



PRINTING INDUSTRY PERFORMANCE & INSIGHTS

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Providing regional printing association members
a printing industry outlook view and actionable knowledge.

More Printing Purchased? More Customers Added?

Thoughts from our "Printing Industry Performance & Insights Survey"

Survey conducted from February/March 2025 Survey

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Thoughts from our “Printing Industry Performance & Insights” Survey

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Introduction

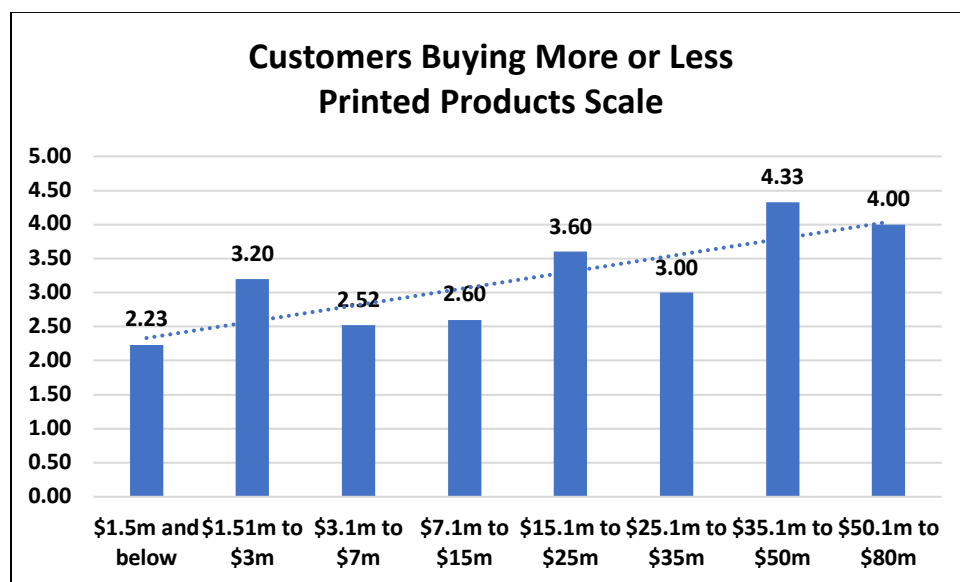
In our February/March 2025 “Printing Industry Performance & Insights” survey, we dug into key trends shaping our industry. The pressing topics we explored included these two: Are printing company customers purchasing more or less printed products? And are printing firms gaining or losing more customers? In this report, we’ll share the key findings for these two topics, along with actionable insights to help printing company leaders stay ahead of the curve.

