

Disrupting the Future



*Uncommon Wisdom for Navigating
Print's Challenging Marketplace*

**Joseph W. Webb, Ph.D.
Richard M. Romano**

Praise for *Disrupting the Future*:

“This is the best damn business book I have read in years. I learned something on every page. It is a truthful and honest vision of where we were and where we have to go. It is a detailed road map for an industry that has been wandering in the desert for what seems like forty years. We all know that it’s very hard to arrive at your destination if you don’t know two important things—where you want to go and then, once knowing the where, how the heck to get from here to there. This is a book of specific instructions and is a must-read for anyone in the business.”

—Robert M. Sacks (*BoSacks*), *Precision Media Group*

“Every print industry professional—manufacturers and customers alike—should be required to read this book at least twice. The authors’ analysis, insights, and, let’s face it, sober diagnosis of the printing industry give us an amazing book about where we’ve been, where we need to go...

and how to get there posthaste. No one could have written a more informed book about this subject, just when we needed it most. That’s not all: you think printing is dry? With chapter titles like ‘A Pizza the Action’ and ‘Knit Picking,’ you’ll find yourself laughing out loud page after page. Even the footnotes are funny. With this book, Dr. Joe Webb and Richard Romano pick up the shell-shocked printing industry by its armpits and shake some needed sense into it. Help is here for printers willing to listen and act—in 200 pages of kick-in-the-pants advice.”

—Margie Dana, *founder, Boston Print Buyers*

“Kudos to Dr. Joe and Richard. They have clearly identified a truism that successful consumer marketing powerhouses such as Procter & Gamble have long built their businesses on: Be great at understanding what your customer needs, then be the best at delivering it. Unfortunately, the

historical facts identified by Dr. Joe and Richard demonstrate that the printing industry largely worked on the ‘build it and they will come’ model that clearly does not work anymore (if it ever did). The blueprint that they lay out for redefining how ‘printing’ companies must evolve to succeed as ‘communications’ companies is invaluable, succinctly presented and should be required reading for everyone who has ever put ink on paper.”

—Roy Grossman, *partner, MSP Digital Marketing*

“Dr. Joe and Richard have done a remarkable job delivering this important subject into fact filled yet easy to digest guide. It encourages self-evaluation, and brings a razor sharp awareness of where the print industry has been, how it got here, and what you need to know to succeed in the future. If you read this, and take it to heart, you can be a part of the evolution of the print industries new and expanding role in the future of publishing and communication.”

—David Zwang, *principal, Zwang and Company*

“Chapter 8 is worth the price of admission. Clear principles to guide day to day decisions about how to get from here to there. Put that together with first seven chapters and it should be used as the textbook for every Community College Print program.”

—Michael Josefowicz, *managing partner, Josefowicz Associates, former faculty member, Parsons The New School of Design*

“This book is the ‘Manifesto’ of a new generation of printers who will shrug off centuries of craft thinking and embrace the new business of print media.

Most of the craft skills of the old print industry are now shrink-wrapped, replacing inky fingernails and dot kvetching with zeroes and ones. There is no nobler profession than printer. Although printers have adapted as the technologies for reproduction changed, they have not adapted to the new forces of communication. The time for the re-invention of the printing industry is now. There is a future for print and the innovative printers of today will be there tomorrow. This book is a roadmap to that future.”

—Frank Romano, professor emeritus, RIT School of Print Media

“Step into the future...look around...then return to the present. Then build the bridge that will take you where you want to go. Dr. Joe and Richard have written an insightful and comprehensive account for building next steps. Ingredients for continuing success include leadership and applied innovation that align with the clients’ current and future needs, business processes, and their success. In place, these will change the relationship from simply being an ordinary vendor into that of being a valued and strategic business partner.”

—David G. Rosenthal, president, Shepard Communications Group, Inc.

“As if often the case with Dr. Joe, he provides both the paints and the ideas for any printer’s blank canvas. When one considers the 20,000+ small companies that make up this industry in transformation, Joe Webb and Richard Romano challenge leaders with the necessary roadmap to become a VistaPrint for their geographic area or customer base it serves. As we move from offset pressroom to a digital one, from ‘one for many in the mail’ to ‘customer of one’ campaigns, how the printer builds on this transformational change will dictate success or failure. Fortunately, the author’s insights into historical perspective, solid data, social networks, value chain opportunities, and success stories make for an easy and informative read. They further demonstrate that the visionaries will succeed by partnering with others in their space, recognizing the change necessary to stay relevant, and maximizing their asset utilization by acquiring weaker competitors. In essence, they summarize in this fine tutorial the proper paints needed: Vision, Change, Teach, Manage Cash, Invest, Partner, and Acquire will keep both you and your company relevant.”

—Terry Tevis, president, TATEvis & Company

“*Disrupting the Future* is exactly what our industry has needed: a relevant message to an interested audience at the right time. Like great athletes that go to ‘where the ball is going’ rather than where it is, Webb and Romano’s work is what those willing to evolve need to maintain relevancy and thought leadership. For those not willing to learn, it confirms that it’s time to get out of the industry. From services offerings to personnel planning, their work will be a significant component of the strategic plan for the AlphaGraphics network.”

—Kevin Cushing, chief executive officer, AlphaGraphics, Inc.

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Strategies for Management, Inc.
42 Tall Timber Drive, P.O. Box 483
Harrisville, RI 02830
(401) 709-4423

Resources for discussing the book internally, working in planning sessions and other scenarios, PowerPoint slides, and more—as well as a PDF version of this book—are available for download at <http://members.whattheythink.com/disrupting-the-future/>.

Dr. Webb and Mr. Romano are available for keynote speaking, workshops, planning meetings, business discussions, organization events, and presentations about this book, or about other essential topics about print and media. Please contact Ms. Cary Sherburne at cary@whattheythink.com for more information.

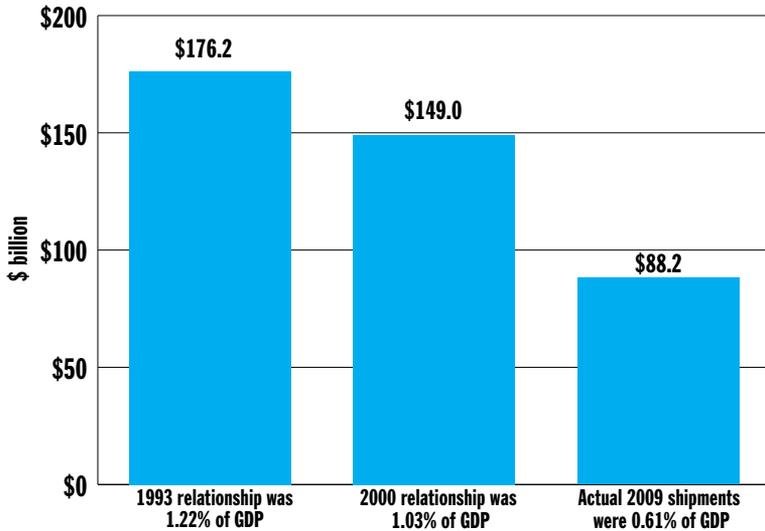
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Think about this:

It's often assumed that commercial printing moves in lockstep with the economy. In 2009, U.S. commercial printing was an \$88.2 billion industry, representing 0.61% of GDP.

But if the relationship it had with GDP in 2000 was maintained, the industry would have had \$149 billion in shipments.

From 1993 to 2009, GDP grew by +52%. If the proportion to GDP print had back in 1993 was still intact, it would have been a \$176.2 billion industry.



We're missing \$88 billion in shipments. Business has become a struggle, with downsizing, bankruptcies, and defensive merger activity by printers and industry suppliers alike.

What happened to “the power of print”?

Did you know:

When the printing press was invented in the 1450s, the population of Europe was approximately 50 million people. The literacy rate at that time has been estimated at 1%—or 500,000 people capable of reading what was printed. It took about 100 years to get the literacy rate to 50%. By then, the population was about 70 million—which means it took 100 years for the number of people who could read what was printed to hit 35 million.

What this also means is that:

- It took more than 100 years for the number of users of print to reach 50 million.

On the contrary:

- It took radio 38 years to reach 50 million users.
- It took television 13 years to reach 50 million users.
- It took the Internet 4 years to reach 50 million users.
- It took the iPod 3 years to reach 50 million users.

But then:

- Facebook added 100 million users in less than 9 months.
- iPhone application downloads hit 1 billion in 9 months.
- The number of Ashton Kutcher's¹ and Ellen DeGeneres'² Twitter followers exceeds the entire population of Ireland, Norway, and Panama.

Why should you care?

The past is the story of the way the future has been disrupted by technology and innovation.

We must ourselves learn to disrupt the future with technology and innovation.

This book will show you how to take the first steps.

¹ American actor known for the TV series *That 70s Show* and such films as *Dude, Where's My Car*. He is married to Demi Moore, and in April 2009 became the first person to attract one million Twitter followers.

² American comedienne, television hostess, and actress. She hosts the syndicated talk show *The Ellen DeGeneres Show*, and is a judge on *American Idol*.

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Introduction



GET OUT! Get out from behind your desks and look out at the world beyond your company's walls. Look with creative and enterprising eyes at how you can help your customers meet their communication objectives. Look at who they are, what they do, whom they do it for, how they do it, why they do it, where they're going, and where you could help them accomplish some or all of those things, and get better results than they do now.

Few of you are wired this way. As printers—and as an industry—we are not always attuned to the non-print needs of our customers, or where our services as printers are placed in our clients' overall businesses. But, Dr. Joe Webb and Richard Romano have written this book to show you how you can get out and get involved in your customers' decisions and communications processes. This is becoming increasingly important for providing you, as a printer, the opportunity to see what you can do for your customer and prospects—rather than just waiting for them in the hope that they will someday need you.

Dr. Joe and Richard acknowledge that the way we communicate now is drastically different than it was five, ten, twenty, or forty or more years ago; print is only one of many ways to communicate today. They talk about how we got here, where here is, and what tomorrow is going to look like. Most importantly, though, they also provide strategic and tactical recommendations that can help you identify where you could go with your business. In the end, you have to decide if it's worth the time to get out or keep doing the same thing with lots of hope it's going to get better.

The first step in doing something different is to get out of your day-to-day routine, get out of the way you look at things, and get out of the way things have been done for years. Try some things that haven't been done or haven't been done all that well.

We need more entrepreneurial thinking in business. Not just the printing business, but in all businesses!

Get out, look at how the world communicates, try it yourself. See if you can develop products and services that help customers themselves cope—and thrive—in a changing world. Help them solve their own unique problems and they will see you in a whole new light, and not just “as a printer.” Dr. Joe and Richard aimed to do that with this book. You can do it in your own way for your customers; you just need to get out and get started.

Peter Muir

Entrepreneur and President of Bizucate Inc.



Foreword is Forewarned: 2010 Vision

DIGITAL PRINTERS are killing our business.” “The Internet is killing our business.” “Staples and other superstores are killing our business.” “The recession is killing our business.” “H1N1 is killing our business.” “No one understands the value of print anymore.”

All of the above excuses (well, maybe not so much H1N1, but give it time) and others have been offered to explain the pain that is being felt is almost all parts of the printing industry today. But are any of these excuses *really* accurate? Or are they more symptomatic of other forces? That is, are they the disease itself, or are they the symptoms? And, more importantly, what can be done to either cure the disease or at least alleviate the symptoms? Is there Chicken Soup for the Commercial Printing Industry’s Soul?

The desire to point to one thing, or one cause, for all our problems, while an understandable human desire, ignores the constant interaction of culture, technology, economics, environment, politics, and other factors. The print business’s problems were not caused by the Internet, or any other single thing. The number of commercial printing businesses was declining well before the Internet made its public entrance.



The print business’s problems were caused largely by not understanding the Internet and its associated revolution of computing and communications, and not adapting to a different collection of marketplaces and decision-makers with new needs and new agendas.

Take publishing. Publishing was never print, even though it seemed to be. Publishing was always a collection of branded distribution channels, each with a different set of benefits that attracted different constituencies. Publishing attached a brand that represented something to a particular audience. We should not mistake the decline in publishing with a greater and growing need of the branding of information. We should also not repeat the common lament in the newspaper (and to a lesser extent the magazine) publishing industry that “The Internet is kill-

ing us.” Again, it’s really not. If anything, bad business decisions by those running publishing companies have more to do with publishers’ woes today than any technological innovations. Publishing is the distribution of ideas; its relationship to printing was a matter of circumstance and the lack of alternatives for centuries, so it was easy to assume they were one and the same.

In late January 2010, we happened to come across a March 1999 article from the *American Journalism Review* called “State of the American Newspaper.”³ What was the biggest problem facing the newspaper industry, according to this article? News stories that jump. Uh-huh. What’s interesting is that the word “Internet” appears nowhere in the article. 20/20 hindsight? Or perhaps, 2010 hindsight? In some ways, yes, but it seems odd that near the height of the dot-com bubble, people in the newspaper industry were utterly nonplused about the potential impact of the Internet on newspapers.

So, as to whether we have any chicken soup...yes and no. There are cures, but they won’t be easy, and in many cases won’t be palatable for many in the printing industry. But just as humans are inoculated against viral infection by injecting them with small amounts of the actual virus, so, too, can printing companies be immunized by the injection of those things that are purportedly harming them. That is to say, new media.

The view from 2010 is not a pretty one.⁴ We’ve had a dismal decade (or more). Can we stand to have another one? If industry trends continue the way they’re going, we’re in for another tough ten years. However, that doesn’t have to be our destiny. The future will come, there’s nothing we can do about that. But we can disrupt it. We as an industry have been beset by more than fifty years of disruptive communications technologies. But then, as we will show in Chapter 1, printing was the original disruptive technology. And, in some ways, it can be again.

What we really need to disrupt, however, is not the future, or even new media users. No, what *really* needs disrupting is the conventional wisdom that has guided the industry for decades. As the marketplace has changed, the conventional wisdom has become “broken,” and it’s time for some unconventional wisdom to help us retrench, renew, and rebuild the printing business.

That will be the theme of this book; using disruptive technologies to help reinvigorate the printing business. Some of the ideas we discuss in this book are fairly old hat; some are only old hat to a small minority of

³ Charles Layton, “State of The American Newspaper: What Do Readers Really Want?” *American Journalism Review*, March 1999, www.ajr.org/Article.asp?id=3271.

⁴ But then that depends on your perspective. Some forward-thinking businesses look at problems and challenges as opportunities. The best perspective is to look at other people’s problems as opportunities for you to solve on their behalf.

forward-thinking people. Some have never been heard of before. Almost all are quite foreign to the printing industry.

There is one bit of conventional wisdom we need to rid ourselves of straight away:

Print is Vital

Nope. Print never was *vital*. Print, especially commercially produced print, was always a *choice*, one choice among a few others. These “few others” included broadcast television and radio, which were more expensive and more difficult to use than print. The problem now is that there are so many choices that print is easily lost among them—and, ironically, print is now among the most expensive and difficult choices.



It is particularly ironic that VistaPrint, a highly successful commodity printer, has more than \$500 million in annual revenue and does not promote itself using print.

And aside from whether or not there is even a print component to a communications program at all, there is a wide range of choices of where and how print is produced, be it on desktops, in offices, as requested at a central location, or remotely. The real question is whether or not a commercial (what some would call “print for pay”) source would be used. Why would anyone need one?

They would need a commercial print provider if they do not have the:

- time available
- staff available
- capabilities to produce the volume required
- materials required
- graphic capabilities
- distribution capabilities

These are the core problems that print businesses, if they are entrepreneurial, must focus on. However, they must simultaneously divorce themselves from the idea that everything is solved by print. Solving the problems of time, staff, volume, etc., must be viewed in the context of the numerous media tools that are available. Print is not vital. Print is one medium among many.



Print was only vital to printers because that was what they produced. Printers never knew the business they weren't getting, or were losing to alternative media.

We understand that most printers cannot bring themselves to recommend other media, especially if they don't offer it. On one level, that's

understandable. It would be like going to the Post Office to ship a package and being told, “It would be cheaper to use UPS,” wouldn’t it? New media is the competition, right?

Wrong. It’s hard for printers to see this a lot of the time. And if printers don’t use things like e-mail and other electronic media in their own business, they’re unlikely to understand the media enough to be able to sell it, or *want* to sell it, or even know they should consider it.⁵ They’re especially unlikely to see the weak points of the new media that can be opportunities for multichannel initiatives for print.

The Value of Print

We said earlier that print was not vital. (If it were, wouldn’t shipments be going up?) Assuming you didn’t stop reading and throw this book out the window after that, let’s look at the value of print in another way. An oft-heard suggestion is that print needs some sort of PR campaign to promote itself, to get more people to understand the power of print.⁶ However, there was a time, such as in the 1980s, when the industry was growing. Does this mean that potential buyers knew the value of print back then, but somehow became amnesiacs? Was print more vital then? Or is it all those crazy kids, with their iPods and iPhones and iPads?



No one ever knew the “value of print.” Print was the default communications medium because there were few other choices, and the alternatives—TV and radio—were more expensive and difficult to implement.

Actually, back then, they *didn’t* know the value of print. Print benefited from the fact that there were very limited communications choices. That is, products needed a brochure because all products needed brochures or sell sheets. No value could be really placed on that, but “everyone knew” that

⁵ Digital printing is a good analogy for this. There are many commercial printers who still refuse to sell (or, conversely, only sell) digital printing in the belief that the print buyer has any real desire for or against digital printing. We still are a very process-oriented industry (offset vs. digital, web vs. sheetfed) even if others outside the industry are less so. They just want x number of copies of y printed in z period of time, with some expectation of quality. What process is actually used to produce the job is really a case of “too much information.” It’s like asking for a glass of water and being told how hydrogen and oxygen atoms bind to form H_2O molecules. Fascinating perhaps, but not when one is dying of thirst.

⁶ The “power” of print is only what is decided by the end user. In superhero terms, the recipient is Superman, but print is like other members of the Justice League, like The Flash, whose power is limited to running at superhuman speed. Sure, while The Flash can run so fast the Earth can reverse its orbit and go back in time just like Superman can, Superman can do it by flying, which is much easier on the joints and the feet. The Flash has to soak his feet after that, but Superman still feels refreshed, and can relax at home with Lois.... See? Not every consultant has the gift of clarity like this.

there were very high costs associated with salespeople and potential customers not having product information. Competitively, consumers could make better decisions by having information. Salespeople performed more confidently when they could refer to informational materials.

And, funnily enough, compared to the other choices that were available—namely, television and radio—print was actually the cheapest alternative. Gee, doesn't that sound familiar?

No one knew the value of print at the time, but they all knew that lack of information had a costly, and perhaps deadly, downside. It was never about the value of print. It was always the value of having information. The medium was meaningless. To think it was about the value of print is to make a false attribution of cause and effect.



Printers also didn't know the "value of print." They only knew what they invoiced, not why it was selected instead of other media alternatives. That situation has continued.

A prime factor in determining value is to understand costs and the measurement of return. This is usually called ROI, or return on investment. If there is anything that can best explain the decline in print, it's that users of print (print buyers as well as the end users of printed materials, such as the person who buys a magazine) have a better grasp of value (their costs and ability to articulate benefits in relation to what they get from other media) better than ever before. Where print benefited from lack of knowledge of its value and a lack of competition in the past, more is known about the value of print today than ever before.

How can this be? Because there are more competitive choices. Even if the measurement of print effectiveness has not improved, the effectiveness of measurement of electronic media has. For many of them, the measurement is built in, such as how many times an image file has been opened, or how many times a Web page has been accessed or a banner ad has been clicked. Anyone who has a Web site or blog can see immediately how many people have visited it by copying code from Google Analytics⁷, for free, into their Web page. Web sites can easily track page views in general and unique page views in particular.



In fact, the ability to measure click-throughs and Web page visits was built into the technology from day one. Print never had that.

Print's effectiveness, such as that of a brochure, really can't be measured well. The best anyone can do is to say to their printer, "We ran out of bro-

⁷ <http://www.google.com/analytics>.

chures and we need more.” Did everyone who took a brochure spend hours lovingly poring over it? Or did it get thrown in a bag and discarded with the bag? Or tossed in a desk drawer? Or thrown in the recycling bin as soon as they got home? No one knows. No one can ever really know. “The sales people seemed to like it” is about as far as measuring print ROI often gets.⁸

But the dollars spent on a Web page can, because the number of page views and time spent on a page can be accurately measured.⁹ So the effectiveness of print is judged in comparison to what is known—or knowable—about other media. Therefore the problem doesn’t become one of print awareness, it becomes one of print measurement. Every person who makes a communication decision knows the value of print because they use print and create print documents every day. But they also avoid print every day, such as using e-mail, Web sites, texting, instant messaging, etc., for their daily interactions. They also know the value of the phone. Yet they use less of the phone and more e-mail. Does anyone need “while you were out” pads and voicemail in the same way since e-mail and instant messaging came into common use? No. They are just as aware of print as they are phones, yet they choose other things to use because of convenience and lower cost. (Remember, cost equals resources and time needed and the nature of feedback.)



Is it the printer’s place to know confidential information about their clients? It should be.

The assumption that “the marketplace does not understand the value of print” is actually insulting to the marketplace. If anyone needs to be lectured about the value of print, it’s the Lords of Printing¹⁰ and unfortunately too many printing executives and print owners. It shows a lack of knowledge of and experience with the vast range of choices and benefits of communications methods that are available today.

Print never really had immediacy (unless information needs could be predetermined, printed, and stored). At one time it had convenience if printed materials were stored nearby. Whatever dubious claims to imme-

⁸ The folks who have the real handle on print’s ROI are the direct marketers. They’re always measuring catalog orders per mailing, average order size, rate of repeat orders, and all kinds of metrics. Note that they have reduced their use of print, too. If anyone knows the value of print, these folks do, and their behavior reflects their data.

⁹ Perhaps sometime in the not-too-distant future, when paper becomes partially or entirely electronic, “print” will be as measurable as electronic media—because it will be electronic media.

¹⁰ We first used this phrase in *Renewing the Printing Industry*, referencing the late New York sportswriter Dick Young and his use of the phrase “lords of baseball” to describe the owners of the teams, the commissioner’s office, and anyone who had influence in the direction of the game. While we’re not going to name names as to the “lords of printing,” we find it an appropriate phrase to use to refer to the movers and shakers in the industry who have been moving and shaking it in the wrong direction and failed to sound the alarm as to what was really happening.

diacy print may have had have been rendered moot by new media, which do promise—and deliver—immediacy in ways print never can.

The More That Things Change...

We talk—and will continue to talk—about the media mix and multi-channel communications campaigns. Is this the first time that there were multichannel campaigns? No.

