WHITE PAPER

THE SHORT-RUN AND ON DEMAND PUBLISHING OPPORTUNITY

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Key Highlights

- Printed books, calendars, magazines, photo albums, and other bound documents remain an important channel for content delivery.

- The growth of self-published books and photo books has been made possible by the advancement of production digital printing methods.

- Digital printing opens creative opportunities for in-line customisation, personalisation, and real-time marketing activities such as cross-selling or promotional material inclusion.

- With today's production digital printing methods, publishers can meet distribution channel requirements more effectively with shorter "just-in-time" runs.

- Finishing and binding have implications for a document's usage, purpose, and longevity. Thanks to technological advancements, many of today's service providers are bringing binding capabilities in-house.

- Developing a strategic plan requires engagement in two critical marketing activities: Identifying the requirements of potential customers and promoting attractive solutions.

Executive Summary

Over the past fifteen years, publishing markets have been redefined by simultaneous trends related to the electronic delivery of content. In the past five years, smartphones, e-book readers, and tablets have changed the way that many readers consume content. Traditional "bricks and mortar" bookstores—whether large retail sites or small independents—have encountered fierce competition from Internet retailers like Amazon. The landscape has changed, and agile print service providers (PSPs) have an opportunity to benefit from these developments by producing a range of bound documents, including books, calendars, magazines, and photo albums.

Production digital printing provides certain capabilities that long-run offset printing technologies cannot, including a "sell then print" strategy.

- On-demand publishing has become an accepted business model.

- Content distribution channels are in flux and have been early adopters of production digital print workflows. This is especially the case for books because of their ability to be used as a virtual document warehouse.

- Although e-books hurt long-run printing, they actually help short-run digital printing.

- Self-publishing tools have empowered authors to create, publish, and sell their own content easily and effectively.

Introduction

In the 1990s, monochrome copiers and production digital printers changed the way that many companies delivered product manuals. Although much of that business has moved to digital distribution, the use of digital printers for bound document production still exists. Advancements in short-run finishing as well as the addition of cost-effective colour have expanded the range of bound document applications that are available to production digital print. Additionally, attractive methods of electronic content delivery have proven not to be a barrier. These developments have forced publishers to reconsider what they do.

Today's publishers understand that content is king. Their job is to deliver that content in the forms that the market demands. In some cases, demand may be best served by long-run production of many hard-copy books, calendars, or magazines using offset printing presses. Offset is very cost-effective for popular items and bestsellers. Increasingly, though, hard copy versions are not required at all. Today's readers are happy to consume content electronically via tablets, smartphones, and sometimes e-book readers, with audio books also on the rise.[1] At the same time, however, the market's appetite for hard copy has not gone away. While e-reading is on an upward swing, data compiled by Statista indicates that e-reader market penetration is only around 10% and is expected to approach 12% by 2022.[2] While mobile phones and tablets also represent an opportunity for e-reading, issues like blue light sleep disruption and a required level of tech-savviness prevent them from being as approachable as traditional print-based books.

As we have learned from other multi-channel applications (e.g., transaction documents and direct marketing), print continues to play an important role due to its permanence, ease-of-use, and familiarity. Printed books, calendars, magazines, photo albums, and other bound documents remain an important channel for content delivery.

As the landscape continues to change, on-demand printing workflows are broadly accepted by publishers around the world for many types of publications. Publishers have made extensive efforts to archive and control their electronic assets. In addition, this area has recently seen more rapid progress due to the introduction of high-speed roll-fed production colour inkjet printing systems that are capable of producing high-quality work on an ever-increasing range of substrates. Inventory and order management, workflow, front ends, and finishing systems have also evolved, making it possible to achieve what was imagined when the term "on-demand book printing" first came into common use.

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[1] According to a 2019 Pew Research Center survey 65% of adults polled had read a printed book in the past year. 25% had read an e-book and 20% had listened to an audiobook (an uptick from 14% in 2016).

[2] https://medium.com/scriptarnica/digital-publishing-ebooks-statistics-indicate-growing-popularity-bf3d456d0610

The Expanding Definition of "Book"

Oddly enough, one of the driving factors behind this on-demand book printing evolution is that the definition of a "book" has evolved, specifically regarding what it means to produce a printed and bound book on demand, either as a book-of-one or in the required quantities. A published book traditionally appeared in a hard-cover edition first and was sometimes followed by a paperback version. The hard-cover book was usually printed in signatures that were folded, sewn, and case-bound. The paperback was typically perfect bound from a stack of printed signatures. Other common methods, like saddle-stitching for small booklets or magazines, were suitable for certain applications but not widely used overall. To a large extent, people associated the concept of a book with its production methods. This specifically concerned how it was bound, but it also factored in features like the format and use of colour.

