Ricoh — to uncover the key trends and market influencers driving the use of techniques to add value to digital printing. The comprehensive research effort surveyed various types of print providers and brand owners/marketers that purchase and/or influence print. This report offers a summary of key findings to educate and guide print providers looking to either add or expand digital print enhancement capabilities.

**Ongoing
advances
in printing
technology,
finishing
solutions, and
substrates enable
new methods
to enhance the
power and value
of print.**



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Defining Enhancement Options

There are many options for enhancing the value of print applications, including:

- Specialty inks or effects using unique inks outside the standard process or spot colors, such as metallics, foils, fluorescents, UV/IR (for security applications), and white (for printing on clear or colored substrates).
- In-line spot or flood coating, where an imaging unit applies a spot or flood coat of a clear matte, gloss, or satin finish. Spot coating enables special effects like watermarking, while flood coating offers a matte or gloss finish and provides a protective layer against scratching.
- Spot colors, where an additional imaging unit can apply a standard highlight color (e.g., red, green, blue, or yellow) or a custom color that matches a particular corporate brand or other desired color.
- Expanded or extended color gamut beyond CMYK and spot colors.
- Textured effects that include tactile, raised, or embossed/debossed effects.
- Enhanced security features with infrared (IR) or ultraviolet (UV) inks only visible under special lighting conditions. These inks are often used for tickets, identity cards, and other secure documents.
- Foil effects that showcase reflective, shiny highlights in gold, silver, holographic, and other metallic finishes.
- Cutting effects created by using either a die or laser to cut a specific shape out of a material.

RESEARCH METHODOLOGY

Study Objectives

The purpose of the research study was to uncover customer demand and print providers' use of techniques to enhance the value of digital printing and better understand the utilization and challenges associated with these print applications. Many printers are looking for new value-added print applications to help boost their profit margins and differentiate their offerings. As a result, there is a growing interest in incorporating special effects/techniques that enhance visual appeal.

Key study objectives include:

- Assess demand for value-added services
- Determine marketers' and brand owners' understanding of digital printing and value-added services
- Identify marketers' and brand owners' familiarity and use of printing embellishments and special effects

- Define the perceived value and the willingness to pay for print embellishments and enhancements
- Identify services print providers are offering to enhance digital printing and their influence on operational success
- Uncover challenges in implementing these services
- Determine services produced in-house vs. outsourced
- Define essential actions taken in adopting printing enhancement technologies and succeeding in offering these enhancements

Research Execution Plan

The study findings are based on the results of online web surveys and in-depth telephone interviews. The online survey was sent to qualified readers of *Printing Impressions*, *Packaging Impressions*, *In-plant Impressions*, *Target Marketing*, *Total Retail*, and *NonProfit PRO*. Two separate surveys (one for print providers and one for marketers/brand owners) were deployed in September 2019. Respondents were invited via email to complete the survey, and an incentive for participation was offered. Figure 1 shows the number of surveys and interviews completed.

The purpose of the study is to uncover customer demand and print providers' use of techniques to enhance the value of digital printing.

Respondents

| | ONLINE WEB SURVEYS | TELEPHONE INTERVIEWS |
|--|--------------------|----------------------|
| Marketers/Brand Owners/Agencies | 675 | 5 |
| Commercial, Packaging, Publication, and In-Plant Print Providers | 509 | 5 |

Figure 1

RESPONDENT DEMOGRAPHICS

Print Providers

Commercial printers represent the majority of respondents, followed by in-plant and packaging printers (Figure 2). Respondents include print providers of all sizes and are fairly evenly distributed (Figure 3).

Print Provider Respondent Profiles

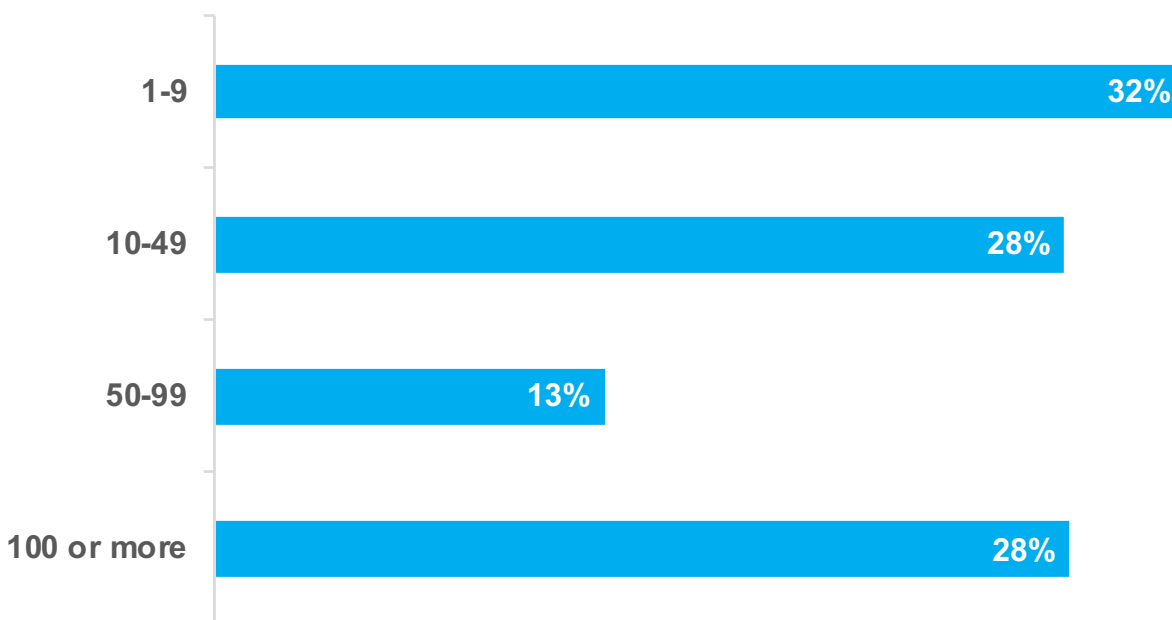
Type of Printer

| PRIMARY BUSINESS | NUMBER | PERCENT |
|---------------------|------------|-------------|
| Commercial Printer | 400 | 68% |
| In-Plant | 94 | 16% |
| Packaging Printer | 53 | 9% |
| Publication Printer | 41 | 7% |
| Total | 588 | 100% |

Q. Which category best describes your company's PRIMARY business?
n=588 Print Providers
Figure 2



Size of Printer



Q. How many employees work at your print-for-pay company or in-plant?
n=588 Print Providers
Figure 3

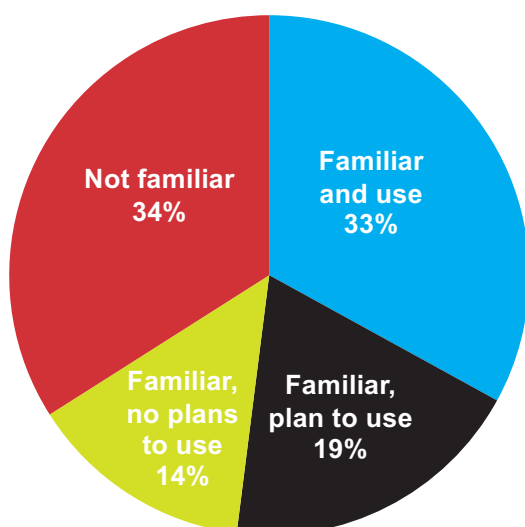


Two-thirds of print provider respondents are familiar with special effect technologies used to enhance printing (Figure 4). One-third of print provider respondents use printing enhancement technologies and another 19% plan to use it, while 14% report being aware of it but having no plans to use. A little over one-third of respondents are not familiar with print enhancement technologies, and there is an opportunity for industry suppliers to educate the market on their benefits.

Looking at responses by type of printing organization, packaging printer respondents are most familiar with printing enhancement methods, followed by commercial printers (Figure 5). Packaging is a key area for printing enhancement, as brand owners are always looking for ways to have their labels and packaging stand out from the competition.

Providers' Familiarity with Print Enhancement Technologies

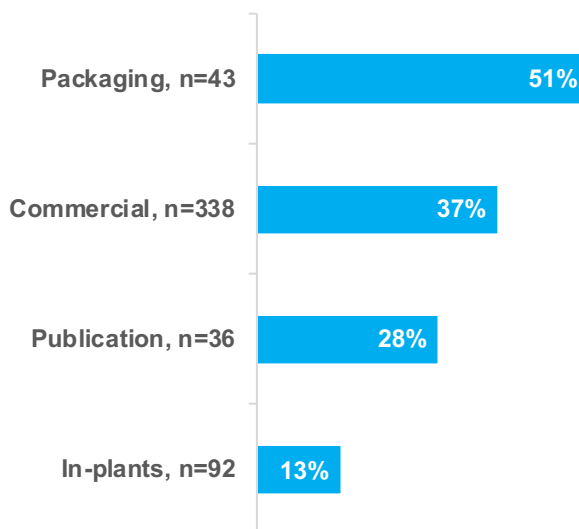
Familiarity and Use



Q. How familiar are you with special effect TECHNOLOGIES for enhancing printing?
n=509 Print Providers
Figure 4

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Familiarity and Use By Segment



Q. How familiar are you with special effect TECHNOLOGIES for enhancing printing?
n=509 Print Providers
Figure 5

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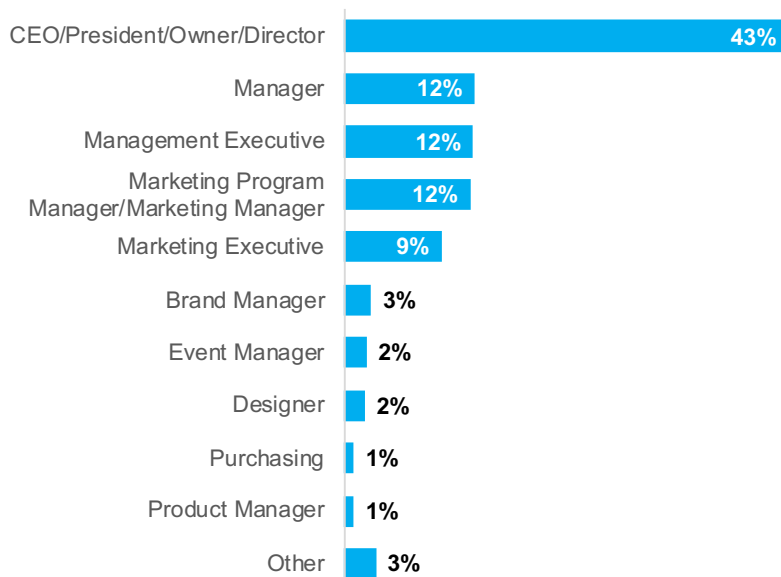
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Marketers/Brand Owners

To qualify to take the survey, marketers and brand owners needed to either purchase or influence decisions regarding commercial, packaging, or sign and display graphics. The majority of marketer/brand owner respondents hold executive-level positions (Figure 6). Brand owner/marketer respondents represent a broad mix of industries, including agencies, consumer goods, nonprofit, education, media/entertainment, financial services, retailers, and manufacturers. Marketer/brand owner respondents represent companies of various sizes (Figure 7) and employ, on average, 43 people.

