

ANALYSIS

BUSINESS DEVELOPMENT STRATEGIES

A ROAD MAP FOR 2022

JANUARY 2022





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Introduction

If we were to play a word association game to describe 2020 and 2021, we'd probably all come up with a similar list—pivot, adapt, reinvent, stay nimble, new normal, unprecedented times, hybrid model. All these terms represent change, so it should come as no surprise that modern businesses have changed more in the past 18 months than they had in the prior 18 years. Print service providers (PSPs) have been forced to consider a great deal of trial and error in their efforts to maintain business as usual. Borrowing a phrase from J.R.R. Tolkien, “not all those who wander are lost” seems fitting when describing today's business climate. At its root, it suggests that those who are unwilling to stay within the confines of a charted path will likely experience a better journey.

Of course, few people would deliberately select the road we've endured over the past two years. Even before the global health crisis brought on by the COVID-19 pandemic, digital technology was already waging war against modern businesses. On the bright side, today's PSPs now have an opportunity to take what they learned from a disoriented business climate and move forward with increased clarity and purpose. Purpose is an important and common thread as organizations navigate toward future growth. It must now be at the center of every business decision and customer interaction.

As our industry continues to evolve, it has never been more critical for a brand to have a purpose. According to a Harvard Business Review study, companies that focus on their purpose typically achieve higher growth rates and more success during transformative times. Nearly 90% of surveyed executives believed that a strong sense of collective purpose drives employee satisfaction. In addition, 84% asserted that a strong purpose could affect an organization's ability to transform, and 80% believed that it helped increase customer loyalty.

At the beginning of each year, the analysts at Keypoint Intelligence reflect on the past year, contemplate the next, and compile a list of key trends that are expected to impact PSPs in the months ahead. This article will discuss the trends specific to marketing and direct mail that are expected to shape our industry as we move toward the future.

Top Trends for 2022

Trend 1: An Increased Focus on Applications

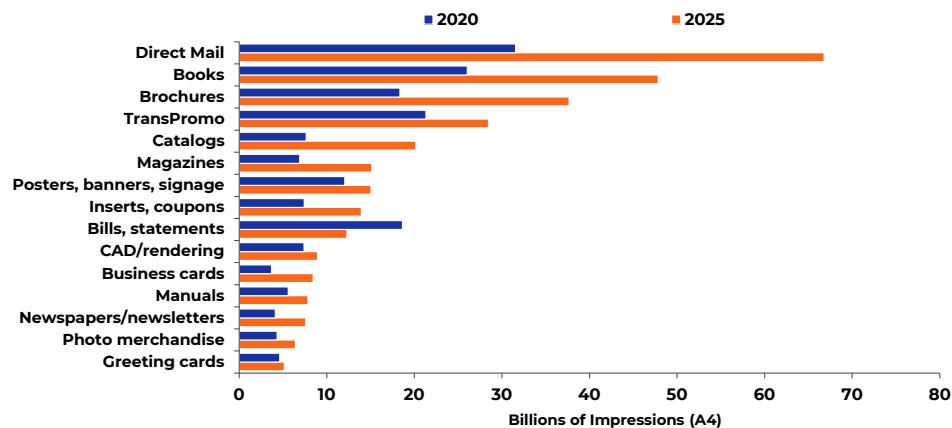
Applications drive print volume. If this seems like an obvious statement, it's because it is—but it is still important! For PSPs, the fastest path to new revenues will typically come from identifying print-prominent applications that are due for an upgrade. Rather than focusing on print jobs, successful printing firms will seek applications that align with the digital print value proposition. By developing versioned, personalized communications that are truly relevant to their recipients, printing businesses can impact their bottom lines. Digital



technology will play a key role due to the need for shorter run lengths, and printed communications must be interactive while complementing any digital communication efforts.

