

# Corporate print – bringing the world in-house

*Ricoh Business Driver Programme™*

*The Ricoh solution means simplicity and the ability not to have to think about printing – the end result is enhanced customer service, because we are able to provide a better, easier and simplified facility for our customers*

Jennifer Crocker,  
Office Manager –  
NHS Scotland

## Corporate threats

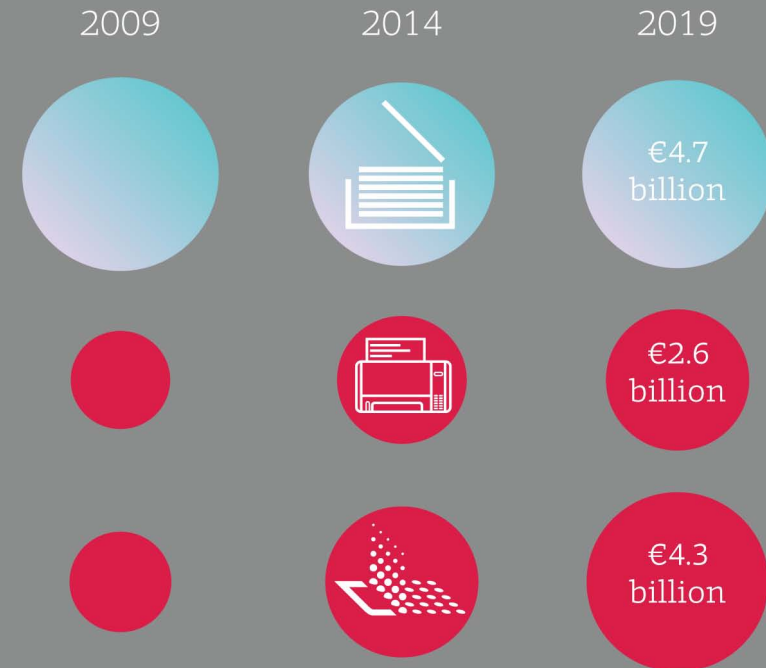
An established part of numerous print businesses is the supply of print to corporate clients. These companies seek to outsource their print requirements to a print firm that has the scale and focus to deliver them cost-competitively.

This simple business model is now threatened. Companies are increasingly looking at the versatility and competitiveness of new print systems – particularly digital – and exploring whether they could more economically handle their own print requirements.

This “insourcing” trend is tied to the attributes of digital systems, which can make the kind of short-run printing corporate clients increasingly demand viable.

This is helping total annual equipment purchases return towards a pre-2008 crash level. Offset equipment sales are static, while digital press sales rose by nearly 12% year-on-year between 2009 and 2014, and will reach a CAGR of almost 6% for 2014-2019.

## Global print equipment sales



**SHEETFED OFFSET, TONER and INKJET**  
will have diverging fortunes for  
the decade (2009–2019)

Source: Smithers Pira

Factors have collectively reached a point where corporate clients feel they could enjoy the advantages of versatile, short-run printing by investing in digital print technology themselves

This is seeing companies investing and gradually shifting large swathes of their print requirements in-house – from basic print products, to more innovative areas like packaging and customised marketing material.

## Insourcing trend

DaiNippon Printing is one of the world's largest printing companies, providing a variety of products and services across a wide range of business fields. It currently supplies these to around 30,000 corporate clients.

Other large print firms boast similarly impressive customer bases in the corporate segment.

Yet innovate print system capabilities are altering this landscape. Digital print is growing because it allows print suppliers to improve the levels of service they offer business customers – opening up new opportunities and revenue streams.