Brand Owner/Marketer Respondent Profiles

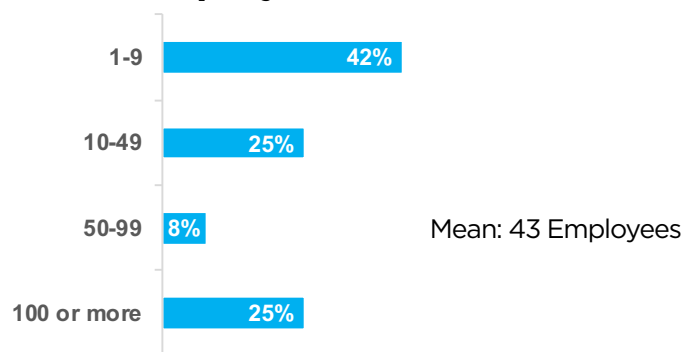
Job Title



Q. Which of the following describes your role in your organization?
n=657 Brand Owners/Marketers that purchase or influence printing
Figure 6



Size of Company



Q. In total, how many people does your organization employ?
n=657 Brand Owners/Marketers that purchase or influence printing
Figure 7

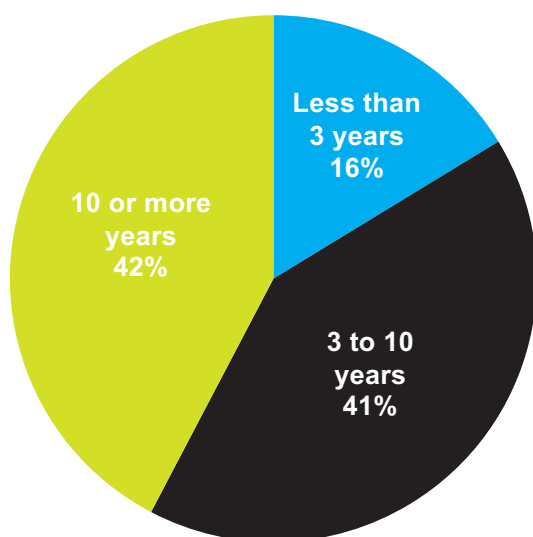


Marketer/brand owner respondents are experienced print buyers/influencers, with the majority having 10 or more years of experience with print (Figure 8). Respondents are also highly familiar with the processes used to print work for their organizations (Figure 9).

Print Experience and Understanding of Printing Processes

Print Experience

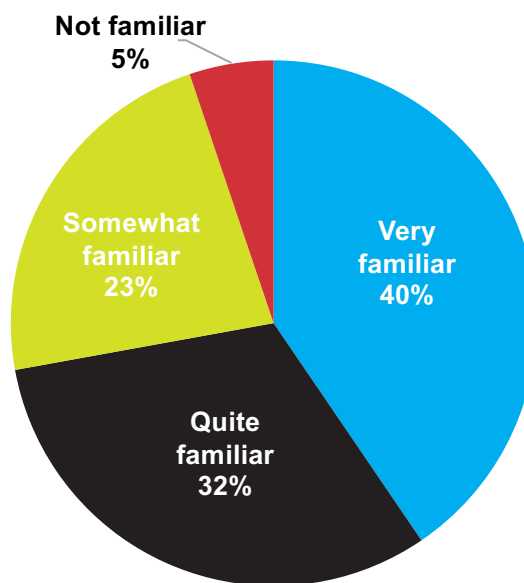
Mean: 7.6 Years



Q. How long have you been involved in purchasing or influencing print?
n=657 Brand Owners/Marketers that purchase or influence printing
Figure 8

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Familiarity With Printing Processes



Q. How familiar are you with the printing processes used to produce your company's printing?
n=657 Brand Owners/Marketers that purchase or influence printing
Figure 9

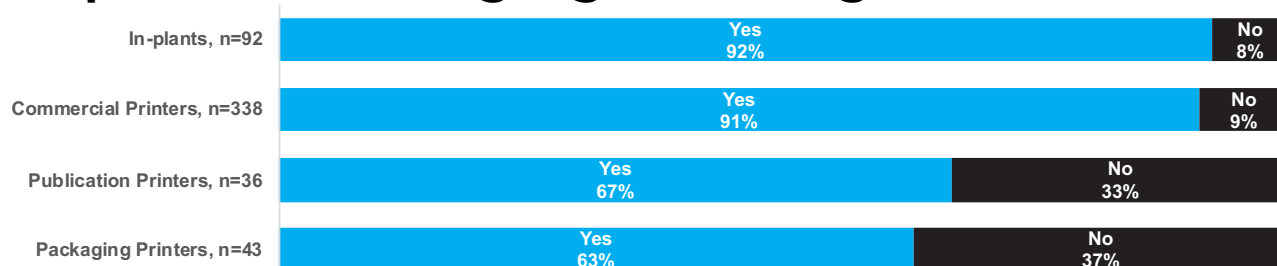
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PRINT PROVIDERS EMBRACING DIGITAL PRINT ENHANCEMENT

Digital Printing Status

The majority of print provider respondents offer digital printing (Figure 10) and report printing many applications — from marketing materials to direct mail to labels and packaging — on digital presses. Providers' adoption of digital printing is a driving force behind the innovations available for digital print embellishment.

Respondents Offering Digital Printing



Q. Do you offer digital printing?
n=509 Print Providers
Figure 10

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Respondents were asked to quantify the type of digital print work produced; most digital print work produced by respondents is four-color work, and print provider respondents expected that to continue (Figure 11). Respondents expect monochrome and spot color work to decline over the next two years, as digital printing with specialty colors (i.e., white, metallic, or fluorescent extended color gamut, and textured effects) increases.

Types of Digital Print Produced

| | TODAY | IN 2 YEARS | % ANNUAL CHANGE |
|---|-------|------------|-----------------|
| Four-color/CMYK | 63.4% | 62.9% | -0.4% |
| Monochrome | 22.5% | 19.5% | -6.7% |
| Spot colors | 5.9% | 5.4% | -4.2% |
| Clear flood coatings | 1.9% | 1.8% | -2.6% |
| Specialty (i.e., white, metallic, or fluorescent) | 1.7% | 2.5% | 23.5% |
| Extended color gamut | 1.5% | 3.0% | 50.0% |
| Textured effects for a tactile, embossed, or debossed effect | 1.5% | 2.3% | 26.7% |
| Spot clear coating | 1.1% | 1.5% | 18.2% |
| Security such as ink or toner that is detectable under UV or infrared light | 0.4% | 1.0% | 75.0% |

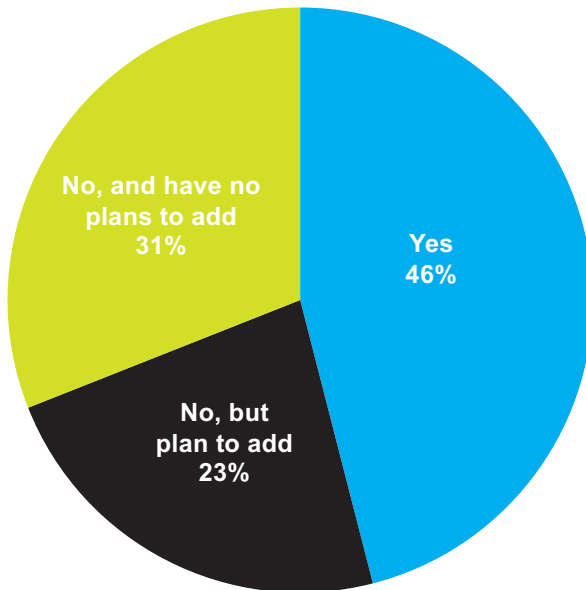
Q. What percentage of your digital print work falls into the following categories today and what do you expect in the next 2 years?
n=443 Print Providers that offer digital printing
Figure 11

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Digital Print Enhancement Use

Almost half of print provider respondents that offer digital printing report enhancing digital print with special effects (Figure 12), while another 23% plan to add it.

Enhancing Digital Print Work



Q. Is your operation offering print enhancement/special effects (i.e. spot colors, coatings, texture effects, extended color gamut) to your digital print work?
n=375 Print Providers that offer digital printing
Figure 12

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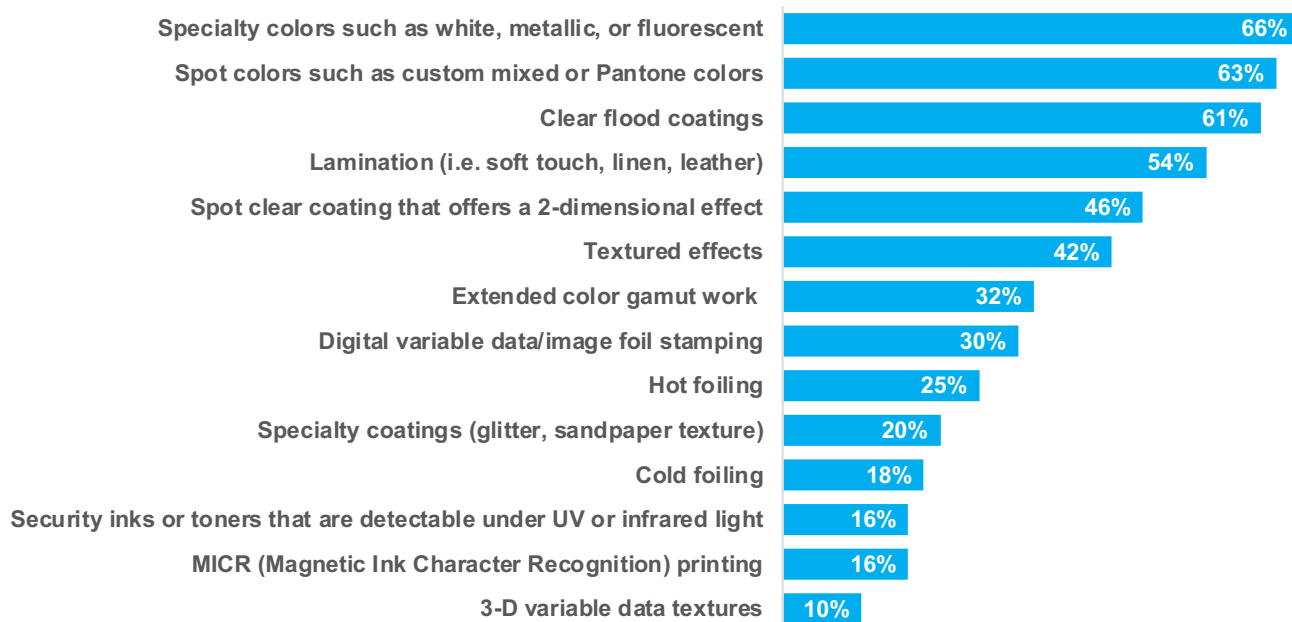
When asked during telephone interviews to elaborate on their reasons for investing in technologies to enhance digital printing, print providers offered the following:

- “What attracted us to investing in a digital enhancement press was that we could affordably enhance the value of the products we print without having to overinvest. We could apply special coatings with inkjet heads, versus using screens.”
- “The ability to affordably add high-end features such as gold and silver metallics, along with iridescent gradients and clear spot embellishments, to any digital print project is a big differentiator for our print shop.”
- “We can offer customers print enhancements with fast turnaround times and affordable prices.”
- “Gone are the days of costly metallic inks and press washups to achieve high-end looks. We can do it all with fast turnaround times at affordable prices.”

