



This report is based upon results obtained from a survey conducted by QP Consulting, Inc. in early April. We received surveys from more than 165 companies.

QP CONSULTING, INC.

2110 South Dairy Road • West Melbourne, FL 32904

321-727-2444 • Fax 321-727-2166

qkconsult@aol.com • www.quickconsultant.com

April, 2016

22% of Printers Report Sales Are Up Significantly!

Printers Report Healthy Sales Growth During 1st Quarter 2016

More than 150 printers responded to our recent industry survey seeking to measure the general business climate in the printing industry, and 65% of those polled told us that their sales for the 1st quarter of 2016 were up either significantly or moderately as compared to the same period one year ago. In fact, 22% of those responding said their sales were up 15% or more compared to the 1st quarter of 2015.

Average increase or decrease in sales

– According to our survey, sales for the 1st quarter of 2016 are up on average 10.3%. Median sales are up slightly less at 8.0%. The adjoining chart is a histogram depicting the percent of those surveyed reporting various degrees of sales increases or decreases for the 1st quarter of 2016 compared to one year ago.

Average projected sales for 2016 among our participants was \$1,377,132, with median sales coming in at \$845,711. Independents (133) accounted for 86% of our survey respondents, while 13% (20) identified themselves as franchisees. One firm told us they were an “in-plant.” Income or sales from “postage” or “mailing income” was excluded from these sales figures.

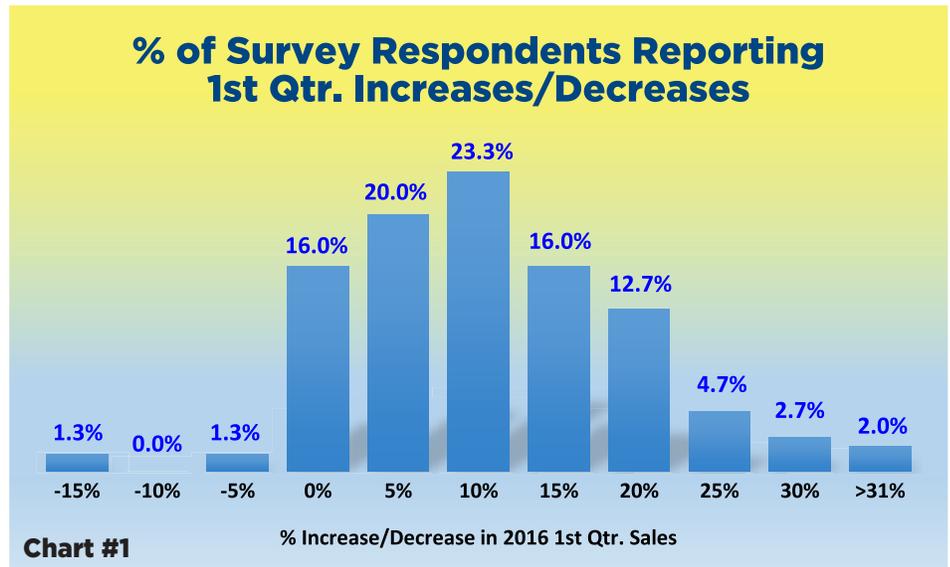


Chart #1

The graph above reflects the distribution of our survey participants based upon their estimated increases or decreases in sales for the 1st quarter of 2016. As an example, 23.3% percent of our participants indicated their sales were up between 6-10% for the 1st quarter. Another 16% of those surveyed said their sales were up between 11-15%.