In practical terms, just think of how many books became plays, how many of each became movies, and how many of those became television shows, and generated sequels, and adaptations for other languages and cultures.¹¹ Movies and TV shows can also be novelized, and spawn (like *Star Trek* and other sci-fi and fantasy series) entire series of print-based spinoffs, be they novels or comic books.¹² Multichannel is the way we take familiar ideas to bring them to different audiences, or to deliver a different experience to prior viewers. Even the Bible was read alone, in groups, used in worship, and stimulated adaptations of numerous types, from fine art, to stories, and plays, and even made Charlton Heston famous.¹³ It's hard not to be multichannel; it's in our nature.

On the more commercial side, for decades consumer goods companies would advertise on television and publish couponed ads in magazines, newspapers, and newspaper inserts. Businesses would advertise in trade magazines, sponsor industry events, and use promotional goods, as well as use sales forces who would customize (yes, *personalize*) their sales pitches based on their knowledge of client characteristics and needs.

The difference today is that the spending on promotions in the broadest sense has more media for which it can be allocated.

The paradox is that more people than ever have the capability of creating printed materials, yet the amount of printing is decreasing. Why? Because the ability to create printed materials is the same capability used to create numerous other media.

At Your Convenience

In this book we use the words “convenience” and “value” very often, and it's important to be clear because they are words whose meanings every-

¹¹ Sometimes it becomes cyclical: Mel Brooks' *The Producers* started as a movie in 1968, was repurposed into a stage musical in 2001, and went full circle when the musical was turned back into a movie in 2005.

¹² Or “graphic novels,” if you prefer.

¹³ Decades after his role of Moses in Cecile B. DeMille's famous movie *The Ten Commandments*, Heston would be kiddingly addressed as “Moses” by friends and fans. The movie was released in 1956, and has grossed \$65 million. On an inflation-adjusted basis, it has grossed almost \$1 billion, making it the fifth biggest film of all time. See what happens when you have good writers?

one knows, but everyone actually understands them differently.

Convenience is a situational judgment that a person makes based on time, circumstance, knowledge, resources, relationships, and need—there are probably others. If someone asks “What did Dr. Joe do?” it’s a very vague question. If you’re in a library, you look for a book that might have details of what he did, if it was long enough ago for there to have been time to publish a book about his deed. If you have Internet access, you Google “Dr. Joe.” If you’re someplace without a computer, you use a phone and call someone who may have details. If you’re near a newsstand, you grab a newspaper. If Dr. Joe’s crime is big enough, you look for a television news channel. The point is, you grab whatever medium you have the quickest and easiest access to, even if it was not your preferred medium.¹⁴

Value is the result of a judgment that is made by a person about virtually anything. Values contribute to decision-making based on knowledge, experience, perceptions, beliefs, attitudes, and objectives. The example that has been used in this book is the lament “people don’t know the value of print,” and our argument has been, “of course they do, which is why they don’t use it the way they used to.” One can’t presume to know *all* of the aspects of decision-making with objectivity and certainty. Trying to understand them that way is a fool’s errand. What we do know is an essential economic concept that *no one engages in a transaction unless they believe that the benefits are greater than the costs*, unless they are forced to. This is why someone will buy shoes at Payless Shoes, but then buy the most expensive Apple iPod.

Obviously, they could buy more expensive shoes if they bought a lower-cost music player. Or they could buy a third item with the savings from more “careful” spending.

These judgments could never be quantified, so economists basically gave up and used the opportunity to create new jargon. They began to describe the benefits in these seemingly nonsensical judgments by saying that the buyer received greater “utility” from the iPod purchase than they did from inexpensive shoes. The economists even called the measurement of these benefits “utils” just as one would use dollars or inches as a means of judging one transaction against another. No one knows what the value of a “util” is, they just know that it exists, and that when something supposedly nonsensical is purchased, it obviously delivered more utils than what was not purchased.¹⁵

¹⁴ Smartphones are merging how all these media are accessed and rendered convenient, as you can use all these media from one device wherever you are—and thanks to Google Books, newspaper Web sites, and cable channels’ online video, even “offline” media can be found online.

¹⁵ This is the kind of thing that brings to mind the old joke, “If you laid 100 economists end to end...it would be a good thing.” It’s entirely possible that the type of person

Think of what might be the value of a media selection. “Time to market” would definitely be in the favor of digital media, both in terms of getting messages to market and also in terms of measurement, and probably in cost. We know that “time is money,” as the saying goes, because it’s management’s nonrenewable resource. The quicker to conceive, form, distribute, and measure a communications effort obviously saves time. The faster that process can occur, the quicker one gets to the feedback of the message, the message can be adapted to the better understood circumstances.

Part of value is the total cost of failure. If a direct mail job fails, there are the significant costs of postage, and also the costs of printing, and the costs of preparation. For all practical purposes, digital media only incur the costs of preparation. So even though the response rate may be lower, the costs per response can be drastically lower, and the risk of failure is even lower than that. Part of the appeal of digital media, except for lavish digital productions, is the fact that experimentation has little downside cost.¹⁶

Now and Improved

Advertising copywriters have known the power of certain words for decades. Two of them are “New!” and “Now!” This should not be a surprise. The words are short, are easy to say, but convey two rather rich concepts. The first implies that there is something worth of attention that might not have been seen before. “New” implies urgency. The other word conveys the importance of time, and the our human dislike for waiting. This word implies urgency as well.

that would spend top dollar for an iPod has no interest in shoes aside from the fact that most restaurants require diners to wear them. That is, shoes are a need rather than a want, and there’s no point in spending more on them than is required, as opposed to something “way cool” like a neat gizmo. This same person would question the judgment of someone who would spend hundreds of dollars on a pair of Bruno Magli shoes and yet still listen to the FM radio that came with their car. (The fact that we had to Google “expensive shoes” to come up with an example for this footnote perhaps suggests where we stand—and perhaps what we’re wearing while we stand there.)

¹⁶ This, as we often point out, is why so-called spam (i.e., junk e-mail) is so prevalent. A recent article in *New Scientist* magazine cited the results of a study of a 2008 month-long pharmaceutical spam-blast called “Storm.” Even an infinitesimally small number of respondents can make big bucks for spammers. The study found that out of 35 billion spam messages sent, 8.2 million made it to e-mail servers (the rest were sent to bad addresses, bounced back, etc.). 10,500 people clicked on the links in the spam, and a mere 28 people actually bought something. That’s a conversion rate of 0.000008%. The study extrapolated these results to conclude that in all of 2008 and over the entire network, Storm alone accounted for \$3.5 million in pharmaceutical sales. And how much did it cost to send out those spam messages? Probably pennies. Talk about return on investment! Jim Giles, “Spamdemic: Tracking the plague of junk mail,” *New Scientist*, February 26, 2010, www.newscientist.com/article/mg20527491.500-spamdemic-tracking-the-plague-of-junk-mail.html.

The phrase “time is of the essence” is a legal concept, and it’s useful here as well. People have always made the tradeoff of convenience for what some would believe is a downgrade of quality. Everyone knows an iPod is not as good as hearing a live, well-rehearsed, professional orchestra or band. Nor is an iPod as good as a top-of-the-line music system—or even a decent CD player—for playing recorded music. The iPod works because of *convenience*.

Value and convenience work together because every decision we make involves the background weighing of costs and benefits, of which time and effort are important factors.

Print, except at our desktops, is not convenient. E-mail and attachments are. Everyone “knows” this, but the printing industry has trouble linking this to client behavior.

We have to remember that we can deal with print buyers and talk about the vitality and importance of print all we want. They are seeing behavior in their target audiences that is quite different than what we say it is, and that is what they react to.

This is one reason why spending time “educating” advertising agencies about the benefits of print is actually counterproductive, since these firms are not judged on how the sales of their client are affected by the campaigns that they design, but that they are judged by the kinds of new ideas, with new approaches, and just plain “newness” that they convey to their clients.

There are too many instances already, in the last fifteen years, where agencies have worked with their clients on the design of digital media presences and campaigns, and they have worked well without print. It’s hard to believe that many of our owners and organizations are still trying to fight a battle of recognition, often using arcane statistics, to beg for attention and pieces of budgets.

Here is an example of futility. The Magazine Publishers of America¹⁷ still has reports that can be downloaded from their site that include

- 44% of adults say that magazines trigger an online search for products or services.
- Magazines rank number one or number two 51 times among super influential consumers across sixty product categories.
- 34% of purchasers of PCs consider themselves heavy users of magazines, compared to 15% who say they are heavy users of TV, and 26% who say they are heavy users of the Internet.
- 21% of adults say that magazines influence their purchase of consumer electronics, just below 25% who cite broadcast TV as influencing their purchase of electronics.

¹⁷ Magazine Publishers of America, <http://magazine.org/research/index.aspx>.

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And yet, in Q3 2009 alone, advertising pages have gone down by 21.3%.¹⁸ From November 2008 to November 2009, magazine employment was reduced by 11.7% or 137,800 employees.¹⁹

What happened to the compelling argument? Wasn't this proof convincing enough? It's not just in black and white; it has charts in RGB and CMYK and pictures of lots of happy people.

The problem is that all statistics, by definition, paint a picture of the past, even statistics purportedly about the future. As we explain in more detail in Chapter 1 of this book, "the future" is just an extrapolation of past statistics and their patterns. Even when the best cautions are used to speculate about the future, with well-researched and well-documented assumptions, there are always things that have to be left out for time, budget, or ignorance.

Anyone reading all those data about magazines has to be impressed at what a great product they offer. But if that were the case, then why has circulation been flat for almost twenty years, despite a rising population (see the "squashed bug" chart in Chapter 1), an increase in college graduates with greater income and interest in reading, and longer lifespans that allow people to consume magazine content longer than ever? Shouldn't older readers be sticking with their magazines, and their newspapers, for that matter? Don't older folks have reading habits that would resist the Internet? Well, no.

The Power of Print Revisited

As we were finalizing this book, we got this e-mail news item²⁰:

Five leading magazines launch ad campaign touting the benefits of print.

Magazine publishing executives are returning their focus to print, after spending much effort in the last year in taking publications digital. Five leading publishers announced today, at the opening day of the 2010 4A's Leadership/Media Conference in San Francisco, that they will join forces to push an ad campaign promoting the power of print.

Hooray! The industry is saved! The story goes on to say,

¹⁸ Publishers Information Bureau/Magazine Publishers of America, http://magazine.org/advertising/revenue/by_mag_title_qtr/pib-4q-2009.aspx.

¹⁹ Bureau of Labor Statistics

²⁰ Lisa Cross, "Publishers Promote Printing," Graphic Arts Online, March 1, 2010, www.graphiccartsonline.com/article/451283-Publishers_Promote_Printing.php?nid=3470&source=title&rid=7732121.

The first ad spread features a photo of swimming superstar Michael Phelps with the headline “We surf the Internet. We swim in magazines.”

Good grief. This is such a 1990s view of the Internet. Does anyone “surf” the Internet anymore?²¹ Sure, we did a long time ago when there was no Google and no particularly compelling place to go. We used to surf to try to figure out which search engine to use. Surfing was an exploratory thing to figure out whether Yahoo!, AOL, Lycos, Webcrawler, Altavista, and Omygoshicantremembertheothers were better at delivering what we wanted. Today, there are many destinations, and we have more bookmarks in our Web browsers, pointers from our friends and colleagues in social media, and, of course, Google, that we hardly have time for it all.

So, we guess you could say, you can surf the Internet, which is boundless (limited only by our ideas and the number of computers connected to it) or you can swim like Michael Phelps in a well-defined place (a demarcated lane in an Olympic swimming pool), that is heated, chemically balanced, closely supervised by lifeguards, and is not subject to the weather or any other random factors.

The venerable BoSacks (publishing guru Bob Sacks) posted on WhatTheyThink’s PrintCEO Blog in response to this latest “power of print” campaign.²² It read, in part:

I guess my complaint is their marksmanship. There isn’t any. The people who put this campaign together to protect print don’t have a clue what they are doing and who to aim at. It is also clear that the instigators of this campaign don’t use the Internet or any digital component therein. I say print has much integrity and life left in it, but you wouldn’t know it by this desperate ad campaign.

The campaign claims to target advertisers, shareholders and industry influencers. Well, listen up, my friends, you just insulted them all. The media buyers live in a digital world. When you belittle in one of the ads that, “The Internet is fleeting. Magazines are immersive,” every media buyer knows that is pure bunk. It is the Internet that is immersive, and the kids that buy the ads and spend the advertising money know it. They live on Facebook, Twitter, and hundreds of other social network sites and programs. You display an utter lack of contemporary culture and knowledge. You

²¹ By the way, there is an offline antecedent to this term in the phrase “channel surfing,” or flipping from channel to channel. However, it bears mentioning that people still watch TV programs and “surf” their cable channels to avoid commercials.

²² Bob Sacks, “On the Power of Print Campaign,” post on PrintCEO Blog, March 3, 2010, <http://printceo.com/2010/03/on-the-power-of-print-campaign>.

show your dotage at every opportunity. Don't attack your customers where they live. Media buyers live on the Web and only visit magazines. And in my book, visiting is okay and can still be very profitable, but not if you try to tell them that they live in a fleeting, soon-to-be-evaporated world. That is a lie.

Oh, and the other tag line—"We surf the Internet. We swim in magazines." Oh, really? Perhaps you missed the report that the Web is now the second most trusted place for news—second only to TV. Perhaps you missed the news that 57% of the Web's social media users are over the age of 35. Perhaps you didn't know that Facebook has more than 400 million active users, and of those active users, 61 percent of Facebook's users are middle-aged or older.

All I am saying is that the campaign is a total waste. Exactly to whom is it directed and exactly what are your expectations on an ROI? Is this the campaign that will save the nation of print?

Look, I love print and have been deeply involved in it for over 40 years. It is a beautiful technology. It still has great merit and worth. We will survive by being what we are—useful, informative, reasonably priced and unbreakably transportable. We have the best editors and writers on the planet and have the ability to band together thousands and sometimes, hundreds of thousands, of like-minded readers to our brands on a regular basis.



"We swim in magazines!"

When they say "we swim in magazines," one can easily imagine folks in quaint, Victorian-era beachwear sticking a tentative toe in the water while repeating "we are not being amused" with derision. Meanwhile, online, we've gone from "surfing" the Internet to the equivalent of using that "surf" as a hydroelectric power source.

Funny: the MPA had tried this in 2006:

The consumer magazine industry will unveil a new advertising campaign on February 27, showcasing the medium's ability to engage consumers and improve advertisers results, it was announced today by Nina Link, President and CEO, Magazine Publishers of America (MPA). This campaign is the next phase of the industry's three-year, multi-million-dollar marketing initiative that launched last year to promote the value of magazines to advertisers.²³

²³ "New Magazine Industry Marketing Campaign Spotlights Reader Engagement," Magazine Publishers of America, February 15, 2006, www.magazine.org/association/press/mpa_press_releases/15458.aspx.

And it was obviously so effective that they felt the need to repeat it. So much for the “power of print.”

All Right, So What Do We Do About It?

What does all this mean for the printing business of today, tomorrow, next week...or even 2020? It means we have to change the way we do business, pure and simple. It's not just about buying a new piece of equipment. It's about challenging our assumptions, questioning the conventional wisdom that guided many print businesses in the heyday of the industry, but have now become moldy and gone past their sell-by date. It's about understanding media choice and, to coin a phrase, “sleeping with the enemy.”²⁴ That is, realizing that print is one communications medium among many and that to be a true communications company one must be conversant in *all* media, strategically and holistically.

What it's *not* about is coming up with a promotional campaign touting the power of print. Those types of image campaigns never amount to anything more than pats on the back for those who propose them. They promise more than they deliver, just like by walking on a treadmill you can imagine you're really going somewhere.

Increasing the awareness of print is not the answer. After all, *people are aware of print*—that's exactly why they stopped using it. They bring their recycling bin filled with printed items to their curb every week or two. They *know* they get printed materials in their mail every day. After you think about it a while, making people more aware of print in today's environment is a classic “be careful what you wish for, you might just get it” situation. After all, they might say, “Darn, I *do* get a lot of junk in the mail, don't I? Maybe I *should* support do-not-mail legislation.” As Michael Phelps might say, “We surf the Internet, we're drowning in print.”



Awareness campaigns for print may only lead to one undeniable place: intensifying and increasing the speed of the move toward less print.

So, yes, people are aware of print; they just often choose not to use it. And why they often choose not to use it will be explored throughout this book.

How This Book Is Organized

This book is roughly divided into two large sections: the first sets the stage and provides the background for how we got to where we are today. We look at disruptive technologies, what makes them disruptive, and why print went from disruptor to disrupted. We also discuss at great

²⁴ Sure, now our industry is a bad Julia Roberts movie.

length where the industry has been, where it is now, and where it's going. And, most importantly, where it *needs* to go.

In the second half of the book, we delve into new media and cross media at great length, and attempt to explain to the uninitiated what the current slate of new media channels is, how to use them, and how printing companies can use them for their customers. We also offer specific strategic advice for print businesses hoping to make it into the next decade and emerge on the other side in 2020 unscathed.

In the Afterword, we look back from a hypothetical vantage point in 2020 and profile what we think the successful printing company will look like ten years hence. In some ways, it may seem like science-fiction. However, science-fiction has a nasty tendency of becoming science-fact. There's even a flying car.

Each chapter begins with a few bullet points summarizing the content of that chapter, and concludes with some suggested “to-do list” items—things for you, the reader, to do or think about vis-à-vis the content of a given chapter. The goal is to get you thinking creatively about your business and how best to transition it to cope with the new communications landscape of the 2010s and beyond.

Although we encourage everyone to read the entire book, if you have limited time, Chapters 7 and 8 are where the action is.

Oh, and you'll also notice the 100+ footnotes. We like footnotes. They provide useful digressions beyond the point of the main text, explain our obscure cultural references, or just make jokes.²⁵

About the Title

Why “Disrupting the Future”? All businesses plan for the future. If they don't, they at least make investments in their facilities that require *someone* making a decision that a given capability will be used—and thus in demand—in the future.

Plans are disrupted when those assumptions are shown to be wrong. There's an old saying: “man plans, God laughs,” which suggests the futility of many planning strategies. Disruption most often comes from innovations that can't be foreseen. Most innovations take years to come to fruition, let alone to market, are adopted slowly, and then reach a point of acceptance. The Internet was almost thirty years old before consumers started to use it.

²⁵ And if you get Dr. Joe started on the topic, he'll tell you the story about how he was once accused of not doing research and the proof was that he used so many footnotes with detailed citations. Obsessive use of footnotes is a trauma from being in academia, it seems.



“Disrupting the future” is the definition of innovation. There will be many innovations yet to come—that is human nature. But they are only disruptive to businesses who lack curiosity and adaptability.

The future of print is clear: continuing decline, throwing more workers to the streets, and more owners out of business. Can you think of a more important future to disrupt?

Disruption is also the result of actions. It’s time for some urgency: the status quo only leads to one dreadful place.

Section I: Setting the Stage



1

Printing's Lost Years



In this chapter:

- 👉 the signs of print's "lost years" were apparent as early as 1998—to those who cared to look for them
- 👉 reallocations of marketing and advertising dollars negatively impacted the demand for print
- 👉 generational changes in media preference negatively impacted the demand for print
- 👉 our relationship with content is changing dramatically and the printing industry must adapt
- 👉 print was the original disruptive technology, but over the past 150 has been beset by newer and newer disruptive technologies
- 👉 any medium must remain relevant if it is to survive obsolescence
- 👉 newspaper circulations began to decline well before the Internet
- 👉 why forecasts seemingly can only ever predict the past
- 👉 new media are becoming adopted at nearly exponentially growing rates

WHILE CLEANING desks and hard drives as we do to start the new year, we recently came across a printing industry forecast report, and some relevant excerpts caught our attention:

This seasonally adjusted data series indicates that the commercial printing business outlook is pessimistic...compared to recent years.

...What led to these business conditions? It's a mix of many positive and negative factors that somehow make the print market expand and contract and shift the mix of output, and the relationships of printers, trade shops, and their suppliers. But the bottom line is that dollars are shifting away from print, not in a big way, but enough to cause some significant pain.

When was this written? Here's a hint:

When we look back on 1999, we will probably note it as the year that the Internet took dollars from print budgets and never sent them back. In 1995, for example, the Internet was thrust upon the business world and major corporations scrambled for dollars to start their Web sites. Most of the money to fund this activity was shifted from advertising and public relations budgets.



Dr. Joe, before entering the Witness Protection Program.

The report is *TrendWatch Forecast 2000*, published in November 1999, written by Dr. Joe and Jim Whittington, with an assist by Richard Romano. Presentations Dr. Joe made around that time had earned him the nickname “Dr. Doom” (the introduction to that report included the line “our own Dr. Doom has already been ‘shot’ so many times he’s thinking of getting a presentation stunt double”). Perhaps it was his comment at GraphExpo 1999 when he said “we will call 1998 ‘the good old days.’”

Anyway, some of the specific “bottom lines” that we had forecast for the year 2000 included:

We believe that the years when print would be equal to or slightly higher than real GDP growth are nearly over. Industry growth will be positive but lackluster, lagging economic growth.

Printers will start losing print jobs to the Internet. This will be masked by next year’s big events: the election, the Olympics, the Internet (print will be used to create awareness for Web sites).

Print jobs will be of shorter runs and lower page counts, which can be deadly. The need for quick press makereadies will be stressed even more than it is today.

Printers' customers will force them to provide Internet-based 24/7 customer service and support. To become a fully "qualified" vendor, printers will also need to provide fully supported job tracking via the Internet.

These emerging trends were merely a prelude to what would become our industry's "lost decade," which is what the years 2000–2009 represent.²⁶ In Chapter 2, we'll look at the reasons why the industry ignored clear signals that major changes were ahead for media and culture, but for now we can attribute it to bad habits and, perhaps more importantly, an unwillingness to think that good times will ever end. After all, in 1998, the printing industry had business and millions of dollars of infrastructure. All those dot-com companies were using print to drive traffic to their brand new sites (remember, Google didn't exist in 1999). The print business was booming; we knew it was because consolidators were paying top dollar to graying print owners. Who could blame anyone for thinking the party would never end?

There is some poetic justice in the fact that the popping of the dot-com bubble decimated the tech sector and, despite a few Cassandras²⁷, most people felt *that* party would never end either. However, it was really just a retrenchment and a reallocation of resources, and the Internet companies that emerged following the dot-com crash have been stronger, and many survive today (Amazon, Google²⁸, Yahoo!, to name a few).



Google has \$24 billion in annual sales volume—equal to about 30% of the entire printing industry. Google's revenue is \$1.2 million per employee—seven times the printing industry's revenue per employee.