Types of Digital Print Enhancements Offered

Print providers report offering various digital printing embellishment options. The most offered enhancements are specialty colors, spot colors, and clear coatings — effects that can be produced on a digital printing device (Figure 13). These are also more traditional and familiar effects for print customers. While most print providers offer more traditional embellishments, newer effects like texture, digital foiling, and special effect coatings are starting to gain traction.

Digital Print Embellishments Offered



Q. Which of the following print enhancement/special effects does your operation CURRENTLY OFFER to enhance digital printing.

n=168 Print Providers that offer digital printing and enhancement/special effects to digital print work

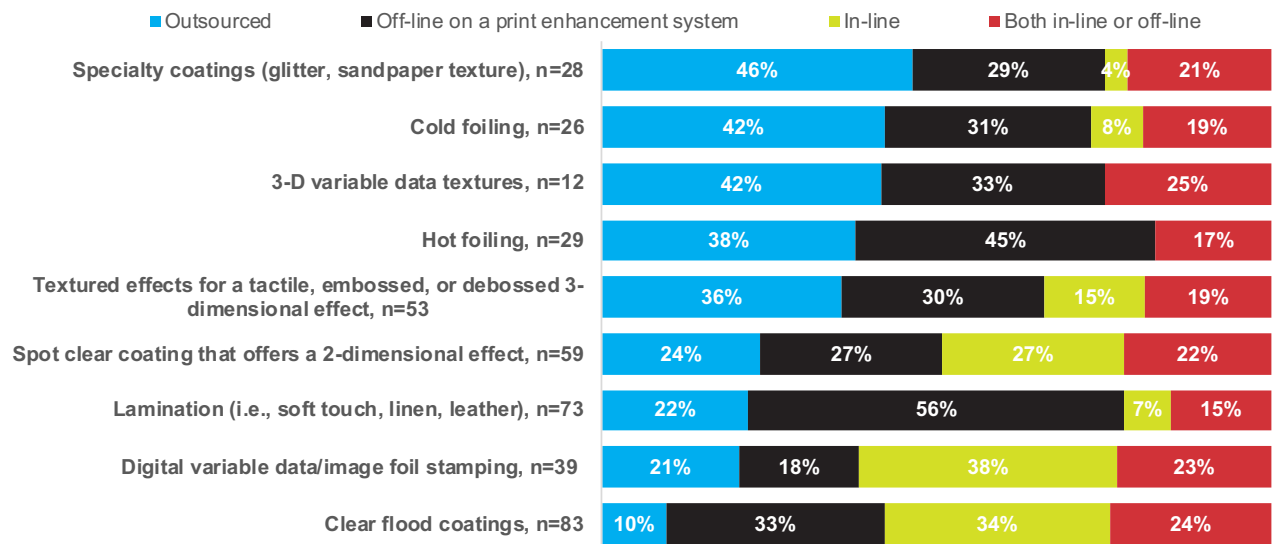
Figure 13

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A big influencer of the types of embellishments providers offer is technology innovations. Equipment manufacturers are adding capabilities and feature sets to digital printing presses, digital enhancement presses, and finishing solutions to simplify processes and reduce production costs for special effects. In addition to enhancements produced on digital printing presses, printed materials can be embellished on digital enhancement finishing devices that utilize inkjet printing heads to create texture, dimensional, and foil effects. These enhancement presses and devices do not require plates, screens, or dies.

Respondents offering customers enhanced print work either produce it in house or outsource the work. Outsourcing printing enhancements enables companies to offer these services without having to invest in equipment and staff. Print provider respondents report that many coating and foil effects are outsourced to other providers (Figure 14). Outsourcing work enables companies to offer more services to customers and learn more about a service before bringing it in-house.

Outsourcing an Option



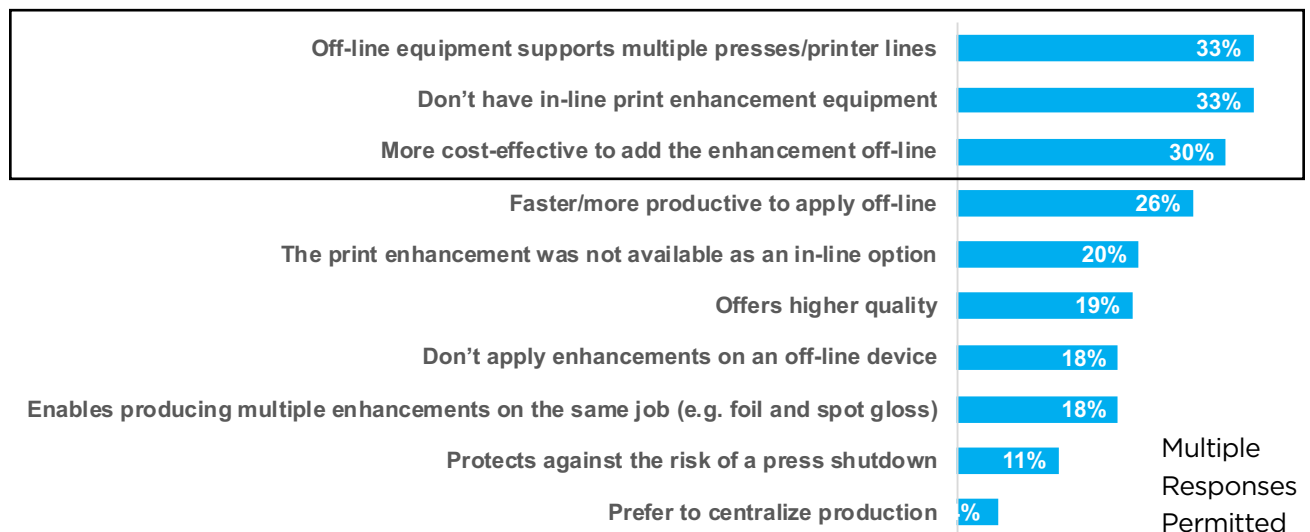
Q. Of the special effects your operation offers to enhance digital printing, how are they produced?

Base=135 Print Providers that offer or plan to offer digital printing and enhancement/special effects to digital print work
Figure 14

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Digital print enhancements can be produced in-line or off-line. Survey respondents were asked to identify the reasons enhancements to digital printing are applied using an off-line device versus an in-line device. The primary reasons are that respondents don't have in-line equipment, or that off-line is more efficient and cost-effective because it supports multiple press lines (Figure 15).

Off-line Vs. In-line



Q. What are the primary reasons enhancements to digital printing in YOUR OPERATION are applied on an off-line device vs. an in-line device?
n=135 Print Providers that offer enhancement/special effects to print work
Figure 15

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Premiums Charged and Paid for Enhancements

The survey asked respondents to report the premiums they are charging or paying for various types of enhancements. Figure 16 compares the premiums print providers say they are charging with what brand owners report paying. Overall, print providers are charging premiums, and marketers/brand owners are willing to pay them.

The highest premiums, on average, were paid by respondents influencing product packaging and displays.

It is important to recognize that the responses to this question are intended to be a guide, as there will be differences in what a firm is able to charge based on industry, product, or job specifications. It is always important not to undervalue work, especially a service that enhances the value and results of a printed piece.

Premiums for Print Enhancements

| ENHANCEMENT | PRINT PROVIDERS AVG. PREMIUM CHARGED | BRAND OWNERS AVG. PREMIUM PAID |
|---|--------------------------------------|--------------------------------|
| 3-D variable data textures | 38% | 40% |
| Specialty coatings (glitter, sandpaper texture) | 26% | 33% |
| Specialty colors such as white, metallic, or fluorescent | 25% | 33% |
| Hot foiling | 33% | 32% |
| Security (ink or toner detectable under UV or infrared light) | 22% | 31% |
| Cold foiling | 25% | 30% |
| Textured effects for a tactile, embossed, or debossed 3-D effect | 39% | 27% |
| Lamination (i.e. soft touch, linen, leather) | 25% | 24% |
| MICR (Magnetic Ink Character Recognition) printing | 21% | 24% |
| Digital variable data/image foil stamping | 29% | 23% |
| Extended color gamut work (light cyan/magenta/gray, hexachrome/OGV) | 28% | 23% |
| Spot clear coating that offers a 2-D effect | 24% | 22% |
| Clear flood coatings | 17% | 20% |
| Spot colors such as custom mixed or Pantone colors | 20% | 18% |

Q: Compared with digital CMYK-only printing, how much of a premium or percentage increase can you charge for print enhancement beyond standard four color?

