

# Marketing



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Marketing  
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## Runway success

**Marketing success:  
it's the people, stupid**

**Work-life balance...  
pipedream or possibility?**

**Invasion of  
the house brand**



# PACPRINT '05 - A POST MORTEM

In the aftermath of PacPrint 2005, *Marketing* chats to print industry experts about the exhibition, the rise of digital printing and its potential for marketers and the future of print.

**CP: Chad Pierce** – marketing manager, market and business development, Fuji Xerox

**MA: Malcolm Auld** – managing director, Malcolm Auld Direct and The Marketing Campus

**GB: Gual Barwell** – sales executive, Face Visual Marketing Group

**SF: Scott Fitzgerald** – sales and marketing manager, Rothfield Print Management.

**SN: Stephen Norgate** – joint managing director, McKellar Renown Press

**JF: Jon Field** – national manager, Nexpress Australia & New Zealand

**PacPrint showcased many of the print industry's newest and most innovative technologies. What struck you most about PacPrint 2005?**

**CP:** PacPrint '05 signalled the transition from 'heavy iron' offset printing to the more flexible and marketing-focused digital print technology. Various vendors of digital print showed their wares and Fuji Xerox showed its iGen3 digital colour press.

The importance of this technology for marketers is the increased flexibility in providing cost-effective, short-run print jobs that are required as quickly as possible. The breakthrough of digital colour print enables marketers to change their direct marketing campaigns and virtually any marketing collateral as the product or customer demands change.

**GB:** There were a lot of advancements and innovations that were showcased at PacPrint 2005. The printing inks and direct print-to-substrate industries were the fields showcasing the most avant-garde technologies.

**SN:** Apart from all the large format printing, the thing that struck me most was the clear impact that the digital workflow will have, is already having, on both the client's expectations and on the printer's ability to deliver a product that meets those expectations. The transfer of digital

data direct from the client's final, approved art files right through prepress, proofing and onto paper allows us to deliver consistent, predictable 'bullet-proof' results that delight the client and have a positive impact on our bottom line. It means that what the client sees on the proof is exactly what they see in their finished product, with no variances at all; it's virtually a guaranteed result.

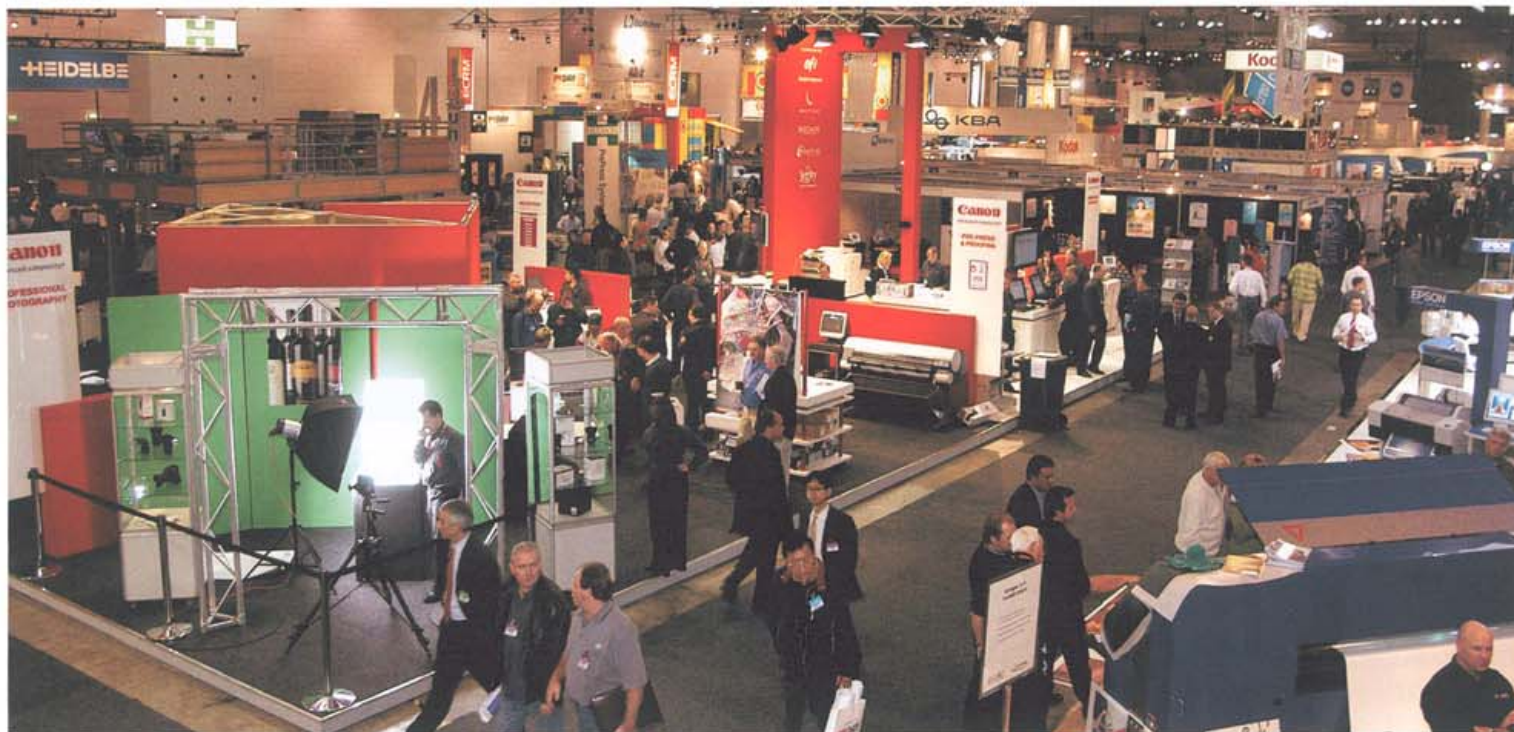
**Digital is already impacting marketing and is predicted to be huge for the industry going forward – how do you see the role of digital in the short and long-term future?**

