

High-Volume Mail

Why Inkjet? Why Now?



Topics

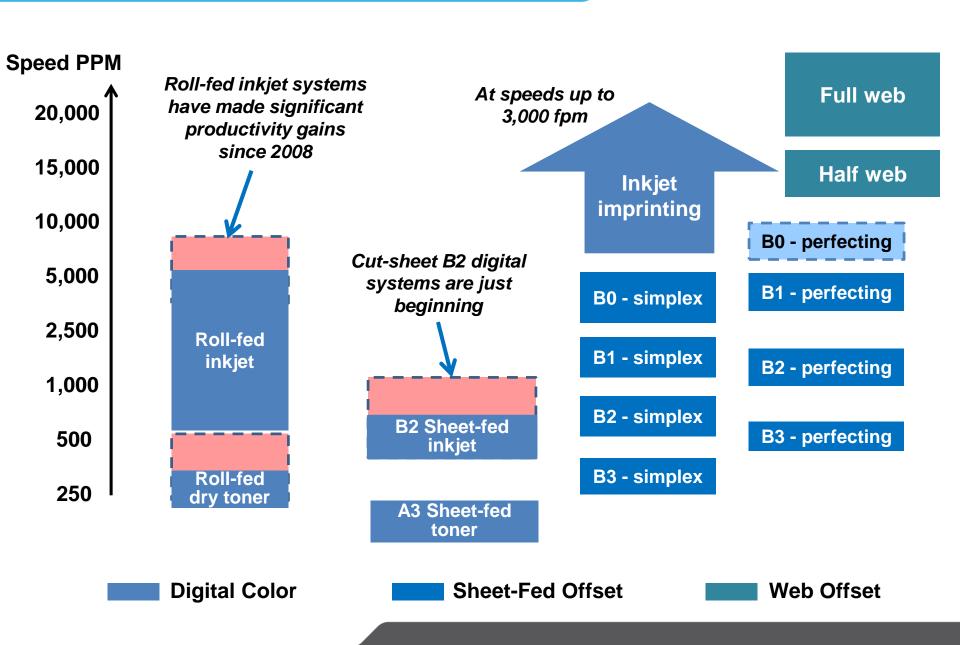
- Inkjet Market Overview
- Market Drivers for Digital Print
 - Direct mailer needs
 - Technology
 - Finishing
 - Substrates
 - Software
 - Making direct mail interactive
- The Bottom Line



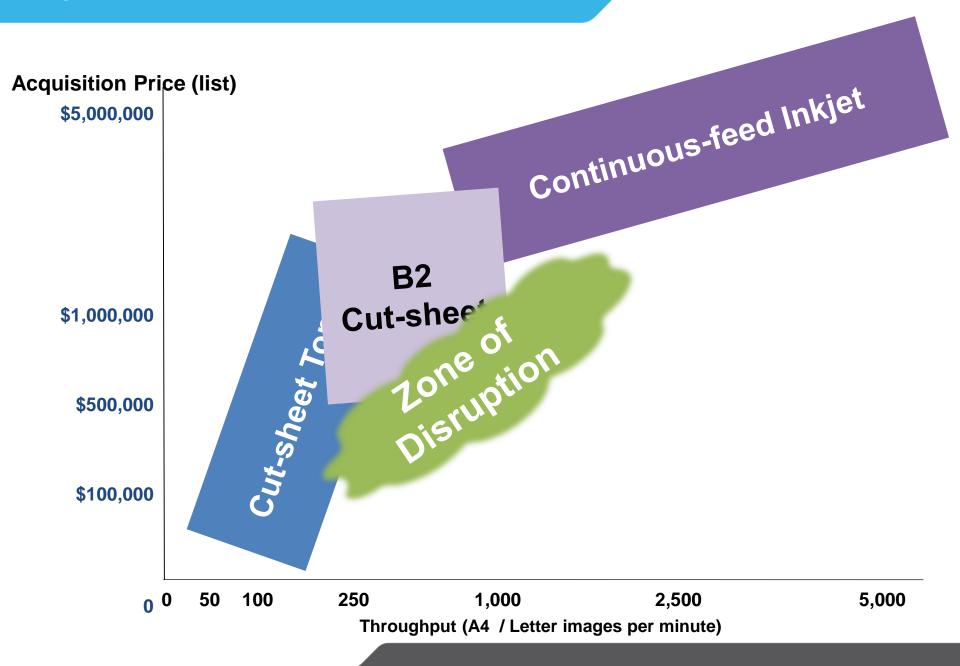
Inkjet Market Overview



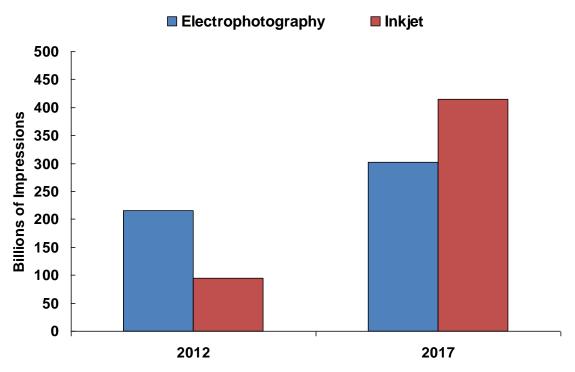
Digital Color: Closing the Productivity Gap