Unfortunately, the printing industry never rebounded, although the opportunities certainly were there—and we had pointed them out in that original 2000 forecast report. We pointed them out again in *Renewing*

²⁶ Yes, the "true" decade is 2001–2010. Let's not go there.

²⁷ Cassandra was a character in Greek mythology whom Apollo granted the ability to see the future—but for personal reasons cursed her so that no one would ever believe her predictions. <http://en.wikipedia.org/wiki/Cassandra>

²⁸ Interestingly, the disruption continued, because the big winner at that time was supposed to be AOL/TimeWarner. Google only went public in 2004, and it's so pervasive, it's assumed to have been part of the Internet boom. Google was incorporated only at the end of 1998, and had no impact on the death of companies such as pets.com and numerous other former high profile Super Bowl dot-com advertisers with no sales or profits.

the Printing Industry, and we renew the discussion in this book. Technology changes faster than ever, and therein lies another part of the problem: the printing industry doesn't react quickly to changes. Part of that is understandable; when you've got millions of dollars invested in heavy machinery and the infrastructure to support it, turning on a dime is not a viable option. It's like trying to steer an aircraft carrier. But even aircraft carriers change direction. It just takes skilled pilots and navigators who can see where they're going, and know where they need to go.

Getting back to the 2000 forecast report...how did we *know* what the 2000s would have in store for the printing industry? No we're not psychic (no one is²⁹); rather, we understood these emerging technological trends by paying attention to what was happening *outside* the printing industry and by constantly surveying content creators—graphic designers, agencies, publishers, Internet developers. We didn't ask them about their thoughts or how they *felt*, we asked them about what they were *doing* at that time, and the patterns were startling. It was quite clear, even back then, that their own clients, the ones who ultimately determine the demand for print, were moving in non-print directions. Money that could have gone toward print was being reallocated toward non-print media. From 1995 to 2000, this was called “investment in new media capabilities.” Once the recession-ette of 2001 hit, the same reallocation of marketing and promotion dollars was taking place, but this time it was called “cutting costs.” Because of the great tech buildout of the 1990s (some of which was made to avoid Y2K problems³⁰), things like e-mail marketing, and later social media marketing, were extremely inexpensive.³¹

And, because once you had a generation that had been raised with computers and the Internet, you had non-print media as the default source of content. Just as Generation X is more likely to turn on a television than read a book, or pick up a telephone than write a letter, so are Generation Y and the millennials more likely to favor e-mail, instant messaging, texting, and social media.



Children still grow up reading—or being read—books, but they are also growing up with television, computers, and iPhones. They grow up knowing full well what print is—they just choose newer media, especially as they get older.

²⁹ Especially not purported psychics.

³⁰ Remember Y2K? Details can be found at http://en.wikipedia.org/wiki/Year_2000_problem. For those who can't get enough of imminent doomsdays, there is no shortage of books and Web sites devoted to the impending end of the world in December 2012. This will probably start another series of books called *Why We Were Spared—For Now*.

³¹ One of the reasons it may not have been seen is that virtually everyone in the industry measures their businesses in current dollars, and do not adjust for inflation or some other kind of method to get to measurement in real terms. Inflated dollars made it seem that businesses were growing or holding their own when they were not.

That Was Then, This is Now

All that is well and good. So what do we do now? It's important to understand that the printing industry is in transition, how it's transitioning, and what opportunities lie in negotiating that transition. The most crucial thing to understand about that transition is how people's relationship with media and content is changing. We'll discuss the following table in more detail in Chapter 5—and how specifically to navigate the transition in Chapter 7—but for now, we can identify nine areas in which the relationship with content is changing:

The Changing Relationship with Content

	<i>Then</i>	<i>Now</i>
<i>Permanence</i>	physical and stored	always accessible
<i>Portability</i>	take it with you	connect on multiple devices any place, any time
<i>ROI</i>	design + content + budget	deployment-related
<i>Intent</i>	nudge	lure
<i>Cross Media</i>	serial	parallel
<i>Reference Point</i>	authoritative single source	gateway to context
<i>Media Selection</i>	controlled	saturation
<i>Personalization</i>	pre-selected	recipient-selected
<i>Direct Response</i>	targeted from above	groundswell

In other words, computing and communications revolutions, manifesting themselves in the Internet, have been the ultimate disruptive factors. It's hard to detect disruptive media when they're emerging, and especially when they always appear to have small audiences and have execution problems.³² Then, it suddenly appears that everyone seems to be using them. Remember: the first column of that table, the column

³² Microsoft is a great example. Have you ever seen a company that supposedly has horrible products yet still keeps growing because their products are industry standards?

that starts with “permanence,” is a list of publicized attributes of print that were going to ensure its long-term survival, and even its growth. All attributes, all product benefits, are of their time and place. Nothing can be taken for granted.

This is nothing new, and it was because of disruptive media, print in the 1400s, that we’re even here right now. A little history lesson will help illustrate our current predicament.

Patterns of Disruption

On May 24, 1844, Samuel Morse sent the very first telegraph message, “What hath God wrought?” The telegraph was the first in a long succession of disruptive communications technologies that culminated in—but will in no way end with—the Internet of today. “What hath God wrought?” could just as easily have been the first message sent by telephone (rather than “Mr. Watson, come here! I want to see you!”), the first radio transmission (a live performance of Puccini’s opera *Tosca*), the first television broadcast (a picture of the Maltese Cross, broadcast by John Logie Baird in 1924), the first e-mail message (“lo”—see Chapter 2)...the list goes on, and will likely never end. The phrase could also aptly serve as the first printed words.

Today, we are beset by disruptive technologies—the Internet, social media, e-books, mobile technologies, etc. If you’ve read the beginning of this chapter, you’d be forgiven for believing that the cause of all the printing industry’s problems has been the disruptive technology of the Internet, but that’s only part of the story. After all, printing itself was a disruptive technology when it appeared in the middle of the 15th century.



Print was the original disruptive communications technology. Even a book about the importance of scribes who reproduced text by hand had to be printed.³³

Before Gutenberg’s invention, and since the days of Charlemagne, as we all know, books and other documents were reproduced entirely by scribes—monks, basically—scribbling away in *scriptoria*. When the printing press appeared, a wave of panic likely swept through the abbeys and monasteries of Europe. Some monks, however, were not going to

³³ Though not as important, it is rather odd that Dr. Joe writes about printing...on the Internet.

take it lying down. In the 1490s, a German abbot named Johann Trithemius wrote a treatise called *In Praise of Scribes*, in which he urged monks not to abandon the art of manuscript copying.

Since Trithemius was a monk, one of his chief arguments for hand-copying was that it offered ample time for prayer, likely when writer's cramp set in: "the meditation of Scripture burns in the heart and produces the ardor of mind that becomes the most devout prayer."

However, Trithemius had a problem. He had to get copies of his treatise produced quickly. You can see where this is going, and, yes, in one of the great ironic moments of history, Trithemius had a treatise called *In Praise of Scribes* printed on a printing press.

In today's terminology, we would refer to this as "using new media to promote an old media business." Think of as a commercial print shop using e-mail marketing or social media. The principle is the same, and old Johann Trithemius was perhaps far ahead of his time.³⁴

Disruptive technologies are very hard to spot in advance—and very often they are disruptive because of mitigating factors that have nothing whatsoever to do with the technology itself. For example, one of the reasons there was such a pent-up demand for a mechanical means of reproducing documents in the Middle Ages was that most of the scribes had been killed by the Black Death. Demand for documents was high—even by the standards of a pre-literate Europe—and supply was low.

Survival of the Most Relevant

In the face of an upstart, disruptive technology, an entrenched technology can do one of two things: it can wither and die (a process that can be quick or slow), or it can thrive and remain relevant and viable. There are easy-to-find examples of both: the telegraph, a disruptive technology in its day, was disrupted by the telephone, fax, and, ultimately, the Internet. It's surprising that the telegram survived as long as it did, but Western Union finally pulled the plug on it in 2006.³⁵ On the other hand,



³⁴ This was the assumption in the late 1990s: the Internet would always use print to promote itself, but it was printers who refused to use the Internet, and lagged in adopting its use for years.

³⁵ Singing telegrams unfortunately survive, though they are more likely "telegrams" in name only these days.

radio—supposedly killed by television—still exists, although its content and delivery have evolved. Drama, which became the purview of television, gave way to music, news, and talk, providing content and a portability that television could not, at least for a while, though we are dubious of the idea of putting TVs in cars.³⁶ Today, traditional broadcast radio sits alongside satellite and Internet radio, and even podcasts. It may not be the golden age of radio any longer, but it's far from extinct.



The key to the survival of any medium is the extent to which it remains relevant to large numbers of people, which is related to the benefits the medium provides and how it provides it.

The telegraph—and other headed-toward-extinction technologies like the videotape and perhaps even the audiotape—died out because new technologies could deliver the same thing more easily, cheaply, and efficiently. Texting is arguably the same thing as a telegram, but you don't need to learn Morse code to use it, nor do you need specialized sending and receiving equipment beyond a mobile phone, which most people already have. Radio in some incarnation will always survive, so long as people like to listen to music or talk, or are trapped in their cars for long periods of time.

Even hand-copying, the precursor or printing, survives today as calligraphy and other forms of decorative and artistic writing.³⁷

And say what you want about social media like Facebook and Twitter, but few technologies affected society and the idea of the “social network” like the telephone did. The thing to remember is that everything is simply a new variation on an old theme. Until humans develop new senses, we'll be stuck with seeing and hearing as our primary means of interacting with the world.³⁸

Criteria for Disruption

How and why do technologies or media become disruptive? There is no simple formula, and it's almost impossible to predict what kind of pre-

³⁶ An interesting history of portable television can be found at www.guenthoer.de/e-history.htm. Remember when the Sony Watchman came out in 1982? It was possible to go to live sporting events and see people in the stands watching the game on television, despite the fact that it was happening live in front of them. What is replacing portable television? Well, you can stream video from YouTube, Hulu, TV network Web sites, and others via a laptop or even a smartphone.

³⁷ Curiously, communications technologies no longer in mass use tend to become artforms. There are numerous artisans who are keeping letterpress printing alive, for example. Hmm...letterpress...the first on-demand printing technology!

³⁸ Yes, print aficionados talk about the “tactile” appeal of print, but we've gotten enough paper cuts in our time that we're not entirely certain it's all a bed of roses—and roses have thorns, after all.

vailing cultural or social environment will either help or hinder the emergence and acceptance of something new. Generally speaking, however, we can identify the following Law of Disruptive Technology:



Any potentially disruptive technology must provide a better experience for the user than the technology it aims to replace. Not for all users, just enough users, even for an obscure application.

What is a “better experience”? It can be some combination of:

- faster
- cheaper, especially in total cost
- higher quality
- more convenient
- more intuitive to use
- reduced barriers to use

Not all of these have to be applicable, but generally two out of four can do the trick. You would think that “higher quality” would trump all other factors, but that’s not always the case. Take the case of the fax. Faxing started to become popular in the late 1980s, and quickly supplanted overnighting of time-sensitive documents.³⁹ It was, in this sense, a disruptive technology, and it certainly wasn’t because it was higher quality. In fact, it wasn’t even cheaper a lot of the time (faxing long distance or internationally—especially long documents—could be more expensive than overnighting them), but it was faster and, in the case of international correspondence, more convenient.⁴⁰

Faxing still exists, but has been largely replaced by another disruptive technology—e-mailing—for the same reasons. E-mail is faster, it’s cheaper, it’s more convenient, and it’s higher quality if you are sending original documents as PDFs.

Curiously, e-mail, a disruptive technology and the killer app for the Internet, may also find itself on the receiving end of another disruptive technology or technologies. Today’s young people don’t like e-mail, and

³⁹ It’s hard to believe that even FedEx offered fax services, called ZapMail <http://en.wikipedia.org/wiki/Zapmail>. It was a failure, and it’s an interesting case study about how quickly failed products should be abandoned.

⁴⁰ Here’s a fun fact: did you know that the first “fax” machine predated the invention of the telephone by more than thirty years? The first “fax machines” (the word “fax,” though, wasn’t coined until the 1980s) were patented as early as 1843 (Bell patented his telephone in 1876). Giovanni Caselli, an Italian priest/physicist, developed the first working prototype of a “pantelegraph” in 1856 and patented it in 1861. A “fax line” ran between Paris and Lyons from 1865 to 1870 and transmitted more than 5,000 documents. See http://en.wikipedia.org/wiki/Giovanni_Caselli, or Ira Flatow, *They All Laughed*, Harper Collins, 1992, pp. 62–70.

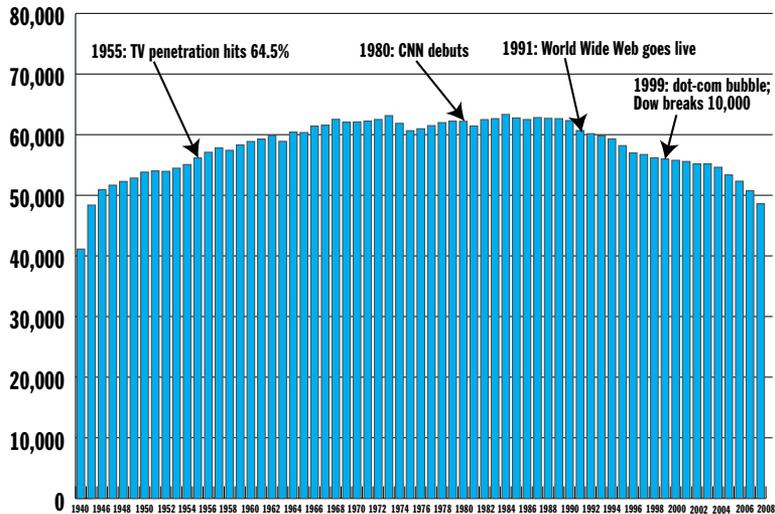
prefer texting, instant messaging, and/or social media, perceiving e-mail as “too slow”⁴¹

Enter or Exit Printing?

Where does printing fall in all of this? Is it on its way to extinction as a medium in the face of all these new forms of mass communication? Or does it still provide relevance to enough people for it to be a viable communication technology?

As we pointed out above, this is not a new discussion. For decades, parents, educators, and others have lamented that the television has eroded children’s reading skills, their love of books, and so forth. The various publishing industries have long complained that new media have siphoned away readers. We can actually see the extent to which this is true, at least in the case of newspapers, a useful litmus test for the state of print as a communication medium. The Newspaper Association of America has circulation data going back to 1940—the midst of the Golden Age of Radio. The chart below provides total daily newspaper circulation from 1940 to 2008, and we have marked various media introductions.

Total Paid Newspaper Circulation, 1940–2008 (000)



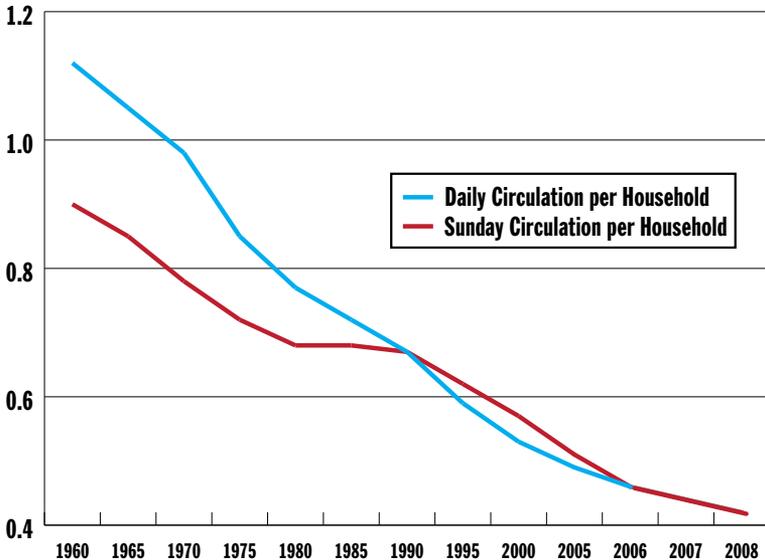
Source: Newspaper Association of America

⁴¹ We wonder what successive generations will prefer after they find instant messaging too slow. Is there anything faster than instant? Future messaging? That is, the receiving of messages before they have been sent?

Newspapers did very well when pitted against the upstart medium of television; circulation continued to rise, even in the Golden Age of Broadcast News with Edward R. Murrow, Huntley and Brinkley, and all the other pioneers of television journalism (some of whom got their start in radio). Newspaper circulation peaked in 1973, and started to ebb over the course of the decade. For a few years after 1980, when CNN (the first twenty-four-hour cable news channel) debuted, newspaper circulation continued to hold steady, if not climb (it tended to dip in recessionary years). But as cable penetrated into more households over the course of the 1980s, and as the generation raised exclusively in the television era reached college age and older, newspaper subscriptions started to decline. In fact, by the time the World Wide Web went live in 1991, newspapers were already on the wane. As the Internet grew over the course of the 1990s, newspapers failed to keep up, and by the time the dot-com bubble was in full swing in 2000, newspaper circulation hit a low plateau before it started dropping precipitously. Over the course of 2000s, as the people who grew up in the age of the Internet themselves started hitting college age and beyond, their interest in newspapers was even less than that of previous generations.

The chart below characterizes the decline of newspapers as happening over a longer period of time than most realize.

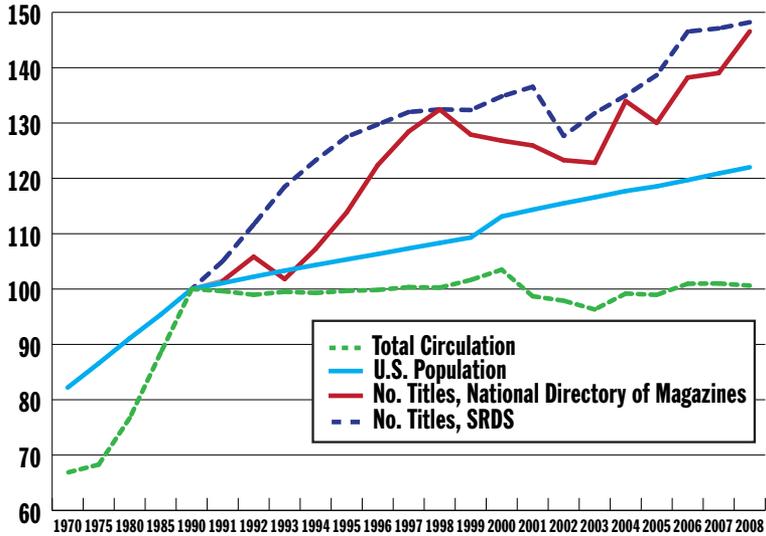
Newspaper Circulation per Household, 1960–2008



While Dr. Joe is known to discuss how important it is to adjust financial and economic data for inflation, these kinds of data should be adjusted for population. It's remarkable how far back the newspaper decline was masked by the high profitability of their local monopolies.

We can look at what has become known as our “squashed bug” chart plotting magazine circulation and title metrics alongside population growth:

Change in Magazine Circulation, Population Growth, and Magazine Titles, 1970–2008



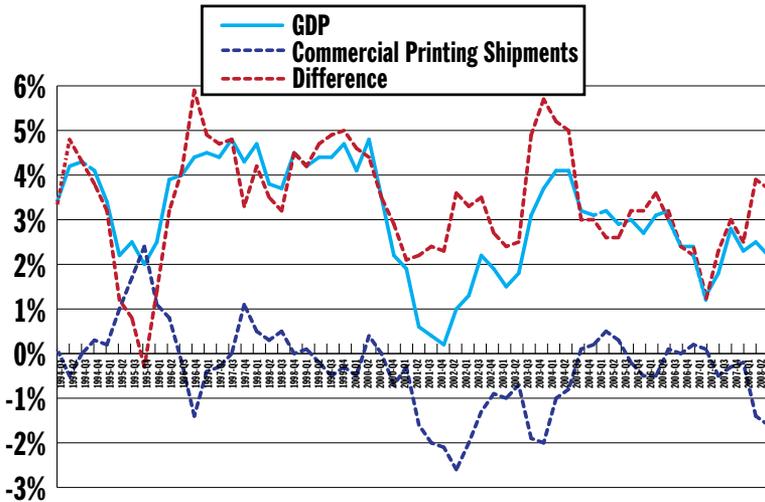
Source: WTT ERC analysis of ABC, Census Bureau, National Directory of Magazines, and SRDS data

Despite the constant launching of new titles, overall magazine circulation has failed to keep up with U.S. population growth. One would have never known that the seeds of the post-Internet decline were actually being planted much earlier. Between 1990 and 2004, the U.S. population increased 18%, while total magazine circulation (subscriptions and single-copy sales) decreased by 1%. Even subscription-based circulation only increased by 7% in that same period. During all that time the power of magazines were being touted: no wonder the data were always questioned, as reality was telling a different story.

Another data gauge we use looks at the historical relationship between value of printing shipments and GDP. In the chart on the next page, if GDP (the dashed black line) and print (the dashed gray line)

have the same growth rate, then the difference between them (the black line, GDP minus print) would be 0%; it only got there once, thirteen years ago. The difference is often greater than GDP growth rates, indicating that print shipments decreased while GDP grew. The average difference is +3.4 percentage points. For the entire range from 1994 to early 2008, GDP on a year/year basis was never negative. (For the purposes of this commentary, we'll stick to the pre-recessionary period.) Print has been negative in thirty-four of the fifty-eight quarters in that period—that's almost 60% of the time.

The Difference Between Year/Year Commercial Printing Shipments and GDP, Q1 1994–Q2 2008



We would like to think that this fallacy has been effectively debunked by now, but there are still owners, executives, and managers who insist that demand for print follows GDP. This becomes even more acute during recessions, such as the 2008–2009 recession, when they labor under the mistaken belief that all their woes will disappear once the economy rebounds. We saw this fallacy in action during the very modest 2001 recession (or recession-ette), and when the economy did recover, the industry didn't recover with it. We shouldn't expect that a recovery from the current recession will be any different.

Ultimately, focusing on the purported linkage of print and GDP ignores what's really happening, attributing changes in demand to macroeconomic factors and not to other influences. These other influences

have been powerful, to say the least. We'll look at these influences more closely in the next chapter, but suffice to say for now, if our industry followed GDP growth for the past fifteen years, recession aside, it would be about \$175 billion in size; in 2010, it was about \$87 billion.



When someone asks about the “power of print,” tell them it’s only half-powered. Perhaps its batteries need replacing.

Forecasting Fallacies⁴²

Economic data can only ever tell us where we’ve been; most economic models use statistics to “predict the past.” All statistical models are “dumb”; they simply repeat trends that have already happened and can’t include in their calculations what has not happened yet. No one can predict the future with any certainty. Remember, man plans, God laughs.

