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The Turning Point in the Endless Loop

The Society for the German Language chose „Zeitenwende“ (“turn of an era”) as its word of the year in 2022. If you‘re in the print and media industry, you tend to get the feeling that the turn of the times was heralded at the latest with the spread of the Internet in the mid-1990s and has never stopped. Over the past three decades, virtually no stone has been left unturned, but this has the advantage that we as an industry have learned to deal with this constant pressure to change. In the current confusing situation, however, the ability to plan has been lost even further, which does not exactly make it any easier to assess what the future holds for the print and media industry in 2023 and beyond. Nevertheless, we dare to take a look ahead.

What kind of year was it – 2022? It was still dominated by a pandemic, with the often-mentioned side effects – such as disrupted supply chains and supply bottlenecks, which caused the global economy to shake. While restrictions were eased worldwide in the second half of the year, China stuck to its zero-covid strategy until the beginning of December, which did not really help to ease the situation. On the contrary, raw material and logistics costs went even further through the roof, and the word security of supply largely lost its meaning.

Shock waves in the economy

On February 24, out of a conflict that had been simmering for years, Russia launched a war of aggression on Ukraine. In addition to all the human suffering caused, the warlike confrontation sent further massive shockwaves through the economy and, in particular, the energy sector. In the course of this, the prices for all energy sources shot up to astronomical heights, which was particularly felt by energy-intensive sectors such as the paper and also printing industries.

The result is inflation that has exceeded the ten percent mark in some months and will probably remain with us for some time to come, leaving its mark on all sectors. In the graphic paper sector, this has led to falling demand in recent months – something that was foreseeable following the withdrawal of major retail chains such as REWE, OBI and others.

The tide turns – demand collapses

After the initial pandemic-related lockdown, demand for paper was greater than supply. Since no one could foresee where the market was headed, everything that could be had was bought, and warehouses were filled to bursting. Now the tide has turned, and paper sales have plummeted. The figures speak for themselves: when comparing November 2021 and November 2022, sales volumes in Europe have fallen by 42 percent for coated papers and 21 percent for uncoated papers. It seems that stocks will now be used up for once and the printing industry will remain cautious in its orders for some time to come. Industry experts expect that the bottom will not be reached until 2024 at the earliest and that demand and supply will be more or less back in balance. This will certainly involve a large loss.

However, hand on heart, the demand for graphic papers has been declining for many years. Since 2011, consumption of graphic papers in Europe alone has fallen from 25.5 to 15.5 million tons per year. This corresponds to around 40 percent. The freed-up capacity has been converted to the production of packaging papers. This trend will continue, because in the context of the whole sustainability debate, paper and board have the better cards compared to plastic packaging.

Print needs a strong lobby

Against this background, print advertising has come under even more pressure. The withdrawal of OBI and REWE from brochure advertising was certainly just the tip of the iceberg. Whereby print is not the only channel affected by the massive changes in media use. Generation X“ or „Alpha,“ for example, has long since said goodbye to television and is almost exclusively on streaming or social media platforms. The entire media landscape is undergoing a dramatic upheaval, and each individual channel must reposition itself and put its strengths in the media balance.

Closing ranks for print

Print undoubtedly has unique selling points that are already well known – haptics, value, reach, multiple use, sustainability, personalization and individualization. However, to communicate the undisputed advantages of print, all stakeholders – associations, organizations, companies, media – need to join forces across the entire value chain. In addition, print shops need to recognize their USP and cast it in a marketing and communications strategy, on which storytelling can then be built in a wide variety of channels.

The discussion about the value of the individual channels should not be one-sided under any circumstances. After all, print and digital can complement and even benefit from each other, which is particularly visible and even measurable in cross-platform and interlinked campaigns. Another phenomenon is that social media channels can boost sales of books, for example. Under the hashtag „BookTok,“ young people post their book recommendations on TikTok, which is also reflected in sales figures in bookstores. And new print apps are emerging from the use of digital tools that would never have been put to paper without the Internet. These include apps that skillfully compile photos for printing a photo book, or printing books with complete WhatsApp threads (comment columns) and „FreePrints“ from Planet Art, where free photo prints can be created just to tie customers to the platform.

Book-of-1 is no longer a pipe dream

Thanks to automation, digital printing, the use of net-based design editors and ordering platforms, the door has been opened to individualized mass production. Book-of-1 is no longer a pious wish, but a reality in many areas. This extreme degree of individualization results in print products that stand out from the standard due to their exclusivity. Typical applications here include photo books, self-publishing books, independent magazines and limited editions. The technology for this is available today. What is often missing, however, are ideas and concepts for the creation of new business models – these usually come from lateral entrants.

Of course, well over 90 percent of print volume is still produced using analog processes, but the shift to digital printing is only just beginning. The advances in digital printing, and especially in inkjet printing, are enormous and are significantly expanding the range of applications. Digital finishing techniques are creating the appropriate wow effects, especially when combined with a personalization approach. Machine manufacturers are following these trends, which is also reflected in product development. Muller Martini, for example, recently announced the SigmaLine Compact for digital book block production, which is set to hit top form, especially with a digital web printing system. However, Muller Martini also has a solution in its range for the completely variable size production of photo books, which has already proven its practicality on several occasions.

Print – a high quality touchpoint

However, it is not only individualization and personalization that make print something special. A printed invitation, an opulent coffee-table book or a thoroughly styled magazine convey a sense of value that is hard to resist. When it comes to the design and implementation of high-quality print products, today you can draw from the full range of possibilities and skillfully set the scene for your message. The possible combinations of fine papers, special inks, coatings, gossamer, iridescent foils, different printing processes, unusual binding methods, and analog and digital finishing processes are endless.

With all these ingredients, print can position itself as a high-value touchpoint in the customer journey. This perhaps explains why German clothing retailer Adler has once again launched a printed catalog with an exciting sales concept after 14 years. For the release, the Adler catalog was first delivered and distributed to customers with a customer card. In addition, the catalog is included with online orders. This ensures a greater presence at the most important moment in online retailing – the unpacking experience.

Sustainability is a hot topic anyway. A great deal has already happened in this area in the paper and printing industry in recent years. However, efforts in this direction must not slacken. The current focus is on establishing the paper and printing industry as part of a comprehensive circular economy. Cradle to Cradle (C2C) is certainly an interesting approach here, and one that is already being pursued in other industries. One example is the clothing manufacturer Wolford, which is certified according to C2C and therefore expects packaging and printed communication materials to follow suit.

Conclusion

The development of paper sales shows that print volume has been lost. And this will almost certainly not come back. In this respect, the printed cake is getting smaller, but at the same time the value of print in the media mix is increasing. True to the motto „away from the masses, towards class". That's why it's also important to develop new business models for print. Technology is important, especially networked technology, but only as a second step.

Successful business models also exist in the print industry: many of them, in conjunction with the Internet and social media channels, manage to produce creative and individualized print products that deliver added value.

Finally, here's a quote from Albert Einstein that absolutely fits the changing times: „You can never solve problems with the same mindset that created them." By implication, this means we need to rethink print!

Yours
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