Sales Trends by Source

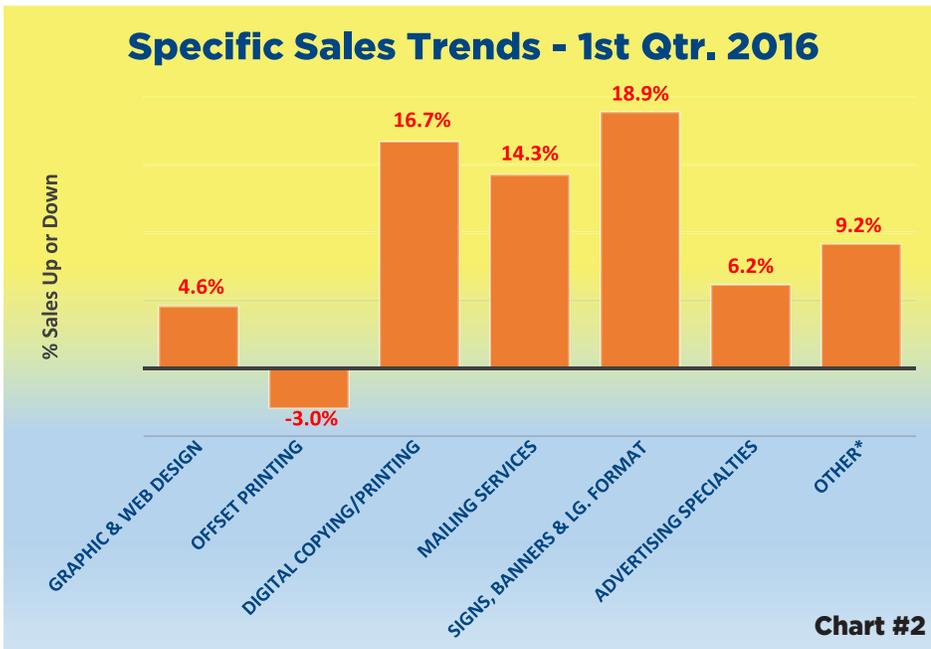
After getting a brief overview of the industry, we asked participants to, “indicate the percentages by which you estimate your sales are up or down in the following areas compared to the same time frame 12 months ago”.

It is interesting to note how quickly some sales trends can change during a 90-day period of time. At the beginning

of 2016 printers told us that “Digital Copying & Printing” was up 11% over a year ago, and three months later they are now indicating these sales are up 16.7%!

“Mailing Services” and “Signs, Banners and Large Format” followed a similar pattern. Three months ago mailing sales were up 4%, now printers are telling us that these sales are up 14.3%.

Specific Sales Trends - 1st Qtr. 2016



Signs & banners were up 7% at the beginning of this year, and now survey participants are telling us sales for these products are now up almost 19%! Even “Advertising Specialties,” which barely represented a blip on our radar three months ago, are now up by 6.2%.

Prioritizing Corrective Steps – After asking printers to tell us about their sales as well as specific sources of sales, we asked them to comment on possible corrective steps they might be taking to improve their current situation. We offered printers a choice of ten (10) corrective steps or actions they might take, and then asked them to indicate a

“level of priority” they would assign to each action. We used a weighted scoring method and asked them to indicate their level of concern as to whether it was a “Top Priority,” “Average Priority,” or a “Low Priority.”

As you can see from the graph below, acquiring new equipment, whether it be for mailing services, signs and large format or even new digital printers ranked relatively low compared to other possible available actions or options.

“Sale and Marketing Efforts” clearly won the day when it came to prioritizing possible corrective actions, especially in the area of improving sales. Follow-

ing close behind were efforts to more closely monitor pricing practices as well as improving or tightening financial controls.