N=Varies, Base 168 Print Providers that offer or plan to offer digital printing and enhancement/special effects to digital print work

Q: How much of a premium do you pay for the following enhancements?N=657 Marketers/Brand Owners

Figure 16

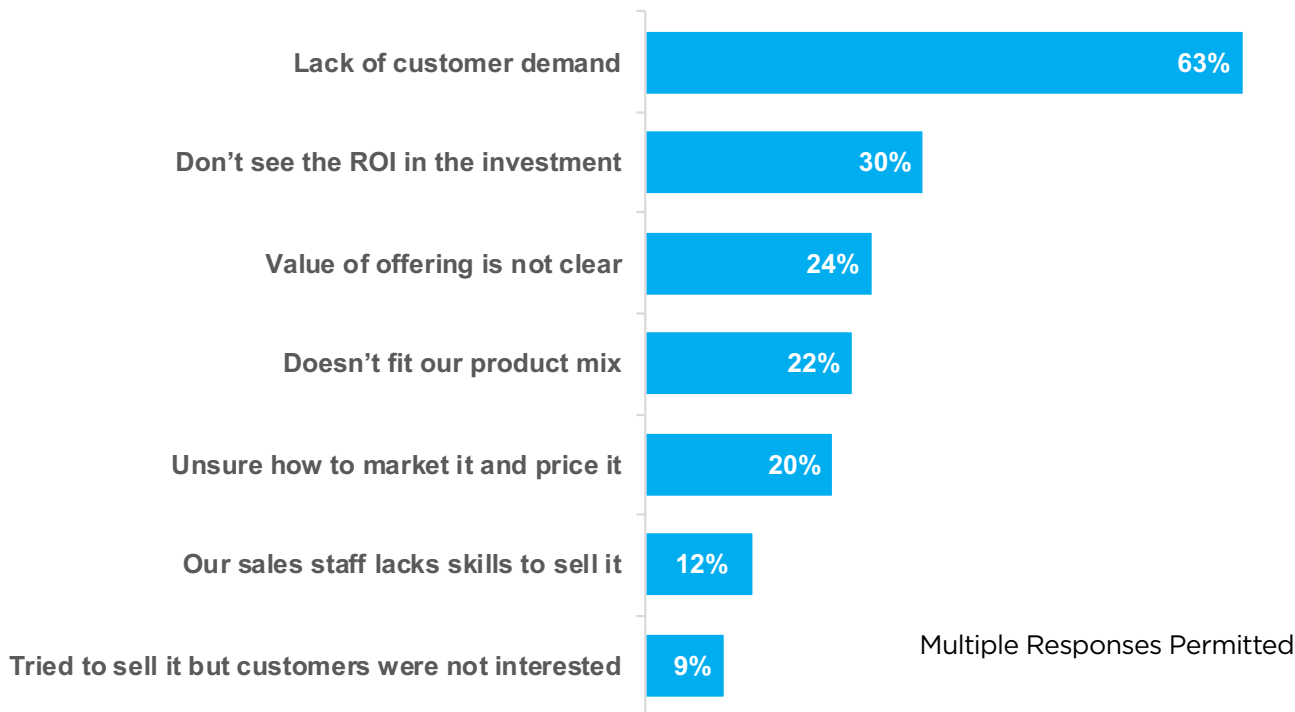
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OBSTACLES TO DIGITAL PRINT ENHANCEMENT

Reasons Providers Not Offering

More than half of print provider respondents do not offer printing enhancements to digital print work, citing lack of customer demand as the top reason (Figure 17). A likely factor hindering customer demand is that marketers may not understand the availability and value of digital enhancements, so they don't request them. According to the interviews with marketers/brand owners, while many are aware of special printing effects, they believed they were expensive and complicated to produce.

Reasons Print Providers Not Offering

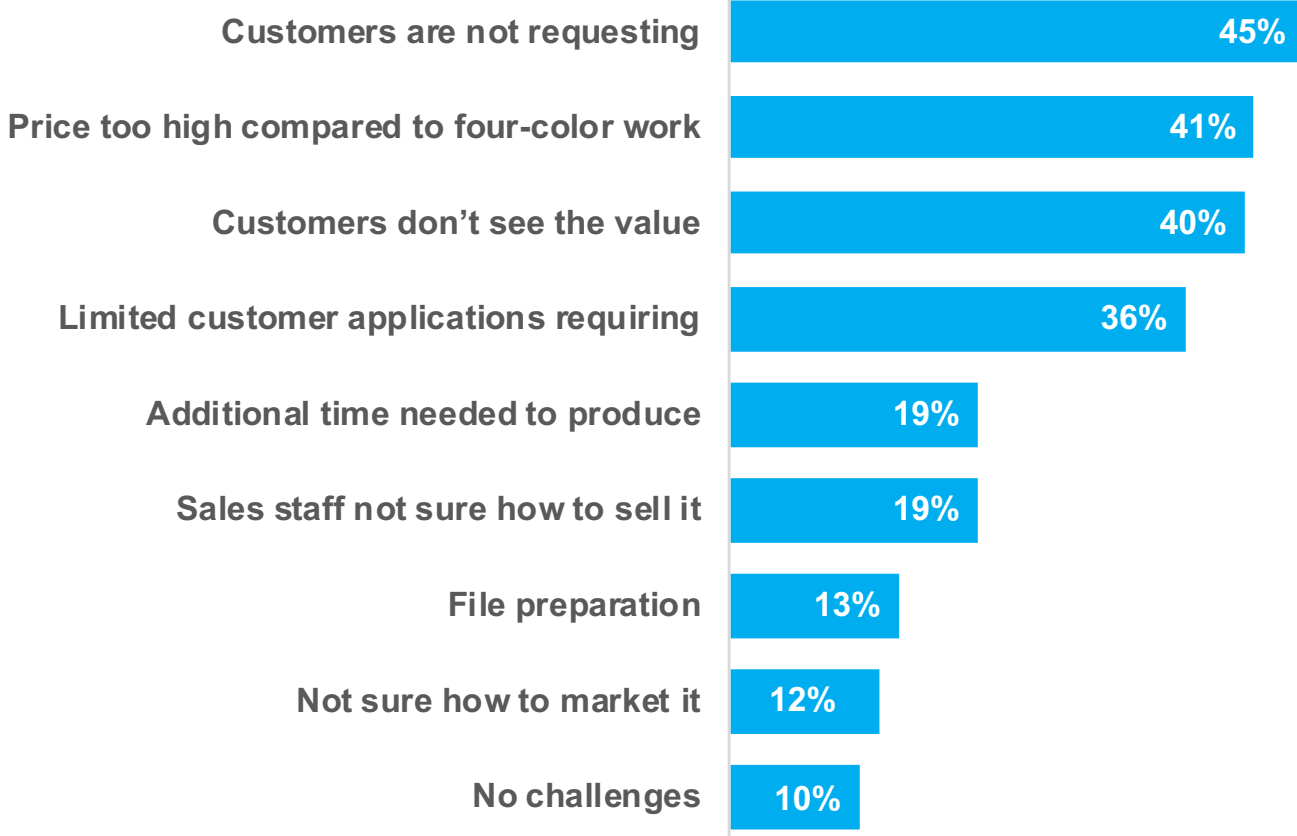


Q. Why doesn't your operation offer print enhancement/special effects to your digital print work?
n=202 Print Providers that offer digital printing but don't offer print enhancement/special effects for digital print work
Figure 17

Challenges to Increasing the Use of Enhancements

Respondents offering printing enhancements also report customer perceptions that enhancements are too expensive and not valuable as challenges to increasing adoption (Figure 18).

Providers' Key Challenges in Growing Customer Use



Q. What challenges do you have in growing the adoption or utilization of the enhanced printing capabilities you offer?

n=129 Print Providers that offer enhancement/special effects

Figure 18

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Print providers participating in the telephone interviews cited the following challenges to increasing marketers' and brand owners' use of print enhancements:

- "Marketers don't know what is possible."
- "Many print buyers don't understand the impact embellishments can have."
- "Buyers have a hard time comprehending the effects; you need to show them."
- "Customers believe they can't afford print enhancements."

SUBSTRATES ENHANCING PRINT

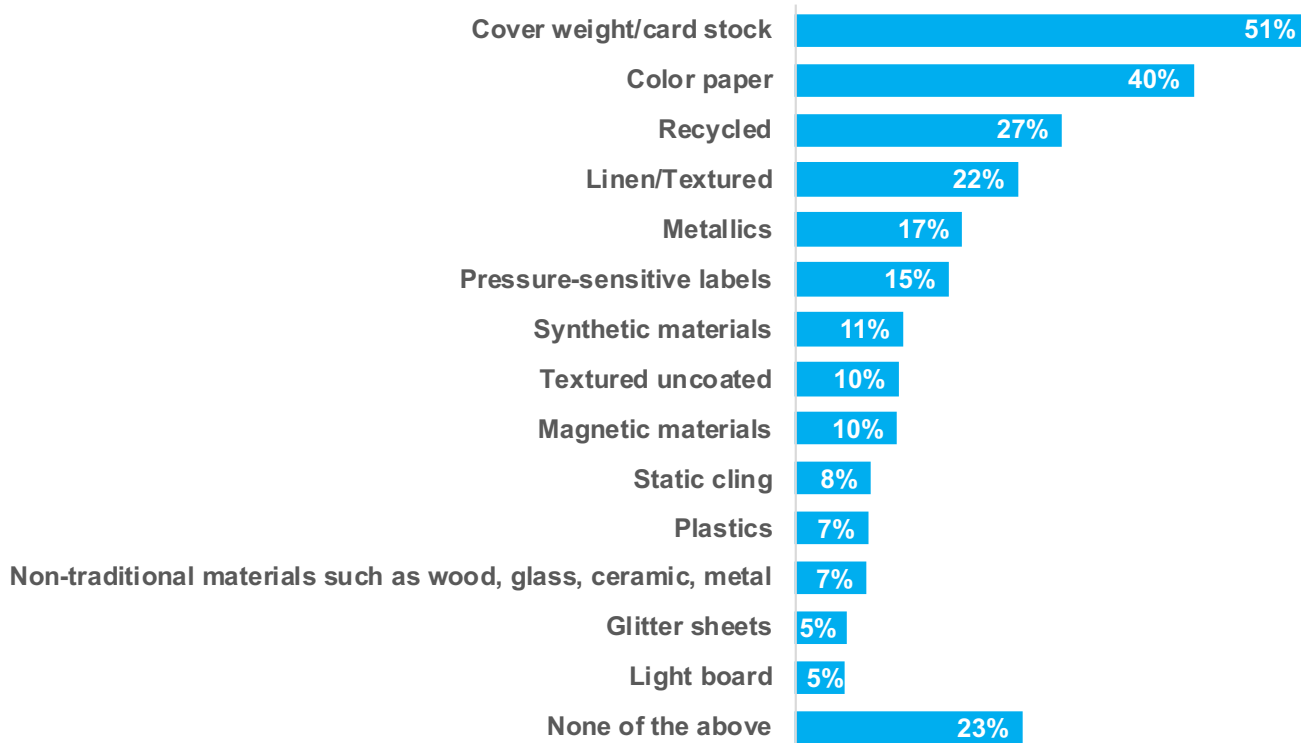
Another important enhancement is the ability to print on a wider variety of materials. Today's digital print engines are capable of supporting an increasing array of substrates, including heavier stocks and synthetic materials. This brings great flexibility to print buyers in terms of the jobs they can produce. Digital presses can print on new, high-value substrates that include rugged synthetics; pressure-sensitive stocks; prescored, ready-to-print dimensional stock; and photo media.

Printing on specialty media offers print providers new market opportunities, especially when combined with special effects. New media options offer providers the ability to capture more high-margin work, retain existing customers, and gain new customers. In addition, newer digital printing devices are removing the traditional limitations on format sizes.

More than half of all print provider respondents (54%) report that customer demand for special substrates is increasing, and 49% are using substrates to enhance print. More than one-third of respondents (37%) say offering customers new substrates is improving profitability.

There is an opportunity to increase the use of special substrates, as 57% of marketing/brand owner respondents are not familiar with using them to enhance print. Meanwhile, 30% of marketing/brand owner respondents report using more specialty substrates and papers for printed materials. Figure 19 offers insight into the types of substrates marketers and brand owners use to enhance print work.