Customers Purchasing More or Less Printed Products

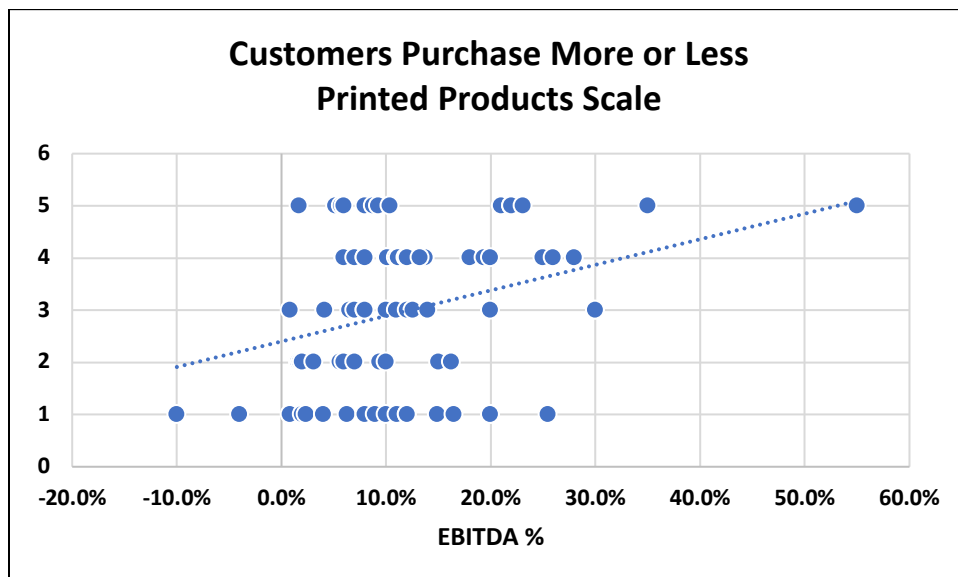
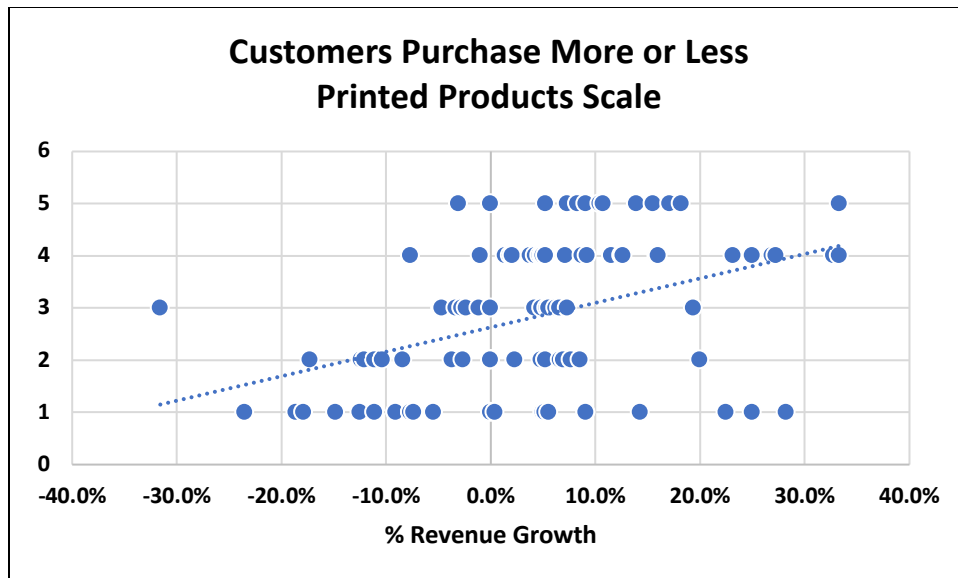
We asked, “In 2024, did your company's customers purchase more or fewer printed products compared to 2023?” Respondents answered on a five-point scale with these options: (1) Several customers purchased less printed products than last year, (2), (3) No change, (4), or (5) Several customers purchased more printed products than last year. One hundred and three printing company leaders responded to that question. Their average response was 2.88, which is slightly below “no change” and on the “purchase less” side of the scale. However, it’s slightly higher than the average response (2.77) we had to the same question in spring 2023.

We provide a graph below with the average response for this question by firm revenue size. The trend line *suggests* that larger firms tend to have more customers who are growing in the printed products they are buying. If true, why might that happen? Maybe larger firms have more “economies of scale” (they are

getting more revenue for each dollar of fixed costs), and that makes them more competitive for larger orders. Also, a larger printing company may better attract growing firms, and as those firms grow, they need more printing. Last, a larger firm may have more marketing and sales resources to apply in seeking customers with growing printing needs. Regardless of your firm's size, you need to market your firm and seek customers with growing print needs.



The first graph below illustrates the relationship between “our customers are buying more printing” scale responses and revenue growth. The second graph below illustrates the relationship between “our customers who are buying more printing” scale responses and EBITDA percentage. You’ll see a positive trendline in both graphs – having customers who buy more printing enhances growth and EBITDA. That makes sense! (*Dah!*) Those graphs reinforce this actionable point... seek for customers who are buying more print and market the value of print.



We next reviewed our “customers buying more or less printed products” response averages by strategic groups – see the table below.