**CP:** There are a number of areas in which digital printing can assist marketers. First, when you consider that 84 percent of printers quote a higher quantity than required and 64 percent of marketers accept this quote for more work than is required, there is a clear impact on the industry. Digital printing can benefit the industry by enabling printers to give you exactly what you want and no more. The benefit is in the lower overall cost for print, storage and recycling. The power of digital print is short-run, fast turnaround work.

The next big area where digital print will assist marketers is in relevant or one-to-one communications. Digital printer technologies link seamlessly with the internet and software solutions and as a result can enable marketers to quickly and easily order repeatable print jobs. By utilising customer data from either a Microsoft Excel spreadsheet or (CRM) system, marketers can create tailored communication pieces that lift response rates, customer loyalty and order size.

**MA:** Two types of marketers are already using the latest digital technology. One is SMEs which want short-run postcards and mailings that benefit from creative personalisation. The other is large organisations that understand the benefit of testing and are using variable data digital





printing, because it's perfect for test cells. I've seen one case study where the results of the personalised variable data colour mailing outperformed the non-personalised control mailing by 450 percent.

The future of digital printing is the future of printing – if you don't provide a digital service as part of your print portfolio, you won't last in the long-term as a printer.

**GB:** Digital is the future and is also currently making leaps and bounds into markets typically reserved for other print technologies. People are constantly introducing new ways to increase efficiency, quality and the versatility of digital print production and its applications. This is done through advancements in hardware and also software. This ensures that digital technologies will continue to increase their share of the industry and form a prolific part of many companies' physical and intellectual representation in their chosen marketplaces.

**SF:** Digital is creating some very interesting opportunities for direct marketers, which is great – the more the message can be personalised the better. Digital will never, however, take over completely, for as long as big run lengths are still required this will always be seen as the most efficient way to reach the widest audience. Digital printing is taking its share of the market, but still predominantly for the shorter runs and on the smaller formats. Quality has improved, banding is now less of an issue and it is great that heavier weights and grades of stock can now be used in a digital environment. I don't feel that digital will make too many further inroads to offset printing in the immediate future.

**SN:** I know digital printing is impacting marketing, particularly through the ability to offer high-quality, short-run printing and clever personalisation, but I think there's a lot of 'first kid on the block to have this' attraction about it. I think it's still gimmicky and has been an over-used tool. I think marketers like the idea of it, and hope its use will show them as innovators. They see it as something they can sell their clients, but what are the results, especially when you consider the costs? It will be huge when costs come down, and when the quality of the marketing data improves.

The costs are still high and often the quality of the mailing list is, quite frankly, crap. I still get marketing material, clever though it might be, addressed to people who haven't been at McKellar Renown for 20 years. There are people out there selling lists that are simply rubbish and this can undo all the good work and good intentions of the marketer.

**JF:** Looking at the short and long term future of marketing, digital will continue to become more prominent. Why? Because it is the 'enabler' to customising relevant content and messages on the printed page to targeted recipients evoking greater response rates. So in the short term, effective marketers will continue to leverage the technology, and in the longer term as the technology continues to advance, it will offer even greater rewards and response for efforts exerted.

**Do you believe that traditional offset printers should be concerned about the opportunities digital printing offers marketers for personalised and highly targeted campaigns?**

**CP:** Traditional printers are generally not concerned about the opportunities that digital print provides. In fact, in many ways, digital printing offers printers the opportunity to add value to their customer relationships. Printers that wish to succeed will aim to shift their customer relationship from price to value, partnering with marketers to drive better results from each and every campaign.

