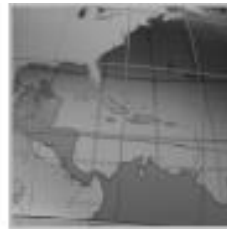


Analysis



Business Development Services     

April 2015

The Innovative Use of Technology

Service Area

Business Development Strategies

[Comments or Questions?](#)

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Key Highlights

- Moving forward, the leading print and marketing service providers will be masters of change who are able to rapidly identify and adapt to new business opportunities that are enabled by technology.
- During 2015, offering more substrate choices can affordably open new markets while also making it possible to capture additional sales from existing customers.
- Inkjet printing will benefit from the increased availability of higher-resolution heads for single-pass printing, coupled with ink chemistry that can address a growing range of substrates. The technology will also become more affordable.

Introduction

In his book entitled *Innovation and Entrepreneurship*, Peter F. Drucker states that an entrepreneur “always searches for change, responds to it, and exploits it as an opportunity.” An entrepreneur acknowledges change as a natural occurrence and welcomes it as opposed to fearing it. Drucker went on to quote J.B. Say, noting that the entrepreneur “shifts economic resources out of an area of lower and into an area of higher productivity and greater yield.”

Rules for Innovation

Drucker’s book highlights eight key rules for successful innovation:

1. Purposeful innovation begins with an analysis of the source of innovation
2. Innovation is both conceptual and perceptual (i.e., you need to go out and see customers)
3. Innovation has to be simple
4. Effective innovation starts small
5. Innovators aim for leadership
6. Innovation is work
7. Innovators understand how to build on their strengths
8. Innovators remain market-focused

New Ways to Innovate

Moving forward, the leading print and marketing service providers will be masters of change who are able to rapidly identify and adapt to new business opportunities that are enabled by technology. As Drucker points out, innovation doesn't always mean spending thousands of dollars on the latest piece of equipment—sometimes it's about having the right ideas and deploying technologies that address new market opportunities. Service providers must explore avenues where technology can lead to new opportunities, and 2015 abounds with options. Service providers can leverage existing technologies to successfully innovate in a variety of ways, and a few examples are outlined below.

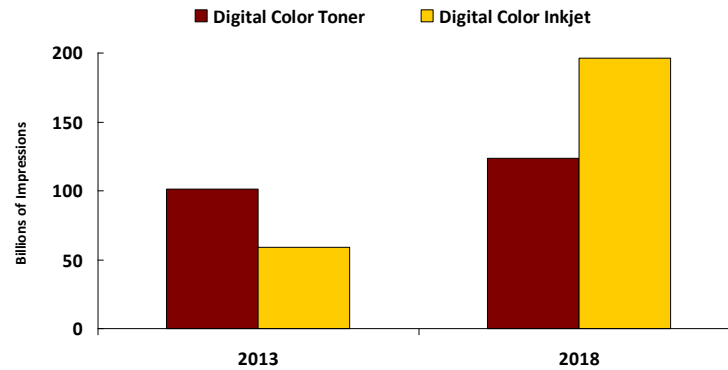
1. More Substrates, More Inks, More Opportunities

There are a number of specialty substrates for digital printing in today's market, including polyester, PVC, vinyl, pressure-sensitive, magnetic, embedded, panoramic, and specialty photo papers. During 2015, offering more substrate choices can affordably open new markets while also making it possible to capture additional sales from existing customers. Meanwhile, vendors of digital printing devices have added metallic inks to the mix, enabling service providers to bring the brilliance of gold, silver, bronze, and virtually thousands of pearlescent and metallic colors to prints. Greeting cards, direct mailers, banners, signs, labels, packaging, decals, POP displays, vehicle wraps, and even decorated apparel can take on an upscale, eye-catching appearance with these new specialty inks. The possibilities are truly endless, and are limited only by the imagination.

2. The Inkjet Expansion Continues

According to InfoTrends, U.S. digital production color volumes totaled about 160 billion impressions in 2013. By 2018, these volumes are expected to reach 320 billion. Production color inkjet accounted for 37% of the total production digital color volume in 2013, and will account for 61% in 2018.

In 2015, inkjet printing will benefit from the increased availability of higher-resolution heads for single-pass printing, coupled with ink chemistry that can address a growing range of substrates. The technology will also become more affordable. Taken together, these developments will make it possible for higher-quality graphics to be produced on substrates ranging from plain papers to machine-coated offset papers. This will support market growth, including a greater range of marketing and book & pamphlet printing applications. Inkjet will be used for new, more personalized applications and will also rival offset for traditional print volumes. Service providers of all sizes must pay attention to inkjet developments as they build strategies for the future.

Figure 1: U.S. Production Color Print Volume

- U.S. digital production color volumes totaled about 160 billion impressions in 2013, and InfoTrends expects them to reach 320 billion by 2018.
 - Production color inkjet accounted for 37% of the total production digital color volume in 2013 and will account for 61% in 2018.
 - This occurs despite the fact that digital color toner is also growing at a healthy rate.

Source: InfoTrends' U.S. and W.E. Production printing & Copying Market Forecasts, 2013-2018

3. 3D Printing is an Industry Game-Changer

3D printing technology is well-developed and continues to advance, and prices for these technologies are falling as time goes on. The 3D focus is currently on one-off or small-run models for product design and industrial prototyping, but advancements in printers, scanners, design tools, and materials are reducing the cost and complexity of creating 3D-printed items. As a result, applications for 3D printing will expand further to encompass architecture, defense, medical products, and advertising specialties. 3D printing is on the fast track to mainstream adoption, so now may be the time to weigh in.

4. Large Format will Remain a Growth Opportunity for Providers of all Sizes

Signage is a vital part of the marketing mix. Marketers recognize that business and advertising signs are an extremely effective means of communication. Signs help people find businesses, they reach people who are passing by an establishment, and they present an image for the business. In short, signs inform people about an organization, its brands, and its unique selling proposition. In this decade of mobile communications, marketers will demand signage that can actively engage customers. Providers must learn how to integrate point-of-purchase displays, banners, billboards, and vehicle wraps with mobile elements to enhance the retail experience. Mobile technologies like QR codes, augmented reality, NFC tags, and SMS messaging also need to be incorporated to strengthen large format communication strategies.

InfoTrends' Opinion

Drucker's book stresses that "The walls exist only in our minds." The message for print service providers is that there are no limitations to what we can do or achieve except for the constraints that we set on ourselves. The best print service providers will evaluate technologies, take a market-focused approach to innovatively deploy them, and find ways to create new opportunities. There are plenty of technology options. During 2015, everyone has the opportunity to become an innovative entrepreneur.

This material is prepared specifically for clients of InfoTrends, Inc. The opinions expressed represent our interpretation and analysis of information generally available to the public or released by responsible individuals in the subject companies. We believe that the sources of information on which our material is based are reliable and we have applied our best professional judgment to the data obtained.

About the Author



Barb Pellow

Group Director

barb_pellow@infotrends.com

+1 781-616-2161

A digital printing and publishing pioneer as well as a marketing expert, Barbara Pellow helps companies develop multi-media strategies. She assists companies in creating strategies to launch new products, building strategic marketing plans, and educating their sales force on delivering value.

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