

# U.S. Vertical Vision Study

*An Analysis of Business Print Demand by Vertical Industry*

Prepared: June 2020



**KEYPOINT**  
INTELLIGENCE

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# Introduction: Unprecedented Times Drive Need for Vertical Insights

## ◆ 2019 was marked by several market trends

- › Aging bull market reaching new highs
- › Low unemployment and high consumer confidence
- › Contentious geopolitical market creating uncertainty in supply chains

## ◆ Vertical industries undergo structural change

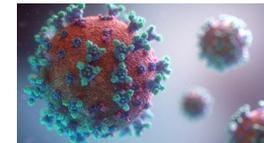
- › Retail continuing through major transition: over-stored U.S. market; major retailers (Walmart, Target) countering Amazon; direct-to-consumer challenging brick and mortar
- › Financial services see consolidation and shift to no fee trades, while new-comers target Millennials (e.g. Robin Hood)
- › Large investments in user-experience (UX), customer journey mapping/enhancements
- › Investments in digital advertising

## ◆ The printing industry faces competitive pressures and pushes innovations

- › Advancements in inkjet technology
- › CMYK-plus enhances to help printers differentiate
- › Preparations for the long anticipated Drupa 2020

## ◆ Then, troubling news comes out of China

- › A new Coronavirus and disease called COVID-19



# In Comes 2020

## ◆ The world confronts a pandemic

- › Self-distancing becomes the norm
- › Businesses close and companies of all sizes face existential threat
- › Economies see skyrocketing unemployment
- › Governments take drastic actions to shore up economies

## ◆ Stock markets enter a bear market at unprecedented speed

## ◆ Advertising of all kinds takes a hit

- › Google, Facebook and Twitter experience advertising revenue declines
- › Advertising budgets across multiple channels decline dramatically

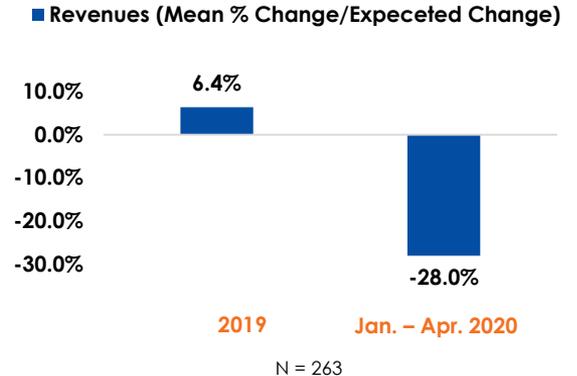
## ◆ Printing industry events globally are cancelled or postponed

## ◆ Printers see cancelled orders and declines in new sales

- › Survey of print service providers reveals an expected decline of 28% in revenues within the January through April timeframe
- › Various application types are impacted (also new digital applications arise)
- › Conversations with commercial printers and in-plants revealed that many print operations expect declines of 35% to 50% going forward



**PSP Revenue Growth:  
2019 Actual & Jan. – Apr. '20 Expected**



*"At Expedia, we spend \$5 billion in advertising every year.  
We won't spend \$1 billion this year." -  
Barry Diller, Chairman & Sr. Exec. At IAC/InterActiveCorp  
and Expedia Corp (CNBC's Squawk Box (4/16)*

# Vertical Industry Study to Understand How to *Survive Today & Thrive on the Other Side of COVID-19*

- ◆ **The printing industry must understand how specific vertical industries will:**
  - › Respond to the realities of 2020
  - › React to the unique marketing and communication challenges and allocate budgets going forward
  - › Engage with the products and services provided by print service providers
- ◆ **The industry needs a U.S. vertical market study to:**

Goal

*Understand how demand for printed products and communication services has changed since 2019 and how this will evolve over 2020*

- ◆ **Study **benefits** for equipment manufacturers and ISVs**
  - › Gain insights on specific products and feature sets that will meet business demand for printed products
  - › Enable sales channels with messaging and product positioning strategies with vertical industry insights
  - › Capture vertical information to drive sales and marketing tools to support customers and prospects
- ◆ **Study **benefits** for print service providers**
  - › Understand transitions that are happening within specific vertical markets and applications areas
  - › Improve their ability to deploy resources and strategy to drive print volume and deliver value-added services
  - › Develop applications/products, promotions and marketing/sales strategies based on key insight

# Methodology & Analysis Output

- ◆ **Web-survey of 1,000 mid-size and large enterprises; target sample encompasses:**
  - › **Targeted vertical industries:** Education, Finance & Banking, Healthcare, Hospitality & Leisure, Insurance, Manufacturing, and Retail
  - › **Respondent job functions:** Management, Operations, Sales, Marketing, Purchasing, Other
  - › **Respondent's responsibilities:**
    - Involves overseeing or engaged with the creation of documents that will be printed through the use of third-party print service providers
    - Responsibilities involve overseeing or engaged with the creation of one or more of the following types of documents: Marketing collateral, direct mail, newsletters, flyers, catalogs, presentations, product specification collateral, trade show materials, signage, sales collateral, sales proposals, promotional items such as hats, t-shirts, etc.
    - Knowledgeable of average annual budget for purchasing print
- ◆ **Analysis output segmented by vertical industry:**
  - › Quantify 2019 print & communication expenditures by use case and product type
  - › Identify current print spend and expected evolution over 2020 considering planned events, marketing initiatives, COVID-19 response, educational and business informational needs
  - › Project end of year expectations on print demand by product, business units and vertical industries
  - › Benchmarking against the 2017 study for comparisons

# Deliverables, Timeline & Pricing

## ◆ Deliverables

- › Executive Summary (PowerPoint)
- › Webinar
- › Whitepaper

## ◆ Timeline

- › Initiate research in June
- › Complete by August

## ◆ Pricing

- › Early-bird pricing (by June 23rd): \$19,900
- › List pricing: \$22,900

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# Thank You

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