Then came e-delivery, and the focus of the book returned to its content. Publishers paid more attention to their digital assets and how to reuse them. Production sites started rethinking what the printed version of a book entailed. This change in perspective meant that production sites started to align other types of content—those that were similar in format—more closely with books. The more flexible these sites became in terms of production capabilities, the more types of content they could produce for their customers. The book's content is obviously important, but there are even virtually content-less objects in book form (think about blank ruled notebooks and sketchbooks). The documents outlined in Table 1 all share book-like attributes yet are very different in terms of their purpose. Savvy PSPs are seeking to leverage their production investments by printing multiple types of applications across the bound-document segment.

Table 1: Documents with Book-Like Attributes

Type of Content	Size	Binding	Use of Colour	Other
Annual Reports	Varies; typically 8.5" x 11" or larger	Perfect	Moderately used	Distribution has largely shifted to electronic delivery
Books (Hardcover)	A range of sizes are employed, but 6" x 9" is typical	Case	Some colour; often as an inserted section on higher quality paper	Attractive electronic delivery methods exist, but hardcopy is still required for most
Books (Softcover)	Mostly smaller "pocket" sizes to mid-sized "trade" paperbacks (5.3" x 8.5")	Perfect	Rarely used	Attractive electronic delivery methods exist, but hardcopy is still required for most
Books (Coffee Table)	Typically 8.5" x 11" or larger	Case	Extensively used	High-quality images require suitable paper
Booklets	Range of sizes	Saddle-stitch; some perfect	Moderately used	This category covers a range of document types and can include marketing materials

Catalogues	Range of sizes	Saddle-stitch; some perfect	Extensively used	
Directories	Range of sizes	Saddle-stitch; some perfect	Moderately used	
Mission-critical financial documents and reports	Range of sizes	Saddle-stitch; some perfect	Limited use or none	This category is shifting to electronic delivery, but some customers still require hard copy
Magazines	Range of sizes; Typically 8.5" x 11" or larger	Saddle-stitch; some perfect	Extensively used	Often time-sensitive and not intended for extended use, but some special issues may have much in common with larger paperback book formats (e.g., perfect bound with extensive use of colour)
Note: Hard- and soft-cover books encompass a range of book types, including trade fiction, non-fiction, children's books, educational textbooks, user manuals, and business/technical books.				

The European Book Market

Background

According to the Federation of European Publishers (FEP), which builds on data from 29 national associations of publishers, total sales revenues within the European book market were approximately €22.2 billion in 2017.[3] In rank order, the largest publishing markets in Europe are Germany, the United Kingdom, France, Spain, and Italy. These publishers issued about 610,000 new titles in 2017 and held millions of titles in stock, including digital formats as well titles available via print-on-demand publishing (older publications as well as self-published titles). Employment has held relatively steady over the past decade, with approximately 130,000 people employed full time in book publishing.

While it is difficult to calculate definitive numbers on the state of the global market, InfoTrends acquired insight from the International Publishers Association—which helps track the growth of the book publishing industry around the world.[4] In the US market, the Association of American Publishers reported that industry trade book revenue for 2017 was only about €6.25 billion in 2017 (although that number improved in 2018). China's book market also reported similar gains. Its revenue was roughly €10 billion in 2017, but that increased by over 11% in 2018.

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[3] https://fep-fee.eu/European-Book-Publishing-995
[4] https://www.internationalpublishers.org/news/776-statistics-galore-european-and-international-publishing-figures-released

Book Market Categories

The professional publishing market can be divided into the following broad categories:

- **Trade:** Fiction and non-fiction books for adults

- **Youth:** Fiction and non-fiction books for children and young adults

- **School:** Books for elementary and secondary education

- **Higher Education:** Textbooks for college and university students

- **Religion:** Religious texts of all types

- **Professional/Scholarly:** This broad segment includes law, medicine, business, and other technical or scientific categories

Two other categories of books (self-published books and photo books) typically are untracked in studies of the professional publishing markets. Growth in these markets has been made possible by production digital printing methods and facilitated by high-quality digital cameras. Both of these areas are growing at significant rates, speaking to the impact of self-publishing tools as well as the rich content provided by digital photography.