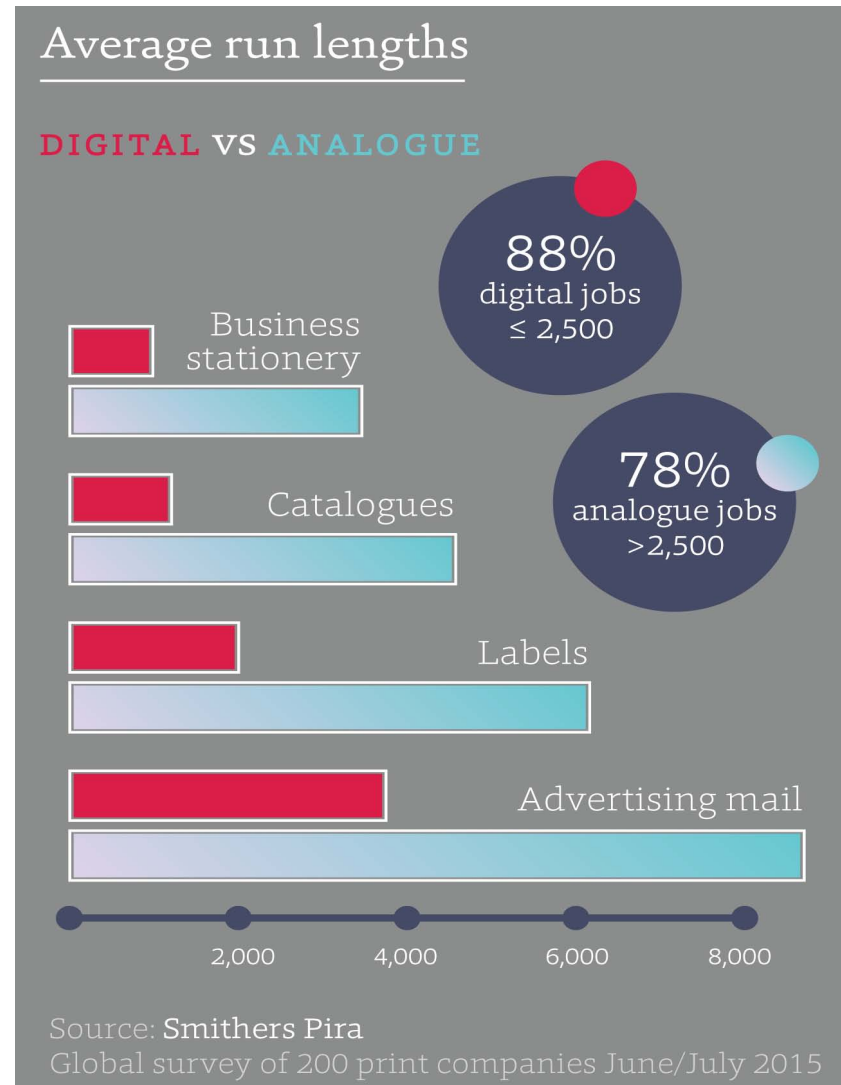
Digital is especially suited to the call for more versioning and personalisation, which helps printed products better target the client's customers.

This model also rests on continued improvements in digital print quality and performance across a diverse range of substrates and developments in the front end and workflow systems that make short runs and single-copy jobs economical.

The impetus this is generating for equipment suppliers to invest in developing new systems, components, inks and toners is significant. As the digital market segment expands, it is attracting improvements in paper and substrate technology to match the growth in digital output.

These factors have now collectively reached a point where corporate clients feel they could enjoy the advantages of versatile, short-run printing by investing in digital print technology themselves.

Smithers Pira forecasts that by 2020 inkjet will have become commonplace for most commercial print products



This is fuelling the insourcing trend among corporations – something that is likely only to accelerate in the medium-term, as capabilities grow and systems become even more cost-competitive for the short runs that are the focus of many corporate buyers.

## Shorter runs

Digital print will exploit many new opportunities for high value short runs. In general, graphic arts print was the area where the first colour digital presses took share back in the 1990s, with economic short runs and some personalisation.

As the reliability and quality of digital presses improved, so the share of electrophotography grew. Offset print houses have since been adding digital printers to their production capacity, to evolve the range of services they offer, and dedicate their offset and flexo presses to larger runs.