It’s important that we understand the limitations of the data that surround us, and learn to trust our experience and navigation capabilities as the future, partly created by our own decisions and actions, unfolds before us.

We discussed this in *Renewing the Printing Industry*, but some of it bears repeating here.

At WhatTheyThink’s Economics and Research Center, though we collect, create, analyze, and manage more than 700 data series on a regular basis, we always advise that it’s crucial to not put blind faith in numbers. After all, the old cliché “statistics don’t lie” is itself a lie—statistics lie all the time. It’s up to a savvy analyst to sort the lies from the truths and ferret out meaningful numbers. So while we love data, sometimes it’s a tough love, and executives and managers should be aware of the kind of skepticism they should have.

First, all statistical models are just that: models. They’re marvelous tools, but they’re not foolproof. It would be nice to settle on just one forecasting model as the one that always can be relied upon, but markets change too much and too quickly, and some models just stop working, as the GDP and print relationship did. It’s important to use different forecasting models, and especially use them to provoke good discussions about what each means about the future for your company.

Second, informed judgment beats quantitative forecasting most of the time. In the 1960s and 1970s, quantitative analysis grew in popularity because it was a way of being objective and unbiased about forecasting and other management decisions.

⁴² Sure, some people get bored by these kinds of academic discussions, but Dr. Joe insisted we put it in. At least the pages can be skipped, whereas if you had to listen to it, you’d just have to sit there wondering when he was going to get past it.



Forecasting in the past was bad, but we were still bad once computers were added. Computers meant they could forecast badly, and more often and on a greater scale.

Since then, the pace of change has increased exponentially, and the world is more connected in its economic relationships than it was before. There used to be well-known and well-established technology centers; now technological developments originate around the world, with more of them in emerging economies. Complexity requires greater knowledge and reliance on qualitative data. We've often used the term "portfolio" to describe the range of information sources that executives must have to be effective. Now, more than ever, those quantitative resources from accounting and other departments must be supplemented by continuously monitored informal relationships inside and outside organizations.

Third, even statistical models, just like people, usually place more weight on the last thing they heard. Too often, managers don't have that sense of resolve that what they're doing is right, and they are too easily swayed by the last thing they heard, even if it's not credible. Statistically, this is one of the primary reasons to use more than one model, because all models can be adjusted for how much weight is placed on the latest observations. That's not easy to do with people.

Fourth, constantly monitoring the assumptions that end up in a plan is essential. There are always "pet assumptions" in forecasts, such as favorite products or customers, or a desire to minimize bad news. Plans are made to be changed, but executives are often chastised for wanting to revise them when there is a sudden shift in the market. There should be no penalties for navigating good and bad changes in a marketplace, especially after wise deliberation. Yet, there are executives, who, when faced with a downturn are intent on spending all of their budget anyway, because that was the "deal" that "they" made when the budgets were submitted. When the world changes, the budgets have to change.

Finally, it's important to realize that overforecasting is more dangerous than underforecasting. The reason is simple. Because of economies of scale, selling more units than anticipated usually delivers a disproportionate increase in profits. Why? Because fixed costs have already been written off, so each additional dollar of sales adds more profit per dollar than any prior sales dollar. There's nothing better than being above forecast. (That's where bonuses come from.)

Overforecasting, on the other hand, means that each dollar that is under expected revenue has to bear a greater amount of fixed cost. The worse actual sales are compared to planned sales, the more profits will erode. For some companies, even the slightest shortfall as compared to the sales plan creates the need for dire decisions. Yet even the slightest

improvement in sales yields significant profits and no other significant changes to corporate structure when forecasts are exceeded.

Unfortunately, there is always pressure to increase the size of forecasts and to commit to “big” sales numbers “for the good of the company.” In this kind of print marketplace, that just adds risk, which is not good at all. Many times, the high forecasts are supposed to appease lenders.

Separate Planning and Forecasting

At the end of the day, it’s important to separate goal-setting from true planning, planning from forecasting. Good CFOs can often stop forecasting problems from infecting their organizations, but sometimes they can’t. While keeping two sets of books is illegal, keeping two sets of forecasts, one to manage to and the other one to reach for, is good management.

Most of all, companies spend far too much time comparing themselves to the marketplace. Executives have more information about their customers, or at least they *should*, than any forecasting model could ever have. If executives don’t have their own real-time customer information, they will always have problems guiding their business. The skill, then, is keeping that information in perspective. But it’s always amazing how many executives are looking for that magic bullet or crystal ball to know exactly what next month’s sales will be. No forecasting model can do that. Models can only supply a quantitative guess with an error factor. That error factor is fine for the statisticians, but it can mean the difference between profits and losses for companies.

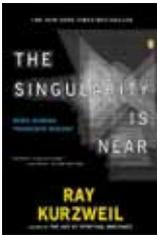
Ultimately, it becomes a numbers game, and the fact that it is the decisions of people that cause the numbers to be what they are is often forgotten. This is why executives get paid for experience. Forecasting is just a tool; management is an art.

Spare Change

The point of this discussion is that the world has always changed, and those changes have always been unforeseen. No one circa 1450 could have foreseen the impact that the invention of printing would have on the world, just as no one could have foreseen the impact of the telegraph or the telephone, and just as few foresaw the impact of the Internet. If it seems that things are more “chaotic” today than in the past, that’s not entirely an illusion. Many writers and futurists point out that technological evolution happens exponentially. Just as the perception of the passage of time speeds up as we get older, so the reality of technological change speeds up as time goes on.

In his 2005 book *The Singularity is Near*, Ray Kurzweil⁴³ discusses

⁴³ Think of him in some ways as the guy who’s killing your business. Ray Kurzweil is



the exponential increase in the rate of technological change, using some of the same examples we have been looking at in this chapter. To wit, it took about fifty years for the telephone to achieve significant levels of usage, and yet it took only about ten years for the cellphone to be similarly adopted.⁴⁴ How long did it take other consumer technologies to reach both 10% and 50% adoption? Well:

Adoption Time for New Consumer Technologies

	<i>Years to Reach 10% Adoption</i>	<i>Years to Reach 50% Adoption</i>
Video Cassette Recorder	10	14
Compact Disc Player	4.5	10.5
Color TV	12	18
Cellphone	8	15
Personal Computer	4	18

And consider the rate of broadband Internet adoption (see chart next page).

Wi-Fi adoption has grown even faster. And consider this: the three biggest topics in the advertising and marketing industry in 2009 and 2010—Facebook, YouTube, and Twitter—didn't exist five years earlier. And yet, according to Pew Research, 19% of online Americans are on Twitter,⁴⁵ and 46% of online Americans are on a social network like Facebook. According to Facebook itself, the social networking site alone boasts more than 300 million active users.⁴⁶ If Facebook were a country, it would be the fourth most populous in the world, falling between the United States (307.9 million) and Indonesia (231.4 million). Meanwhile, the business-oriented social networking site LinkedIn has more than 50 million members.⁴⁷

known for the development of the first omni-font optical character recognition system—a computer program capable of recognizing text written in any normal font. He also helped develop a reading machine which would allow blind people to understand written text by having a computer read it to them aloud. He is also known for electronic musical instruments. He is a prominent writer, lecturer, and futurist.

⁴⁴ Ray Kurzweil, *The Singularity is Near*, Viking, 2005, pp. 48–49.

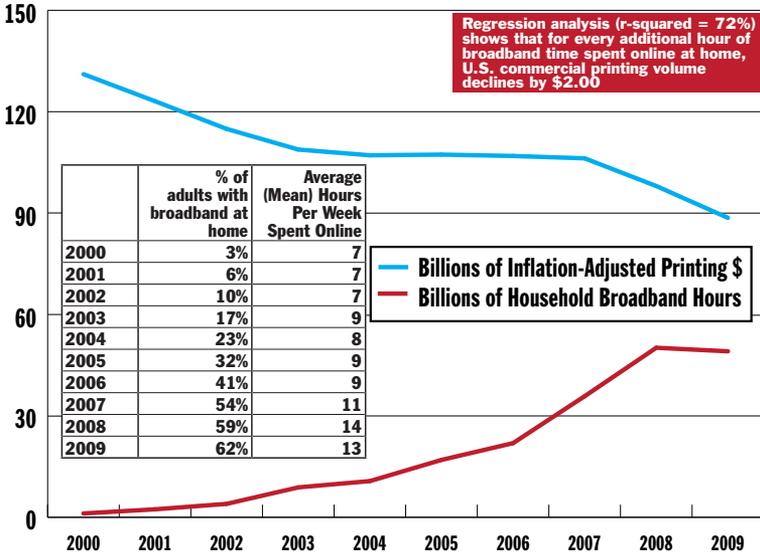
⁴⁵ “RT: More Americans Tweeting,” Pew Internet and American Life Project, October 21, 2009, <http://pewresearch.org/pubs/1385/who-uses-twitter-tweets>.

⁴⁶ www.facebook.com/press/info.php?statistics.

⁴⁷ <http://press.linkedin.com/about>.

There are many people in and out of the printing industry who think this is all a fad, but then people said that about the Internet more than a decade ago. (Some people still say it!) Much of the second half of this book

Annual U.S. Household Broadband Hours and the Statistical Relationship with Annual U.S. Commercial Print Volume, 2000–2009



will be devoted to social media, but we mention it now to illustrate the exponential rate of change, that new technologies and media emerge and take over the world faster than ever. History shows us that while “the only constant is change” (to be clichéd about it), it’s the *rate* of change that is the biggest factor today. And it will only get faster. Chaos is indeed in control.

Funny, people say that social media are a fad, just like they said that blogging was a fad, and the way they said the Internet was a fad. But as any telecom company can tell you, landline phones are being replaced by cellphones. Were telephones a fad? TV viewership is down; was television a fad? And look at newspapers and the dire data we presented earlier; good grief, could it be that *newspapers* had just been a fad all along?!

What we hope to get across in this book is that there is a sense that anything new and popular must be a short-lived fad, and therefore can be safely ignored because, well, when people are done playing, they will

come home to print and other “old reliable” media, won’t they?

No!

Electronic media are not fads. Any medium, channel, or technology evolves and is replaced by something else that is usually some variation of it. The Internet was simply an electronic version of the same types of content (text, graphics, audio, video) that had existed for centuries. Blogging was a logical evolution of the Internet, driven by low cost and ease of use (the same way that desktop publishing in the 1980s made self-publishing less expensive and easier). Social media is simply the next, logical extension of what has been happening all along. Will it morph into something? Of course. And this is why it’s crucial to get on board now, because it’s only going to be harder to catch up when the next generation appears. Technology and media have always changed; we notice it more now because, as any futurist or technology writer will tell you, the rate of technological change proceeds exponentially. Things change faster and faster; we only have to compare the world on January 1, 1900 with January 1, 2000. How much changed in that period of time, compared with how much had changed from January 1, 1800, to January 1, 1900?⁴⁸



We are in a global marketplace, with rising wealth in emerging countries. More consumers + more innovation = more change more often.

It’s understandable, of course, to be nostalgic for the “simpler” days of yore. For some of us, it was the 1970s. For others, perhaps the 1950s or 1960s. But remember all those *Twilight Zone* episodes about people living in the “crazy, hectic” 1950s and 1960s longing for the simpler days of the 1900s or 1910s? Perhaps we’re wired to romanticize the past more than is really warranted, regardless of when we lived. While this can make for good episodes of a science-fiction TV show, it makes for a lousy business strategy.

As we pointed out earlier, new technologies and new media don’t *always* replace older technologies and media, as long as they remain relevant. Where does print stand? How relevant print as a medium remains is, in large part, up to the industry itself. Can we as an industry remain relevant? And how do we do that?

Ultimately, that will be one of the underlying themes of this book. But we can take a tip from our old friend Johann Trithemius and his use of print to disseminate his treatise *In Praise of Scribes*: it will involve leveraging new media to reinvigorate old media.

⁴⁸ You can go to Wikipedia (<http://en.wikipedia.org/>) and enter any year in the Search field, and you can find out everything that happened in that year: who was born, who died, what major events took place, what was invented, what was happening in the arts or science—everything. It can be interesting to compare and contrast.

Your weapons of mass disruption:

-  identify large and/or once-regular customers who haven't printed anything with you in a while; find out what happened to them: did they switch to another printer? did they stop printing?
-  ask your current customers what other media and channels are important to their marketing and communication plans—and which are becoming more (and less) important

2



The Day the Universe Changed

In this chapter:



why did no one see what was happening to the printing industry?



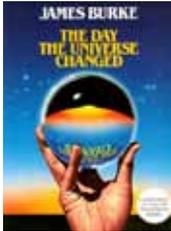
business facts and fallacies:

- Law of Culminating Change
- denial that industries and markets change
- correlation vs. causation—or, “it’s all the economy’s fault”
- when you “assume” what equipment you will need in the future...
- incorrect perceptions of who the competition is



what employees and skills are needed by printing companies?

IN HIS 1985 book *The Day the Universe Changed*, science historian James Burke wrote:



[W]e live according to the latest view of how the universe functions. This view affects our behaviour and thought, just as previous versions affected those who lived with them. Like the people of the past, we disregard phenomena which do not fit our view because they are “wrong” or outdated. Like our ancestors, we know the real truth.

At any time in the past, people have held a view of the way the universe works which was for them similarly definitive, whether it was based on myths or research. And at any time, that view they held was sooner or later altered by changes in the body of knowledge.⁴⁹

Of the ten such “days” that Burke discusses (obviously, the use of the word “day” is metaphorical), one was the development and spread of printing in the West. The result of this “day” changed forever culture and society and, more practically, has led to the business we are currently in.

Since his book (and PBS series, the follow-up to 1978’s *Connections*) was published in 1985, Burke has devoted many later books to another universe-changing day, one which is also profoundly affecting culture and society—and also affecting the business we are currently in.

Lo and Behold

On October 29, 1969, a professor of computer science at UCLA named Leonard Kleinrock connected the school’s host computer to one at Stanford Research Institute (formerly a part of Stanford University). He began typing a short message that would ultimately become the first message ever sent over the Internet. In 2009, commemorating the fortieth anniversary of this event, he related the incident to CNN:⁵⁰

What we wanted to do was send a message essentially from UCLA to SRI’s host. And frankly, all we wanted to do was log in—to type an l-o-g, and the remote time-sharing system knows what you’re trying to do.

So we typed the “l,” and we asked over the phone, “Did you get the ‘l’?” And the response came back, “Yep, we got the ‘l.’” We typed the “o.” “Got the ‘o’?” “Yep, got the ‘o.’” Typed the “g.” “You get the ‘g’?” Crash! SRI’s host crashed at that point. So the very first message ever on the Internet was the very simple, very prophetic “lo,” as in lo and behold.

⁴⁹ James Burke, *The Day the Universe Changed*, Little, Brown, 1985, p. 9.

⁵⁰ Philip Rosenbaum, “Web pioneer recalls ‘birth of the Internet,’” CNN.com, October 29, 2009, www.cnn.com/2009/TECH/10/29/kleinrock.internet/index.html.

What hath God wrought, indeed. It took a couple of decades for the technology to evolve and for a killer app to emerge, but when the first Web site went live on August 6, 1991, it set in motion a chain of events that, almost two decades later, has changed us in ways that few people anticipated.

Forty years after Kleinrock's first truncated message, there are more than 1.7 billion Internet users worldwide⁵¹ and it's estimated that the number of e-mails sent per day is somewhere around 200 billion. Even if 70% or so of them are spam and viruses, that still leaves about 60 *billion* e-mail messages sent each day. And this is not counting tweets, Facebook updates, blog posts, or even the plethora of rich media content being sent around the Internet.

Few people anticipated the impact the Internet would have on communication and even society itself, just as no one anticipated the effect the printing press would have. While this topic could take up an entire book all by itself, suffice to say that the effect on the demand for print has been seismic. Sure, it was all fun for a while; all those dot-coms emerging en masse in the late 1990s, with VC money galore, spending much of it on magazine advertising and other print-based ways of driving traffic online.

And therein lay the problem: the M.O.⁵² of the dot-coms was to get eyeballs online, and print ultimately became a transitional medium.



During the dot-com boom, the “value of print” lay in the fact that it was what you used to communicate until everyone was online and could be communicated with electronically.

So the printing and publishing industries unwittingly sowed the seeds of their own destruction. While that sounds overly melodramatic, there is a bit of truth to it.

Even after the Great Dot-Com Extinction of 2000/2001, momentum still existed, and more and more people were driven online. The recession-ette of 2001 and the resulting budget-cutting by companies throughout the economy hastened this initial surge to online communication which has only accelerated over the course of the 2000s—and is again being hastened by the recession of 2008/2009.

No one needs to be told how much the printing industry has lost over the past decade, since the “good old days” of 1998. We've cited those relevant statistics in enough places, and there's no need to continue to “rub it in.” The question that remains, though, is: how did everyone miss

⁵¹ Internet Usage Statistics, www.internetworldstats.com/stats.htm.

⁵² Latin, *modus operandi*, made famous in 1940s police dramas. Doesn't anyone take Latin anymore?

it? How come no one anticipated what an inexpensive and easy-to-use communications medium would do to the demand for print?

One large part has to do with what James Burke referred to in the passage that opened this chapter. We believe our view of the universe is the correct one and it often takes a generation or two for a new view to sink in and take root. Replace “universe” with “market” or “industry” and you’ve got the crux of the problem. We aren’t often attuned to the changes that are happening all around us. Let’s explore why that is.

Facts and Fallacies

The answer has to be aggregated from a variety of different factors that were at work within and without the industry. Some of these factors are still at work in the industry, and are impeding the ability for print businesses to effectively cope with a universe that has changed dramatically in the past fifteen years.

1% Here, 1% There...

The first is what can be called “the law of culminating change.” That is, everyone looks at small levels of growth or decline and fails to account for the fact that eventually 1% a year starts to actually amount to something.⁵³ In the words of the Hair Club for Men, “It happened so gradually, no one ever noticed.” So when demand for print slips “a little bit” from month to month or year to year, unless the trend reverses itself, that little bit eventually becomes a “big bit.”

At the same time, it was tempting for many to see growth in non-print media as a drop in the bucket compared to print. But, again, when that incremental growth continues month after month, year after year, it eventually adds up to something substantial.

It’s reminiscent of the urban legend about the boiled frog (a story which hops up occasionally in business literature):

There’s an old folk warning that if you throw a frog in boiling water he will quickly jump out. But if you put a frog in a pan of cold water and raise the temperature ever so slowly, the gradual warming will make the frog doze happily...in fact the frog will eventually cook to death, without ever waking up.⁵⁴

It’s not true, of course, but business writers and speakers often use this as an example of how being complacent in a changing environment

⁵³ We’re reminded of the famous quote, attributed to Illinois Senator Everett Dirksen, “A billion here, a billion there, and pretty soon you’re talking real money.”

⁵⁴ www.snopes.com/critters/wild/frogboil.asp and also at www.fastcompany.com/magazine/01/frog.html.

can result in one getting “burned” or cooked alive. (The story is also used to illustrate the opposite point, that moving too fast will leave you with an empty pot while moving slowly will lead to you to you desired result—assuming your desired result is a cooked frog.)⁵⁵

Anyway, the idea is that small changes do gradually accumulate and ultimately lead to major effects. Think of it this way. One or two snowflakes by themselves don’t mean much, but eventually can accumulate in sufficient quantity to unleash an avalanche of destruction.

As an example, Manhattan was “sold” in 1626 for \$24. At 1% interest over those 384 years, compounding would yield only a little over \$1,000. At 6%, it’s more than \$125 million. It works on the downside, too. Just ask Kodak executives if they should have moved more aggressively against Fuji, and GM executives if Toyota, Nissan, and Honda should have been taken more seriously. The Post Office has only recently discussed e-mail and other media as having significant effects on their business. We wonder if Apple was ever considered a competitor by Sony for its Walkman business.

Nothing to See Here

Another factor can be attributed to a general dismissal of the fact that things change, and can change quite radically, sometimes in a very short period of time. Businesspeople, companies, and entire industries are not often “wired” in such a way that they can anticipate—or, more importantly, react to—dramatic changes in the market. Sometimes a company is convinced that it knows everything there is to know about its industry, which may have been true when the company was founded, but as the market and the industry changed, that original knowledge may no longer be relevant. Think of it like that famous scene in the 1960 George Pal movie *The Time Machine*, where Rod Taylor is sitting in the time machine and as he moves forward in time the scene outside the window changes dramatically while inside he and his workroom remain unchanged. Very often, businesspeople get locked into static ways of thinking, assuming that everything will remain as it always has. The world outside spins inexorably onward, while inside the executive suite things stay ever the same. This is the dark side of “focus” and “sticking to your knitting.” We’ll be spinning that yarn shortly.

In the 1970s and 1980s, there was a company (which shall remain nameless) that made graphic arts film. It was a successful company, despite the fact that its manufacturing process varied so widely that different batches of film developed at different rates. That didn’t matter, however, when customers developed film in trays in darkrooms because the person developing

⁵⁵ Consultants always like stories they can use in two entirely different situations. This gives them more time to think of ways to overbill their clients.

the film could watch the grayscale indicator and take the film out of the developer when it was done. However, when an automatic film processor hit the market, film needed to be manufactured to very strict tolerances so that it would always be developed in a set period of time. This company, which felt that it knew everything there was to know about the film business, dismissed the notion that their film would be incompatible with the new equipment—and they eventually lost market share to companies like Fuji, Agfa, and Kodak who had much more tightly controlled manufacturing processes.

We know another graphic arts technology company that was wildly successful in the late 1980s and early 1990s, becoming a darling of Wall Street. It convinced itself that it could learn everything it needed to know from its also successful users group. Needless to say, the company no longer exists today, and neither do most of its customers, as no outside input was allowed.



A tendency toward dismissal of digital media is especially the case when business is good; the printing industry was booming in the early and mid-1990s and that euphoria led to a complacency that in turn led it to fail to see what was coming just over the horizon. The heavy advertising spending of dot-com startups gave a false sense of security to many printers.

As we commented in the last chapter, there was a very big feeling in the printing industry—and beyond—throughout the 1990s that the Internet was just a “fad,” and that eventually everyone would come into their senses and return to the old ways of doing things.⁵⁶ We’re still waiting. Frighteningly enough, there are people who *still* think that eventually things will turn back around.

There is also a general feeling that some of the newer communications channels—namely, social media like Twitter or Facebook—are fads that are destined to be short-lived. While those channels will likely evolve into something else, it’s doubtful that they are going to disappear without a trace. The same can be said about mobile, another potentially universe-changing technology.

