

Report:

2012 Toronto Digital Printing Forum

INTERQUEST, a leading market research and consulting firm for printing and publishing presented the results of their research on the state of the digital printing industry and forecasted future trends and growth opportunities with support from many industry experts.

Digital Book Printing Market Update

Presented by Gilles Biscos, President of INTERQUEST, who has expertise in strategic planning, market research, and competitive analysis for the printing and publishing industry.

As technology advances, the book market is experiencing dramatic shifts. In 2011, Canada's retail book sales were down overall 7.8% from 2010. There are several trends contributing to the overall decline while the printing industry continued to see a rise in short run digital printing. INTERQUEST projects that 81% of printers expect digital print to grow in the next 3 years. At the same time, 17% of printers report new challenges to digital printing including ink technology, inkjet paper limitations, and workflow/processing.



Book Printers Progress Report Panel included (left to right): Bruce Jacobsen of National Bindery Inc., Gerry Cronin of Webcom, Jay Mandarino of C.J. Oyster Publishing, and Robert Legault, Consultant.

Trends affecting the printing industry:

- eReaders - 19% of consumers own one
- eBooks are 15-20% of trade book sales
- Self publishing up 169% from 2010 with 18 titles in the top 100 best seller list

Inkjet Ink and Paper Advancements

Innovations in technology have resolved previous paper and quality issues, thereby providing more paper options and making inkjet revolutionary to the digital book printing industry. The increase in quality of inkjet printing has equaled traditional offset printing.

Industry wide paper usage for digital book manufacturing:

- 84% uncoated fine
- 9% coated grades
- 8% uncoated mechanical

HP's new generation of inks and printheads - just released- provide improved print quality, wider color gamut and enables higher productivity.

Recent developments for inkjet press paper include improved milling and new coated papers designed for inkjet printing.

Webcom – Ahead of the Curve

Webcom, a leader in the digital print industry, has already engaged the new technology. Since upgrading inks and investing in a second digital inkjet press, an HP T350, Webcom has more than doubled its capacity to 2 billion pages per year since 2011.

With innovations in bonding agents specific to HP, paper grades not made for inkjet presses can be run through the T350, allowing more flexibility with usage and allowing publishers more variety and choice of paper.

“Webcom is well prepared for the industry's rising demands and expects overall growth of 30% in 2012.”

Publishers' Perspective

Presented by Toby Cobrin, a director for INTERQUEST, with expertise as a technology advisor and research analyst.

Publishers on the panel discussed their experiences with digital printing and shared their views on the synergy and/or competition between printed books and eBooks/electronic content.

They also relayed the impact of new digital printing technology on book manufacturing and spoke about current challenges and new opportunities via print and distribution strategies.

The Publishers' Panel:

- Dan Finos, Carswell
- Barry Gallant, Penguin Canada
- Mark Leslie Lefebvre, University of Toronto Bookstore
- Erin Mallory, House of Anansi Press

"An average of 9% of all books never leave the warehouse." -Barry Gallant (Penguin)

Challenges of the Traditional Publishing and Printing Process

For centuries, the book publishing industry has treated printing like a gamble: guess on the success of the book and the number of copies that will sell based on the previous title's success, then order large quantities in order to get the lowest unit price.

When a book enters the backlist stage of the lifecycle and is out of print, publishers would gamble again on quantity and printing. They would face a drain on working capital and also risk excess inventory, warehousing costs, and obsolescence.

Backlist risks and issues:

- 6-8 week wait before the book would be printed and available, resulting in a loss of sales momentum
- 80% of backlisted books sell less than 600 copies per year
- bad customer and author relationship resulting in books being put out of print

Print-to-order – The Solution for Short Run Printing

The opportunity to keep the revenue stream alive by providing an efficient and effective solution for maintaining backlists and dealing with short term runs is of great interest to publishers.

Book sellers are becoming more cautious but at the same time, they expect stock to be available.

Print-to-order offers publishers the ability to efficiently fill backorders with cost effective, quality short runs resulting in increased revenue for authors and publishers. Digital printing should be part of the whole strategy to keep books in print longer.

Benefits of digital printing:

- quality short runs
- quick turnarounds that minimize the risk of losing sales momentum
- decreased risk of excess inventory
- increased revenue for the authors and publishers
- positive customer/author relationship
- customers still want a physical book

"We like the press, and it's surely going to play a bigger role in our company in the coming years."

BookFWD— Webcom's successful model for customized production programs

Webcom's BookFWD program is designed to allow publishers to reduce their run sizes without compromising on quality or profit. BookFWD presents a paradigm shift that challenges the traditional approach to book production and helps publishers develop a strategic plan that considers multiple production scenarios ahead of time. BookFWD is integrated as part of the broader productivity planning and incorporates digital printing proactively as part of the production strategy to get books to the readers.

"Digital printing is no longer an afterthought, it is now integrated as part of the broader productivity planning."

A Digital Future

In addition to the advancements in technology, the costs of inkjet printing are declining. The increase in quality and decrease in cost combined with a streamlined print-to-order process and the versatility of digital printing, have customers saying "We are very pleased with inkjet. In 2011 the print quality and the capabilities of the press have improved significantly."

Digital printing technology offers better response to market demands and provides solutions for publishing's inventory management. The future of printing is shifting, but with cutting edge technology and BookFWD print management, Webcom is on the forefront of the paradigm shift and well positioned to meet the challenges of the future.



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