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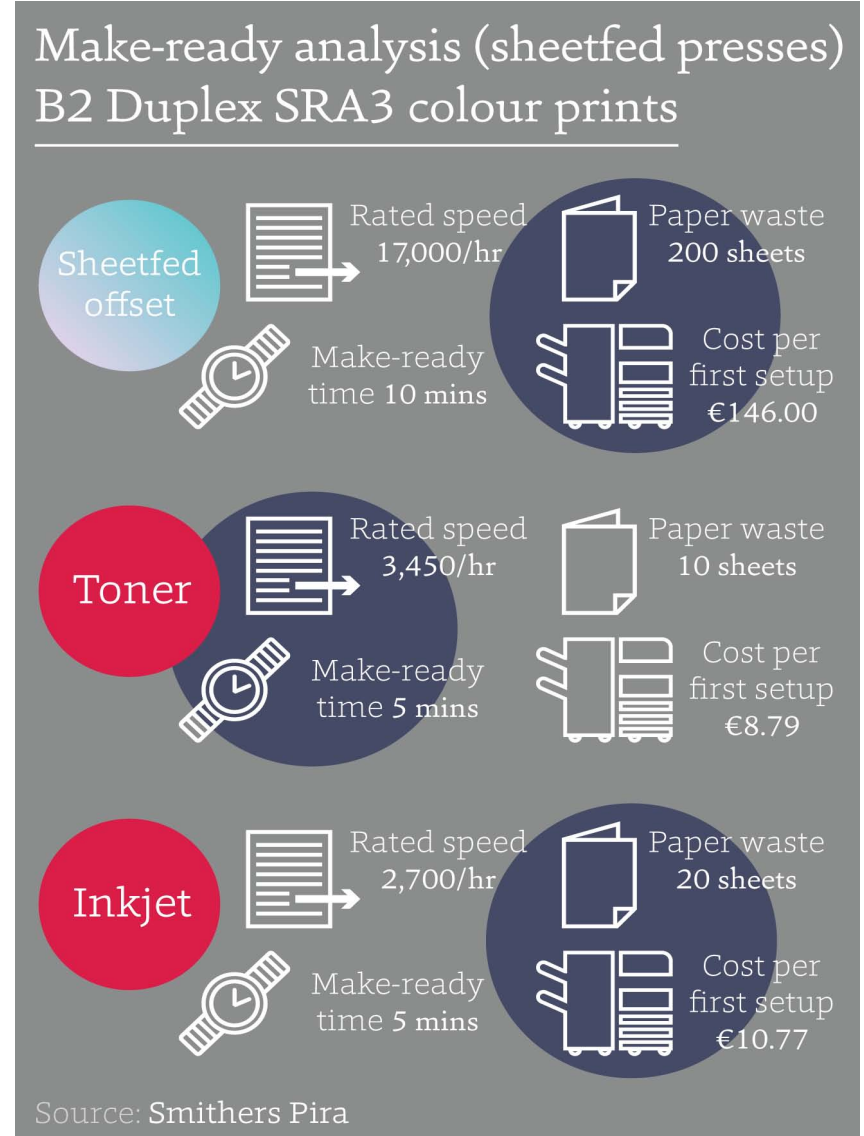
Capability has now reached the stage where very short runs can be most adequately met by the latest digital systems. Smithers Pira forecasts that by 2020 inkjet will have become commonplace for most commercial print products, and the obvious choice for short and many medium runs – making the business case for corporate insourcing more compelling.

## Performance improvements

The use of digital is well established in a number of areas – for instance in advertising print, with every personalised direct mail piece using toner or inkjet; and the point-of-sale and display sector adopting inkjet as an alternative to screen presses for short runs.

Wide-format and flatbed inkjet presses have changed the sector, with very high value jobs using different substrates being demanded by clients..

Importantly short run jobs maximise the quick make-ready times and low setup economies that are a hallmark of digital printers.



The development cycle on all printheads is still accelerating and this will push the technology forward, improving quality, speed, and economics

Digital print equipment suppliers, ink manufacturers and papermakers are all continually working to improve quality, to compete with premium offset grades. These applications give a forum for showcasing the quality and capability enhancements they are now delivering.

Much R&D funding has been focused on inkjet printheads, with new, improved models being announced and brought to market.

The development cycle on all printheads is still accelerating and this will push the technology forward – improving quality, speed, and economics – and accelerating the offset-to-digital transition in print.

A Smithers Pira patent literature survey highlights lots of activity has yet to filter through to production models – suggesting continued performance enhancements are likely.

Further systems can be expected to be launched in the next five years, which will push the top end of capability. In doing so, there will be growing room for corporations to explore digital print for their own print needs.

## Toning up for greater promotion

The twin trends of boosting quality and insourcing are being driven partly by the need to produce more promotional-type print on demand.

Personalised advertising, presentation materials, direct mail, leaflets, newsletters and catalogues are all key applications that are driving the need for more in-house print and associated customer communications.

These can be supplemented with other high-quality personalised products, sample and short-run packaging, bound books, and brochures at a quality that approaches offset.

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## New media – new potential

Because of growing capability in digital print – in terms of both quality and compatible substrates, – corporate reprographic services can meet a wider variety of their print needs themselves.

Going beyond transactional mail or business form printing, companies are now even able to use their systems to print less common short-run items – like business cards, small packaging applications and ID cards – in-house. Internationally, major amusement parks, concerts, and festivals have shown the viability of digitally printed wristbands and personalised ticketing.

## Conclusion

Based on these advances in quality, and the increasing cost-competitiveness of digital systems, it is becoming more viable for corporations to move away from their reliance on commercial print suppliers, and to take print activity in-house.

Investing in versatile print systems, compatible with a wide range of tasks, will prove to be a growing strategic investment for a number of businesses.

This is particularly true for organisations whose marketing strategies are turning towards customised and personalised collateral, without the option to compromise on quality and the substrate.