⁵⁶ In the mid-1990s, it wasn’t unusual to hear the Internet described as “CB radio with typing.” Some of us recall the CB radio fad of the 1970s. Unfortunately, 10-4, Rubber Duck, this is a Convoy http://en.wikipedia.org/wiki/CW_McCall. But there is a lesson here. While the mass popularity of CB radio was very short-lived, “citizens band” radio to this day is still a vital communication tool used by truckers and other transportation services to alert each other to weather and traffic conditions. So we need to be careful to differentiate between the extent to which a technology exists as a pop culture phenomenon, and the extent to which that technology is still viable among a certain demographic. In other words, CB radio didn’t just go away. It’s still here, and it’s still important to certain people, even if not too many popular movies or hit songs are being made about it anymore. Thankfully.

Correlation vs. Causation

There is also what we can call the fallacy of false attribution—Latin aficionados refer to it as *post hoc ergo propter hoc*, or “after this, therefore because of this.” In other words, “since *that* event followed *this* one, that event must have been caused by this one.” It’s the old “correlation vs. causation” fallacy, not so different from the earlier discussion about believing the last thing you heard as being the most authoritative.

This fallacy can best be illustrated by looking back to the recessionette of 2001 following the bursting of the dot-com bubble. All of the industry surveying we did at the time found that the prevailing sentiment among printers was that their sluggish business conditions were caused by the slowing economy and that once things turned around, the “rising tide would lift all boats.” We pointed out this fallacy *ad nauseam*⁵⁷ at the time, and unfortunately, we were right. Even when the economy did recover, the industry did not recover with it, because the decline in industry shipments and the demand for print had little to do with the economic downturn and everything to do with a shift in media preference. Later, the common perception also was that 9/11 caused the economic decline, even though the economy had started to slow almost eighteen months beforehand, and had slowed significantly six to nine months before.

Surely the industry is smart enough not to repeat this error in the wake of the 2008/2009 recession? In many places, yes, we are happy to report. But there is still enough willful ignorance out there that there is more carnage to come.

When You Assume...

Another factor involves the nature of capital investment in the industry, which is based on locking in assumptions about the future. But what happens when those assumptions are wrong? When the market changes radically, as it did in the 2000s, it’s hard to shoehorn the business into the new market using the old assumptions.

Think of it this way. A company sees that demand for a certain type of offset-printed product is high, and decides to boost capacity, so it buys a new offset press. The assumption is that demand for this product will remain high for the foreseeable future—or at least for the productive life of the press. However, the productive life of that press can be a decade or more. Meanwhile, the market for print has changed such that demand has shifted from long-run offset products to short-run, fast-turnaround jobs—the kind of work more economically and efficiently handled by digital presses. So the company is still making payments on a piece of equipment

⁵⁷ There’s that Latin again. For a dead language, it sure gets around.

that no longer produces what the market wants, which takes money away from investment in something that produces what the market *does* want.

Of course, the investment in this new “something” is also based on assumptions about the future, which may themselves be wrong (remember what we said in the last chapter about how forecasting can only ever predict the past), and the company may find, after it has invested in a new digital press, that the market has changed *again*. What’s to be done? Part of the solution is that the financial process for acquiring digital equipment—leasing vs. purchasing—avoids being locked into paying for something that is no longer in demand. Digital equipment can be replaced much more easily than offset, and in fact there are aspects of the technology that require more frequent replacement.



In fact, it has been estimated that if the owner of a Xerox iGen keeps it serviced and up-to-date, replacing what needs to be replaced on schedule, in five years he will basically have entirely new machine from a mechanical imaging perspective.

Who Is the Competition?

Another factor involves competition or, that is, the perception of competition. Against whom do printers compete? Is it other printers? And what other printers? Or is it other media? Or is it some combination?

Printers don’t often know. We know from practical experience as print buyers that there is very little proposal follow-up from print shops that have quoted on a job and then never actually got the job. Is it because another shop beat their price and got the job? Is it because the job got scuttled and was not actually done by anyone? Is it because the client ultimately decided to use non-print media? The printer generally assumes it was the first, but they have no way of knowing unless they follow up. And few actually do. All they know is they didn’t get the job, but they never asked *why* they didn’t get the job. They also don’t often know the price of people *not* printing. That is, what is the cost of electronic media in relation to the cost of print?

It’s not just price either. Time is also a factor in why people don’t print. E-mail is instantaneous, and a direct e-mail campaign can literally be designed, deployed, and distributed—from concept to recipient’s inbox—in the time it takes to get a press up to speed. Deadlines and demand for turnaround being what they are these days, often the logistics of print make it impractical. But how many printers are aware of this?

Asking the simple question “why” could so a long way toward helping a shop understand the changing nature of the marketplace, and their own past, present, and potential customers.

A Failure to Communicate

Printers have also been slow to adopt the new communications technologies that their customers have been using for years. How long did it take before print shops had a Web presence that was more than just a picture of their facility? Even today, printers' Web sites are more often than not built using the Web trends that are a decade old; as the latter half of this book will detail, the Web has evolved from being a static, electronic brochure to a dynamic medium that fosters engagement and community-building. The Internet has always been based on interactivity, but the nature of that interaction is changing. Think of it as the "new rules for marketing."

Likewise, we know many print shops that don't regularly check e-mail, or avoid instant messaging, or Twitter, or any of the increasingly prevalent means of communicating with customers. We know that we are overgeneralizing, and this is not unique to the printing industry.



Any business today that isn't firmly online is like a business that doesn't have a telephone. You can't get customers if they can't contact you, or discover you. "Being found" is the new goal.

Knit-Picking

There is also the management guru's advice that says that businesses should "stick to their knitting." That is, businesses should maintain a laser-like focus on what it is that they do, or their core business.⁵⁸ This has good and bad aspects.

The *good* is that these companies excel at what it is they do. They know what they're doing, and they do it well. A shop that specializes in a certain type of offset printing, has the latest and greatest offset presses, and the workflow infrastructure to handle this work can produce high-quality offset print work that quite probably rivals anything their competitors can produce.

The *bad* is that there is the danger that this will be the only knitting they will ever do. If there is a change in the marketplace, it takes a long time for the business to admit that there has been a change that needs reacting to. Companies should get close to their customers, but not so close that they become myopic and miss market changes and competitor actions. So that great offset shop may be so focused on producing wonderful offset printing and working with a core customer base that they are

⁵⁸ In corporatespeak, this is referred to as "core competence," a term we avoid like the plague, the same way we avoid clichés. Oh, wait...

ignoring the larger macro changes in the market for print. This can come back to bite them if those core customers change—or go out of business.

Companies attract certain customers at particular times because there is the right mix of benefits for that relationship at that time. But maintaining a full view of the environment can give a company the ability to start finding undefended niches, culminating in the creation of nightmares for others.



Being good at what you do is obviously important, but it's equally important to understand what else is happening beyond one's own walls. It's about relevance, otherwise a company wastes time and resources becoming good and efficient at something no one wants.

A Bright Future in Sales

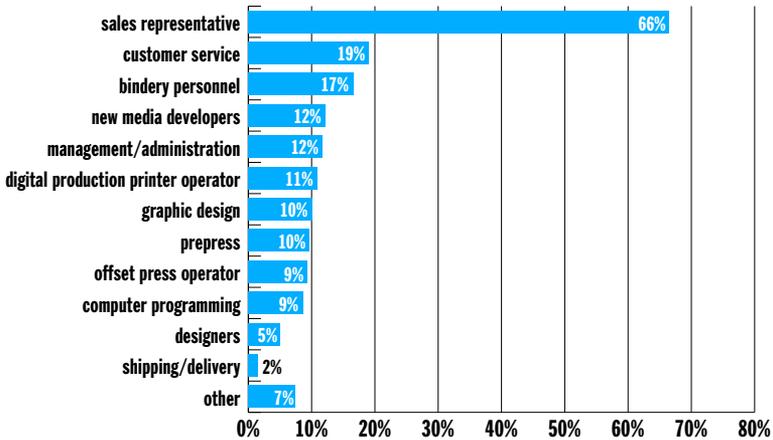
In the December 2009 WhatTheyThink Economics and Research Center quarterly survey, printers were asked if they were planning to hire new employees and, if so, what types of employees they were. That is, where were companies going to be devoting their energies to either cope with the recession or grow post-recession?

We're not sure what we were expecting, but generally speaking, two-thirds of respondents had not entirely ruled out the possibility of hiring new employees, but only one-fourth of respondents felt that they needed to hire new personnel to grow their business.

However, when we then followed up with the question "what skill do you need most in your company?" the overwhelming response was "sales representative." We discussed this at length in *Renewing the Printing Industry*; a classic mistake that shops make is seeking to hire, and then hiring, a sales rep who has a killer "book of business."

Now, granted, the survey doesn't *exactly* say that this is their intention, but from experience, we feel it's a somewhat safe assumption. Even so, that "sales rep" was so far ahead of other more strategic types of employees—such as, say, designers, new media developers, digital print operators, etc.—suggests that many shop owners are still mired in old ways of thinking about their business and that a "really good sales guy" is the key to growth. When you're pressed for cashflow, the quickest solution is to push to get new sales, in almost any way possible. But that "hot book of business" is not hot the way it used to be. That "hot book" was based on the media landscape that is in our rear-view mirror. You want to get a new book of business, and that's best developed organically. If you want to change your business, it's not done by hiring more salespeople who will only perpetuate the older product offerings.

What Skill Do You Need Most in Your Company? All Printers, December 2009



Source: WTT ERC Quarterly Printing Industry Survey, December 2009



The key is to focus more on developing skills, products, and services that are in demand by the marketplace. Only then will sales be effective.

One of the questions asked during Q&A of the WhatTheyThink economic Webinar of December 2009, is worth presenting here (along with its answer):

Q. In a mixed environment (digital/offset) I'm often asked when hiring a salesperson in today's business does it make more sense to hire someone without print experience to better manage digital growth.

A. Hire someone who knows why people print and how it integrates in a total communications plan. If they're really knowledgeable about printing technology, that may be a bonus. But if they can't think ahead of the client, and be ready to think that client's next thought, printing experience won't help in this environment.

It doesn't have to be a mixed environment either. What printing companies need are employees—be it in sales or elsewhere—who understand the communication process and communications plans, and not just one small piece of it.

Even more important will be building a *kind* of book of business—not a Rolodex of customers of a previous printing company, but rather a network of followers on Twitter or a blog, LinkedIn Groups or contacts, Facebook friends, and other connections made via social media. We are aware that this is a big cultural hurdle for many shops; you don't want others to see your book of business. This doesn't have to be scary; the problem can be resolved by forging closer relationships with customers, which is what shops should be doing anyway.

We will look at what this means and how you do it in more detail in a later chapter. However, suffice to say here, the issue is that you (or any business in any market) needs to be seen as “competent” by its potential customers. That is, they have to not only use new media (not because it's “way cool” but simply because that's what your customers are using to interact with each other and their own customers) but also be seen at the places where the new media deciders are. Where is this? In the Appendix, we provide a list of resources—organizations and associations, as well as newsletters and other information sources.

The Universe Continues to Change

If change becomes harder to identify and react to, it's due in large part to the exponentially increasing rate of that change. Printers are just starting to react to the Internet at all, while many of their customers are already several light years beyond that, and have embraced Web 2.0⁵⁹ and are heading toward Web 3.0, whatever that turns out to be. Mobile technology has taken off, and the Apple iPad will likely add a new dimension to it. New applications such as QR, augmented reality, geopositioning, and “apps” are all additional game-changing (if not universe-changing) developments. It's frustrating, we know, to finally get up to speed on something and then have it be rendered obsolete. But this has always been the case—as anyone who learned manual paste-up just before PageMaker hit the market can tell you.

Markets are more dynamic than ever and to succeed businesses must divest themselves of a culture and procedures that impede their ability to turn on a dime. This isn't easy, but it's necessary.

⁵⁹ “The term Web 2.0 is commonly associated with Web applications that facilitate interactive information sharing, interoperability, user-centered design, and collaboration on the World Wide Web. Examples of Web 2.0 include Web-based communities, hosted services, Web applications, social-networking sites, video-sharing sites, wikis, blogs, mashups, and folksonomies. A Web 2.0 site allows its users to interact with other users or to change Web site content, in contrast to non-interactive Web sites where users are limited to the passive viewing of information that is provided to them.” http://en.wikipedia.org/wiki/Web_2.0.

Your weapons of mass disruption:

-  determine what skills you really need in your shop
-  start to investigate new and social media, even if it's just to follow a friend, colleague, or favorite writer (we'll make it easy: start with <http://twitter.com/wtterr> and <http://twitter.com/whattheythink>)
-  ask yourself—and answer honestly—if you have fallen prey to the common fallacies we discussed in this chapter
-  find out if your biggest customers are using social media
 - search Twitter/LinkedIn/Facebook for their names

3

The Dark Before the Dawn



In this chapter:

-  the state of the printing industry today—and how we can change our destiny
-  current and expected business conditions
-  are electronic media really more “green” than print?

THEY SAY it's always darkest before the dawn or, in the case of Despair.com, it's always darkest just before it goes pitch black.⁶⁰ We said in the last chapter that we didn't want to "rub in" the industry's woes with depressing data. In this chapter, however, we temporarily reverse that decision, not because we take any special glee in being the bearers of bad news, but because we think it's important to understand exactly what it is that has been lost. Many readers are probably intimately aware of these data and trends, but just as many probably are not. Many also likely ignore these types of reports out of the "willful ignorance," or perhaps plausible deniability, as we talked about in the last chapter.



This chapter is not intended as a kind of statistical determinism; these data reflect the past. They don't have to be predictive of the future.

The industry—that is, the companies that comprise the printing industry—can turn these trendlines around. But it takes a lot of work, a lot of thought, and a lot of *action*. In fact, one very big reason that these data look as bad as they do is that the industry didn't take any action when it became necessary to, and stayed on autopilot, hoping/expecting that things would turn around of their own accord. To survive in business—any business—today, we need to be more proactive than reactive, to be sure, but at the very least we need to be *active* in some fashion.

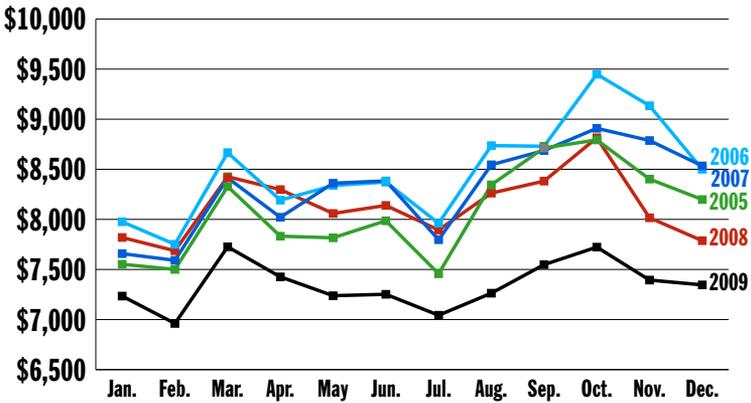
We can't let these data be our destiny.

Printing Industry Shipments and Profits

Printing shipments throughout 2009 were pretty baleful, even by recent historical standards. The seasonality of the industry has changed greatly as purchases by retailers have declined significantly. October used to be the biggest month of the year, with strong Septembers and Novembers surrounding it; now March will be the big month. There used to be very high peaks and very low lows. The peaks and troughs of previous years have settled into a narrower range.

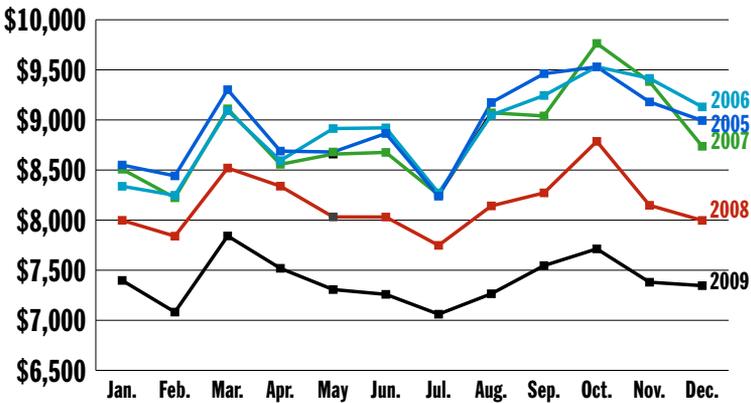
⁶⁰ Despair.com was created by former employees of a defunct Internet company, who began to imagine cynical versions of motivational posters. The business grew rapidly, and now they own their own digital printing capabilities, and are custom-printing posters, calendars, and many other products.

Current-Dollar U.S. Printing and Print Services Shipments (M3 Series for NAICS 323, in \$ Million)



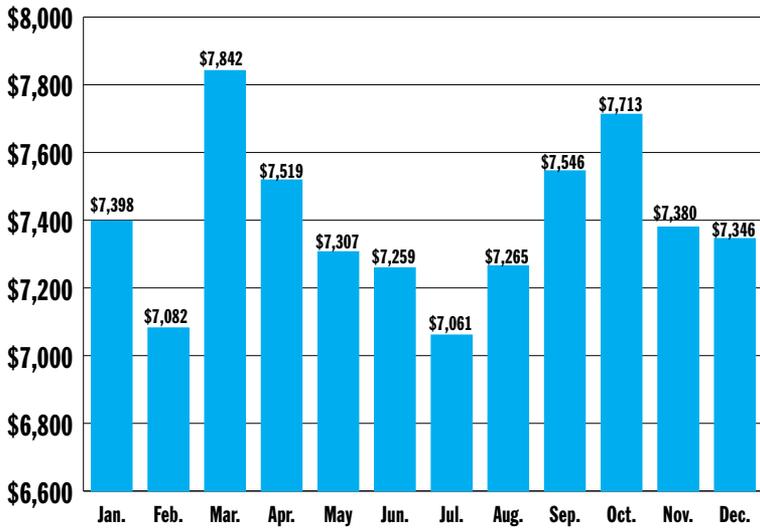
Source: ERC analysis of U.S. Commerce Department data

Inflation-Adjusted U.S. Printing and Print Services Shipments (M3 Series for NAICS 323, in \$ Million)



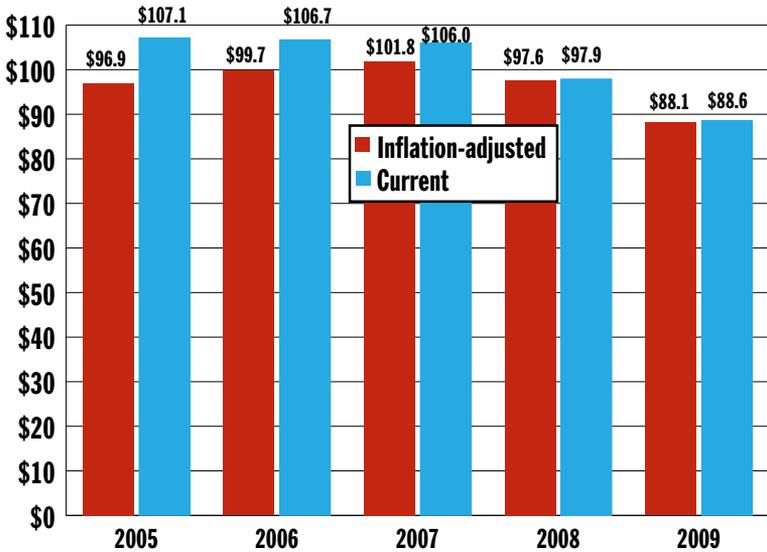
Source: ERC analysis of U.S. Commerce Department data

U.S. Commercial Printing Shipments (Inflation-Adjusted), January–December 2009 (\$ Million)



Source: ERC analysis of U.S. Commerce Department data

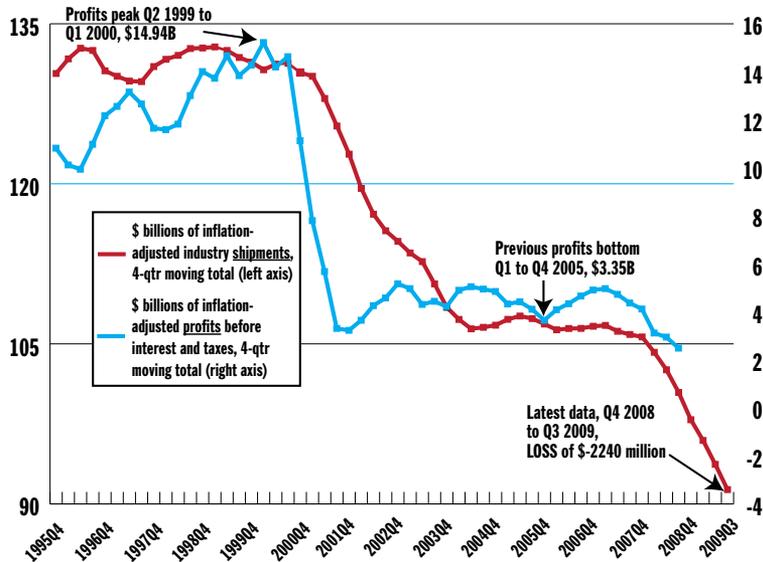
U.S. Commercial Printing Shipments—January to December 2005–2009 (\$ Billion)



Source: ERC analysis of U.S. Commerce Department data

Finally, the figure on the next page shows industry shipments and profits for the years 1995 to 2009. Once again, 1998–1999 was the “good old days.” Dr. Joe took a lot of heat for saying that back in 1999.

Printing Industry Shipments and Profits, 1995–2009



Source: ERC analysis of U.S. Commerce Department Quarterly Financial Report



In eleven years, we have dropped from being about a \$130 billion industry to being an \$87 billion one. And even allowing for the forecasting caveats we discussed in Chapter 1, we expect that the industry will lose another \$40 billion by 2020. Some of the models we use indicate yet a steeper decline.

However, as we said earlier, this assumes that nothing unforeseen happens. Data are not destiny; they are simply our best guess (and that of the statistical models) based on where we have been and where we are now. If the industry had reacted swiftly and decidedly a decade ago, we might not be in the state we are now. But only the industry itself can keep the future from being as bad as the models, and we (reluctantly) forecast.

Green Thoughts

This seems as good a place as any to touch on an issue that everyone in the printing industry will sooner or later have to contend with: how environmentally responsible is print compared to electronic media? Issues related to environmental sustainability and responsibility are becoming more and more important—in some cases, rightfully so, in others, not to

much—and we have been seeing that print is coming under fire for being a “tree killer” at best and an environmental Satan at worst. The issue is not as clear cut as that.⁶¹

In September, 2009, WhatTheyThink published a report called *Printing Continues to Go Green: An Updated WhatTheyThink Primer on Environmental Sustainability in the Commercial Printing Industry*⁶² that looks at green issues in the context of the printing industry and, in one section, lays out some of the arguments and counter-arguments about the “greenness” of print vs. other media.