A Spectrum of Color Products



Global Digital Color Print Volume by Technology

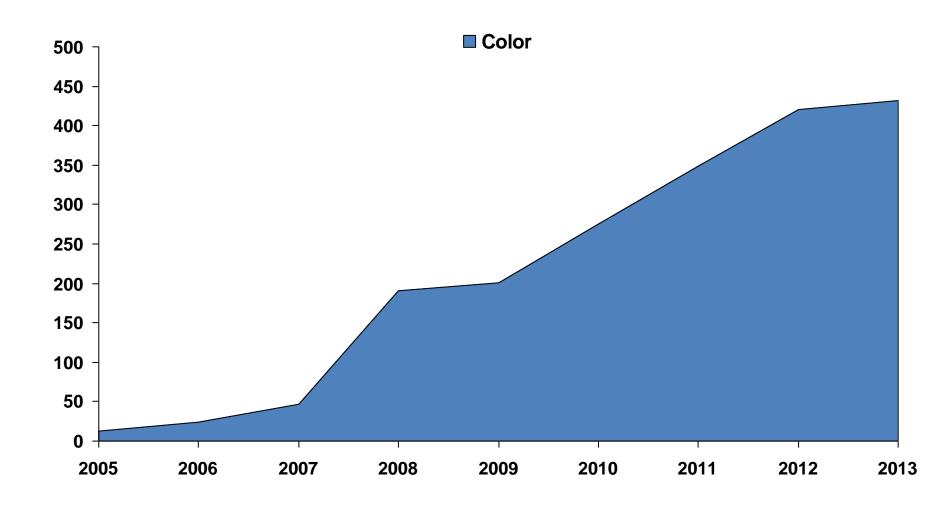


Global production color volumes totaled about 310 billion impressions in 2012. InfoTrends expects them to approach 720 billion by 2017.

- Production color inkjet accounted for 31% of the total production digital color volume in 2012
- By 2016, production color inkjet volume will exceed that produced by electrophotography
- InfoTrends predicts that production color inkjet will account for 58% in 2017
- This occurs despite the fact that electrophotographic color is also growing at a healthy rate

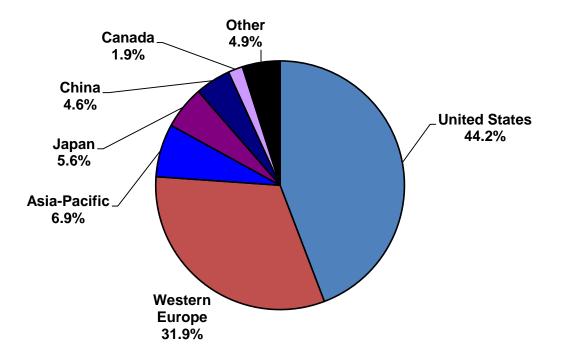
Source: Global Production Printing & Copying Market Forecast: 2012-2017, InfoTrends

Production Color Digital Inkjet Printing Growth since 2005



Source: InfoTrends Quarterly Market Tracking Program

Continuous Feed Inkjet Color Market



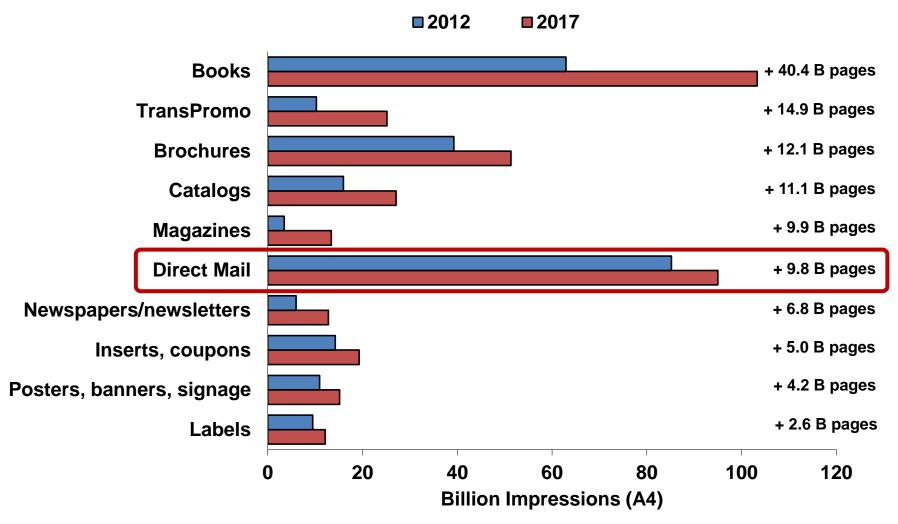
"Other" Breakdown	
Central/Eastern Europe	1.4%
Middle East/Africa	1.4%
South/Latin America	1.2%
India	0.9%

2013: 432 units

- The U.S. overtook Western Europe as the biggest market in 2013
 - W.E. sales were higher in 2011, but the U.S. came out on top in 2009.
- Developing countries still have a low share of placements
 - That share is bound to grow over time.