**MA:** Definitely, that's why I've written the white paper: 'The Direct Mail Renaissance'. Digital is having enormous impact on offset printing. My agency now looks for a digital solution as the first option before falling back to an offset solution for our clients. Research in the US suggests that the majority of four-colour print jobs are fewer than 5000 units, so they're perfect for digital print technology.

**GB:** Digital will continue to make ground within the offset and screen print dominated markets, but I do not think that it will supersede the progress of other print technologies. I do see digital print technologies forming a more integral part in the overall function of other print technologies. All print will soon be somewhat dependent and have to use an



amalgamation of many technologies using various production methods to achieve one integrated result.

**SF:** No, digital has its place and is carving out a great niche offering ultimate flexibility in short-run personalised campaigns, but for large runs, sheetfed offset is still the way to go to ensure economy. Just because a piece of paper is printed 'traditionally' does not mean that it cannot be personalised. Traditional printers cannot, however, afford to be traditional. They must invest and adapt their businesses to be able to perform to clients' changing needs.

**SN:** I'm not convinced that traditional offset and digital printing actually compete. Short-run printing is a much stronger marketing tool for direct marketing, while I see high-quality offset printing as being ideal for the longer run support material needed to meet the needs that direct marketing targets. In a way, I believe that digital printing creates opportunities for and enhances the value of quality offset printing.

**JF:** My message to offset printers is to find a way to embrace the technology, so they can expand their value offering to their customer base.

**Did any specific technologies on show at PacPrint particularly catch your eye? Why?**

**GB:** The main technology that we noticed and will be soon upgrading to is UV curable inks and flat bed technology. The benefit of being able to print onto rigid substrates and compete with the solvent-based printers in an outdoor environment will produce quantifiable returns for us. Considering we also have a smaller production facility than some of our competitors, the fact that the UV curable inks are non-toxic and do not produce the same emissions as a solvent printer gives us great solace – a happy workforce is a productive workforce.

**SN:** The large format digital processes on show will provide wonderful opportunities for marketers to get their messages to prospects in places and in ways they could previously only dream about. It's possible now to print directly onto doors, corrugated iron, inch-thick Perspex... imagine having a beer ad printed right onto the pub door! The downside of that, of course, is the demise of screen printing.

**In a highly competitive market with little differentiation between printers, what's the future for the printing industry in Australia?**

**CP:** Printing in Australia is going through a time of change. The industry association indicates that roughly 10 percent of print companies face severe financial pressure. To stay operating in this industry, it's essential to change and adopt more flexible, diverse and profitable business models. Digital print is one avenue that many print providers have embarked



on to ensure they stay ahead of the game. Once into this end of the market, they are rapidly building new lines of service to assist the marketing community. This is the future for the printing industry in both Australia and around the world.

**MA:** The print industry is already going through a consolidation and convergence period. There will be fewer printers in the coming years and there will be a convergence of printers and mail houses. The convergence is being driven by print technology. Printers are printing personalised mail packs, so are adding lettershop services to their print shops. Mail houses are using digital printers to print mail packs, so they are eliminating the traditional print shop. But this is coming at a cost, because right now the printers don't know how to be mail houses and the mail houses don't know how to be printers. So there will be some teething problems.

**GB:** The future of the industry is that technology will eventually slow down. Printers will soon be working on a more level playing field and have to depend on expertise rather than technology to accentuate their competitive advantages. I think that this will eliminate some of the amateur printers in the market and make clients more quality focused. Clients will start to look for expertise and results from printers. They will expect printers to assist in creating innovative, dynamic and quantifiable marketing campaigns through their print media. Hopefully, it turns some of the current printers from order takers into print technology consultants.

**SF:** Obviously, no one can just create a basic printing plant and expect that this is going to be a sufficient source of income for the next 10 years – no plant enjoys the luxury of being able to not invest in new technology. More importantly, those who survive will be those that are willing to reinvent themselves and try to create a niche they can capitalise on even if it's while the others play catch-up.

**SN:** Well, it's certainly getting harder to make a profit out of commercial printing. The big are getting huge, the mediums are going to be gobbled up, and the smalls are going to find it very hard to compete. The large organisations offer economies of scale that make it very difficult to compete with and still turn a profit.

I believe it will be a case of 'get big, get niche or get out'. I also see lots of ailing baby boomer printers who won't invest in new technologies and are facing (or causing) time and quality issues that the market will no longer accept. The old machinery and processes have worked for them for 20 or 30 years, but they need to cut their margins significantly to win any sort of work and they can't sustain that.

**JF:** 1) If you can't innovate, deviate! 2) Develop niche or specialised markets and offerings. 3) If you don't do the above things, you had better have the 'leanest' manufacturing techniques and processes in the printing industry if you want to survive. **M**