According to data from InfoTrends' Western European Photo Merchandise Forecast, photo books alone saw a 4.2% CAGR between 2016 and 2022. Such growth means that local print providers should consider the space an opportunity—one that merits investment as digital printing techniques continue to become more common.

The distribution channels for published content are numerous and varied, and they are certainly not limited to bookstores. Although physical retail sites including chain and independent bookstores are important, books, calendars, and magazines are also found in mass retail stores among a range of other goods. Large supermarkets, office supply retailers, and department stores frequently have sections dedicated to books, magazines, and greeting cards. Museums, gift shops, and specialty stores also sell such items. There are institutional sales to libraries and schools, sales that occur direct-to-consumer, corporate and government sales, wholesalers, book clubs and fairs, and export sales. All of these channels for bound documents compete with sales through online retailers.

Digital Printing and its Impact on Publishing

Print is driven by applications, and digital production printing is no exception. Demand for specific applications changes over time for a number of reasons, including growth or decline in usage, electronic replacement, and shorter runs. In studying the production digital print market in Western Europe, InfoTrends explored 30 application segments and measured digitally printed application volume changes. By 2023, the top three production digital print applications in Western Europe will be bills and statements, direct mail, and

books. The combined volume for these applications is expected to reach nearly 150 billion impressions. By 2023, book printing is expected to surpass bills and statements to become the second largest print application on the market.

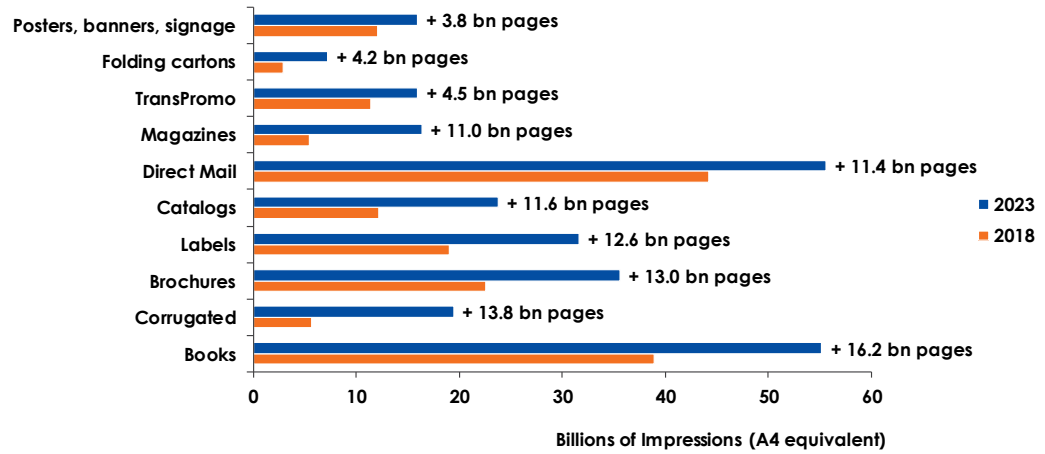**Figure 1: Top Applications by Digital Print Volume, 2018 vs. 2023 (W.E.)**
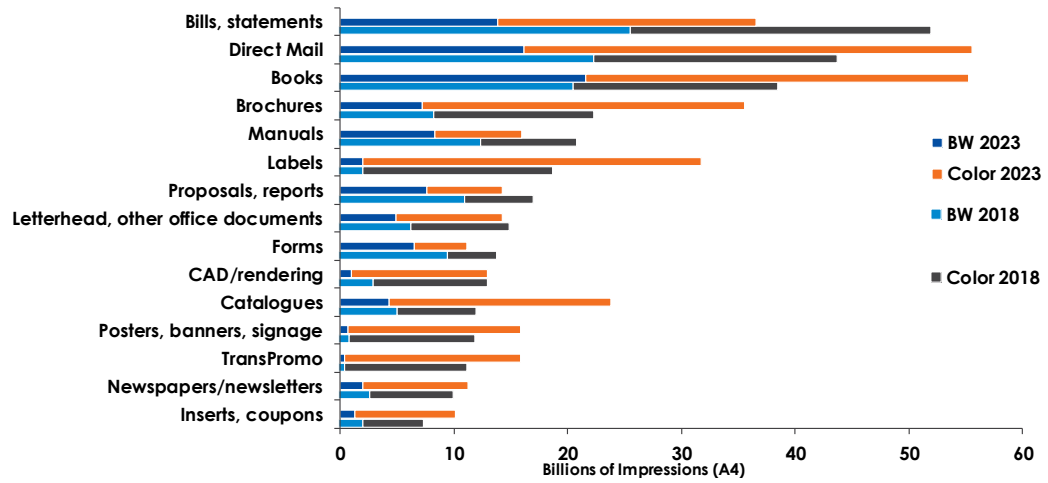
Source: Keypoint Intelligence WE Digital Production Printing Application Forecast 2018-2023