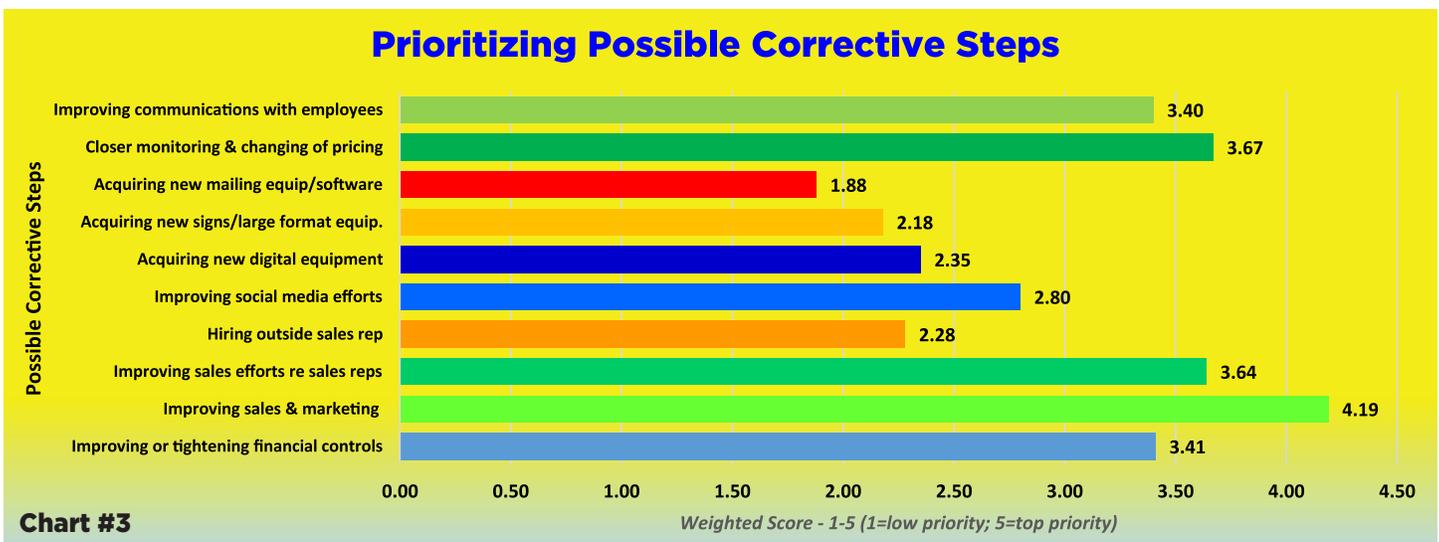
Digital Printing Trends

Due in large part to the fact that we are preparing to launch a brand new survey covering pricing of digital printing services, and we needed some guidance as to certain trends, we asked three questions related to variable data, types of variable data and current trends regarding the finishing of work produced on digital printers – how much of the work is being finished almost totally on-line as compared to off-line.

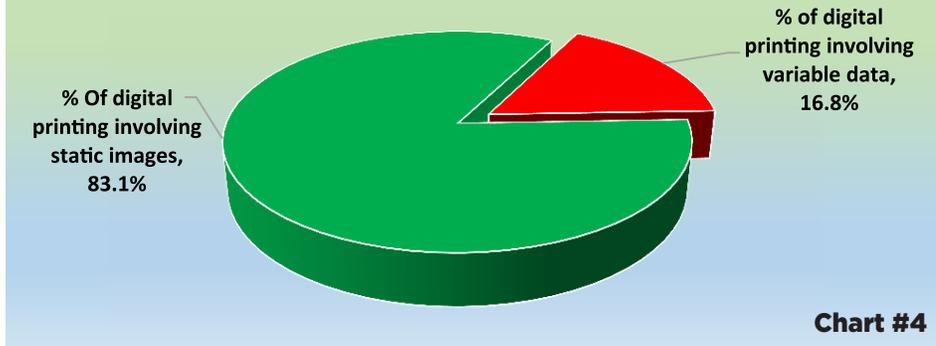
Fixed vs. Variable Data – We asked participants to indicate the percent of work processed on their digital printer (we assumed color in our question but never specified) involved fixed or static images as opposed to work involving variable data. As you can see on the next page (Chart #4), and contrary to what is often implied in the industry, slightly more than 83% of the work, as measured by total clicks, still involves static images.

Types of Variable Data – Our next question then addressed the 16.8% of digital printing that participants said involved some type of variable data. We gave them three choices – primarily “Mailing Addresses,” “Addresses &