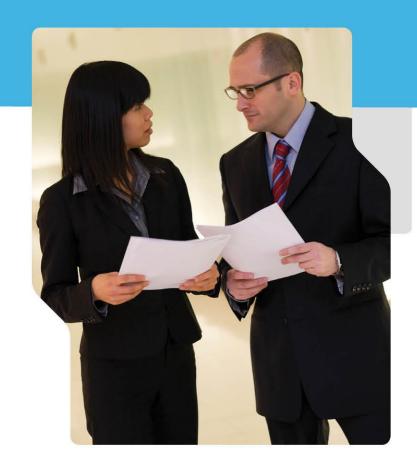
10 Fastest-Growing Applications

Direct Mail Will Increase by 9.8 Billion Digital Pages



Source: U.S. Digital Production Printing Application Forecast, InfoTrends 2013

Market Drivers for Digital Direct Mail





Direct Mail = Intelligent Marketing

Volume

Mass Communications

Value

Personalization and Customization

The RIGHT Customer
The RIGHT Product
The RIGHT Channel
The RIGHT Time
The RIGHT Message

Relevance Reigns

It's More than Variable Data; It's Engagement

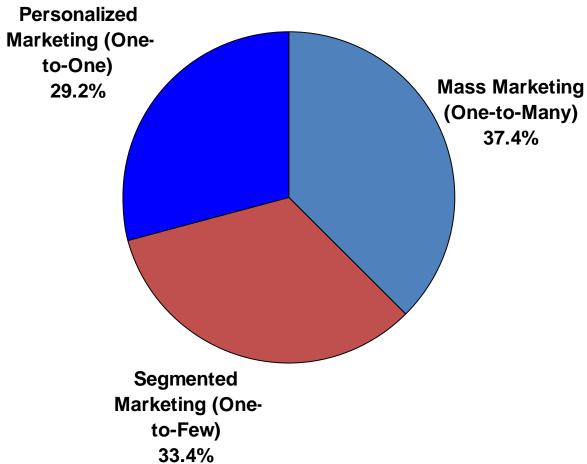
You Need to Bring it to the Bottom Line

Direct Mail Plus High-Speed Inkjet to Drive:

- Lead generation: Arouse interest to request additional information for products and services
- Traffic generation: Motivate the recipient to visit a Website/store, attend an event, etc.
- Direct order: Communication designed to sell a product or service
- Loyalty generation: Continue and/or expand relationships with existing customers
- Generate referrals: Leverage customer base to forward offers via social media, e-mails, and URLs
- Information gathering: Collect information from customers about contact details, preferences, etc.

Audience Targeting Approaches

What percentage of your customer communications or marketing campaigns fit into the following categories?

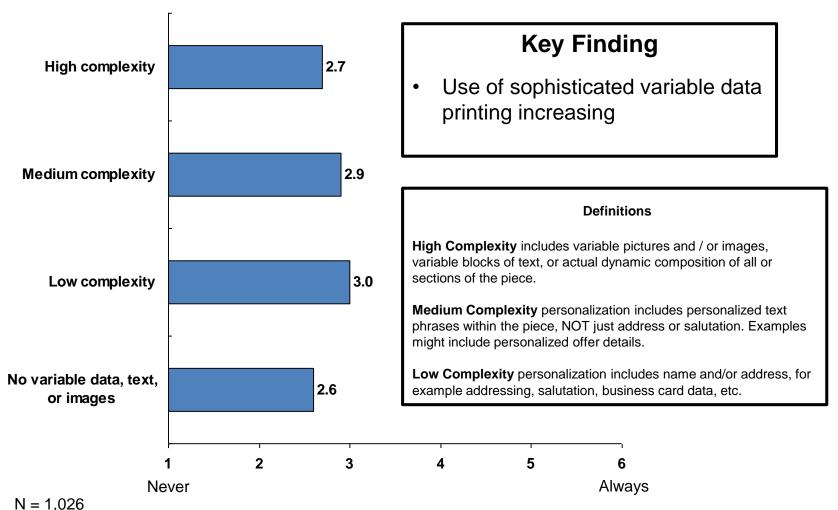


N = 1,026

Source: Understanding Vertical Markets: Enterprise Communication Requirements, InfoTrends, 2012

Use of Variable Imaging

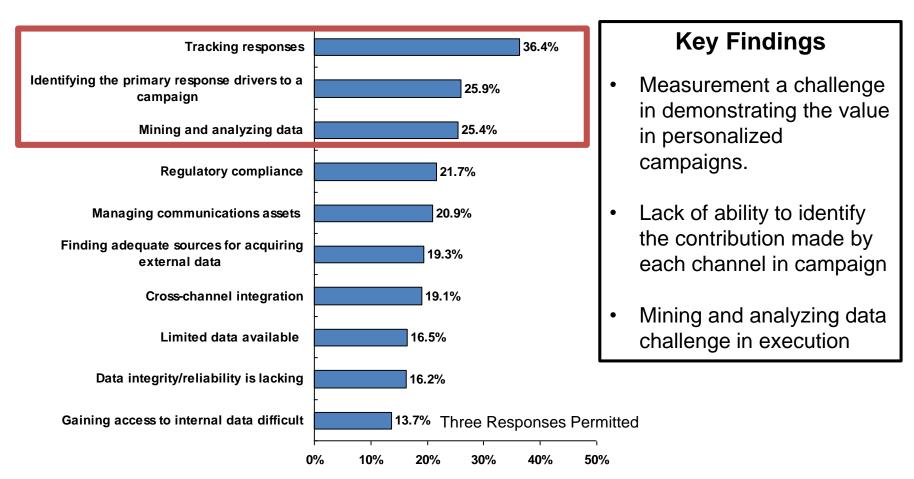
How often does your addressable print communications involve personalization/variable imaging? (Means)



Source: Understanding Vertical Markets: Enterprise Communication Requirements, InfoTrends, 2012

Data Challenges

What are your company's top THREE data-related challenges when executing a personalized communication or marketing campaigns? (Top 10)



N = 1,020

Source: Understanding Vertical Markets: Enterprise Communication Requirements, InfoTrends, 2012

I Don't Think We Question it BUT...