Label printing firms had the highest average. As the economy grows, manufacturers need more labels. The second and third highest averages were “General commercial with high amount of direct mail” and “General commercial with high amount of wide format.” These numbers *suggest* that direct mail and wide format complement general commercial printing. Printing firm leaders, if you are considering diversifying (adding additional products and services), you

might consider what products or services would help draw in more printing revenue.

Strategic Group	Number of Firms	Customers buying more or less printed products scale
Labels	11	3.45
General commercial with high amount of direct mail	19	3.27
General commercial with high amount of wide format	10	3.20
General commercial	33	2.70
General commercial with a high amount of non-traditional products	8	2.63
General commercial with web printing	12	2.42
General commercial and labels	8	2.13

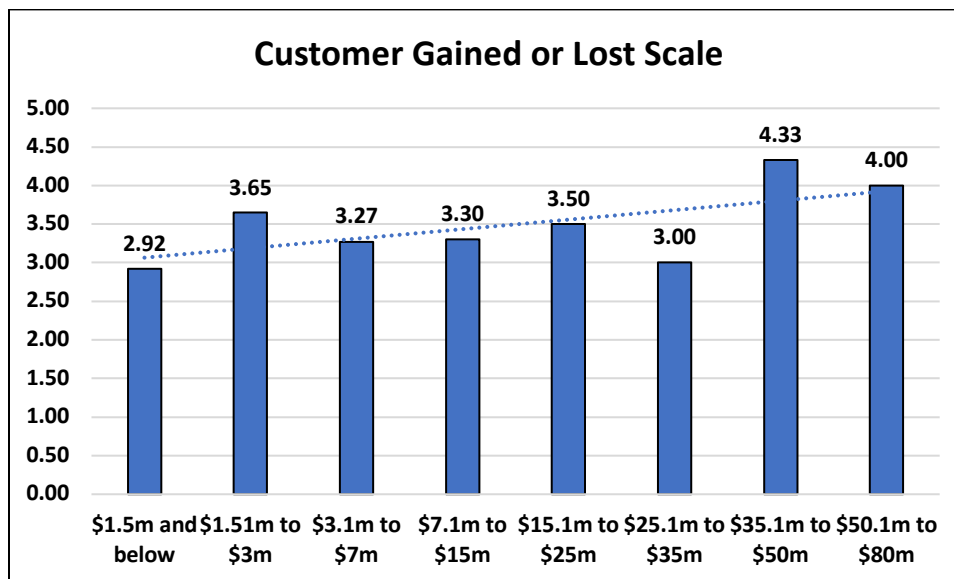
From our responses, one can assume that customers who are buying more printed products do exist in today's business environment. Printing company leaders, here are three actionable takeaways from these numbers:

- Growth opportunities are out there. Stay encouraged and encourage your team.
- Aggressively seek to identify and pursue potential clients who are buying more printed products. You might assign someone on your team to specifically look for those opportunities. AI may help you identify industries that are applying printed products.
- Yes, continue to market your firm to existing and potential customers. But also market the value of printed products.

Customer Gain and Loss (Customer Turnover)

To explore “customer turnover,” we asked survey respondents, “In 2024, did your company lose existing customers or gain new customers?” Respondents answered on a one-to-five scale with these options: (1) Our company has lost multiple customers and did not gain many customers, (2), (3) No change, (4), or (5) Our company has gained multiple customers and did not lose many customers. The average response was 3.37, which is on the positive side of the scale, indicating gaining more customers than those lost. Interestingly, 3.37 is the exact same average we had when we asked this question in spring 2023.

The graph below shows the average for our customer turnover scale per firm revenue size. The trend line indicates an upward move, which suggests larger firms are keeping more customers and losing fewer customers. If that is an accurate reflection, larger printing firms may have large customers who are dependent on the printing firm and avoid potential “switching costs.” Also, larger firms may have more resources to seek and connect with potential new customers.