Each industry will have its own names for various documents, so it's nearly impossible to name every type of application in existence. For example, the same item that a software company would call a brochure might be called a look-book by a real estate broker. As a result, it's easier for print sales professionals to identify new opportunities if they understand who owns the application and the business purpose it serves. Keypoint Intelligence's Application forecast data provides a broad view of the applications that are expected to experience growth. As shown in the Figure below, nearly all of the top fifteen digital print color applications have additional opportunities for growth.

Figure 1: Top Color Applications



Source: United States Digital Production Printing Application Forecast; Keypoint Intelligence 2021

Direct mail remains one of the largest print volume applications and is expected to continue seeing positive gains. In line with the need to maintain a strong brand, businesses must deliver high-impact print campaigns in versions that align their purpose with the interests of their intended audience.

When it comes to providing an optimal customer experience, the way in which a brand delivers its message matters. Ongoing research confirms that direct mail requires less cognitive effort to process than digital media, making it easier to understand and more memorable. Direct mail also offers significant advantages in terms of brand recall. Our brains process visual images 60,000 times faster than words, so powerful visuals can help drive engagement and improve response rates in direct mail.

Between 2020 and 2025, catalogs and magazines are expected to experience some of the highest growth rates in terms of impressions. Their strength in digital print can primarily be attributed to shifts away from traditional offset manufacturing. We already know that digital presses enable shorter run lengths, geo-marketing, and personalized messaging.



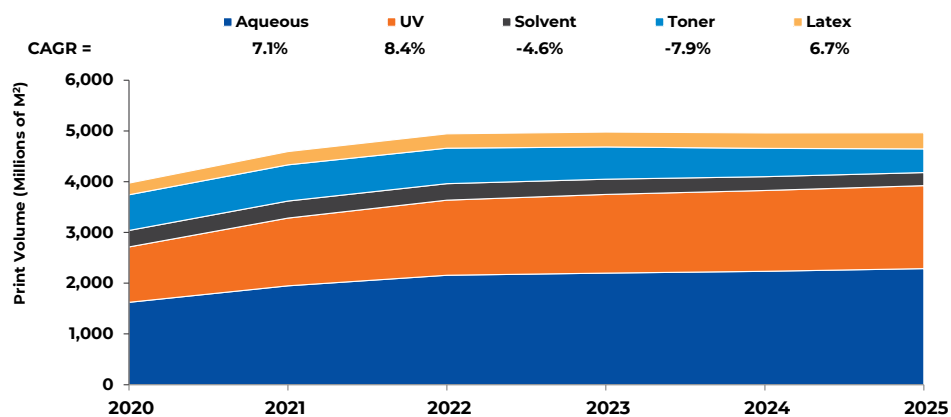
Building on this knowledge, PSPs must translate these benefits into a language that marketers can relate to.

Trend 2: Sign, Sign, Everywhere a Sign

Like so many other sectors, wide format experienced some declines during the COVID-19 pandemic—but it is now back on the path to profitability. The technology continues to evolve to meet market demands for lightning-fast turnaround times. As tradeshow and live events make a comeback, the demand for wide format graphics will only increase. For businesses that offer wide format print services, profitability depends on efficient order fulfillment and marketing. As PSPs look to serve their customers and streamline their operations, automation must be a key consideration.

Technological consolidation continues at a rapid pace in our industry. Keypoint Intelligence's most recent wide format print volume forecast projects that UV and aqueous devices will experience the highest growth between 2020 and 2025.