There was a *New York Times* blog post in August that posed the question, “Are E-Readers Greener than Books?”⁶³ that cited the results of a study that claimed that e-book readers such as the Amazon Kindle have less of an environmental impact than printed books:

The report indicates that, on average, the carbon emitted in the lifecycle of a Kindle is fully offset after the first year of use.

The report, authored by Emma Ritch, states: “Any additional years of use result in net carbon savings, equivalent to an average of 168 kg of CO₂ per year (the emissions produced in the manufacture and distribution of 22.5 books).”⁶⁴

But let’s be perfectly clear about this: electronic media do have a carbon cost. In fact, in early 2009, a Harvard physicist made headlines when he managed to calculate the “carbon cost” of a Google search. The BBC, among others, reported:

US physicist Alex Wissner-Gross claims that a typical Google search on a desktop computer produces about 7g CO₂.

...

The Harvard academic argues that these carbon emissions stem from the electricity used by the computer terminal and by the power consumed by the large data centres operated by Google around the world.⁶⁵

⁶¹ Apologies for the tree-cutting pun.

⁶² <https://store.whattheythink.com/operations-management/printing-goes-green>.

⁶³ Joe Hutsko, “Are E-Readers Greener Than Books?” *New York Times*, August 31, 2009, <http://greeninc.blogs.nytimes.com/2009/08/31/are-e-readers-greener-than-books/>.

⁶⁴ Lisa Sibley, “Cleantech Group report: E-readers a win for carbon emissions,” Cleantech press release, August 19, 2009, <http://cleantech.com/news/4867/cleantech-group-finds-positive-envi>.

⁶⁵ “Carbon cost of Google Revealed,” BBC.com, January 12, 2009, <http://news.bbc.co.uk/2/hi/technology/7823387.stm>.

Meanwhile, a 2007 Gartner Group report warned about the “carbon cost” of all the servers that comprise companies’ intranets and the Internet in general:

The intense power requirements needed to run and cool data centers now account for almost a quarter of global carbon dioxide emissions from information and communications technology.⁶⁶

And let’s not forget all the discarded computers, peripherals, cell phones, PDAs, pagers (does anyone still use a pager?), iPods, and so on.

It’s becoming more and more common for print-based media to come under fire for being environmentally irresponsible. It’s rather a silly argument; yes, the use of paper cuts down trees, but trees are a renewable resource. One of the driving forces behind the various “Do Not Mail” bills that are making their way through various state legislatures is the dubious claim that printed mail is environmentally unfriendly. For example, one of the most vocal proponents of this legislation, the Web site <http://donotmail.org>, claims that “It takes more than 100 million trees to produce the total volume of junk mail that arrives in American mailboxes each year.”



The paper industry plants 1.7 million new trees each day, for a total of 620.5 million new trees planted per year, for a net gain of 520.5 million trees annually. It’s hard to think of trees as an agricultural product, but that seems to be a big problem in assessing print.

And, yes, discarded paper ends up in landfills, but, come on, how many first/second-generation Kindles are going to end up in landfills in the next few years where, unlike paper, there is no possibility of their biodegrading? And depending on the batteries, they may also leach toxins into the groundwater.

Not to prolong this argument, but it’s a fact of life that all human activities have *some* kind of environmental impact. To single out print as being especially heinous is not fair, when an argument could be made that *all* media negatively affect the environment in one way or another. The decision to use any given medium is a function of a variety of decisions, and the transition from print to electronic media began long before environmental issues took center stage. For all the talk about companies adopting digital media to be environmentally responsible, in most cases, it’s little more than an economic decision (i.e., e-media are cheap or free;

⁶⁶ Colin Barker, “Gartner urges action on data center emissions,” CNet, October 11, 2007, http://news.cnet.com/Gartner-urges-action-on-data-center-emissions/2100-1022_3-6212965.html.

print is expensive). There are also issues of timeliness, relevance, personal preference, and all the other drivers of media and communication trends.

There is another aspect to it. Environmental action by printers has usually been a tactical issue. In the process, it acted as a Trojan horse, distracting the industry because of the significant regulatory threats and other costs that environmental issues can pose.⁶⁷ It's easy to point at very specific environmental acts that affect compliance with laws and regulations. Despite the efforts to please major corporate clients that have sustainability initiatives, they have still sought to replace print with electronic media.

A major driver of the sustainability movement has been Wal-Mart. Despite the significant savings that Wal-Mart has garnered in shipping and logistics, their profits as a percentage of sales has remained essentially the same. Wal-Mart's increase in dollars of profit has come from more stores and higher sales, not from increasing their profitability rate.

This is an important economic lesson. For years, printers have always complained that anytime their costs go down, their prices go down, too, sending all of their gains to their customers. This is what always happens in economics, and Wal-Mart is not exempt.

We have nothing against companies striving to be more environmentally responsible. No one *likes* pollution or other forms of environmental degradation. And if even if we were to grant the premise that climate change fears are overblown, it's probably at least a good idea to be mindful of our impact on the planet. That said, we question whether some of these efforts are ill-thought-out at best, or cynical "greenwashing" at worst. To quote T.S. Eliot:⁶⁸

The last temptation is the greatest treason:
To do the right deed for the wrong reason.

Environmental responsibility doesn't have to be anti-business, although many choose to frame it that way. What They Think's Gail Nickel-

⁶⁷ The Lacey Act is one of the latest concerns. "The Lacey Act was enacted in 1900 and is the primary law that prohibited trade in illegally captured animals and wildlife products such as hunting to supply commercial markets, interstate shipment of unlawfully killed game, and introduction of harmful exotic species and killing of birds for feather trade. In May 2008, the Act was amended to extend this protection to prohibit all trade in plant and plant products (e.g., furniture, paper, or lumber) that are illegally sourced from any U.S. state or any foreign country. The Act requires importers to declare country of origin for harvest and species of all plants contained in product." Margie Dana, *Margie's Print Tips*, October 2, 2008, www.bostonprintbuyers.com/printtips/10-02-08.html.

⁶⁸ American poet (1888–1965), known for the poems "The Love Song of J. Alfred Prufrock," "The Waste Land," and "The Hollow Men." His play "Old Possum's Book of Practical Cats" was the basis of the musical *Cats*. The quote we cite is from his play "Murder in the Cathedral," about the assassination of Thomas à Becket, the Archbishop of Canterbury.

Kailing has written at great length on the Going Green blog⁶⁹ that in many cases, printing companies that have changed their operations to be highly environmentally conscious actually have reduced their costs. This is part of the “lean manufacturing” issue, which could be a book unto itself, but can be defined⁷⁰ as:

a production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination. Working from the perspective of the customer who consumes a product or service, “value” is defined as any action or process that a customer would be willing to pay for. Basically, lean is centered around preserving value with less work. Lean manufacturing is a generic process management philosophy derived mostly from the Toyota Production System (TPS)⁷¹ (hence the term Toyotism is also prevalent) and identified as “Lean” only in the 1990s.

David Dodd has written frequently about lean manufacturing as it applies to the printing industry.⁷²

Dark or Dawn?

So what will it be: pitch black, or a new dawn? Is the printing industry interested in continuing its slide into irrelevance and obsolescence, or does it want to renew itself and prove that print and printers are still relevant, as we move into the second decade of the twenty-first century?

Think about it this way. The 2000s were a transitional period, the difficult passage from the old century to the new. A lot of mistakes were made, there was a lot of aimless fumbling around. But now it’s time to get serious. Let’s learn from the mistakes of the past and take our industry full-steam into the twenty-first century.

Your weapons of mass disruption:



to prepare for the rest of this book, repeat the to-do list items for chapters 1 and 2

⁶⁹ <http://blogs.whattheythink.com/going-green/>.

⁷⁰ http://en.wikipedia.org/wiki/Lean_manufacturing.

⁷¹ You could say, perhaps, that Toyota’s acceleration of lean has been stuck.

⁷² Start here: David Dodd, “What Is Lean?” What They Think, July 31, 2008, <http://members.whattheythink.com/articles/article.cfm?id=36558>.

4

The Changing Media Mix



In this chapter:

- 👉 the death of mass media
- 👉 the consequences of the expanding “media mix” for those who create content
- 👉 the problem of infinite inventory and what it means for online advertising
- 👉 every object or surface can be a marketing medium
 - all these media, channels, and objects clamor for pieces of the same finite marketing budget
- 👉 how marketing is changing from outbound (display advertising, etc.) to inbound (social media, search engine optimization, etc.)
- 👉 the growing importance of social media marketing and why you ignore it at your peril
- 👉 all this stuff will continue to evolve, making it even more difficult for laggards to catch up
- 👉 “the war is over and we didn’t even realize we needed a gun”
- 👉 the associations have not helped the printing industry adapt to these seismic changes

PODCASTING. RSS. Blogging. WOM. Viral marketing. YouTube. Facebook. Twitter. LinkedIn. Digg. StumbleUpon.

How many of these terms are recognizable to you? How many of them are recognizable to marketers and media providers? And yet, these are the some of the hottest topics in advertising and marketing today. To give you an idea of how fast things change these days, some of these terms are already verging on becoming passé even before many people—let alone people in the printing industry—have heard of them.



The average end user of information—the consumer—probably doesn't know what all those things are either. If asked to define them, they would probably have to run to Wikipedia and copy-and-paste a definition.

People use all or some combination of these things transparently and often without thinking about it, as naturally as if they were talking to the person next to them.⁷³ After all, people can talk to each other without being able to define the larynx or understand how the vocal cords work.

Some of today's technology futurists and writers talk about what they call the coming "singularity," or the point at which technological advances happen more quickly than they can be forecast or anticipated. In other words, the future happens before we're even done with the present. If it sounds like we are reaching this point with media and marketing, it's not without good reason.

Marketers, advertisers, publishers, and everyone else responsible for developing content have been wrestling with an increasingly diverse media mix. One major consequence is the growing trend toward entirely on-demand content, while another is the related trend of increasing audience fragmentation. What does a diverse media mix mean for the concept of "mass media"? Is there even such a thing any longer? What are the consequences of this media mix for those who develop content? What strategies have they been implementing? What strategies *should* they implement?

The Death of Mass Media

There was a time, not too long ago, when advertisers wanted to reach a large mass audience, they took out a 30- or 60-second TV spot during *The Six Million Dollar Man*⁷⁴ or some other top-rated show on one of the "big three" TV networks. Or they took out a print ad in a popular news-

⁷³ Probably more naturally than face-to-face communication for the socially challenged.

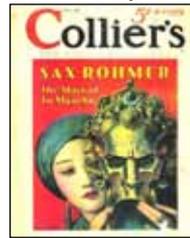
⁷⁴ Inflation-adjusted from 1974, that would be \$26,328,194.73 in 2009 dollars, or *The Twenty-Six Million Dollar Man*.

paper or national magazine like *Time* or *Newsweek*. Business-to-business product and service companies could rely on a particular industry's trade press to reach potential customers.

However, the idea of mass media has been gradually eroding. Arguably, it started with the magazine publishing industry. Remember a time when general interest magazines like *The Saturday Evening Post* or *Collier's* were top media channels? New media like radio and television siphoned audiences away from these publications and the magazine publishing industry diversified into hundreds or even thousands of niche publications that served very narrow interests. The same thing happened with radio after the advent of television; each station began



appealing to a somewhat narrow audience with a common interest—sports, top 40, easy listening, jazz, and so on. Still, the categories were broad enough that it could still be considered “mass” media. In fact, mass media became a collection of family or narrow media all using the same delivery mechanism.



Cable television was the next step in the evolution toward what the television industry refers to as “narrowcasting” (in contrast to “broadcasting”). Different channels that emerged that were highly targeted toward particular subjects—science, gardening, science-fiction, sports, and so on. This, too, is another example of the collection of channels being viewed as one...because that's the way the advertising is sold.

In point of fact, while the channels may be targeted, ad sales are bundled, and an advertiser who wants to reach, say, men of a certain age group may want to advertise on ESPN, but will be required to also advertise on ESPN2, ESPNU, ESPN360, NESN (and other local cable sports channels), the NFL network, and other related channels.

The reason it works is that cable channels now have higher total viewing than the broadcast networks.

Ultimately, the Internet took this trend to its logical conclusion, and now there is an almost infinite number of places people can go to get information, news, and entertainment about any conceivable interest or “micro-interest.” Web sites, blogs, YouTube and other online video sites, games—you name it. Now mobile media are taking this in new directions as well. Aggregating a mass audience is now like getting cats to walk in a straight line. Why? Radio stations sell their time to major advertisers as packages that include multiple stations and multiple geographies. Cable channels do the same. The Internet, however, has no such

parallel, especially when search engines are the primary entry point to the Internet audience. Search engine marketing, also called contextual marketing, has been one relatively successful strategy for coping with this. But even then...how many times has clicking on a sponsored link in Google's search results ever been helpful? Not very many.

As a result, marketers and advertisers have found that it is increasingly necessary to deploy messages through a variety of media channels to wrangle an audience back to a size that is effective for advertising and marketing. The real change in media was that advertising had to be used to reach the marketplace, and the marketplace is increasingly hiding from or ducking advertising. More people now watch TV shows online than they do via their TiVos—and that's largely because there are far fewer commercials in programs shown online.⁷⁵ Public relations was a weak method, and placement of public relations efforts unfortunately had a relationship to the size of advertising spending that the company issuing the public relations message had. Today, public relations has the upper hand because there are media that do not require advertising revenue for their existence in the same way.

Infinite Inventory

One of the publishing industry's biggest problems has been how to monetize online content. The reason this has proven to be so difficult is a basic law of supply and demand. Back when print was the only option for publishers, inventory was limited. Sure, page counts could always go up as advertising increased—we all remember when issues of *PC Magazine* weighed something like fifty pounds, or at least it seemed that way—but there was usually an upper limit. As a result, publishers could charge advertisers a handsome fee. On the Internet, ad space is virtually limitless. It's not infinite, but there is no inherent limit to the number of Web pages that can exist.⁷⁶ So supply is extremely high, and demand has yet

⁷⁵ However, there are still just as many “commercial breaks.” After all, TV shows are written such that commercial breaks are “act breaks”—a well-written show develops its individual acts dramatically, and each “act out” that leads into a commercial break is designed as a moment of suspense or revelation. Still, online commercial breaks are only about thirty seconds each and have usually a single ad, compared to the several minutes of commercials in a broadcast version. Boy, we hope that doesn't change. But, uh oh, this just in: “Starting this fall, Nielsen intends to start making available data that take into account viewing of commercials that run in a particular show, no matter whether they are seen online or on TV....For Nielsen to be able to provide the commercial rating, shows seen online will have to have the same group of commercials that run on TV. If this system were adopted en masse—and it's not clear that it would be—online viewing might be crammed just as full of commercials as the more traditional TV-watching experience.” Brian Steinberg, “New Nielsen ratings merge shows' TV, online views,” *Advertising Age* via *Crain's New York Business*, January 22, 2010, www.craigslist.com/article/20100122/FREE/100129949.

⁷⁶ Well...there is probably a finite amount of space on the servers of the world, but even if

to reach a point where the price point of any given online ad approaches what its print counterpart would have fetched. Even very highly trafficked sites can't charge enough per ad to be as profitable as their print products were. After all, screen space is limited, and full-screen ads annoy their viewers, unlike full-page ads, which are accepted by readers.

The other problem that publishers got themselves into was failing to early on create the expectation that Web content was something that could be charged for. Now, everyone expects that content on the Web will be free, and if, say, the *New York Times* starts charging for its content, well, there are hundreds if not thousands of other news sites that don't.

There is an analogy in the banking industry. Back in the 1990s, there was a great deal of anger when banks started charging non-customers a fee to use their ATMs. Not that there was anything in principle wrong with this—"Pay for a service?! The very idea!"—but for many years it had been free and now suddenly there was a charge for it, even though the charges were to use the services of a different bank! The ATM offers banking services at times when banks are closed, and even though 24/7 has a price (and a cost), consumers don't always want to pay for it.

Still, there is usually more resistance to a fee when the same service (or product) had been free than if it had been for-pay all along. This is analogous to the situation in which publishers now find themselves. It's like trying to swim in magazines at low tide, as Michael Phelps might say.

Media Singularity

Media, technologies, and platforms are proliferating rapidly. We can perhaps refer to this media explosion—somewhat tongue-in-cheek—as a coming "media singularity," after a term that technology writers and futurists use to refer to a time in the not-too-distant future (twenty years? forty years?) when technological progress happens faster than experts can predict it.⁷⁷

At the same time, if you follow media news and trends, it's hard not to think that marketers and advertisers are engaging in a lemming-like pursuit of the "medium du jour."⁷⁸ Many people feel like they missed out on the early days of the Internet, and there is a sense that there are many boats that are being missed even now, so there seems to be a sense of *carpe diem* (or perhaps *carpe media*)⁷⁹—with respect to new technologies and platforms. Meanwhile, we've been seeing a shift away from older,

it's not infinite, we suspect the potential number of potential Web sites is inconceivably large.

⁷⁷ See, for example, Ray Kurzweil's somewhat controversial 2005 book *The Singularity Is Near*.

⁷⁸ And we can hear Yogi Berra asking, "What's the medium du jour today?"

⁷⁹ See? You should have taken Latin (or seen *Dead Poets Society*). *Carpe diem* means "seize the day" (not "seize the fish") and perhaps *carpe media* means "seize the media."

more traditional—some would say reliable—media like print, which is now more or less officially referred to as “offline media.” Most of the discussion today centers around topics like online, search, social media, mobile, gaming, viral marketing—the list goes on and on.

The important point is that these are all new forms of *communication*. In *Renewing the Printing Industry*, we talked at great length about the communication process and all the ways that printers can get involved in that process.



As an industry that specializes in communication, we ignore prevailing and emerging media and communication trends at our peril.

All of these new media channels and platforms are the result of technological advancements. Small and fast microchips can potentially transform *everything* into a marketing platform. Electronic displays are becoming more and more common. There have been experiments with putting computers and displays in the back seats of cabs. Why are some ATMs so slow to process your transaction? So you have more time to look at the onscreen ads. Gas pumps, appliances (refrigerators now have TVs in them, for some reason), cars (which have LCD displays which flash a branded welcome message every time you turn on the ignition)—these are all marketing platforms. If you ever go to a live sporting event, you know that every available surface can be used as an advertising and marketing medium, even player uniforms.

A short list of the marketing channels that are more or less integrated into our everyday lives would include:

- electronic displays
- ATMs
- gas pumps
- appliances
- cars
- store check-out lines
- sporting events—every available surface

Remember, too, that there are many print-based marketing channels that often go beyond what we traditionally think of as print media:

- T-shirts
- banners
- outdoor graphics
- vehicle wraps
- transactional/transpromotional
- blimps

Many of these are referred to as “offline media.” Let’s not forget Web 2.0 and its universe of media channels and platforms:

- blogging/vlogging
- podcasting
- RSS
- viral/WOM marketing
- wallpaper
- ringtones
- social networking (Twitter, Facebook, etc.)
- YouTube
- mobile marketing

The Twister Mat

There is an illustration we use (see the next page) to depict all the new communication and media channels—we unofficially call it the “Twister mat.”⁸⁰ But it shows that all of these items circle around—and, in fact, clamor for pieces of—a given marketing budget. And we all know that marketing budgets rarely increase as exponentially as the number of media available, if they increase at all. Thus, when planning a campaign, marketers need to choose wisely and strategically from these and other channels. Dollars, after all, are allocated based on expected returns—the nebulous concept of “return on investment.”



The ROI metric is unique to each company and industry—and perhaps even each executive at a company. Indeed, a given executive may even have a different definition of ROI each year.

We mention all these things here because printers need to take note. Remember what we said in Chapter 1 about knowing *really* who printers’ competitors were? Take a look at that illustration. *That’s* where the competition is. All of those media and channels that are not print-related are competition for the same dollars that print is. As a result, printers’ competitors are those companies that can produce and disseminate content for those other media channels. And how many of these things have been around longer than ten years? That gives you some idea of the rate of change of communication channels.

⁸⁰ Surely many of you have played the game Twister when you were kids. We understand, however, that playing Twister as an adult can be quite different, depending on the circumstances in which it is played...

The “Twister Mat” of Communications and Media Channels



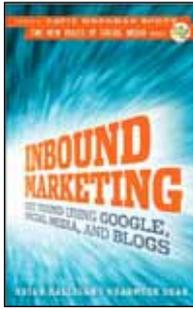
What is the common denominator driving media choices? Convenience. E-mail, social media updates, instant messaging, texting—it’s all quick, easy, and (usually) cheap.⁸¹

⁸¹ Mobile phone carriers do often charge a premium for text messaging, which is curious because texts use less bandwidth than voice. Go figure.

Inbound Marketing

There is a book that should be required reading for anyone even peripherally involved with advertising and marketing today: *Inbound Marketing: Get Found Using Google, Social Media, and Blogs*.⁸²

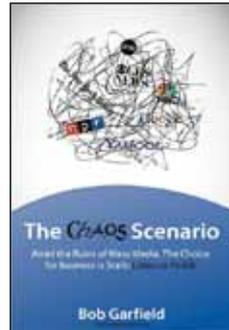
It provides strategies and techniques—some of which we will be discussing in great detail in the latter half of this book—for capitalizing on society’s trend away from interruption-based advertising and marketing. That is, since time immemorial, advertising and marketing have been “outbound.” Companies deployed messages via various media channels, and it has been based on interrupting whatever a viewer, reader, or user has been doing and getting them to pay attention to—and, ideally, act on—those messages. This is the old model of advertising; radio and TV commercials, print ads, banner ads, those horrible pop-up ads that hijack your Web browser until you can locate the cleverly hidden “close” button, all of these things and more are based on a company creating and deploying an outbound message.



Outbound messages are becoming less effective as people have started becoming actively opposed to these kinds of interruptions and are taking deliberate steps to avoid them. They use digital video recorders like TiVo to zap past commercials; they ignore print ads and banner ads; they hit the “close” button on those animated pop-up ads; even e-mail marketing messages are increasingly being deleted sight unseen.

Another recent must-read book, Bob Garfield’s *The Chaos Scenario: Amid the Ruins of Mass Media, The Choice for Business is Stark: Listen or Perish*, describes what can be called the “post-advertising age,” a time when advertising is simply an inefficient way of reaching consumers, largely because people generally hate advertising.

Garfield cites a Pew Research study that found that the prevailing sentiment among the general population is that “all ads are spam.” New advertising strategies often do more harm than good, too; studies have found that when it comes to online video, a fifteen-second “pre-roll” (that is, an unskippable ad shown before a video starts) “causes 8% of the audience to abandon the clip before it starts. A thirty-second pre-roll sends



⁸² Brian Halligan and Dharmesh Shah, *Inbound Marketing: Get Found Using Google, Social Media, and Blogs*, John Wiley & Sons, 2009.