In terms of pure pages, the book market is expected to show the biggest gain. Its page volume is expected to experience a growth rate of over 10% during the forecast period, representing roughly 55 billion pages by 2023. Colour page volume is a big component of this growth. Many book pages are printed in black & white only, yet advancements in digital print technology are making it more attractive to print colour content with digital systems. Black & white pages are another growth area as production digital print eats further into pages that were traditionally printed using offset presses. This is largely because the productivity and cost levels of inkjet printing systems are making it increasingly attractive to move book block production from offset presses to digital printing systems. Additionally, production digital print ushers in a range of other advantages, including cost-effective short-run printing, just-in-time fulfillment, and the ability to print on-demand copies of books only when orders have come in. Since production digital printing systems can draw on-demand from archives of electronic content, they can serve as virtual document repositories in a way that traditional printing presses cannot.

Figure 2: Fastest-Growing Applications by Absolute Digital Print Volume Gain (W.E.)

Posters, banners, signage — + 3.8 bn pages
Folding cartons — + 4.2 bn pages
TransPromo — + 4.5 bn pages
Magazines — + 11.0 bn pages
Direct Mail — + 11.4 bn pages
Catalogs — + 11.6 bn pages
Labels — + 12.6 bn pages
Brochures — + 13.0 bn pages
Corrugated — + 13.8 bn pages
Books — + 16.2 bn pages

■ 2023
■ 2018

Billions of Impressions (A4 equivalent)

Source: Keypoint Intelligence WE Digital Production Printing Application Forecast 2018-2023

Over the next several years, production digital printing will continue to displace a growing portion of analogue offset printing regarding books, magazines, and other bound documents. The rationale is simple—more effective technology continues to be a driver for rapid growth. These days, only an expert can tell whether a document has been printed on an offset machine or a digital device. Nevertheless, economics is the main driver. Estimating the demand—and thus the print run—for a book (or any other bound document) has been a guessing game since Gutenberg's day. This means that the industry's supply chain is exceedingly wasteful. Books sent to retail locations can be returned to the publisher if not sold. This is a significant drag on the publisher's profits if it has done a poor job at estimating demand. The use of production digital print methods gives every level of publisher a much more efficient means of meeting demand.

Digital printing methods are gaining due to the inherent advantages of quick turnaround and just-in-time manufacturing. This means that digital print is growing, but at the expense of offset.

Publishers Are Embracing Digital Print

In the face of uncertainty, publishers are embracing digital print for a range of reasons, but shorter print runs represent a big motivator. Shorter runs diminish the amount of unsold inventory, reduce storage costs, allow reprinting in smaller batches, and offer the opportunity to print specialty items for niche markets, including self-published content.

Digital printing offers a flexible solution to provide what publishers need, when they need it, where they need it, and in the quantity required. Publishers understand the value proposition, and everything links to the bottom line. Digital printing technology offers publishers:

- **Risk reduction:** Demand is difficult to forecast, but production digital print technologies enable economic production in small quantities. Publishers can monitor the demand and order only what is required to eliminate warehousing and return costs.

- **Cycle time for on demand:** A number of highly sophisticated on-demand printers are able to turn orders around within 24 hours. Publishers can quickly react to market demands for printed content.

- **Specialty topics and fresh content:** Everyone has a story to tell. Digital printing eliminates the minimum quantity requirements and enables the printing of self-published and niche content in very low quantities. Furthermore, every page that is digitally printed can be unique. Digital printing opens up creative opportunities for in-line customisation, personalisation, and real-time marketing activities such as cross-selling or promotional material inclusion.