Figure 2: Global Wide Format Print Volumes

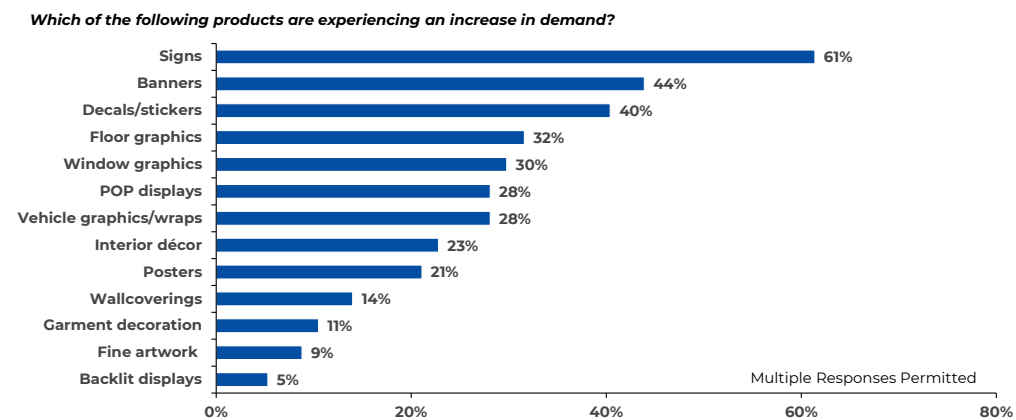


Source: Global Wide Format Print Volume Forecast; Keypoint Intelligence 2021

Signs are essential to everyone when they are trying to find their way in an unfamiliar area. Without them, time is lost and frustration can tarnish the customer experience. As we move through 2022, visual communications will continue to play an important role. The onset of COVID-19 made all of us hyper-aware of changes in business operations, but this is only one piece of the equation. Ongoing advancements in wide format technology mean that the possibilities are increasing every day. New substrates, improvements to print quality, and increased durability have led to expanded opportunities. As indicated in the Figure below, signs are only one area of focus for 2022.



Figure 3: Wide Format Opportunities



N = 57 Respondents that are seeing an increase in demand for wide format applications
 Source: ST Media/Big Picture Magazine Survey in Conjunction with Keypoint Intelligence (2021)

Trend 3: Workflow Automation Deserves More Attention

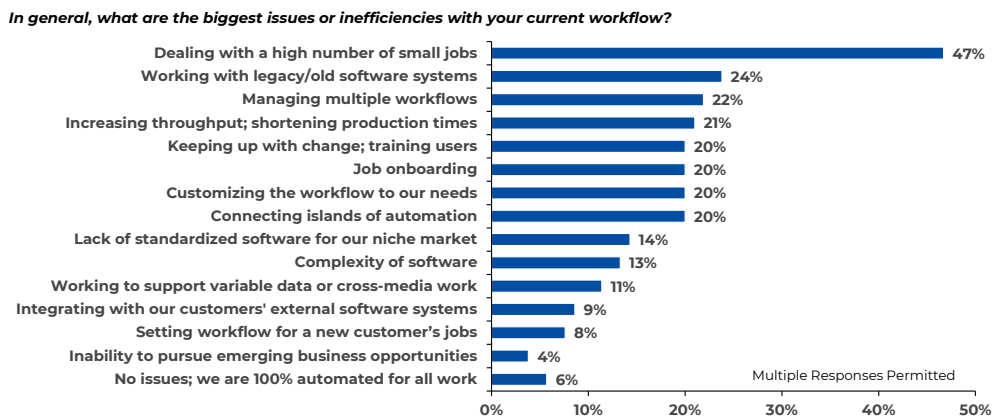
Over the years, PSPs have primarily directed their attention toward optimizing print and finishing operations. Meanwhile, systems and automation for the front of the house have traditionally been lower on the priority list because friendly personnel were available to interact with customers and prospects. In today's market, though, customer preferences have changed. Even if you have endless funds to support customer service roles, workflow automation must be a top priority.

Today's customers must be empowered to take advantage of self-serve interactions. When you consider workflow, this is the starting point. In a recent survey from Keypoint Intelligence, PSPs were asked about their top considerations for purchasing web-to-print software. Improving the customer experience was at the top of the list, which stands to reason because today's business buyers expect convenience when it comes to ordering. By addressing their preferences, print businesses can establish a more loyal customer base.