22% of the audience packing.”⁸³ And overlays? Putting an ad in the bottom of an online video reduces page views by 17%.

The alternative to outbound marketing and advertising is, obviously, inbound marketing. This involves leveraging all the myriad ways, online and offline, for potential customers to come to a given company. In other words, people and businesses are actively looking for products and services. Rather than bombard them with outbound messages, you optimize yourself so that people can find and come to you. This involves writing blogs and getting large numbers of people to follow them regularly;⁸⁴ tweeting and accumulating followers on Twitter; acquiring Facebook fans and friends; building groups and networking on LinkedIn; optimizing your Web site for search engines like Google; and so on.



With inbound marketing, you're not trying to futilely create demand for something; instead, you're seeking to attract the attention of people who already have a demand.

This is really nothing new in principle. Look in your Yellow Pages, decidedly old media. How many companies have named themselves AAAAA Moving or what-have-you in order to get to the top of the listing in any given phone book category? And don't shops deliberately prefer to rent space in crowded shopping malls or plazas and use big, attractive signage so random shoppers can easily find them? It's all about making it easy to get found when people are looking for something. Just as a retail shop would expect to get little business by renting space in an unmarked building in a cul de sac in an abandoned part of town, so, too, does a company do itself a disservice by failing to optimize its Web site to draw incoming traffic—or to be detected when users need it at a precise time.

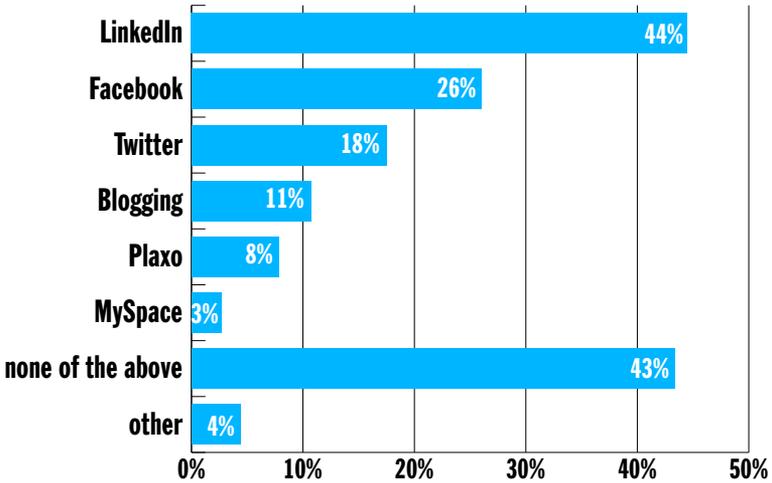
Providing Marketing Services

Why is any of this discussion important for the printing industry? As we remarked vis-à-vis the Twister mat illustration, all of these media channels and forms of communication are competition for print, and the companies that specialize in helping other businesses leverage these channels for marketing purposes are increasingly competition for printers. Therefore, any company that claims to be a marketing services provider must by definition be conversant in these media and channels, and

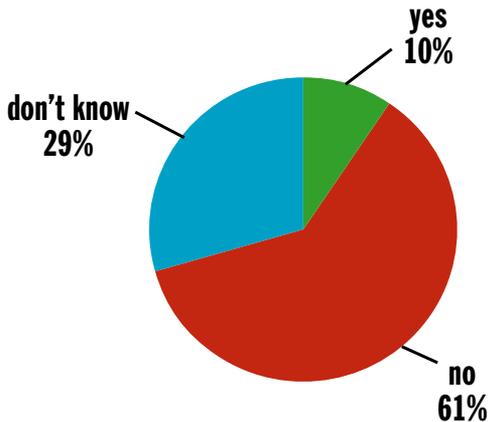
⁸³ Bob Garfield, *The Chaos Scenario: Amid the Ruins of Mass Media, The Choice for Business is Stark: Listen or Perish*, Stielstra Publishing, 2009, pp. 59–60

⁸⁴ “Regularly” is also a term that is subject to definition based on the nature of a purchase cycle for a product or an idea. For a Presidential campaign blog, “regularly” might mean “until the election.”

Is Your Company Active in any Social Media? —All Printers, September 2009 (Multiple Responses Permitted)



Will Your Business Be Offering Social Media Management Capabilities as a Billable Service for Your Clients In 2010? —All Printers, September 2009



Source: ERC survey, September 2009

be help customers implement them. Where does the printing industry stand on this score?

We asked in our September 2009 ERC survey, and we found that 44% of printers are active on LinkedIn, but about the same amount (43%) selected “none of the above.” Twenty-six percent are active on Facebook, and 18% are active on Twitter. Eleven percent of shops have their own blog or are otherwise actively blogging in some fashion.

As for the extent to which print shops have any interest in helping customers develop their own social media marketing strategies, only 10% of respondents said they had any plans to offer social media management capabilities for clients in the next year. Six out of ten (61%) said they had no plans, but then 29% said they “don’t know.” (See charts on next page.)

By the way, we note wryly that in the same survey 32% of respondents said they promote and advertise their business as “marketing services” or “communications graphics” or a “media management” business and not as a printing services business. Here’s why we note this wryly. If we cross-tabulate these social media questions by those respondents who declared themselves as “marketing services providers,” we find that one-third of them are not active in any of the social media. And almost six out of ten (58%) “marketing services providers” will not be offering social media management capabilities as a billable service in 2010. Granted, no one knows how to bill for this kind of thing yet, but the implication is even more basic, that a large number of companies that claim to be providing marketing services are ignoring the most important marketing channels today.

If a business is going to *really* be a marketing services provider, it needs to provide the full gamut of marketing services, and that includes all these new inbound marketing strategies—otherwise it’s still just a printing company.



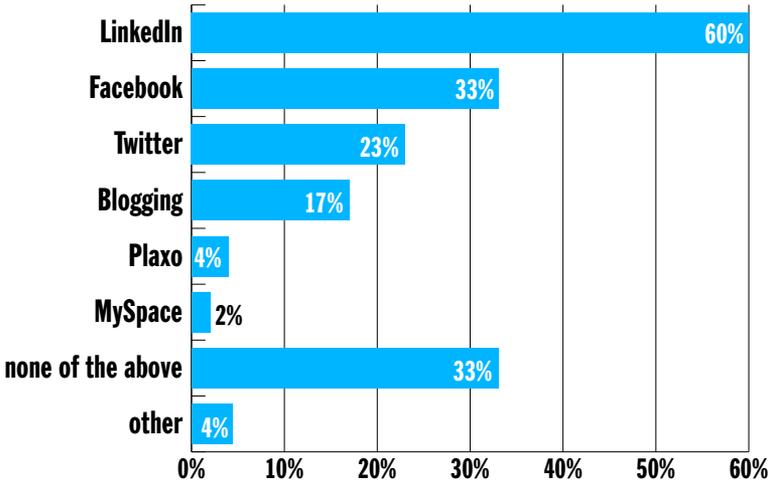
The printing industry’s emphasis needs to evolve from billing for discrete tasks like printing individual jobs to retainer-based billing for providing ongoing services, many of which involve social media development and monitoring.

A Short Digression on Marketing Services

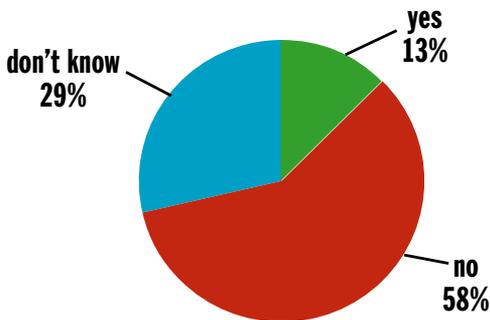
This seems like as good a time as any to address the idea of “marketing services” as it relates to the printing industry, and discuss what it *really* means—and why definitions matter.

For decades, we have been hearing that print is a commodity, that there are too many printers, printers always have the same equipment, and that printers don’t know how to market. There are many more of these comments, and we’ve written and spoken about all of them at various times over the years.

Is Your Company Active in any Social Media? —Printers Who Described Themselves as “Marketing Services Providers,” September 2009 (Multiple Responses Permitted)



Will Your Business Be Offering Social Media Management Capabilities as a Billable Service for Your Clients in 2010? —Printers Who Described Themselves As “Marketing Services Providers,” September 2009



Source: ERC survey, September 2009

A February 2010 blog post by Margie Dana⁸⁵ happened to echo many of our general sentiments about “marketing services” and printers. She said, basically, that printers do themselves and their customers a disservice when they cleverly rewrite and redesign their Web sites to obfuscate the fact that they’re a printer (i.e., a “manufacturer”) using instead terms like “marketing services provider.” What she describes, but may not have realized, has an economic underpinning. Businesses are defined, whether they want to be or not, by their major capital investments and their history, all of which combine with other factors to create a culture that is detected by others, even on their first interaction, even if they can’t articulate it. Therefore changing that definition is difficult.

Curiously, we’ve found in surveys that we have done in conjunction with our economic Webinars that the business conditions of printers that state that they are marketing services providers are just as bad as, and sometimes worse than, those of printers who do not. We have rarely found that printers who say they are marketing services businesses have any significant or sustainable economic advantage over those that still consider themselves “printers.” We don’t know how the early adopters of this moniker initially performed, nor is there a good set of guidelines for clearly separating a marketing services business with printing equipment from another business with printing equipment alone. A recent post to the WhatTheyThink peer group⁸⁶ makes an attempt.

Print is not a commodity; a commodity is a raw material that is combined with other things to create something quite different, which makes print a *processor* of commodities, but not a commodity itself. The marketplace has been correcting for the number of printers for years, forcing the net exit of more than a thousand printers a year for a decade and a half. Technology has narrowed the variability of the printing process and its operators, and instead stored essential and repetitive knowledge and craft skills in software. This has created a predictable, rising, and reachable level of acceptable mediocrity that nearly all printers could achieve. (Regarding technology and craft, just think that almost every time you click a command in Adobe Photoshop, it’s probably something that would have taken more than an hour in the 1970s, used lots of film and chemicals, and would have billed out at \$35 an hour, plus materials.⁸⁷)

The old saw about printers being involved in the production of sales

⁸⁵ Margie Dana, “You’re a Printer. Stop Denying It!” *Printing Impressions*, February 16, 2010, www.piworld.com/blog/printers-calling-themselves-marketing-solutions-providers-doesnt-print-buyers-disservice-margie-dana.

⁸⁶ <http://blogs.whattheythink.com/peer-groups/2010/02/what-does-it-mean-to-be-a-marketing-service-provider/>.

⁸⁷ In fact, one simple command—clicking on the CMYK color mode—used to be the entire color separation business! Imagine, your entire business class replaced by a single menu command. That’s gotta hurt.

and marketing materials for the entire economy but printers not knowing anything about marketing, seemed pretty astute at first hearing. It minimized the core capabilities and innate knowledge that our industry's entrepreneurs and risk-takers used to profitably survive in the markets at that time. We always found it quite the paradox in the 1980s and 1990s when executives of money-losing technology companies would lecture printers about their inability to market. The printers had long track records of being profitable and supporting generations of family members. The tech companies had trouble surviving from quarter to quarter. The marketing efforts that those printing organizations used at that time were appropriate for their marketplaces at that time. They are not the skills needed this time, because those marketplaces no longer exist in the same way or form.

The reason marketing services is not a panacea has a similar pattern to the way the industry made its equipment investments. For almost all of print's entire history, there were limited numbers of early adopters of new technologies. In the 80s and early 90s, these folks would joke amongst themselves and their risk-averse peers that they were at the "bleeding edge of technology," a recognition of marketplace experimentation they were engaged in, and that it often included a period of economic loss time until they got it right.

After the early adopters were done, other printing organizations would jump on the bandwagon. As some would say, "we'll let them take the arrows and the gunshots, and then we'll jump in." There was a mimicry, a keeping up with the Joneses, that was involved in the technology investments that printers would make. This was perfectly sane and rational: prior capital investments would usually have long lives, capital was scarce and had to be used wisely. The market was growing, which meant that there was enough business that could be competed for on a profitable basis unless one made big mistakes, even if that profit was often limited. So if a 28-inch press was hot, the reason was because it had been proven as safe to buy because the market for its output was proven by other printers the buyer knew. This is how our industry went from letterpress to offset, hot type to phototypesetting, film to direct-to-plate, and many other changes.

This has changed, however.

Consolidation means that there are fewer independent business owners who can emulate each others capital purchases. That reduces the number of business owners who are early adopters. Fewer people who take risks, fewer owners to mimic their actions.



Technology changes so rapidly that the marketing life of printing equipment is often less than its functional life.

If you've read this far in this book, you are familiar with this idea.

The problem with marketing services as it is often practiced is that it must co-exist with significant capital investment in print production equipment. Those investments still dominate the culture and operations of that business.

Unlike a bad equipment choice, there is no downside risk to claiming a business is in marketing services and being wrong. No one has to put a load of their own money, or agree to a bank's conditions, to say they are a marketing services business. That alone would be a barrier of entry to the business, such as preventing a printer from saying they had a heat-set press in their plant because they would hire someone to stand next to their AB Dick 360 duplicator holding a hair dryer. Capital investment would create discipline to such marketing claims, as well as making the differentiation clear to everyone. If Dr. Joe claims to be a medical doctor and starts seeing patients, it's likely he'll be arrested.⁸⁸ But if he (or anyone else) claims to be a marketing services provider, no one will notice.

The real issue is credibility. How does a client know that they are dealing with a marketing services provider, and not "just" a printer? They will know it because the printers experience in marketing services will come from using the tools of marketing services themselves. Consultative selling, yet another buzzphrase, is not just telling people what to do and figuring out what freelancers you can assemble and markup their individual billable tasks.

True marketing services is not part of the printing culture, at least not yet. So many of our great companies came from entrepreneurs who had print production insights that others of their time did not. Those advantages were right in those times, but now must compete among media alternatives that have advantages unique to themselves.

That competition is not always easily understood unless all of a business's scarce resources are devoted solely to that cause. For that reason, any marketing services business should be a set up as a standalone business, separate from the printing organization, with its own investment, management, and financial measurement. This prevents falling back to the familiar safety of printing capabilities (as in "we need to get some sales activity because we have a lease payment due for the press, so be more aggressive in estimating the next few days"). The shift to marketing services has to be made knowing one can't fall into a safety net; that's often more difficult for the owner than it is for everyone else.

As we have started to mention earlier in this book, marketing services is a new culture, moving from a billable task or job relationship that is in-

⁸⁸ When Dr. Joe flies, on those occasions when the flight attendant asks, "Is there a doctor in the plane?" he is tempted to raise his hand and ask, "Is it a question about regression analysis?"

voiced as completed like print, to a longer-term retainer relationship that comprises many services, and is billed monthly, quarterly, or annually. It needs to stand alone because the culture and pace of the business is radically different, which means the staffing must reflect that difference, too.



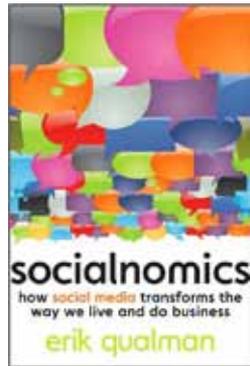
The first hurdle is always to use the tools available in the marketing services business for one's own business, and use it in a way that proves competence, demonstrates skills of wide range and insight, and makes marketing services more than a new business card.

Social Media Revisited

We are dwelling on social media here and throughout the rest of the book because it's quickly becoming a (if not *the*) chief way that marketers and general users prefer to communicate. Say what you will about Twitter, but it is now important for the dissemination of messages, marketing or otherwise. To paraphrase Mark Twain, "One tweet can make it halfway around the world before print has even got its boots on." And that's understating the matter.

Another book we recommend⁸⁹ is Eric Qualman's *Socialnomics*⁹⁰, which explores the cultural changes being wrought by the growing usage of social networks, and how they are increasingly superseding old, outbound marketing strategies as people turn to these networks to get information, share resources, collaborate with colleagues, and find new business. (Qualman's book is a good introduction, but as not as good strategically as *Inbound Marketing*, but then it wasn't supposed to be. For product and service ideas, read the latter.)

Like anything else, social networking is nothing really new in principle. It's the online equivalent of, say, associations, user groups, or even coffee *klatsches*. That is, people networking with their peers and sharing information. What's new about it is that it is far more efficient, and one's network can literally span the globe,⁹¹ and even include individuals in



⁸⁹ Maybe like Oprah, we need a "Dr. Joe's Book Club."

⁹⁰ Eric Qualman, *Socialnomics*, John Wiley & Sons, 2009. There is also a book called *Wikinomics*, *Freakonomics*, etc.—in fact, we think it's time for a moratorium on books with "–nomics" in the title. We would, however, make an exception for a book about the economics of lunch called *Nomnomnomnomics*.

⁹¹ Richard Romano recently had lunch with Joel Friedman, a longtime graphics industry veteran marketing manager and association executive, who admitted that he had

other people's networks. The phrase "six degrees of separation" is apt, but it would not surprise us if the number of connections between any two people eventually came down a few degrees, if it hasn't already. (And this probably even includes Kevin Bacon.⁹²)

Even the "shared moments" that we as a culture seem to psychologically need—the Moon landing, the final episode of *M*A*S*H*, a hotly contested Super Bowl—are becoming virtual and viral, and now those "moments," those morning water-cooler conversations that usually begin "Did you see *X* last night..." are disseminated to one's network via e-mail, blog posts, tweets, Facebook updates, etc. Indeed, February 7, 2010's Super Bowl XLIV was not only the most-watched Super Bowl in the event's forty-three-year history, but also broke the record held by the 1983 series finale of *M*A*S*H* to become the most-watched telecast in U.S. history.⁹³ Why? Many theories abound, but one in particular: "The growth of social media creates a national water cooler for viewers to share thoughts and trade quips about what they're watching. Someone watching the game alone can now feel like they are watching it at a party without having to worry about cleaning up dishes later. Twitter was overloaded a few times during the game, with people tweeting about advertisements."⁹⁴

Meanwhile, more and more people link to YouTube videos of someone dumping Mentos into a bottle of Diet Coke, or tossing objects in a blender, or doing a silly dance in various nations of the world. And all of this is completely bypassing what we almost nostalgically refer to as "mass media."

It's no accident that YouTube's slogan is "broadcast yourself." Google, owner of YouTube, indicates that every minute, there are twenty hours of video being uploaded to the YouTube site by thousands of users. Everybody's in showbiz.

Slicing and Dicing

The one thing we hope that comes across in our discussion of the media mix is the effect that the expanding number of channels has on the marketing budget, as well as expectations for responses. Marketing and

more professional colleagues in Germany and the UK than in upstate New York, where he physically lives.

⁹² Yes, we know, all our references are horribly dated. The "Six Degrees of Kevin Bacon" dates from the mid-1990s, and is defined by Wikipedia as "a trivia game based on the concept of the small world phenomenon and rests on the assumption that any actor can be linked through his or her film roles to actor Kevin Bacon within six steps. The name of the game is a pun on the philosophical 'six degrees of separation' concept." http://en.wikipedia.org/wiki/Six_Degrees_of_Kevin_Bacon.

⁹³ On a proportional basis, Canada's 2010 sudden death victory in the 2010 Winter Olympics was even bigger. It was tuned in by 80% of the country's viewers.

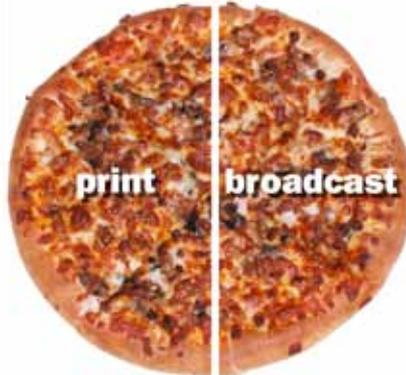
⁹⁴ Joe Flint, "Saints' Super Bowl win nips *M*A*S*H* finale for most-watched show ever," *LA Times*, February 8, 2010, <http://latimesblogs.latimes.com/entertainmentnewsbuzz/2010/02/saints-super-bowl-win-is-.html>.

advertising budgets are finite; they rarely if ever expand to encompass all the channels there are to spend money on. At the same time, different sectors of the audience will prefer to access content in different ways using different media channels.

The situation can be easily illustrated using pizza:

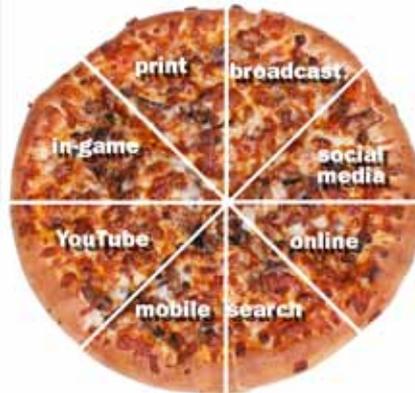
What Marketing Was...

Marketing Facts
Budget Size: \$5 million
Media Serving Size: 1 slice
Number of Media Outlets: 2
<hr/>
Amount Per Media Outlet
<hr/>
Total Responses: 1 million
Responses Per Slice: 500,000



What Marketing Is Now...

Marketing Facts
Budget Size: \$5 million
Media Serving Size: 1 slice
Number of Media Outlets: 8
<hr/>
Amount Per Media Outlet
<hr/>
Total Responses: 1 million
Responses Per Slice: 125,000



In the past, a major mass marketing effort that used a small number of channels could potentially draw a large number of responses. Now, the same marketing budget needs to be divided up among all the different channels we saw in the Twister mat, and each channel by itself yields a

much smaller number of responses—but when aggregated, ultimately, a substantial response is yielded. Remove any channel that has a significant number of adherents, and you lose those potential responses.

We'll be returning to the topic of pizza in Chapter 5.⁹⁵

Inbound PR

Just as outbound advertising is yielding to inbound marketing, advertising in general is becoming less like advertising and more like public relations. Even the nature of public relations is changing. Once upon a time, a good PR agent had a great Rolodex of movers, shakers, writers, and experts in a given industry, and could cultivate relationships with editors and analysts so that their company's latest new "thing" always caught the attention of the trade press.⁹⁶ They set up in-person meetings and briefings, technology demos, and functioned as the liaisons between company and media and, by extension, the public.

However, this dynamic is changing, and there is no centralized "media" anymore as now anyone can blog, and even influential bloggers can appear seemingly overnight. The decentralization of any industry's given trade press—and, yes, this includes the printing industry's—means that the traditional model of public relations has changed. It's harder to cultivate those relationships in the same way, especially when you're talking about a disunited group of bloggers and tweeters. At the same time, the social network is taking the place of the traditional PR–press relationship. No one needs a clearinghouse for information, since information can be passed around and commented upon without the usual filters. Another vital part of public relations, damage control, has been rendered ineffective by the social network.