- **Bottom-line business results:** By following the demand curve more closely and minimising warehousing and return costs, publishers can have greater inventory turnover and improved profitability.

- **"Sell then print":** Digital printing enables a new type of business model that turns the old one on its head. For centuries, publishers guessed at the number of copies they would need and then were forced to reprint if they had misjudged demand. This was the "print then sell" model. Digital printing gives today's publishers much more flexibility. In the case of self-published work and out-of-print content, they have the luxury of not printing until they have an order in hand.

All of this is made possible by the fact that a digital printer can act as a document warehouse. This opens opportunities that were simply not possible with long-run traditional print methods like offset. It also sets up a scenario in which short-run and on-demand printing benefit from the advent of e-books and other e-delivery mechanisms. This positive impact comes from publishers changing to a strategy where printed items were no longer the primary method of distribution. As their content shifted away from print only, they had to flexibly format their titles to enable electronic and print delivery. Having this content in both forms is a basic requirement for e-content and digital print. It is a side benefit of the technological evolution that puts digital print in a good market position.

The changing publishing market has also given individual authors a level of control they never had before. Blogs and social media are marketing tools that have the potential to reach new audiences. Online services (e.g., Blurb, Lulu) enable authors to promote and sell their content without having to manage the process of taking credit card orders and shipping. This is a very exciting time for content creators, whether they are writing a novel, creating a piece of non-fiction, submitting a piece of poetry, or promoting their digital photography business.

The Publishing Benefits of Production Digital Print

Selling the benefits of production digital print to publishers is very easy. Here are some of the most compelling advantages:

- **A solution to the publisher's dilemma:** For as long as printing has existed, publishers have wondered how many copies they should print. Since it is more effective for longer runs, offset printing has historically tempted publishers to print more copies than they can sell. Unsold copies often languished in warehouses. With today's production digital printing methods, publishers can meet distribution channel requirements more effectively with shorter "just-in-time" runs. This method of printing books as needed supports the publisher's need to warehouse books in digital formats while also solving warehousing and distribution issues, thus solving the publisher's dilemma.

- **Meeting demand:** The publisher's supply chain can be filled to meet demand. Items can even be printed as they are ordered. This "sell then print" model eliminates the requirement for standing inventory and allows publishers to rethink their warehousing strategy.

- **Content never goes out of print:** These titles provide revenue without requiring any inventory. This puts the "long tail" theory into practice: The sales life cycle can be graphed as a curve in which the bulk of the sales occur at publication and then "tail off" over time until demand is so low that reprinting an edition of hundreds of copies is no longer feasible. Production digital print makes it possible to extend this tail.

- **Proofing, testing, and niche titles:** Production printing provides increased possibilities for providing proof copies as well as short runs for testing an audience. In addition, opportunities abound for niche titles that can succeed profitably without the risk of a long print run that requires storage of inventory.

- **What you want, when you want it:** End-users receive content in the form they prefer.

- **Accuracy:** Errors can be updated, and additions can be made to the latest edition on the fly.

Digital Production Benefits

Printers and publishers describe their production digital printing techniques with terms such as "on demand," "just in time," or "print to order." Regardless of the term used, there are basically two kinds of production digital printing techniques: short-run and on demand.

Short-Run

Short runs are typically considered to be between 30 and 2,000 copies. Although digital printing techniques are more effective in this range, offset printing can also be used. Offset lithography becomes more cost-effective for longer runs. The total page count of the print run also makes a difference. The volume difference between 100 copies of a 200-page book versus the same number of copies of a 400-page book is significant. This factor can impact a PSP's decision about which technology to use, but the cross-over point tends to be around 500 copies. InfoTrends research indicates that the average first run of a book is

around 5,000 copies. That said, smaller publishers with niche titles such as scholarly journals will typically print well under 5,000 copies. This is why university, technical, and self-publishers have been important markets for production digital printing.

On Demand

Filling orders as they come in requires the ability to cost-effectively print, bind, and distribute a single copy at a time. This type of "on demand" or "just-in-time" printing is not limited to single copies. It can also be used to fulfil orders from a distribution channel and to have copies for events such as book signings, conferences, or trade shows. Production digital printing can become very effective with on demand techniques. Offset lithography cannot compete in this environment. Although on demand printing was viewed as leading-edge only a few years ago, it is now standard practice by publishers of all types. In addition to making it possible to fulfil orders in a much more effective manner, on demand printing enables publishers to gain revenue from their "backlists" of previously published content that has gone out of print.