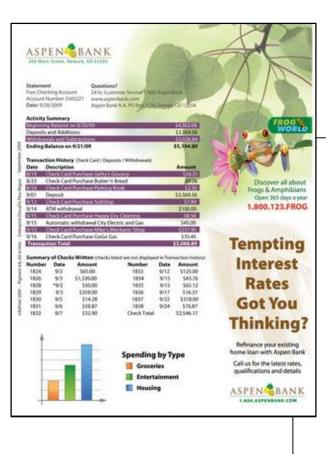
- You must customize messaging to each segment regarding their needs, goals, and pain points
 - Unique and Personal Offer
 - Clear Program Benefits
 - Strong Call-to-Action
 - Pricing
 - Terms
 - Testimonials



From Loyalty Programs...



...To Bills and Statements...







...To Personalized Maps to Reduce the Stress of Relocation



Boxes unpacked.
Utilities turned on.
Kids enrolled in
school.

Now, time to find a doctor.

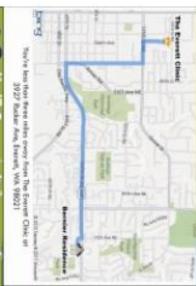
Moving to a new home comes with a huge checklist.

While choosing a doctor might not be the first thing an your mind, it shouldn't be the last either. Fortunately, The Everett Clinic's world-class medical center offers expertise in pediatrics, orthopedics, cardiology, robotic assisted surgery and more. It's our commitment to helping you and your family live a long, healthy life.

Call today to make an appointment: 425.257.1440.
Visit everettclinic.com

The Everett Clinic offe primary and specialty

- · An advanced imaging of
- Two surgery centers with technology, such as 3D surgery
- Eight urgent care Walkseven days a week wit We even post online walt times so you location works best for you.
- Three pharmacies
- A regional cancer parts

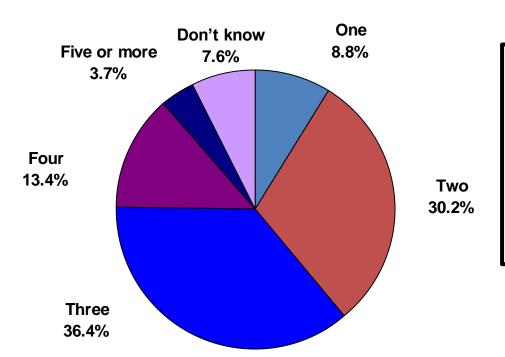


Direct Mail/Marketing: It's About the Experience



Number of Media Channels

How many different types of media does your company use for a typical customer communication/marketing campaign?



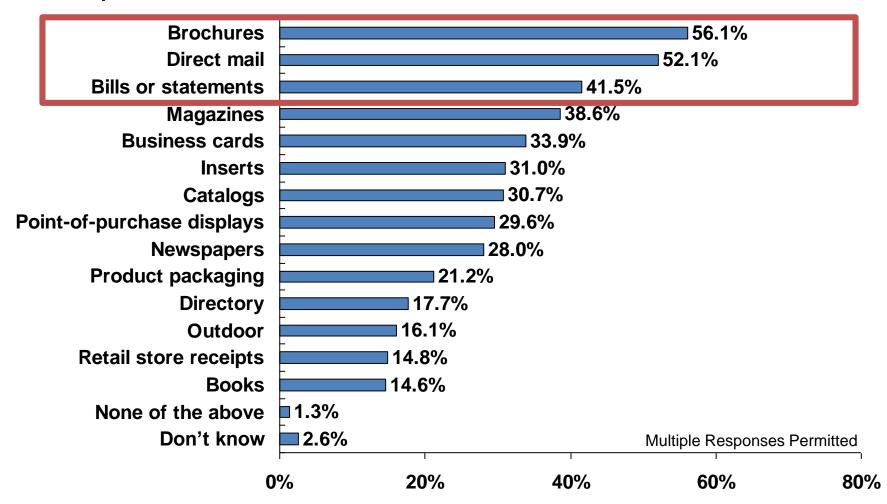
Key Findings

- Average number media types used in a campaign: 3
- 47% of printed marketing materials linked to online digital channels in past 12 months

N = 1,026 Source: Understanding Vertical Markets: Enterprise Communication Requirements, InfoTrends, 2012

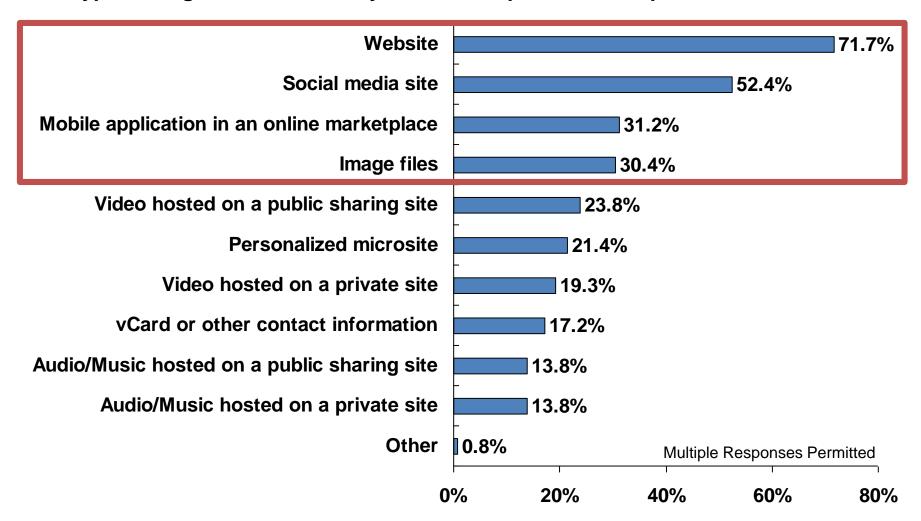
Connecting Print to Digital Channels

What types of printed media have you included a link or connection to digital media over the past 12 months?



