UNITED AGAINST CHALLENGES

Ford Bowers, CEO of the PRINTING United Alliance trade association describes the resurgence of the print industry and its challenges as a consequence of Covid-19

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After the worst of the global pandemic's health ramifications subsided and the world slowly began to re-open, it felt as if there might be a light at the end of the tunnel for print businesses in the USA. In many ways, however, it has been more 'out of the frying pan, into the fire', as supply-chain issues made a 'return to normal' challenging for many. The Printing Industry Supply Chain Conditions Survey, conducted by PRINTING United Alliance and NAPCO Research, showed that tough circumstances continue to endure; 70% of respondents expect conditions to deteriorate further across the chain, with very few forecasting significant change before the first half of 2023.

OUR SURVEY SAYS...

For larger businesses with more capital, the ability to build inventories of sought-after materials and to offset soaring inflation, means that these companies are gaining market share, making conditions even more difficult for smaller print service providers. Clearly the impact varies greatly and this disparity is borne out by the data; among companies surveyed, 45.6% reported a decrease in revenue, on average, of 11.9%. The good news is that 23.1% reported a revenue increase of 16.6%.

RISING PRICES

Price increases continue to bite. Respondents to the survey cited that some items have increased in price by 30–50%. "Everything is up by at least 10%," noted a survey participant with another commenting: "I fear the cost of paper will push more clients to digital marketing, resulting in less printing overall." However, the cost of consumables, particularly paper, has been as affected by pandemic-related changes as the current supply disruption. An increase in book sales in 2021 led to additional pressure on the availability of paper and many mills have converted to packaging and corrugated production as the e-commerce boom drives up the need – a shift in habit that is unlikely to significantly wane.

RETURN OF LIVE EVENTS

However, there is positivity on the horizon for the USA print market. In the first quarter of 2022, PRINTING United Alliance began its roster of more than 30 events for the year. While there was a bit of a lag in attendance due to the residual effects of the Omicron variant and yet-to-be-removed travel restrictions, those issues were almost entirely gone by the beginning of Q2. Every event since then has been at capacity, with a waiting list to attend. It certainly seems that, despite waves of variants still among us, people have adjusted to living with Covid in all its forms. It seems unlikely that this sentiment would be reversed by any new wave. Although there have been some attempts to reintroduce mitigation procedures in some areas, such as face masks and proof of vaccination, they have not dampened the response to live events.

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FOR EXAMPLE...

Our marquee event, the PRINTING United Expo [taking place from 19–21 October in Las Vegas], is certainly a case in point. In 2019 we had reached a high watermark of exhibit space under contract at 8,407m^2 and we have already surpassed that for this year's event by 6,100m^2, with more exhibitors set to join us in the next couple of months. The only notable delay has been amongst Asia-based exhibitors who remain under heavy travel restrictions. But as constraints are lifted, these companies are signing up. In addition to exhibiting and due to the lack of a proper platform to do so, we are aware of a number of exciting major product launches that will take place at the Expo this year. It is certainly shaping up to be a phenomenal show.

NUMBERS SET TO RISE

So, that leaves us with the variable attendance. On that front, we are also expecting very good results. In fact, the registrations began to gather pace extremely quickly. Normally, we see about 70% of our registrations in the last 4–6 weeks, with only a few hundred registering in May, the first month of open registration. This year, we hit 4,000 registrations in the first month alone. It is currently too early to tell if this pattern will hold, but it does bode well for being on par with, or perhaps exceeding, 2019 at 30,000.

MEMBERSHIP RISING

As for the business of the Alliance itself, which is all about our members, we are seeing a resurgence of interest in being part of a growing community. During the pandemic, membership functions declined for obvious reasons including M&A [mergers and acquisitions], business closures, economic challenges and so forth. However, since early Q2, we have seen, on average, more than 100 new members signing up each month. Hundreds of previous members are re-joining to take advantage of the many benefits and services provided. There are even more coming in the next few months, including a new online learning site combining the best courses from the offerings of Printing Industries of America, SGIA and Idealliance; iLEARNING+ launches this August, now united into one easy-to-use platform. This speaks strongly of the resilience and comeback in the industry and the falling away of many of the immediate pandemic-induced constraints. As a barometer of economic trends, nothing is more exciting to the Alliance than this one aspect of the recovery. ■

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