Substrates Used for Print Enhancement



Q. Which of the following special substrates do you use to enhance your print work?
n= 657 Marketers/Brand Owners
Figure 19

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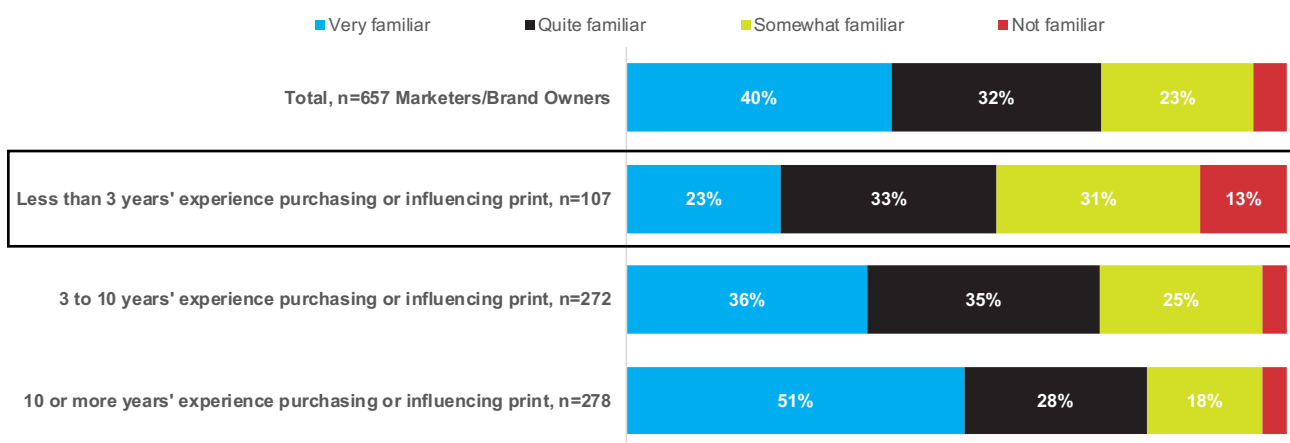
MARKETERS' AND BRAND OWNERS' PRINTING KNOWLEDGE

Marketing/brand owner respondents report various levels of familiarity with the printing processes used to produce their materials. Overall, 40% report they are very familiar with processes used to produce their jobs (Figure 20). Segmenting this question by respondents' years of experience in purchasing or influencing print reveals that marketers and brand owners with less time specifying print are less familiar with the processes.

Many younger buyers are not familiar with print at all, and many older buyers don't fully understand the benefits of digital printing. According to one marketer interviewed, "Younger designers are not familiar with print and need regular education."

This knowledge gap points to a need to educate marketers and brand owners on printing technologies and their benefits.

Familiarity with Printing Processes



Q. How long have you been involved in purchasing or influencing print?

Q. How familiar are you with the printing processes used to produce your company's printing?

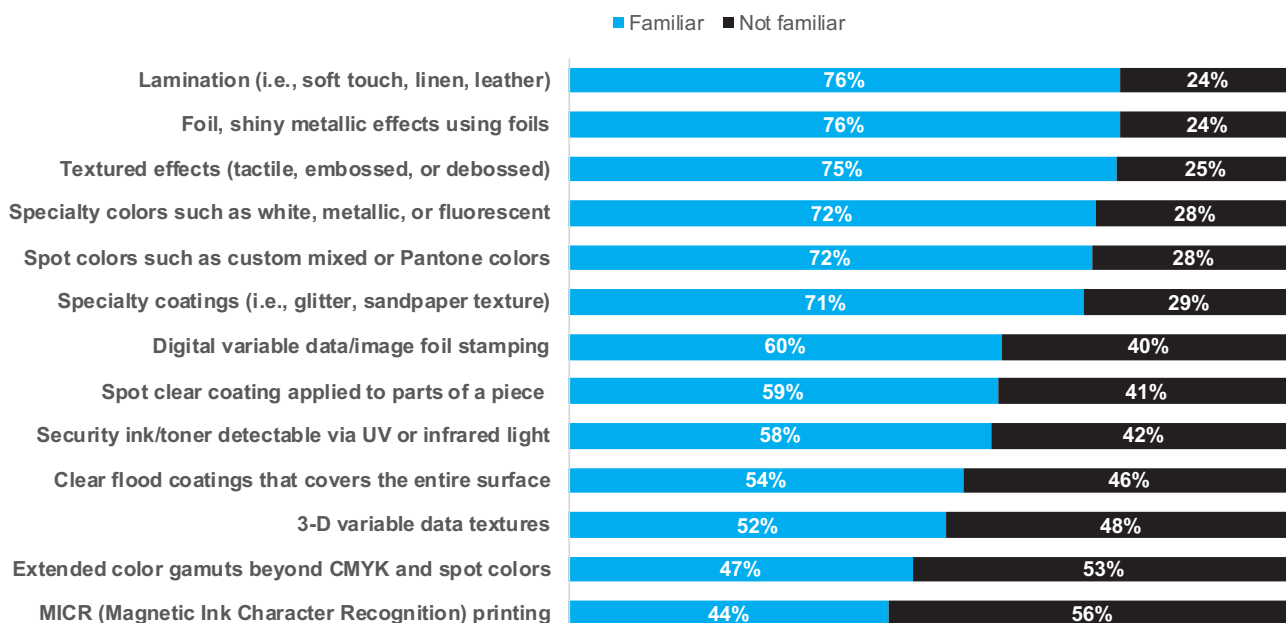
n=657 Brand Owners/Marketers that purchase or influence printing

Figure 20

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When asked if they were familiar with various types of printing special effects, marketers/brand owners indicate a high familiarity with many types of available enhancements (Figure 21). Marketer/brand owner respondents are very familiar with eye-catching effects such as lamination, foils, texture effects, and specialty colors. Despite being familiar with printing enhancements, however, many marketers/brand owners do not use them.

Marketer/Brand Owner Familiarity with Print Enhancements



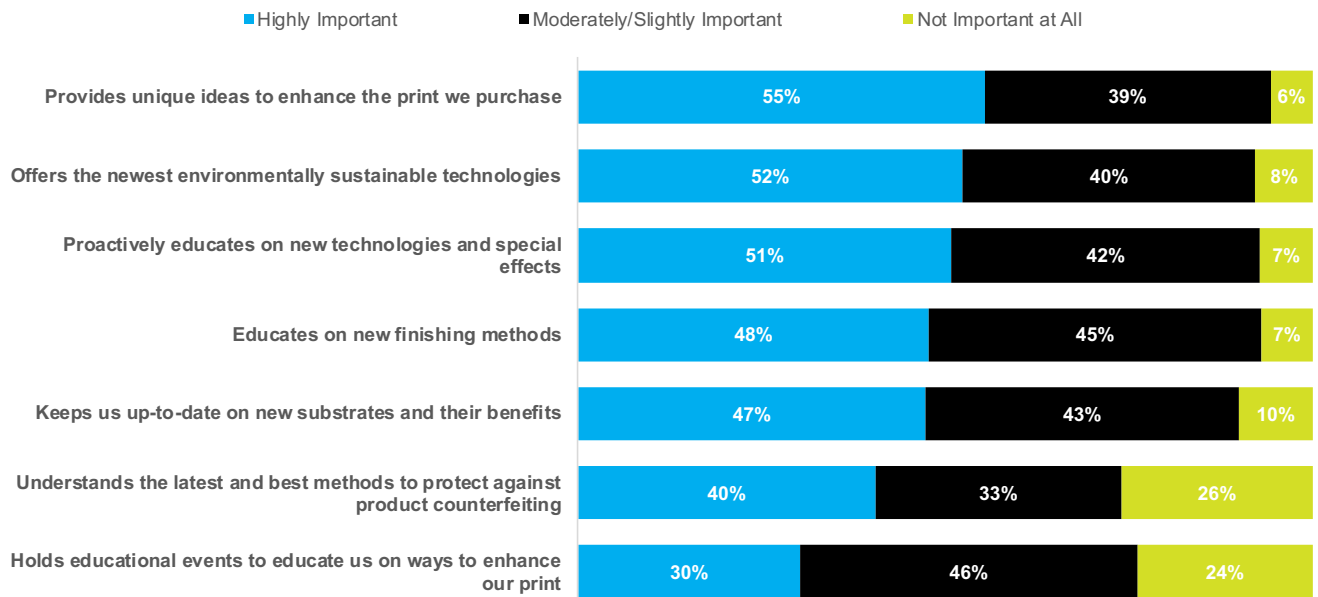
Q. How familiar are you with the following types of printing special effects?
n=657 Brand Owners/Marketers
Figure 21

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MARKETERS SEEK PROVIDERS THAT OFFER PRINT ENHANCEMENTS

Printing enhancement services is a key opportunity for print providers. More than half (55%) of brand owner/marketer respondents that influence print purchasing prefer to work with printers/converters that offer printing enhancement/special effects options. In addition, more than half of brand owners/marketers select their print providers based on their ability to provide unique ideas to enhance print, offer the newest environmentally sustainable production technologies, and proactively educate on special effects (Figure 22).

Key Attributes for Selecting Print Providers



Q. How important are the following attributes when it comes to selecting your printing providers?
 n=657 Brand Owners/Marketers that purchase or influence printing
 Figure 22



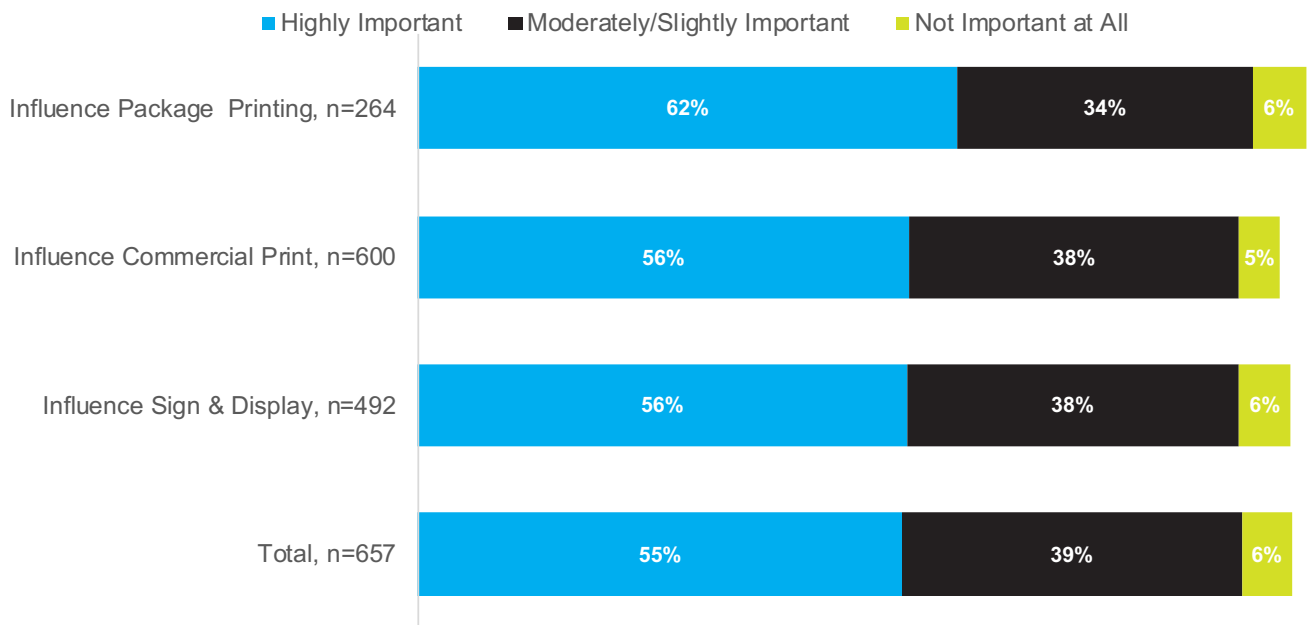
In-depth interviews with marketers/brand owners offer the following additional insights into the qualities they value when selecting print providers:

- “Our objective is to have a tight relationship with a select number of providers; we currently work regularly with five providers.”
- “We select providers based on their capabilities, with a special emphasis on finishing techniques, and their ability meet our fast turnaround requirements. Price is usually last on the list.”
- “Cost is critical, and everything over \$10,000 is triple bid if we are doing the procurement. In addition, procurement is always looking for minority- and women-owned businesses.”
- “We [advertising agency] used to purchase millions annually in print on behalf of clients, but that has transitioned, and today the client selects the printer and we work with their procurement team and printer to define the specifications.”