Digital Channels Linked to Print

What types of digital content have you linked to print over the past 12 months?



Direct Mail + Mobile = Engagement



Why Integrate Print and Mobile?

Interactivity



Media Extension



Measurability



Increased Value to Print

Making Print Interactive with Mobile

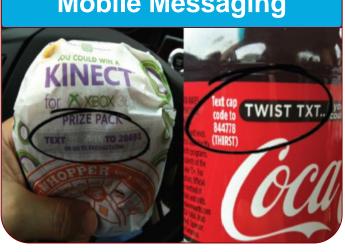
Mobile Codes



Near-Field Communications



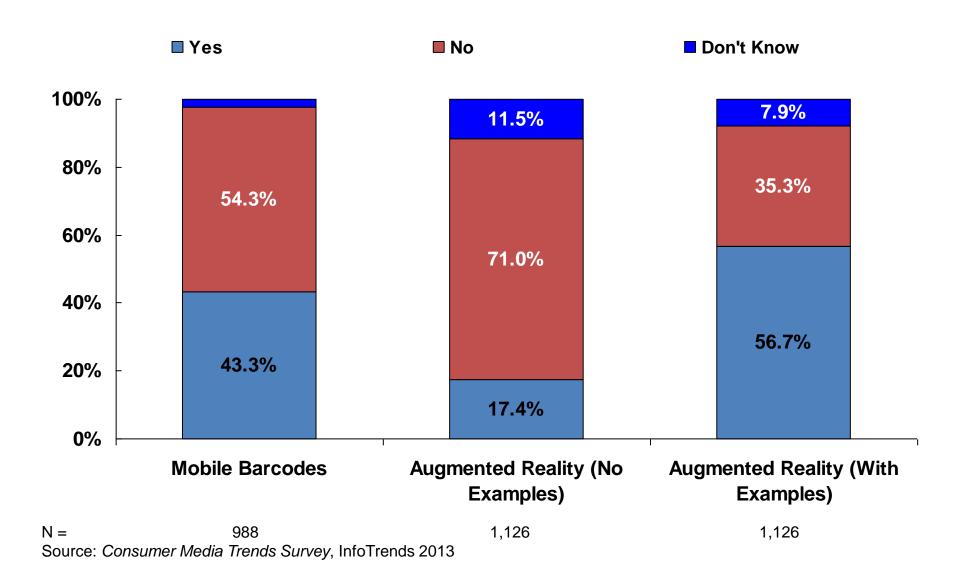
Mobile Messaging



Augmented Reality

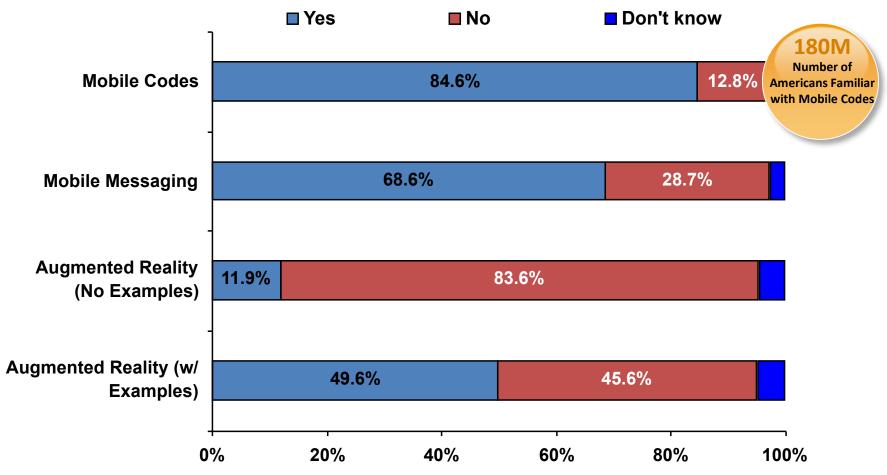


Adoption of Mobile Barcodes and AR



Mobile Codes, Messaging Have High Consumer Awareness

Which of the following technologies are you familiar with?



N = 1,192 Consumers

Source: Mobile Technology: Making Print Interactive, InfoTrends 2011

Near-Field Communications: The QR Code Replacement

- Technology for seamless experience for marketers and their audiences to pursue offlineto-online engagement
- Passing NFC tags in the form of stickers can be affixed to any surface or substrate
- NFC enabled phones projected to exceed 1 billion by 2015 despite security concerns



A Number of Purchasing Options for Stickers

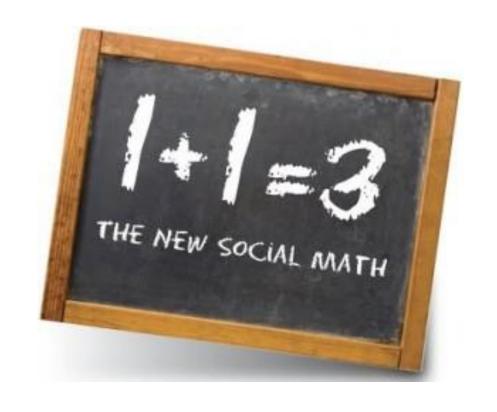


USPS Demonstrates Augmented Reality Video at the 2013 Consumer Electronics Show (CES)