Production Models

Early print-on-demand book production sites primarily used toner-based, cut-sheet digital printing technologies for both the interior book block and the cover. These sites met the growing need for publishers to print books in small quantities for purposes like proof copies, niche titles, university course packs, and back-catalogue production of older books. The on-demand model created a range of new opportunities for self-published writers, trainers, educators, and other content developers. With the help of online providers, these new authors could upload and sell their work without investing in any printed inventory. This model also piqued the interest of publishers, who realised that they could personalise and repurpose content in a variety of ways, both electronically and in print.

The role of on-demand book printing greatly expanded about ten years ago with the introduction of high-speed monochrome and colour inkjet web-fed printing systems. While toner-based colour and monochrome roll-fed printing systems are frequently used for on-demand book printing, inkjet systems have had a revolutionary effect that is extending the reach of on-demand book printing. Speed capabilities and the productivity of the inkjet systems made it possible to print larger quantities at competitive costs with offset for longer runs, while also embracing the values of digital printing (e.g., quick turnaround, personalisation, just-in-time production, and on-demand printing).

Colour Quality and Substrates

The earliest production colour inkjet printing systems lacked the ability to produce high quality colour, partially because of imaging and print resolution issues, but mostly due to a limited substrate range. These systems printed well on many uncoated papers, but they struggled to print effectively on coated stocks for higher quality applications. More

recently, advanced inkjet heads combined with new inks, drying systems, and an expanded range of both inkjet-prepared papers and solutions for priming uncoated and coated stocks have greatly improved the colour quality achievable. This has expanded the range of print applications to include graphically rich documents like coffee table books, museum books, event catalogues, and magazines.

Front Ends and Finishing

A high level of automation is required by on-demand book printing systems. It starts with a digital archive of print-ready content (generally PDFs) and must integrate with an online job onboarding and queuing system that addresses book orders as they come in. The system applies the correct production, binding, and delivery protocols while also batching jobs with similar production attributes. Of course, the workflow is two-part, encompassing the book's cover and the book block, which must be married correctly as the job moves through the system.

The wide variety of paper stocks, binding methods, and book sizes all add complications. These create the need for automated job set-up that takes information from any book's job ticket and applies it correctly through production. The ability to gang similar work based on paper stock and binding method is also a requirement. This makes it possible to create a book-of-one workflow that operates effectively at the quantities required to feed a high-volume printing system.

Another often-overlooked aspect of on-demand book printing is that it does not require formatting the book in a signature. Books can be printed in page order, which means that with basic slitting and cutting, a full book block can move directly to the binder. Not all book printers will produce signature-less books because there may be some advantages to a signature-based digital print workflow, particularly for sewn bindings. At the same time, however, this capability speaks to the ways that production digital printing can be disruptive to traditional book printing workflows.

Types of Binding

There are four basic types of binding:

- **Stitching:** Centre stapling (also known as saddle-stitching) is a common technique that is suitable for booklets, calendars, and magazines. This technique often becomes less desirable as the page count rises.

- **Mechanical:** A mechanical bind uses wire or plastic coils to bind a stack of pre-punched pages. Mechanical binds have the advantage of allowing the document to open flat, which is a valued feature for conference handouts, cookbooks, and operating manuals.

- **Soft Cover:** Soft cover or "perfect" bindings, used for a wide range of paperback books, are the most common binding type. It is also typical for some larger magazines.

The spine of the document typically has glue applied to it, which holds the book block together and adheres the cover to the pages.

- ◆ **Hardcover:** Hardcover or "case bound" bindings are often used for first printings of many trade and educational titles. These books may also have dust jackets. Case binding is also a popular choice for photo books due to its protective nature, aesthetic appeal, and other "luxury" attributes.

Stitching, mechanical, and soft cover binding can all be accomplished in-line with many digital print processes. One key production advantage of digital printers is that they can insert front, back, or wrap-around covers and then bind them into a finished document. These processes may also occur off-line, but even then it is possible to automate the process by transferring job set-up data to the binding equipment. This technique is known as "near line" or "automated off-line" finishing. There have been significant advancements to these in-line finishing techniques, making books on demand an even greater opportunity for digital print providers.