Buyers Across Print Categories Value Enhancements

A deeper analysis of survey results reveals that buyers of packaging, commercial print, and sign and display graphics all value providers that offer ways to enhance print. Print enhancement options are highly important to more than 60% of brand owner respondents that influence or purchase packaging printing (Figure 23). Because packaging is a major influencer of customer purchasing and a primary way of capturing attention, engaging consumers, and indicating the quality of a product, it is an area where print enhancements and embellishments offer high value.

Marketers/Brand Owners Seek Providers that Offer Enhancement Ideas



Q. How important is following attribute when selecting a print provider: Provides unique ideas to enhance the print we purchase
Figure 23

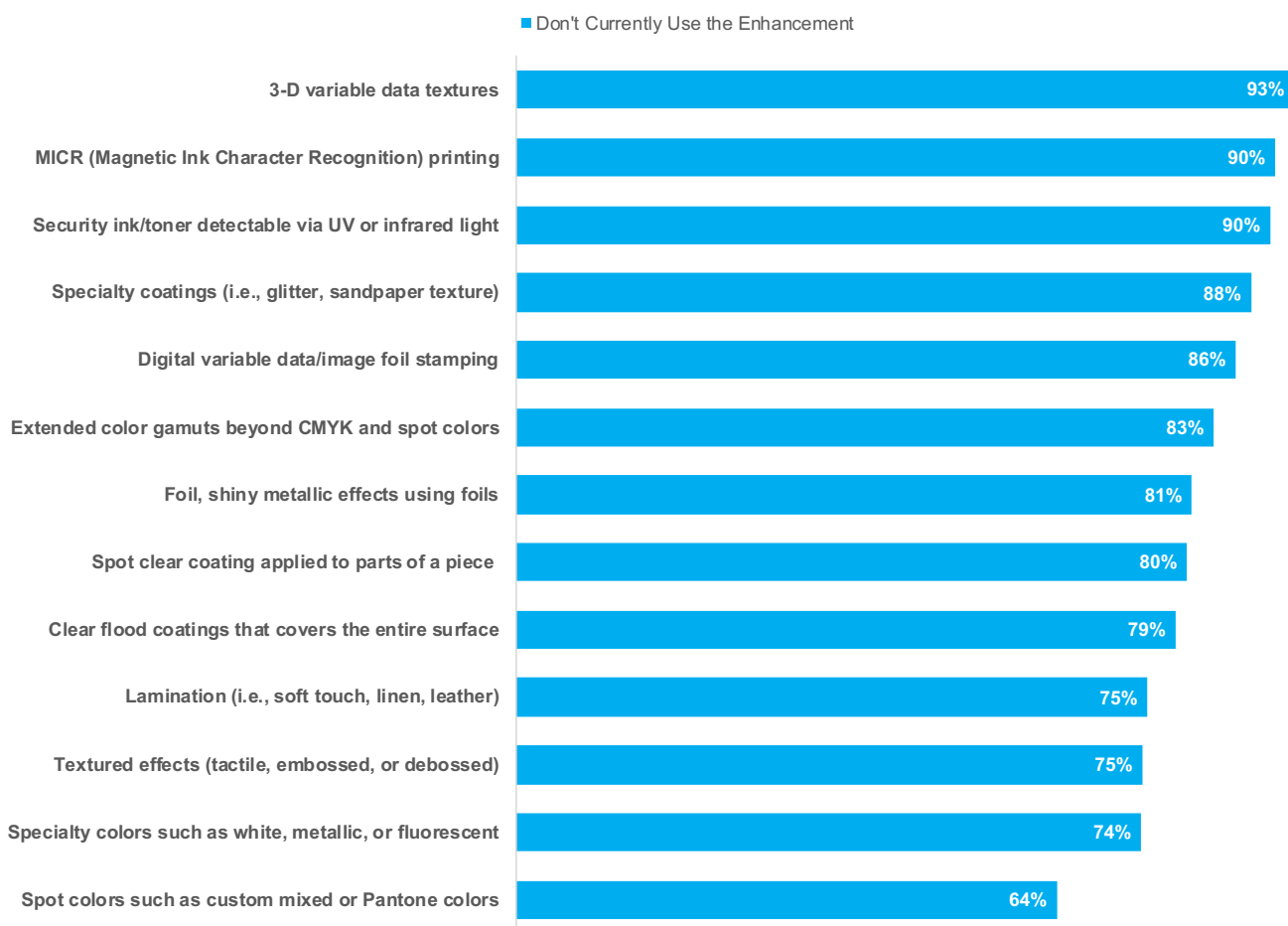
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Marketers Love Enhancements But Think They Can't Afford Them

The survey asked marketers/brand owners if they use, plan to use, are familiar with an effect but have no plans to use it, or are not familiar with various types of special effects. Figure 24 groups the responses by those that indicated they currently don't use or have no plans to use a specific type of print enhancement.

For each effect tested, roughly two-thirds or more of respondents did not use the effect, despite many being familiar with it.

Marketers Not Using Enhancements



Q. How familiar (use, plan to use, familiar/no plans to use, and not familiar) are you with the following types of printing special effects?

n=657 Brand Owners/Marketers that purchase or influence printing

Figure 24

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In addition, marketers and brand owners were asked about the use of metallic color enhancements. Two-thirds of marketer respondents don't use metallic special effects, but those that do are more likely to use gold or silver compared to iridescent or other metallic colors (Figure 25). Brand owners that purchase or influence package printing were more likely to use metallic special effects.

Key Customer Adoption Obstacles

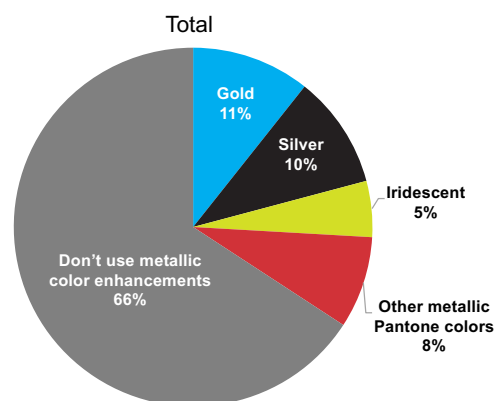
While brand owner/marketer respondents are familiar with and prefer to work with print providers that offer special ink effects and embellishments, they are not using them. Key reasons marketers are not using these enhancements are that they think it is too expensive and it takes too much time to produce. In-depth interviews conducted with marketers/brand owners reveal the following:

- “We’ve used varnish, spot gloss, and UV in the production of collateral pieces. Key barriers for us in considering special effects for any campaign are time and money.”
- “Special effects and finishing have become very important because our printed direct mail pieces need to be effective media options, and finishing is a key challenge. Schedules need to be built that enable testing and proofing to make sure the specific technique works properly.”
- “We are a nonprofit organization with a limited budget. If we are going to use print enhancements, we need to understand the ROI. If one of our providers would show us how we could affordably use special effects, we would consider it.”

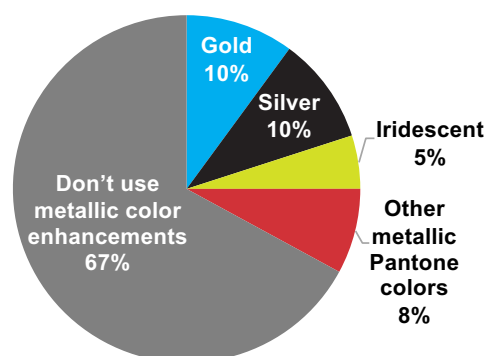
Summing up the key challenges to customers using printing enhancements, Deborah Corn, founder of Project Peacock, says, “When you show brand owners and marketers what is possible with digital print enhancements, whether it is foil, varnish, or glitter, they love it all. The challenge is that their first thought is ‘I can’t afford these special effects,’ so they dismiss it. But once they find out it can be produced on a digital press, the process is much faster, and the cost is more achievable in many cases, they begin to seriously consider it. We have even had attendees place orders for digital print enhancement the day after coming to Project Peacock Print Fair.”

Project Peacock (<https://projectpeacock.printmediacentr.com>) is a digital print show-and-tell event to educate corporate print buyers and agencies on what is possible today with digital printing. Project Peacock started in 2017 when Corn, along with several technology vendors, traveled to the offices of corporate print buyers, agencies, and brands to share print samples and discuss digital printing. The effort has since expanded into pop-up print fair events in major cities.