The Future of Loyalty is Social

Social Loyalty = Propensity to Repurchase and Recommend



The New Social Loyalty

- Engaging customers and enticing them to:
 - Write reviews
 - Participate in an online community
 - Answer other customers' questions
 - Tweet about a purchase
 - Comment about a shopping experience on Facebook
 - Upload a product photo on Pinterest
 - Share a deal with a friend via e-mail
 - Check into a brick-and-mortar store via foursquare
- Traditional rewards of financial incentives augmented with social motivators including badges, leaderboards, and public mentions

Blending Postcards and Social Media to Drive Referrals







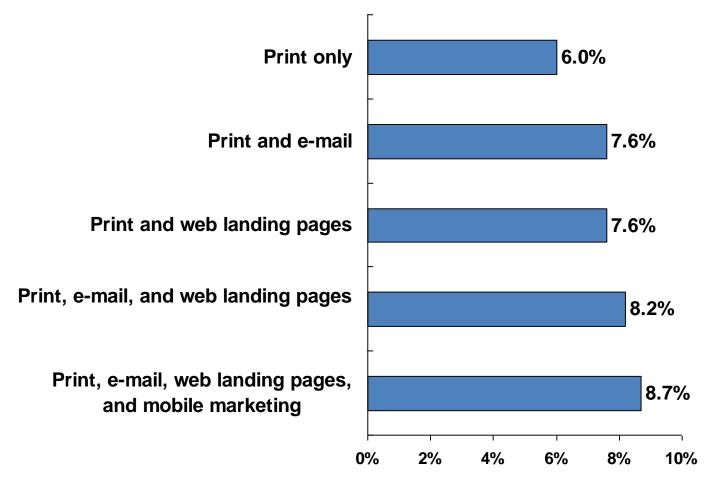
Various Program Tools Available to Drive Referrals

- www.500friends.com
- www.dukky.com
- www.preferredpatron.com
- www.perkville.com
- www.parago.com
- www.loyaltyconnect.com
- www.nextbee.com
- Etc.



More Campaign Channels = Better Response

Who would you rate the average RESPONSE rate of campaigns that use the following combinations of media channels? (Means)

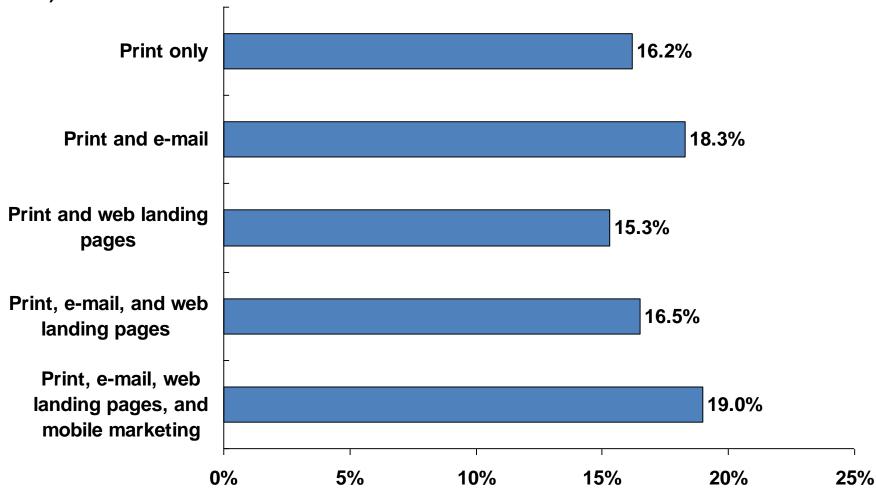


N = Varies

Base: All respondents

More Campaign Channels Mean Better Business Results

Of the people who responded, what percentage purchased or were converted into new business? (Means)



N = Varies

Base: All respondents

Measuring Effectiveness

- Participation rate
- Attrition rate
- Spend/growth rate
- Accrual and breakage rates
- Engagement rates
- Number of referrals

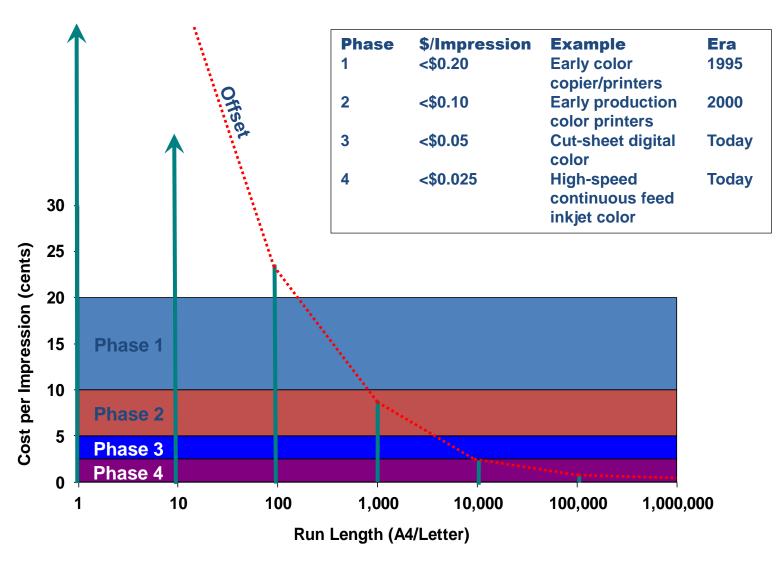




Technology



Color Digital Printing is Entering a Fourth Phase



Running cost: (1) includes cost of the equipment over expected life + plus service and supplies (2) excludes paper, labor, overhead