Prioritizing Possible Corrective Steps



Percent of Clicks - Static vs. Variable



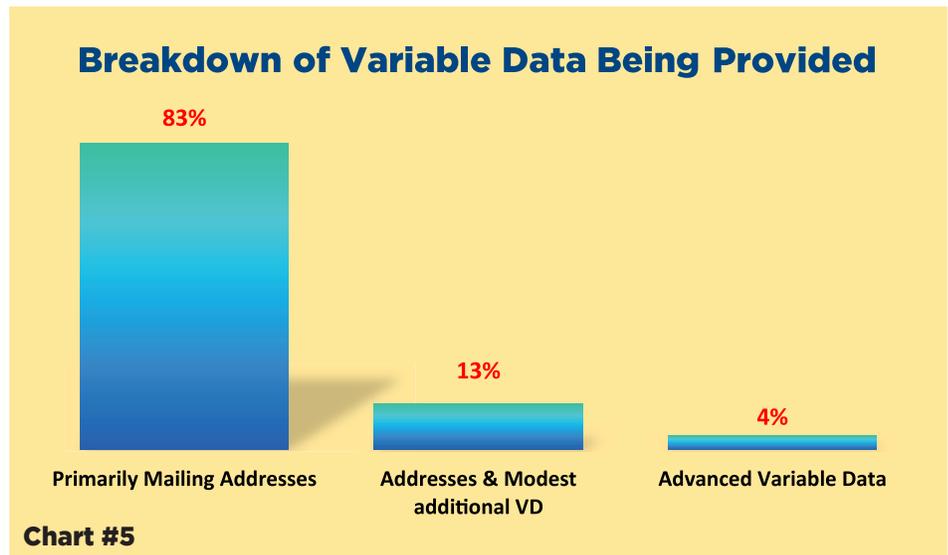
provided off-line), (2) Sheets or monthly volume that involves some finishing on-line such as stapling, folding, booklet-making, etc”. As you can in Chart #5 below, approximately 60% of all sheets processed on digital devices are being processed to some degree off-line, while the remaining 40% are being finished on-line.

Major Changes Coming Soon – You are invited to visit our web site at www.quickconsultant.com where you will find a growing list of surveys, articles

Modest additional variable data,” and “Advanced/Extensive Variable Data.” Chart #5 illustrates their answers. Remember, that the 83% indicating “Primarily Mailing Addresses” represents 83% of the 16.8% of total clicks being attributed to variable data.

Finished on-line vs. off-line – Despite the fact that many of today’s most advanced digital printing devices, especially color printers, feature advanced finishing tools and options, we were curious to find out what percent of total output is being primarily finished on-line vs. off-line. We allowed for the fact that almost all devices might be used to collate signatures on-line, but thereafter the jobs could or would be finished off-line.

Our specific question asked: “Using total number of clicks as a basic

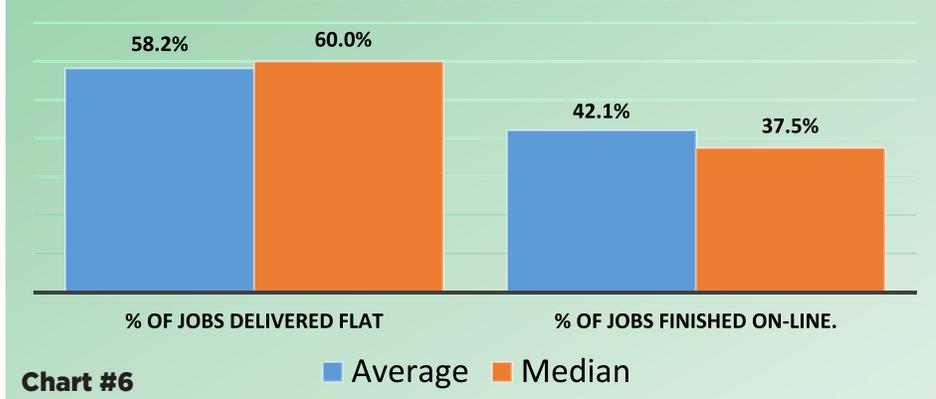


measurement, what percent of the total clicks (sheets) produced on your digital color device involve: (1) Sheets or monthly volume (other than collating) that are delivered as flat sheets (with all other finishing, if required being

and publications of interest to the printing, mailing and sign industries. Within the next month or so, we will be switching over to a subscriber/non-subscriber basis offering specific services to both.

Subscribers will have special access to certain publications and executive summaries that we are in the process of preparing. We are also in the process of developing special “elite” mailing lists that will be directed towards printing firms that have a sincere desire to participate in and benefit from specialized surveys and studies directed at improving profitability and sales.

Percent of Digital Jobs Delivered Flat Versus Finished



QP CONSULTING, INC.
2110 Dairy Road, Suite 102
Melbourne, FL 32904
321-727-2444