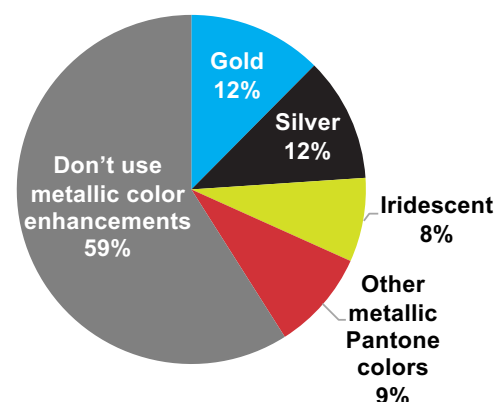
Use of Metallic Special Effects



Commercial Print



Packaging Print



Q. What percentage of your special effects using metallic color enhancements fall into the following categories?
 n=657 Brand Owners/Marketers that purchase or influence printing
 Figure 25

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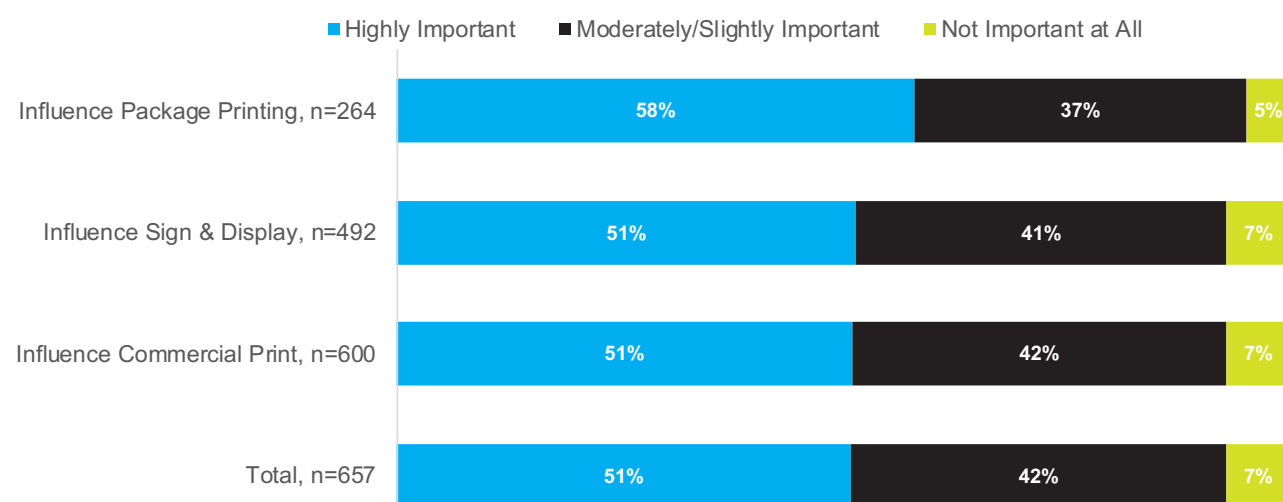
The Rise of Market Education Efforts

Project Peacock is one of several initiatives cropping up to educate marketers, brand owners, and print buyers on digital print possibilities. Here are examples of other efforts:

- A core goal of BRAND United (www.brandunited.com) is to help marketers optimize the combination of traditional print marketing methods with emerging technologies. Founded by NAPCO Media LLC, the initiative helps brands, agencies, and designers understand the trends and technologies enhancing the value of print marketing in the communication mix. Print enhancement is an evolving area, and BRAND United offers its print buyer/marketer community educational tools and case studies to further its use.
- PaperSpecs (www.paperspecs.com) offers graphic designers various tools and resources, including videos, webinars, blog posts, and more, to create printed pieces that wow.
- Print provider Color Ink (www.colorink.com) recently hosted two events — one for printers and one for print buyers/designers — to educate each group on print enhancements. The company branded these events ColorUp (www.colorupinc.com) to showcase some of the most exciting print technologies coming to the graphic arts market. The effort has evolved into a collaborative print industry forum to spread a consistent message about what print is and where it's going.

Brand owners and marketers value providers that proactively educate them on technology innovations and options to enhance their printed materials. Across all buyer segments studied — package printing, sign and display graphics, and commercial print work — brand owners/marketers report that it is highly important for their providers to educate them on new technologies and special effects (Figure 26).

Customers Value Providers That Educate Them on Print Special Effects



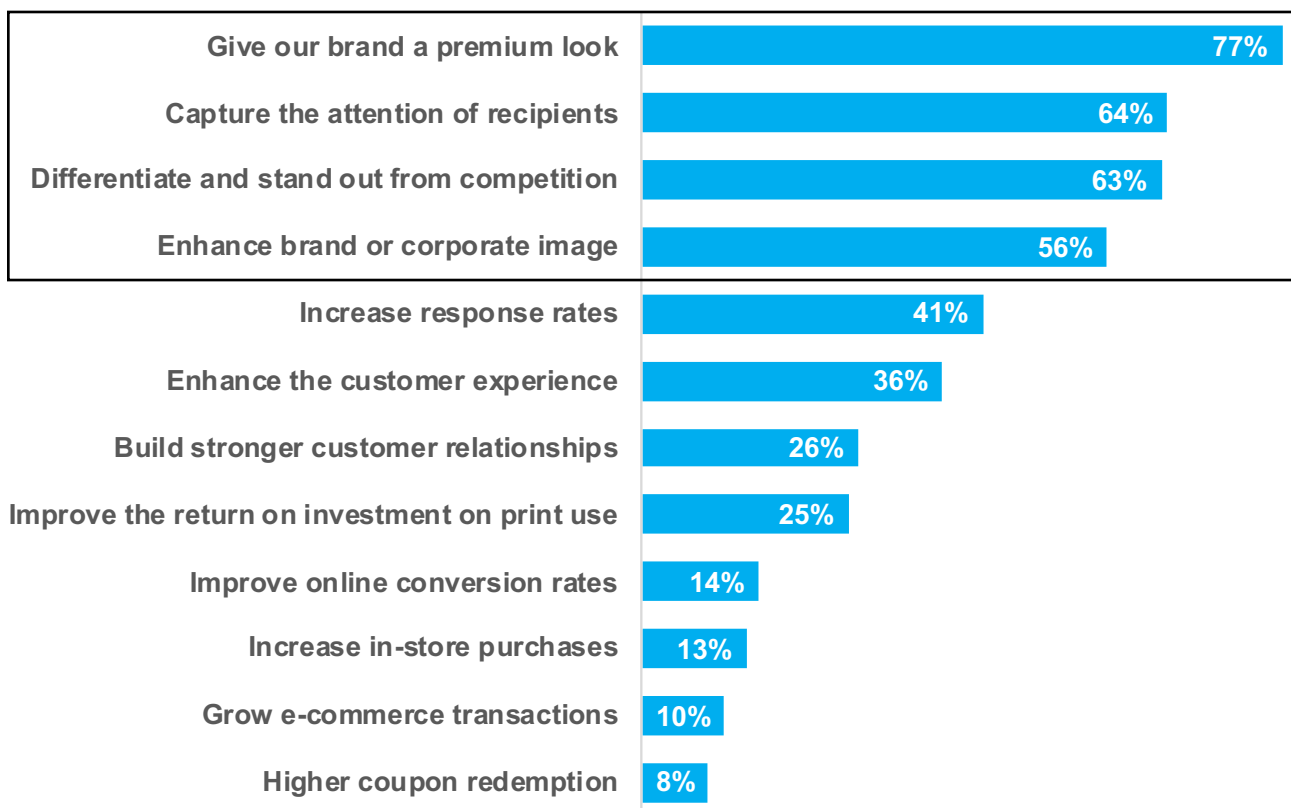
Q. How important is the following attribute when a selecting a print provider: Proactively educates on new technologies and special effects
Figure 26

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MEETING MARKETERS' AND BRAND OWNERS' EXPECTATIONS

Marketers and brand owners expect print enhancements and special effects to give their brands a premium look, capture attention, stand out from competitors, and enhance image (Figure 27). A key selling benefit of print enhancements is that they give brands a premium look. More than three-quarters of respondents confirmed that is a key expectation when specifying work that includes printing enhancements and special effects. In contrast, only 25% cited improved print ROI as a key expectation, and even fewer identified online conversion, retail and e-commerce sales, and coupon redemption as things they expected print enhancement to improve. This suggests that ROI-related benefits do not always have to be thought of as the primary selling points for print enhancements and special effects, since what customers say they care most about is strengthening and differentiating their brands.

Benefits Marketers Expect from Printing Enhancements

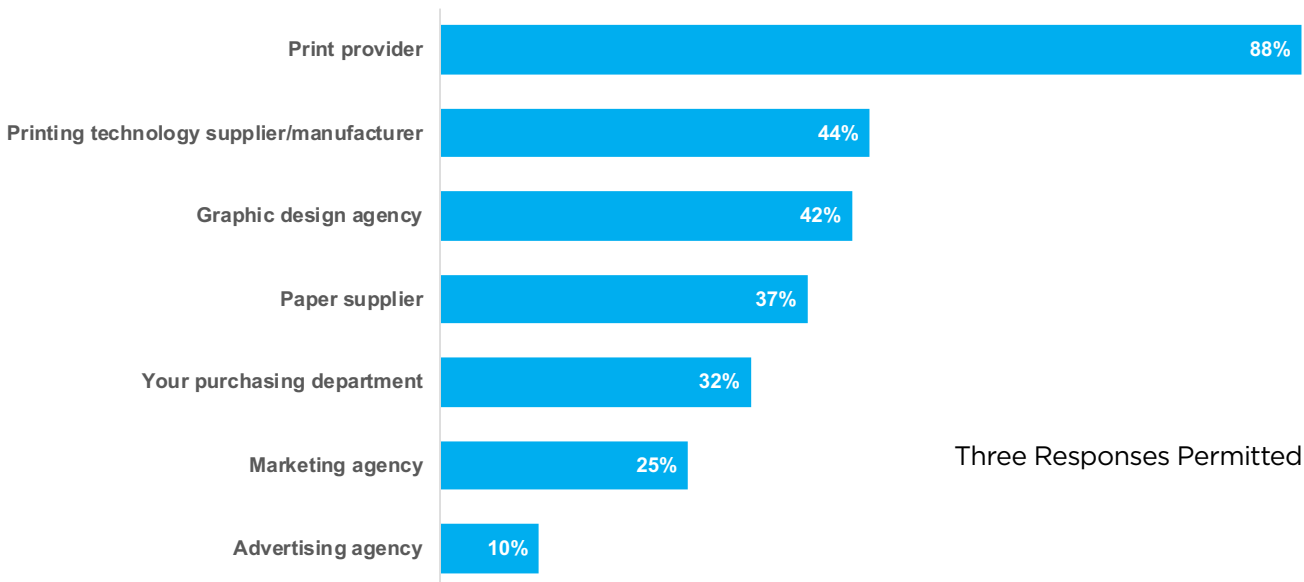


Q. What benefits do you expect from using print enhancements/special effects?
n=657 Brand Owners/Marketers that purchase or influence printing
Figure 27

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When it comes to determining the right printing process and special effects, marketers/brand owners rely the most on print providers (Figure 28). This presents an opportunity to print providers that educate customers on printing enhancements.

Marketers/Brand Owners Rely on Printers to Determine Best Methods



Q. Which of the following providers do you rely on the most to determine the right process and special effects for your printing needs?