Trends in Inkjet

Several requirements for progress towards Graphic Arts/Direct Mail applications

- Higher productivity
 - Wider width
 - Higher linear speed
 - Longer life components
 - More automation
 - Less set-up waste & time
- Lower running costs
 - Through productivity, lower ink costs, lower paper premium
- Higher print quality
 - Higher resolution
 - Better inks
 - Better color management

A Perspective on Océ Technology and the Direct Mail Market (1)

- Widest portfolio of continuous feed inkjet products in the market
- Océ JetStream family with production from 1,074 to 5,452 letter-size images per minute



Océ JetStream 1000 Compact	246 fpm	1074 ipm	2-up duplex
Océ JetStream 1400 Compact	328 fpm	1432 ipm	2-up duplex
Océ JetStream 1900 Compact	417 fpm	1818 ipm	2-up duplex
Océ JetStream 1500 Dual	328 fpm	1432 ipm	2-up duplex
Océ JetStream 2200 Dual	492 fpm	2147 ipm	2-up duplex
Océ JetStream 3000 Dual	656 fpm	2863 ipm	2-up duplex
Océ JetStream 2300 Wide Mono	328 fpm	2147 ipm	3-up duplex
Océ JetStream 3300 Wide Mono	492 fpm	3221 ipm	3-up duplex
Océ JetStream 3300 Wide	492 fpm	3221 ipm	3-up duplex
Océ JetStream 4300 Wide Mono	656 fpm	4295 ipm	3-up duplex
Océ JetStream 4300 Wide	656 fpm	4295 ipm	3-up duplex
Océ JetStream 5500 Wide Mono	833 fpm	5452 ipm	3-up duplex
Océ JetStream 5500 Wide	833 fpm	5452 ipm	3-up duplex

A Perspective on Océ Technology and the Direct Mail Market (2)

 Océ ColorStream 3000 series offers four web speeds from 157–417 fpm and print speeds from 344 to 1,818 letter sized pages per minute



Unique Features for the Direct Mail Market (1)

Quality

- Leverages Océ DigiDot piezoelectric drop-on-demand technology
- Varies the ink droplet size (multilevel dot modulation), yielding perceived 1,200 x 1,200 dpi quality
- Inkjet HeadSafe Technology for the ColorStream
 - Automatically caps inkjet heads for monochrome-only vs. full-color printing; prevents nozzle clogging
 - Critical for book market where lower cost papers that generate more dust are frequently used
- Limited Paper Waste for the ColorStream
 - The ability to print at varying speeds during ramp-up acceleration and ramp-down deceleration and to fully stop and restart without blank pages to reduce paper waste

Unique Features for the Direct Mail Market (2)

- Kyocera drop-on-demand inkjet heads use water-based inks (either dye or pigment), as well as specialty inks (e.g., MICR, security inks, invisible inks)
- Extended inkjet head life providing optimum uptime
- Scalable Océ SRA MP controller offering full engine speed variable data printing in AFP/IPDS with built-in data integrity, error recovery, and full color management; also includes the Adobe Print Engine option

Streamlining
Operations: The Right
Workflow





Océ PRISMA

Océ PRISMA Software

Managing Document Workflows

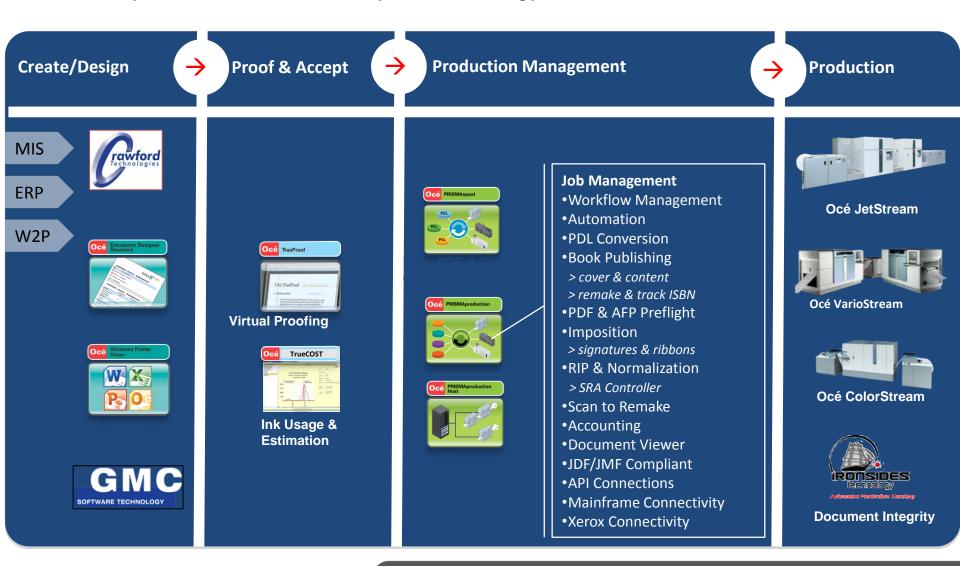


PRISMA is an <u>integrated</u> family of <u>adaptive</u> workflow software that makes workflow faster and more efficient across a wide array of applications.

- Compatible: Works your current workflow solutions and streamlines the business processes you already have.
- Comprehensive: Automates more completely across more departments in more places.
- Consistent: Makes printing simple, reliable, and cost-effective for customers and employees.