If that's not enough, printing firms have much to gain internally when they focus on streamlining the job onboarding process. The majority of today's jobs are placed through e-mail or a phone call, and these jobs must be turned around as quickly and accurately as possible. To take advantage of the digital print value proposition, print businesses must implement tools that help onboard the growing number of smaller jobs. Keypoint Intelligence's most recent North American Software Solutions Outlook report underscores this trend—when respondents were asked to specify their biggest workflow inefficiencies, nearly half of respondents cited dealing with the high number of smaller jobs.



Figure 4: Top Workflow Inefficiencies



N = 105 Total Respondents

Source: North American Software Investment Outlook Survey; Keypoint Intelligence 2021

Trend 4: Packaging Takes on a New Life

By design, the primary purpose of a package is to keep the contents safe from damage while protecting them from light, heat, or other external elements. No one would dispute that. Thinking more creatively, though, packaging is also prime real estate that can be used to engage buyers and consumers with appealing imagery while increasing brand recognition. There was a time when all packaging was produced on large offset presses, but more and more of these applications are now being produced on digital print devices. Digital presses enable faster time to market, the ability to personalize or regionalize marketing messages, easier artwork and content updates, and increased flexibility. All these factors are vital as brand owners test new markets and work to generate a greater sense of loyalty.

Smart packaging—or packaging that uses technology to enhance the experience or engage/educate the intended buyer—is a trend worth watching. With more and more consumers carrying a smartphone in one hand while grabbing items from a store shelf with the other, smart packaging can help elevate the customer experience before the decision to purchase is even made.

Going back to an earlier statement about purpose being at the center of every customer interaction, it's important to recognize that today's consumers have a keen interest in the environmental impact of the products they purchase. The good news is that modern digital presses have been designed to produce packaging with the environment in mind. They serve as an alternative to the long runs that often end up in the recycle pile and also reduce the solvents required to print the packaging.

As brands commit to mass customization and increased localization/personalization, digital packaging will continue to experience growth in terms of use and volume.

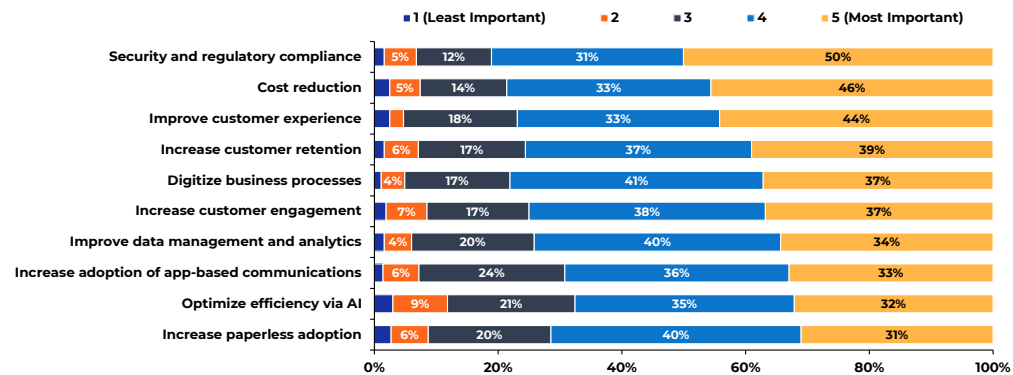


Trend 5: Customer Communications with Transactional Print

In late 2021, Keypoint Intelligence conducted a survey of over 350 enterprises in North America. The outcome was an in-depth analysis of how enterprises are leveraging transactional communications and related technologies to better serve their customers. As was the case for the other areas of business we've covered in this document, over 44% of enterprises cite an improved customer experience as a most important priority. As reflected in the Figure below, other important business objectives include security and regulatory compliance and cost reduction.

Figure 5: Importance of Business Objectives

On a scale of 1 to 5, how important are the following objectives to your overall business strategy?