*n=657 Brand Owners/Marketers that purchase or influence printing
Figure 28*

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Demonstrate the Value and Power of Enhancements

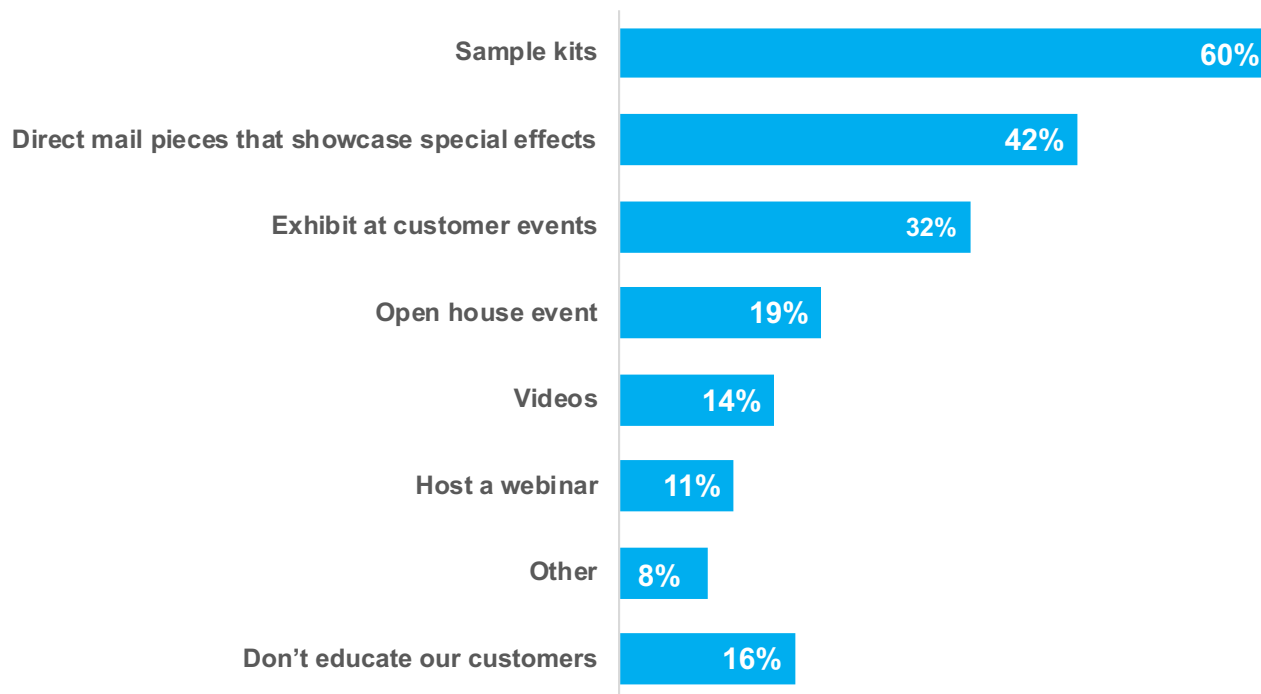
Print providers report making investments to market printing enhancements. Sample kits and direct mail pieces are the top ways print providers are educating customers on these enhancements (Figure 29). Entrenching the provider's message and brand in a buyer's mind requires ongoing demonstrations of the communication possibilities the provider can deliver, and its credibility as a source of innovative solutions. Print samples are important to show the significant advancements made in digital printing and to ensure prospects understand a print provider's unique specialties.

For example, Bennett Graphics, Tucker, Ga., recently produced a stunning sample kit to demonstrate its digital printing capabilities, highlighting digitally applied spot gloss and foil special effects. Each sample includes a description of how the piece was printed. Bennett Graphics branded its sample kit as "SenseAtional Reality" because of the high tactile effects in each piece; the kit includes 25 print pieces.

In addition, print providers interviewed for the research study say they often create a print sample of a customer's job with special effects to show them the possibilities. Meanwhile, others let them try enhanced work first, without charging for it, to demonstrate how it works.

According to a print provider interviewed for the study, “We’ve found showing customers samples of their jobs with embellishment is an effective sales tool.”

Ways Providers Educate Customers on Enhancements



*Q. Which of the following do you use to educate your customers on printing enhancements?
n=161 Print Providers that offer print enhancement/special effects to either digital or
conventional print work
Figure 29*

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Open house events are another tool yielding success. Color Ink hosted an open house to showcase its printing enhancement capabilities. The company hosted a Willy Wonka-themed event, because just like the mythical candy factory, the company’s investment in digital enhancement technology enabled endless imagination.

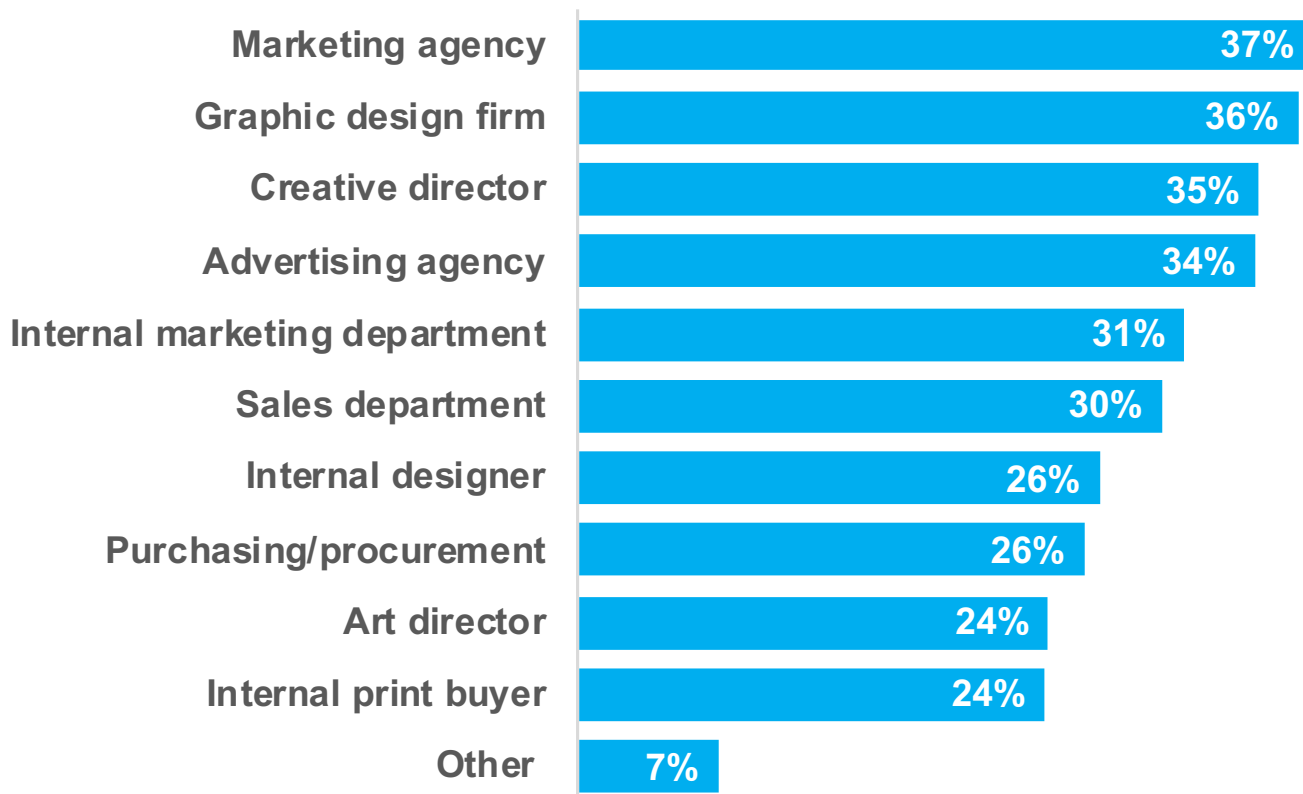
Color Ink used its printing capabilities to transform its shop into Willy Wonka’s factory. Visitors could get fizzy lifting drinks, candy, and even play a slot machine where winners received a Wonka Bar.

Another interesting marketing tactic is that companies offering print enhancement services are branding their services. For example, StoneHouse Marketing, Norman, Okla., brands its printing enhancement offering as Magnifi•Sense by StoneHouse.

Address All Customer Decision Makers

Print providers report that the primary influencers of special effects and enhancements are agency organizations serving the primary customer. Because end customers are outsourcing decisions, this means printers must educate both agencies and end customers. Print provider respondents report that the primary influencers of special effects/enhanced printing are marketing agencies, graphic design firms, creative directors, and advertising agencies (Figure 30).

Primary Customer Influencers



*Q. Who are your customers/primary influencers for special effects/enhanced printing?
n=507 Print Providers that offer enhancement/special effects
Figure 30*

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CONCLUSIONS AND RECOMMENDATIONS

Adding value to digital print through various types of enhancement methods offers print providers many opportunities to capture new customers and strengthen relationships with current customers. Enhancements also elevate the value and power of print. Advancing adoption of enhancement methods and increasing customer demand are deeply rooted in education, training, and partnerships.

Educate Marketers and Brand Owners

Education is essential on many fronts, from providing customers with print samples to hosting customer events to increasing staff skills. Marketers have a strong desire for giving their brands a premium look, capture attention, differentiate from competitors, and enhance corporate image. At the same time, agencies are strong influencers on the look and feel of marketing materials, even though the corporate client is the final decision maker. Marketers rely on printers for the best printing methods.

Print providers need to:

- Create and share samples to show what can be done
- Set correct expectations with customers and prospects on turnaround time and affordability of special effects
- Create success cases that highlight the ROI benefits and market impacts of special effects

Invest in Staff and Customer Training

Offering printing enhancements requires training staff and customers in various areas. Print providers participating in the research recommend the following:

- Train production and sales staff on special effects options and requirements for execution
- Train sales staff on the best ways to sell print enhancements
- Define and roll out new pricing strategies to estimators and sales staff
- Educate customers on design or file preparation requirements
- Provide customers education on special effects options

Pursue Available Resources to Add or Expand Services

Various resources are available to assist print providers looking to add or expand printing enhancement offerings. Providers participating in the research study offer the following:

- Work with current customers to gauge interest in print enhancements
- Partner with industry vendors and suppliers, as many have developed resources and programs to educate operators and support sales and marketing of printing enhanced work
- Seek outsourcing partners to get started
- Attend educational events to learn more



WHO WE ARE

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NAPCO Research 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.

NAPCO Research can help with:

- Business goal prioritization
- Opportunity discovery
- Market segmentation
- Landscape insight
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- Market conditions
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- Industry trends
- Brand awareness

Contact research@napco.com to talk with our analysts to find out how we can help you with your research needs.



WHO WE ARE



SGIA — Supporting the Leaders of the Digital & Screen Printing Community

Specialty Graphic Imaging Association (SGIA) is the trade association of choice for professionals in the industrial, graphic, garment, textile, electronics, packaging and commercial printing communities looking to grow their business into new market segments through the incorporation of the latest printing technologies. SGIA membership comprises these diverse segments, all of which are moving rapidly towards digital adoption. As long-time champions of digital technologies and techniques, SGIA is the community of peers you are looking for to help navigate the challenges of this process. Additionally, the SGIA Expo is the largest trade show for print technology in North America. "Whatever the medium, whatever the message, print is indispensable. Join the community — SGIA."

For more information on SGIA, visit SGIA.org