Figure 3: Binding methods of Stitching (upper left), Mechanical (upper right), Soft Cover (lower left), and Hardcover (lower right)

Hardcover bindings are not typically used for on-demand printing, but they may be used for short-run books depending on the quantity and the publisher's preferences. Since many digital print service providers do not have the tools to handle hardcover binding, this capability is often outsourced. One key exception is the hardcover binding used for some low-page-count photo books. These books appear to have a hardcover binding, but they

generally use a simple clamping method to hold the pages inside a hardcover shell. Specialised hardcover binding equipment for photo books is now available for those sites that wish to provide a more professional-looking and permanent hardcover binding.

High-Use Versus High-Value

InfoTrends observes that production sites that use high-speed inkjet systems tend to fall into two broad categories: high use and high value.

Sites in the **high-use** category drive their equipment around the clock. They do this by automating their front-end systems and finishing to be as flexible and productive as possible. The goal is to keep the systems running at close to their rated capacity. These sites tend to the content owners of books and magazines be their primary customers, although the format flexibility of their systems opens up adjacent opportunities for other bound document types.

In the **high-value** category, sites are generally more concerned with deadline-focused and mission-critical work, where tight production windows are the key to success. Equipment may be idle outside of the production windows, but with that comes the guarantee to customers that the print capacity will be available when their documents need to be printed. High-value sites may not require the sophisticated job ticketing and front-end systems of high-use sites. They are also more likely to produce printed documents that are book-like, such as financial documents and reports, rather than more traditional publishing fare.

How to Get Started: Planning for Success

As with any business area, serving the needs of a variety of publishers requires a strong strategic marketing plan. This plan is a blueprint of the actions that the business chooses to take based on their understanding of key market trends. Good marketing plans include a clear set of quantifiable objectives, as well as some strategies, tactics, and milestones that support those objectives.

Developing a strategic plan requires engagement in two very critical marketing activities:

- **Identifying potential customers and their requirements.** The first step in developing a strategic marketing plan is evaluating an organisation's current state. Thoroughly understanding current customers is imperative to a company's success. What barriers hinder the success of potential customers? What services or products do they need to overcome these barriers?

- **Promoting attractive solutions.** A business must be effectively positioned in the eyes of its prospective purchasers. Many publishers are seeking answers to their ongoing decisions about how many documents to print. Providing them with the flexibility to order in smaller quantities helps them manage demand and prevent warehousing. Providing true on demand order capabilities also enables them to monetise their content in new ways.

For those not currently involved in selling digital print services to publishers, the first question to consider is the current product offering. Prepress and printing may be part of existing offerings, but other capabilities (e.g., page scanning or e-book conversion) might not be.

While assessing current production capabilities, also consider which technologies might be suitable in the future. Explore the additional investments that might be required to fulfil target applications in those subsections. For instance, those interested in book production will need to research formats, substrates, speed, and colour. This may facilitate the need for additional production staff or training requirements. Invest in sales staff either by growing or training existing reps in these new markets so that they can understand their clients' needs (speaking to their concerns using proper terminology). This will enable them to successfully sell into these sectors.

Understanding the customer and their needs is of paramount importance. Smaller PSPs tend to have smaller publishers or business enterprises as their customers. There may also be schools, local government, or individuals with publishing requirements. In addition to books, related items such as posters, promotional items, bookmarks, and point-of-purchase display graphics may be required.

As illustrated in Figure 4, organisations should focus on the types of publishing applications that highlight the strengths of production digital printing. The green descriptions represent digital print opportunities, yellow shows the areas where both technologies typically apply, and blue is for applications where offset is the norm. At the same time, however, there are no hard and fast boundaries. Offset is occasionally used for shorter runs and digital processes can be leveraged for longer runs.