N = 364 Total Enterprises in the US and Canada

Source: *Annual State of Transactional Communications Business Survey*; Keypoint Intelligence 2021

There is no question that IT budgets will continue to rise. PSPs can work to help these enterprises examine their current practices, then determine how improvements can be made to achieve these important goals.

Trend 6: Sales and Marketing Has Changed Forever

The fundamentals of sales and marketing activities continue to play an important role in business development. The opportunity to enjoy success from those efforts in 2022 is largely dependent on the systems that are designed to support them. In *Atomic Habits: An Easy and Proven Way to Build Good Habits and Break Bad Ones*, author James Clear asserts, "You do not rise to the level of your goals. You fall to the level of your systems." To put this another way, even the most ambitious sales or marketing goal will do very little for your business growth if you don't have a system in place to support the efforts AND maintain consistency. The goals you set are the desired outcome, but the systems you design are how you will achieve your goal.

The concept of sales and marketing has been a subject of speculation and dispute for many years. In today's world, the reality is that buyers are approaching their need for print and promotional products much differently than they were in the past. Thanks to the wealth of information available online, buyers have gained confidence in moving the



sales process forward without engaging the help of a salesperson until it is absolutely necessary. Although this certainly doesn't mean that sales reps don't add value or are a dying breed, it does indicate that the role of the salesperson continues to evolve and change.

Specifically, it is more important than ever for marketing and sales activities to be built on a system that is designed to blend and intersect at the very point buyers are researching their options. A popular activity over the past few years centers on publishing content that defines and speaks to the prospect's need. As an aftereffect of the pandemic, this content must now amplify the stories that are central to purpose. Social inequities, environmental concerns, and security/data privacy are top of mind. When content tells the right story to the right audience, it can establish a base of authority

Many believe that the selling process will become a predominantly online function within the next few years. Even if this doesn't prove to be true, the way in which today's buyers create a filter when exploring their options must be acknowledged. Attempting to pick up the conversation in the middle of the sales cycle or only after the buyer has reached out for help is a recipe for price and product comparison. To avoid this, sales professionals must become proficient at developing online relationships. This might also be called improved social selling. A one-dimensional sales approach will likely generate disappointing results as we move into the future. As social selling becomes more mainstream, it will be more important than ever before to be social, create value, and demonstrate leadership via online channels.

Artificial Intelligence (AI) will also gain momentum in the sales world over the next few years. Consider the value of having all the information you need to generate a powerful account plan at your fingertips in a matter of hours rather than days or weeks.

Although most seasoned sales reps can tell you what value-based selling is, many still need coaching to make it a reality. When a seller learns to lead with the value that the customer will gain from the offering rather than the features it includes, this can establish a competitive advantage. In 2022 and beyond, value-based selling will be favored by buyers and consumers.



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The Bottom Line

The past two years have introduced a great many changes to the way we live, work, and do business. As we continue to move through 2022, we will undoubtedly face additional challenges and critical considerations. Supply chain challenges, labor concerns, and rising costs are on the minds of many, but these challenges can also mean exciting new opportunities! Capital investments are still occurring within our industry, and many firms are making investments to better address today's ever-changing market needs. As a result, listening to the voice of the customer is more important than ever before. Use the lessons that you've learned over the past two years to determine your focus and identify any changes that must be made to better serve your audience.

With the continued focus on the digital transformation, print and communication providers must shift the manner with which they describe their businesses, products, and services. Take the time to unapologetically define your company's purpose. Articulate how your offerings complement today's digital world and seek opportunities to build systems that will keep pace with the growth you want to achieve. Doing so can help guide the decisions that you'll need to make as we navigate our businesses through another new year.



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As part of the Business Development Strategies Consulting Service at Keypoint Intelligence, Karen Kimerer has experienced the many challenges of expanding current market opportunities and securing new business. She has developed a systematic approach to these opportunities, addressing the unique requirements of becoming a leader in our changing industry.

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