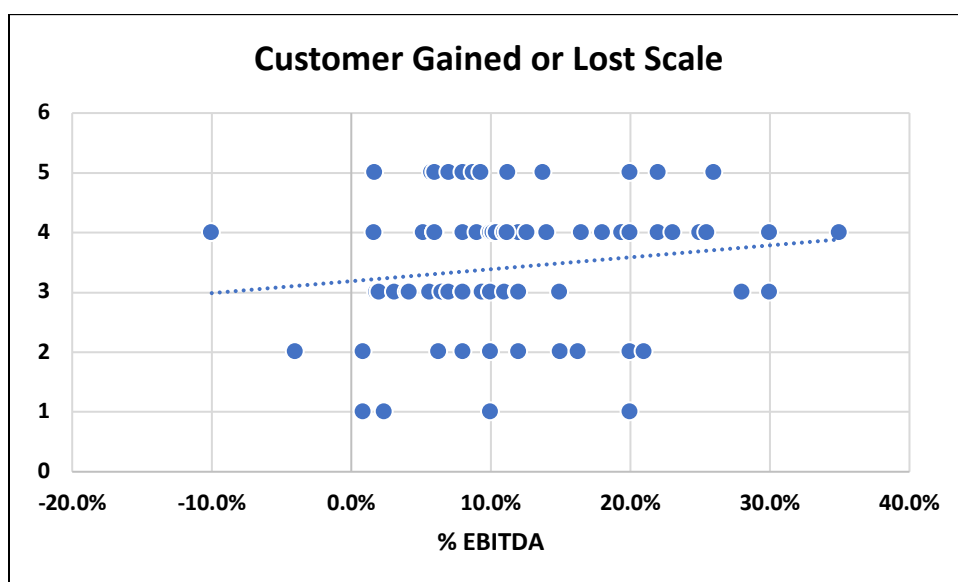
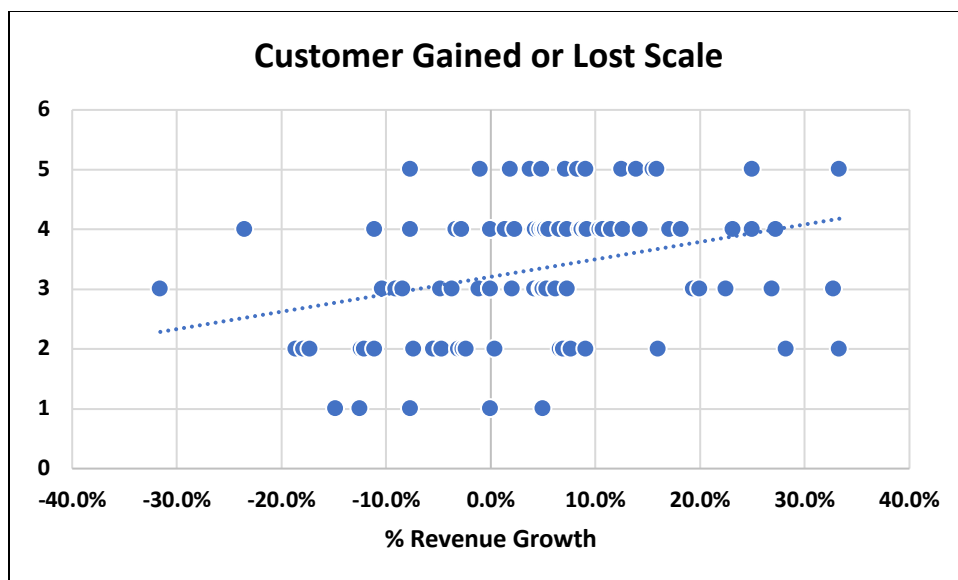
The table below shows the customers gained or lost scale averages for different strategic groups. The top three rows *suggest* that commercial printing companies

that add other products or services tend to gain and not lose customers more than the other strategic groups. This suggests that providing a “bundle” of related products may better connect a customer with a printing firm. When considering what products or services to add, a firm leader should consider, “What else do my customers need?” and discuss that with customers.

For all but the last strategic group, “General commercial with web printing,” the average response was above three (neutral), and the last strategic group was not far below neutral.