Figure 4: Publishing Applications by Volume
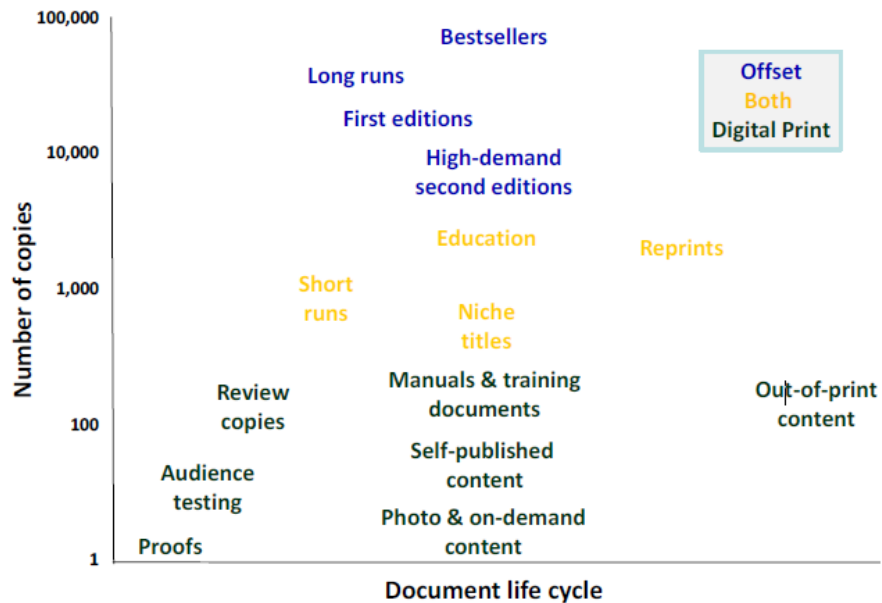
To plan for success in today's market, InfoTrends offers the following recommendations:

- Identify the most important target markets.

- Partner as necessary in areas without in-house expertise.

- Build on an understanding of prepress to leverage workflow strengths.

- Add necessary finishing infrastructure.

- Do not let the retail "brick & mortar" distribution model limit the consideration of channel opportunities for publishing clients.

Here are some tips for moving forward:

- Book applications tend to be tied to a specific type of paper. By researching with customers, paper providers, and PSPs, firms will be better prepared to offer papers that are suitable for the application and perform well on the in-house printing system.

- It is a mistake to focus only on the cost of consumables (i.e., ink) when exploring the inkjet opportunity. Inkjet printing does not come down solely to a cost comparison with offset. Inkjet enables the creation of books and other applications that are impractical or unfeasible with offset, and can offer new revenue opportunities for publishers.

- Due to short runs and small batches, special attention must be paid to job onboarding, preflighting, queuing, and support for e-commerce transaction. Without these capabilities, it is difficult to create a highly automated production environment.

- Understand that the capabilities built to enable book printing open up other opportunities for book-like bound documents. Including annual reports, catalogues, directories, and magazines.

InfoTrends' Opinion

The stunning advancement of on-demand book printing from its earliest days in the 1990s to the automated pinnacle where it stands today compels speculation on the next advancement. Having content that can move fluidly between electronic and print delivery creates opportunities that were once deemed impossible or impractical. In addition, prior limitations in format or colour are no longer a barrier. This has allowed for colour illustrations (which used to be limited to an insert in an otherwise black & white book) to be interspersed throughout the document, bringing a new level of colour flexibility to authors and designers. Publishers now have full control to unlock their backlists, which in term opens new revenue possibilities. The opportunity is there to test these and many other possible avenues now that the front-end, print, and finishing technologies allow so much more than traditional presses. It is a truly exciting time for the on-demand book market!

authors
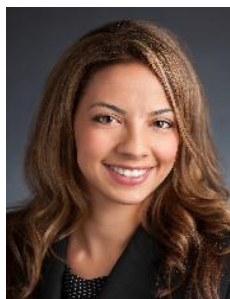
Jim Hamilton
Consultant Emeritus

Jim Hamilton is a well-known industry analyst who serves as Consultant Emeritus for Keypoint Intelligence – InfoTrends' Business Development Strategies and Production Printing consulting services. He supports the areas of production digital printing, wide format signage, labels & packaging, functional & industrial printing, production workflow & variable data tools, document outsourcing, digital marketing & media, customer communications, and business development.

Colin McMahon is a Research Analyst at Keypoint Intelligence – InfoTrends. He works across the company, primarily supporting the Production and Digital Imaging services. He creates or refines much of InfoTrends' content, including forecasts, industry analysis, and research reports. He also assists with the editing and formatting process for many deliverables.

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Nichole Jones is a Senior Product Manager for Keypoint Intelligence - InfoTrends' Production group. Ms. Jones' responsibilities include managing the promotion and distribution of InfoTrends' content and assisting clients and channels in building business development programs. She also develops curriculum and content for InfoTrends' e-Learning programs, which deliver online sales training.

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Comments or Questions?