Océ PRISMA for Continuous Print Systems

Industry standard connectivity methodology enables solutions



Prisma: Driving Productivity for Direct Mailers

- Prisma: An integration platform for streamlining mail operations
 - Interfaces with partners for variable data document composition
 - Integration with Bell and Howell BCC Mail Manager for Postal Optimization
 - Forms resource manager for white paper in; full color out to replace pre-printed forms
 - Ironsides' Automated
 Production Tracking (APT)
 integration to ensure print/mail
 accuracy while providing
 users with the real-time data
 and reporting





In-Line Finishing



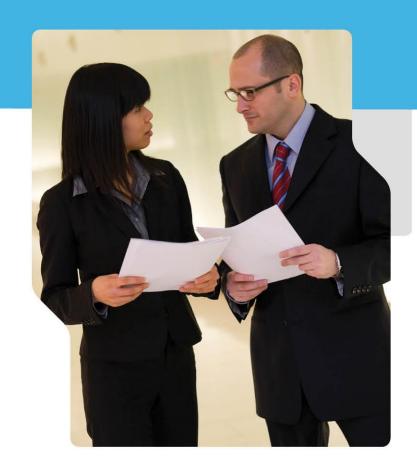
PRINT 101: all about finishing

The Finishing Options

- Océ JetStream and ColorStream printers include integrated pre- and postprocessing capabilities, including folding, perforating, and hole punching.
- If additional finishing is required, future systems will support direct connection to third-party finishing systems. Offline finishing is always available.

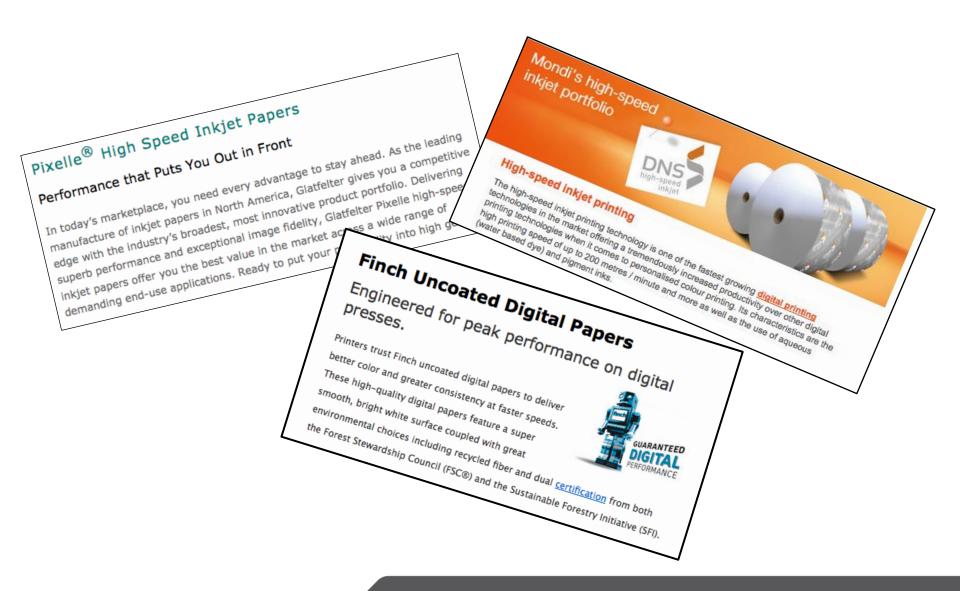


Expanded Substrate Options and Alternatives





As Volume Goes Up, So Do Inkjet Paper Options



Bringing it to the Bottom Line



Making a Difference at Universal Wilde



IWCO: Delivering Results



Sourcelink: Illuminated Marketing



Recommendations and Conclusions

Critical Success Factors



- A customized communications marketing strategy
- Relevance of messages
- A valid offer
- Quality and design of the document
- Media channelagnostic

Combined With:

Canon SOLUTIONS AMERICA

- The right technology
- Optimized workflow
- Partners to develop a complete solution







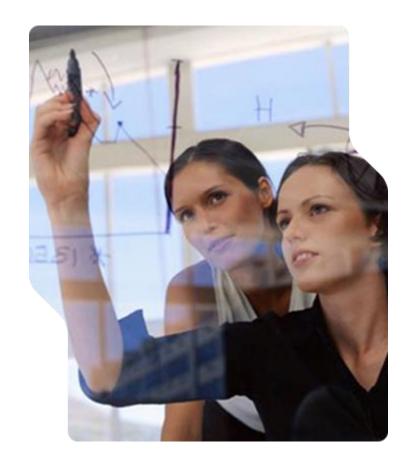


Why Canon Solutions America?



A Partner Committed to Your Success (1)

- Long history of understanding and meeting customer requirements
- Market-leading scalable technology
- End-to-end solutions
- Professional services for successful execution



A Partner Committed to Your Success (2)

- Long history of understanding and meeting customer requirements
- Market-leading scalable technology
- End-to-end solutions
- Professional services for successful execution



A Partner Committed to Your Success (3)

- Long history of understanding and meeting customer requirements
- Market-leading scalable technology
- End-to-end solutions
- Professional services for successful execution



A Partner Committed to Your Success (4)

- Long history of understanding and meeting customer requirements
- Market-leading scalable technology
- End-to-end solutions
- Professional services for successful execution





Canon Solutions America: A Partner that Wants to Help You Grow!





Questions?