Strategic Group	Number of Firms	Customers Gained or Lost Scale
General commercial with high amount of direct mail	18	3.72
General commercial with a high amount of non-traditional products	8	3.63
General commercial with high amount of wide format	10	3.50
General commercial	33	3.45
General commercial and labels	8	3.13
Labels	11	3.00
General commercial with web printing	12	2.92

The graphs below illustrate the relationship between our customer gain or loss scale responses and revenue growth (the first graph) and EBITDA percentage of revenue (the second graph). Both graphs have positive trendlines – gaining and keeping customers enhances growth and EBITDA. Which are relationships one would expect! (*Dah!*) This reinforces the vital need for a strategic plan to land new customers and retain current customers.



To enhance customer retention, you might explore ways to effectively connect with customers. For instance, it may help if the company leader makes regular direct connections with customers, including ones he or she is not working with to manage projects. Those discussions might include questions such as “How can we improve?”, “What do you need?”, “How does the future look?”, and others. Sharing customer responses with your team may prompt ideas on how to respond to the customer and prompt improvement. As a former printing company leader, I know that daily needs may limit the time available to have these chats with customers. However, you might make these conversations a priority.

Here are some other steps you might take to enhance customer retention and gain. As a team...

- Monitor the number of orders and revenue per customer, compare them to the recent past, and address positive (thank the customer) and negative (explore why) changes.
- As a team, set goals for adding customers and monitor performance. And discuss those results with your team.
- Determine a strategy and tactics to identify potential new customers and connect with them. Are your salespeople so involved with project management that they can't aggressively identify and connect with new prospects? If that's true, who in your office can explore potential customer possibilities?
- Share great experiences your customers have had working with your company (testimonials) through social media, on your website, and maybe in printed brochures.
- Seek referrals from current satisfied customers. Maybe provide a referral discount.
- Network with community groups, such as Chambers of Commerce, and attend conferences.

We included in our survey, "You might explain why your company lost or gained customers." Some of the responses are shown below in three categories.

The first category, "Things Happen," reinforces the reality that unexpected external factors may cause a printing company to lose customers. In the first printing business I led, we grew at a 25% annual rate. However, I continued to make our team aware that our "circle of customers" could contract at any time without our anticipation. "Stuff happens!" So, it was necessary that we continued to seek new customers by applying a strategic plan.

That leads to our second category, "Strategy and Tactics." Growing your customer base may happen by chance. But increasing your number of customers is more likely to happen if you and your team are taking action to prompt that outcome. The points in our second category below may induce constructive thoughts. Strategically seeking to grow your customer base will help your firm endure the unexpected events shown in the first category.

The third category, “Companies Closing or Merging,” reflects a trend in our industry that we may research in the future. We are hearing of mergers, acquisitions, and closings. If you are merging with or acquiring another company, you might consider how the synergies between the two companies may help acquire new customers and identify prospects. Also, if a company in your market is closing, you might strategically seek customers that become available.

Things Happen

- Restaurants have stopped printing menus. Also, one large customer moved to California. One of our best customers has a two-year project for us that will cover the loss of any others
- We lost a fairly large customer (approx. \$500,000 in billings) in January of 2024.
- We lost a customer over price. We lost another customer due to budget cuts for printing. Timing impacted some customers' orders. We gained four customers due to a combination of quality and price. We gained several significant customers because of the election year. We had two customers who ordered substantially more in 2024 than they had in 2023.
- People shopping on price while ignoring value.
- We lost customers due to the impact of Covid and the direct impact on their business. We, in turn, picked up some customers as the result Covid had on some of our smaller competitors.
- Gained additional overflow from converters.
- Increased work due to new Political and Government Agencies projects mostly related to election seasons.
- We have not lost any customers. The majority of our sales is to wholesalers, so their clients ordered less.
- A couple of our customers lost their contracts.
- Since much of our work is in the direct response category, many have reduced volumes for their mail piece or have eliminated adding premiums to their mail piece.
- Lost a few due to losing a salesperson.

- When the supply chain was not smooth, we had some out-of-state customers. As the supply chain recovered, our out-of-state customers decreased.
- People are not printing as much.
- Lost customers to other providers. But they came back because the other's offering was not actually better or cheaper.
- Clients have eliminated some of their purchases and have gone to out-of-state vendors.
- Pricing and a few stopped printing entirely.
- We gained clients, but overall lost print volume.
- General commercial print is going down. Packaging is going up.
- 1 major customer decided to split their spend into 3rds - they were our #2 customer for the last 3 years. 1 major customer has started to print in-house.
- We lost one major account, and our top client cut back.
- We attracted new customers throughout the year and some customers didn't repeat large orders from the previous year.
- Customers selling/acquisitions. Went out of business.
- Occasionally, customers went digital, were bought out, or grew beyond our ability to service them (i.e., changed from sheetfed to web-offset). Generally, customers were gained as well, so we are close to an equilibrium.
- Customers are always coming and going. It's just the nature of our business.
- Clients lost to competitive pricing or going out of business.
- We lost a couple of customers who decided to go strictly digital.
- Our biggest customer, a large international corporation, fired the local marketing team, hired consultants and changed the way they were purchasing marketing material and the business dried up.

Strategy and Tactics

- Gained... Sales and marketing efforts.
- Hired an additional salesperson and staff to support growth.
- We are offering a more diverse range of visual communications, which attracted more customers.

- Focus on plan - total quality, client experience, and new products within the flexible packaging markets.
- Better service and comparable pricing.
- We seldom lose clients, and we pick up new business from referral and marketing efforts somewhat regularly.
- Strong marketing, prospecting, and targeting helped to increase new customers in 2024.
- We added sales staff and customers.
- Political printing.
- We have a strong outside sales force that upsells to our existing customers and will obtain new clients.
- Contracts and SOWs (Statement of Work) in place.
- Pricing and went digital.
- Our sales staff haven't been prospecting enough, and our market share has eroded.
- Slight gain due to enhanced and focused marketing and networking initiatives
- Primarily by adding new products, we added more customers.
- As the owner, I am the main salesman, and I have not been pushing to gain new customers as aggressively.
- We had lots of paper in 2023 and customers just needed things printed. So, if you had plenty of paper, then came on, and our turn time was quicker than most.
- Plant capabilities due to new equipment purchases.
- It was a political year, which always brings some new customers/candidates. We also made a push to increase our customer base.
- New pricing strategy.
- We did not lose customers, our customers used less of the products we produce. We gained because we are doing more outreach and marketing
- Our sales team wasn't focused on individual growth. That problem has been corrected, and they are now focused on the right things.
- Gained clients because we provide a good value overall, quality, and on-time delivery.

- Natural attrition. We lose 70% of clients every year, but make up for it with new ones and then grow on top of that.

Companies Closing or Merging

- Print / Mail businesses closing.
- We gained customers from our sales efforts and other printers going out of business.
- We gained new customers overall from an acquisition.
- We completed an acquisition that gained customers.

Summary

Yes, there are customers who are buying more printed products! And... Yes, there are printing companies that are gaining more customers than they are losing! Printing company leaders, develop strategies to promote printed products, identify customers whose printing needs are growing and draw them in, and continuously add customers.

We hope you find the knowledge provided above helpful. If you have any suggestions or questions related to this report or the “*Printing Industry Performance & Insights*” studies, please email Ralph Williams at ralph.williams@mtsu.edu

Participating Regional Printing Associations

FGA – Florida Graphic Alliance
 GLGA – Great Lakes Graphics Association
 GMA – Graphic Media Alliance
 PGCA - Print & Graphic Communications Association
 PIA – Printing Industry Association
 PIAG – Printing & Imaging Association of Georgia
 PIAMA – Printing and Imaging Association MidAmerica
 PIAS – Printing Industry Association of the South
 PIASD – Printing Industry Association of San Diego
 PICA – Printing Industry of the Carolinas
 PIMW – Printing Industry MidWest
 PINE – Printing Industries of New England
 PMA – Print Media Assoc.
 VMA – Visual Media Alliance