This is not to say that there is no place for public relations in the new scheme of things. Rather, a good PR initiative monitors the social net and is quick to address concerns and problems, but should always foster a dialog *with* customers, rather than talk *at* them.

⁹⁵ We can imagine Yogi Berra saying, "You better cut the pizza in four pieces because I'm not hungry enough to eat six."

⁹⁶ Helene Smith, one of the best PR agents in the graphic communications industry, recently lamented (if that's the right word to use) in a conversation at Graphics of the Americas that thanks to social media, she has direct access to the end user and no longer really *has* to go through the intermediary of the trade journalist (*sniff; sniff*). This is what is happening to public relations in general, and why—as we will discuss in Chapter 7—social media has to be managed like an ad or PR campaign.

Push-Me/Pull-You

Another way of thinking about outbound vs. inbound marketing is in terms of “push” (you reach out to the market) and “pull” (the market comes to you). We can categorize all the varieties of marketing and advertising—further broken down by online, offline, and mobile media—by these three approaches.

The tables below show the evolution of this concept. Up until the 1990s, there were very few options for media.

*Before the 1990s: The Offline Push-Pull Matrix*⁹⁷

Offline

Pull (market comes to you)

trade shows, directories, word of mouth, location, brand name, general reputation and corp. image, 800 nos. and other phone inquiry responses

Push (you reach out to the market)

signage, storefront, events, space advertising, broadcast advertising, billboard/outdoor, specialties, traditional public relations, spokespeople, direct mail, sponsorships, product placement, physical environment, POS/POP

In the 1990s, the Internet began to hit critical mass, and the table added a second column. There also emerged a middle ground that we can refer to as “collaborative” or interactive, where you and the market collaborate in some mutual location. Notice some of the items in the offline-collaborative cell. We’ve always had trade shows and associations, but now we have a new context in which to view them: social media. These venues have always served to bring people together from vast geographies and interests, just like Facebook and others do online today. This means that the strategy of being successful

⁹⁷ These matrices can also be viewed in one table online at <http://members.whattheythink.com/disrupting-the-future/>. Interestingly, they are visually clearer in a PowerPoint presentation, but formatting them for the trim size and orientation of this book was a challenge, another example of how content needs to be strategically moved from one medium to another.

at trade shows has a new purpose and requires new tactics and strategies.

*The 1990s/2000s: The Online and Offline
Media Push-Pull Matrix*

	<i>Online</i>	<i>Offline</i>
<i>Pull (market comes to you)</i>	Web site design, Web site inquiries and customer support, organic search, downloadables (white papers, product info)	trade shows, directories, word of mouth, location, brand name, general reputation and corp. image, 800 nos. and other phone inquiry responses
<i>Collaborative (interactive)</i>	forums, e-commerce dealers, market research, online personalization	associations, organizations, events, training, seminars, dealers and distributors, user groups, market research, sales personnel
<i>Push (you reach out to the market)</i>	Web site promotion, e-mail campaigns, paid search, Webinars	signage, storefront, events, space advertising, broadcast advertising, billboard/outdoor, specialties, traditional public relations, spokespeople, direct mail, sponsorships, product placement, physical environment, POS/POP

And today, mobile media are in the process of shoring up a third column:

The 2010s: The Online, Offline, and Mobile Media Pull-Collaborative Matrix

	<i>Online</i>	<i>Offline</i>	<i>Mobile</i>
<i>Pull (market comes to you)</i>	Web site design, Web site inquiries and customer support, organic search, downloadables (white papers, product info)	trade shows, directories, word of mouth, location, brand name, general reputation and corp. image, 800 nos. and other phone inquiry responses	mobile Web, organic mobile search, smartphone apps, social media for mobile, SMS/MMS, location-based services
<i>Collaborative (interactive)</i>	Facebook, MySpace, LinkedIn, blogs, forums, e-commerce dealers, YouTube/online video, market research, online personalization	associations, organizations, events, training, seminars, dealers and distributors, user groups, market research, sales personnel	social media for mobile, apps (Yelp, etc.)

We don't know for sure if mobile media deserve their own column in the long run. Online and mobile will probably become one and the same, but mobile deserves special attention today, especially in 2010 as Apple introduces its iPad and HP introduces its Slate tablet computers, with others also participating in the category that really got moving with the iPhone.⁹⁸

⁹⁸ Interestingly, we can track this by the decline in the use of "out of office" e-mail auto-responders. How often does anyone get one of those "I will be out of the office until Monday" robo-notes anymore? Laptops and mobile devices have made everyone completely reachable, wherever they happen to be. Are we seeing the birth of the chairless office?

The Long Chain

There are other reasons to get up to speed on social media now, not the least of which is that the world won't stop to wait for everyone to catch up. The folks who ignored the first decade (or two) of the Web found themselves playing catch up, and the same will likely be the case for those who "wait out" the transition to social media. It's not going to stop with Twitter, LinkedIn, or Facebook. All this stuff is now migrating to mobile phones, a whole other hot topic for marketers to explore and avail themselves and their clients of.

None of this is truly revolutionary; it's all evolutionary, a natural progression of changes, trends, and tendencies wrought by a growing dependence on the Net and the ability to access it more readily, anywhere one wants, whenever one wants. It's about immediacy and relevance. That's why it seems like the culture is changing in response to these channels, and why the old models of advertising and marketing no longer work. The status quo had existed for decades because there was a tacit agreement between broadcaster/publisher and viewer/reader. The viewer understood that advertising was the price paid for free or subsidized quality content. They were captive audiences. No one questioned it, because there was simply no alternative. However, technology changed all that; the audience realized it no longer *has* to endure advertising it doesn't want to see.⁹⁹ It wants to see the content it wants to consume, and it doesn't want to be interrupted while it is consuming it. Being interrupted by ads has become like the telemarketer who calls during dinner.

Speaking of immediacy and relevance, those factors are also driving forces behind the shift to digital printing. Mass-produced direct mail and other printed material is certainly still viable and relevant as a communication channel, but short-run, fast-turnaround, targeted print has been the killer app for print as a medium for the better part of the past decade, if not longer. Again, it's not especially revolutionary; the advent of printing itself was that. This is evolutionary, and is the natural progression of changes, trends, and tendency wrought by the need to communicate faster and with greater relevance.

Meanwhile, newer technologies are appearing that will take mobile media even further—and may even take print even further. Things such as quick response (QR) codes and augmented reality (AR) bridge the gap between print and electronic media—and make print a truly interactive medium. This is bleeding-edge stuff right now, but wouldn't it be great to have a leg up on everyone else for a change?

Meanwhile, some think that the "next Twitter" are mobile location-

⁹⁹ This is also an aspect of the cultural shift that has led to "do not mail" lists.

based social media like Foursquare (<http://foursquare.com>) and Gowalla (<http://gowalla.com>). Yes? No? Maybe? Foursquare is starting to catch on, and cryptic tweets about people becoming the “mayor of Joe’s Bar” or whatever are starting to become more common.¹⁰⁰ We’ll see, but it’s a safe bet the “next thing” will be here before many of us have even grasped the “last thing.” As we have said, technology and media change rapidly. There’s no stopping it, and we have to be ready to change with them, or suffer the consequences.

The War Is Over

We said in Chapter 1 that the printing industry was in transition. That’s not entirely true. Over the course of the past decade, we lost everything. And it seems like we were an industry of boiling frogs (if you remember our analogy referring to that urban legend), dozing contentedly in the pot while we gradually cooked to death. The war is over and we didn’t even realize we needed a gun. We also often get into hot water by criticizing industry associations, but they’ve certainly done their part in failing their own industry by turning a blind eye to media trends—and missing the point of new media and how it can *help* the printing industry. Certain associations such as PIA have done very little but defend printing—that is, defend the status quo from encroaching new media, then complain about it, and how no one knows the “value” of print anymore.¹⁰¹

Perhaps what we need is a new association, one that transcends any individual medium and is dedicated to showing graphic communications companies some real leadership in how to integrate all these channels and offer media management as a billable service to clients.

The time has come to suit up and get in the game. (There is no shortage of metaphors.) The latter half of this book will be about how individual print businesses, and ultimately the industry, can do that.

¹⁰⁰ This after we just started understanding cryptic Facebook status updates about people finding Mystery Eggs or offing Cousin Luigi. (By the way, we feel that the occasion of the 100th footnote in this book is cause for celebration!)

¹⁰¹ Perhaps defending the *status quo* from encroachment was their chartered focus, another sign of “sticking to your knitting” having an unfortunate downside. (Richard Romano really wants to make an obscure Madame DeFarge/*Tale of Two Cities* reference here, but gets into trouble when he does. So just go Google it and make your own analogy.)

Your weapons of mass disruption

-  explore how others in the printing industry are using the Internet; do a Google search for commercial printers with capabilities similar to yours and compare and contrast their Web sites to yours
 - are they better or worse?
-  search other online and social media sites for printing industry companies; what are they doing that you are not?
-  start to think about how you might be able to use new and social media for your own marketing and communications purposes
-  search for your customers on the Internet in general, and on social media sites in particular
 - how are your customers using new media for their marketing and communications needs?
-  start to think about ways you might be able to help your customers with these non-print marketing and communications initiatives

Section II: Disrupting the Future



5

The Tower of Babbling



In this chapter:

-  the twin advantages of electronic media: timeliness and relevance
-  how print can work with electronic media
-  how *printers* can work with electronic media—in combination with, or in lieu of, print
-  how to think holistically and strategically about all the media channels available for marketing and communications
-  what is the value proposition of print?
-  the nine ways that people's relationships with media are changing
-  the ten ways that the print business is—or should be—in transition
-  where to get good pizza in Rhode Island

ONCE UPON a time, we knew there was an existing printing industry and that it could be well-defined, so well-defined we could build specialized equipment to do it (web magazine presses, newspaper presses, etc.), but at least we knew there was a generic printing business out there. Today, much confusion surrounds what replaces that act of communication and distribution, since every electronic alternative is not singular, but in numerous formats. After all, printing is about making copies of something. But how do you make copies when there is no original?

And how do we deal with the fact that there are just some things that print can't do?

A Pizza the Action

Here's an example of what print is up against, and one possible way that print can *try* to work with other media.

In mid-December 2009, New England was hit with a massive snowstorm. A local pizza place in Rhode Island called Angelo's Palace Pizza sent an e-mail to its Delicious Deal membership list, which includes Dr. Joe, suggesting that if they're snowed-in and hungry, they can call Angelo's and they'll deliver. Or, if they can burrow out of their driveways, they can save 15% on dine-in meals.

This campaign highlights the chief advantage of digital media: timeliness (it was sent the day of the snowstorm, and the whole idea was probably hatched that very morning, since weather forecasting is even more unreliable than economic forecasting) and relevance (it was sent to people who were likely snowed in and quite possibly hungry if they had not stocked up on supplies). They could even have gone one step further and created—like Pizza Hut—a mobile phone application that could access special offers and facilitate ordering.

Could print have been used in a similar manner? In a way, yes. And the answer lies in looking carefully at the value proposition (see figure on next page). Angelo's is not offering any special deal for home delivery; the 15% discount only applies to dine-in. So if you are in fact snowed in and hungry, the deal doesn't do anything for customers except remind them that Angelo's exists and that they're open and delivering. And don't most people have a stash of local pizza place menus in a drawer—or, better yet, a refrigerator magnet with a phone number?

This *could* have worked in the same way that that stash of pizza menus works. They could have started announcing snow-day deals at the beginning of December (or maybe even earlier) and giving out menus with coupons and other information. After all, it's New England. It's going to snow at some point! And by getting the word out early and often that, hey, if the snow falls, you can save money by eating at Angelo's, then

already you've put the bug in customer's ear, which is what marketing is all about. Then, on days when it actually does snow, you can send a reminder e-mail, since it's more timely, and the user is probably more likely to check e-mail.¹⁰² Oh, and a printing company could have been involved in compiling and managing the e-mail list.

The image shows a promotional flyer for Angelo's. At the top, the logo "Angelo's" is written in a stylized, cursive font. Below the logo, it says "Family Owned and Operated Since 1978". The flyer is divided into two columns. The left column contains text: "Dear Delicious Deal Member: Snowed In and Hungry? No Worry, let Angelo's deliver it right to your door step. Call us at 481-728-3348 or Order On-Line @www.angelospalacepizza.com", "Call Angelo's for Great Food and Fast Delivery!!! Great Food at an Affordable price right to your door step TODAY. Thank you for making Angelo's your neighborhood choice.", "Blizzard Special 15% OFF All Dine-In Customers TODAY ONLY", "BUY GIFT CARDS", and "OPEN NEW YEAR'S EVE MAKE YOUR RESERVATIONS TODAY". The right column features two photographs: the top one shows a salad with a dressing being poured, and the bottom one shows a large pizza topped with various meats and vegetables. At the bottom of the flyer, a yellow banner contains the text: "Save 15% On Any Dine-In Order from All DAY TODAY at Angelo's Palace Pizza", "BLIZZARD SPECIAL TODAY 12/20/09 Dine-In Only Thank You for being an Angelo's Delicious Deal Member!!!!", and a small disclaimer: "Offer Expires on 12/28/09 Offer only Valid on 12/20/09. (This discount may not be combined with other offers) (You must print this coupon and present it to your server in order to receive the discount). Thank You".

The advantage of electronic media is its timeliness

This one-two punch of print and electronic media would be more effective than any single medium in isolation. This is what we mean by “multichannel marketing.”

Of course, this requires some degree of advance planning, particu-

¹⁰² And unless a homeowner has dug out their mailbox, the postman will drive right on by. In upstate New York, residents get terse notes from the Post Office about keeping their mailboxes accessible.

larly if there is a print component. Unless they happen to have a digital press right behind the pizza oven and send out drivers in snow plows to hand-deliver flyers, print will not work on a day-of basis. That's where electronic delivery is effective: the timeliness component. But relevance? We think it's a toss-up. We don't know that this is what happened, but it's entirely possible that this idea was thought up the morning of the snow-storm and the owner whipped up an e-mail message on-the-fly, tacking it on to other promotional materials they had. Someone who has even a rudimentary knowledge of basic desktop publishing (such as Microsoft Word) and how to upload content to Constant Contact (which was used to manage the e-mailing) could literally put this entire campaign together from conception to actual e-mailing in...well, in about the time it takes to make a pizza. Print simply can't compete with that.

What print *can* do is get the word out in advance and build brand identification and corporate image.

Maybe customers already have a printed Angelo's menu. Chances are, if they are on Angelo's e-mail list, they have eaten there before.

More Slices

Let's take this even further (before we stop for lunch). What if a snowed-in New Englander was active on Twitter and Facebook? He might have nothing better to do when snowed in than go online and see how his social network was faring. Sure, social networks are worldwide, and after ignoring the "ha ha" tweets from people in California and Florida, he finds that local friends and contacts are similarly snowed in. He starts tweeting about how the storm took him by surprise (he spends more time on Twitter and Facebook than weather.com) and he has no food in the house. One of those contacts happens to live nearby and tweets that, "If you can get out, you can save 15% at Angelo's Palace Pizza if you dine in. Sweet deal." Or—even better—Angelo's has a Twitter feed and/or a Facebook page and itself tweets and posts about its Snow Day deals. This gets retweeted by its followers and suddenly every social media user in Rhode Island knows about Angelo's.¹⁰³

This isn't just idle speculation. And it can help drive business. In early February 2010, the "Snowpocalypse" hit the East Coast, with record blizzards in Washington D.C., Philadelphia, and up and down the East Coast. Airlines and hotels had to deal with cancellations, and businesses that depend on foot traffic—like retail shops and restaurants—also suffered. In some cases, business was good; sales of snow shovels went up, but for others, business slowed to

¹⁰³ Actually, if a printing industry analyst who is writing about media and marketing happens to be on Angelo's mailing list, it gets forwarded to a core group of colleagues as an example of the timeliness of electronic media, the result being that now even people in the Dominican Republic—like WhatTheyIthink's Cary Sherburne—have heard of Angelo's Palace Pizza. It's probably outside their delivery zone, however.

scattered flurries. Many restaurants shut down for a day or two. But for some, when life gave them snowflakes, they built snow forts. One was a restaurant in Philadelphia that launched a “social media advertising blizzard.” As was reported February 12, 2010, on NPR’s *Morning Edition*:¹⁰⁴

...Jonathan Adams, executive chef of the Pub and Kitchen in Philadelphia, made lemonade out of lemons with an ad hoc advertising campaign. “We launched a full-frontal social networking assault on Monday and Tuesday via Facebook and Twitter, in particular, and really got the word out” that his place would be open. When other restaurants closed down, customers flocked to the Pub and Kitchen and spent the day consuming mass quantities.... “We probably doubled our sales yesterday of what we normally do on a Wednesday. It felt like a Saturday.”

There are a lot of other ways that places like Angelo’s (or the Pub and Kitchen) could leverage old and new media. They could have a blog written by their delivery people (who are usually teens and thus prime social media users) giving customers tales of what it’s like to deliver pizzas in harrowing weather, humorous stories, etc. They could have made a relatively inexpensive YouTube video about how they make pizza (and *not* like the infamous Domino’s one¹⁰⁵). They could let customers sign up for text alerts. The list goes on.

The point of this discussion is not to promote Angelo’s Palace Pizza (or give them free marketing advice) but rather to show all of the “slices” of any given company’s marketing pie—and all of the things that not only compete with print, but also are more timely and can be more effective than print *in certain circumstances*. We emphasize those last three words because we don’t mean to imply that electronic media are *always* the most effective ways of reaching customers. This is the key to marketing today: to think holistically about all the media channels available, and to think strategically about a given situation and choose the most effective channels.

Oh, by the way, substitute “Angelo’s Palace Pizza” with any other business you care to name—even (*gasp!*) a printing business—and the same strategy(ies) would be just as relevant.

Another strategy is to monitor the social network for company mentions—what are customers saying about a company? This is becoming

¹⁰⁴ Larry Abramson, “Snow Banks Can Mean Big Money, Or Losses,” *Morning Edition*, NPR, February 12, 2010, www.npr.org/templates/story/story.php?storyId=123635336.

¹⁰⁵ In early 2009, two Domino’s employees—who have since been fired and are facing charges—posted a video on YouTube that showed one of them doing gross things to a Domino’s sub sandwich he is making. We’ll spare you the details. Anyway, the video spread virally online, and Domino’s actually got high marks for using social media to counter the video. Read all about it—if you’re keen on dieting: Bruce Horovitz, “Domino’s nightmare holds lessons for marketers,” *USA Today*, April 16, 2009, www.usatoday.com/money/industries/food/2009-04-15-kitchen-pr-dominos-pizza_N.htm.

an important part of public relations; searching for their clients' names online and responding to customer complaints. In *The Chaos Scenario*, Bob Garfield talks at length about his war with Comcast, how he set up a blog to aggregate customer horror stories, and how Comcast monitored the site and resolved the issues with the “squeaky wheels.” Part of what helped Comcast was not in siccing pit bull attorneys on people saying bad things about the company, but in understanding how to use social media channels to foster a dialogue with customers and listen to their concerns and complaints.

That Was Then, This is Now (Revisited)

The Angelo's Pizza example and our extrapolations touch on some of the important ways in which people's relationship with media are changing, and how that affects the value proposition of print media. We can look at these changes in terms of nine factors, as identified in the following table, which we first introduced in Chapter 1. Let's look at how these factors used to apply to media usage, and how they have changed with the adoption and prevalence of new and newer media.

People's Relationships with Media—Then and Now

	<i>Then</i>	<i>Now</i>
<i>Permanence</i>	physical and stored	always accessible
<i>Portability</i>	take it with you	connect on multiple devices
<i>ROI</i>	design + content + budget	deployment-related
<i>Intent</i>	nudge	lure
<i>Cross Media</i>	serial	parallel
<i>Reference Point</i>	authoritative single source	gateway to context
<i>Media Selection</i>	controlled	saturation
<i>Personalization</i>	pre-selected	recipient-selected
<i>Direct Response</i>	targeted from above	groundswell

Let's look at each of these factors one by one, and compare "then" with now."

Permanence

Then

Content, whether it was printed, filmed, recorded, or videotaped, was physically stored someplace. A book, a magazine, an audio tape, a videotape, etc. It had to be physically acquired.

Now

Content is always accessible. Text, video, audio, and other media are available 24/7 online. Although the physical file is stored on a particular computer, it can be streamed, read, and/or downloaded whenever and wherever the user happens to be.

Does this make content more or less permanent? The common argument is that today's file formats won't be readable on tomorrow's computers. But books and other offline media degrade over time, and are also subject to backward-incompatible formats, as anyone with a large collection of VHS tapes can tell you. Having content always available online precludes its relegation to an incompatible format.

However, another issue with permanence and "always accessible" is, what if the publisher goes out of business? You could say, Gutenberg is long dead but the Bible is still here. But then if Gutenberg had been a Webmaster, and had first put the Bible online and then died, GoDaddy would rescind his domain unless someone renewed it. The ultimate point is that something is permanent and accessible—be it in print or online—as long as someone maintains it. So while the Bible may endure (largely because it's a perennial bestseller and in the public domain), less popular and obscure titles are not so lucky, and one needs to scour antiquarian bookstores for rare titles.¹⁰⁶

¹⁰⁶ This is the rationale behind Google Books: to make sure all books are permanent and accessible.

Portability

Then

Content, as a physical medium like a book or magazine, could be picked up and taken with the user.

Now

Content is accessed on multiple devices. Smartphones—and the new Apple iPad—now make even a Web site “portable” as it can be accessed wherever the user happens to be and, in a way, picked up and taken with the user.

The untethering of Internet users from a limited physical location has been a key driver of mobile media. The combination of a smartphone like an iPhone and an online library like Project Gutenberg (www.projectgutenberg.org) means that someone can be standing at a bus stop, suddenly have the urge to read Charles Dickens’ *Bleak House*, go to a Web site, and do so—in literally seconds. Think about where this will all go in ten years.

Return on Investment (ROI)

Then

ROI was a function of what it cost to design, produce, and disseminate the content.

Now

ROI is difficult to gauge as customers are wrangled by a combination of media and channel deployment that is difficult to gauge quantitatively.

ROI is a nebulous concept that, as we have said, varies from company to company, and even executive to executive. Except for direct marketers, its calculation also has an emotional ingredient. Even in the days of monomedia, it wasn’t always entirely clear what the return was. It is a function of what the objective of a given project or campaign is. Or, perhaps, “the boss liked it.”

Intent

Then

The goal of “then” marketing was to nudge (or perhaps noodge) a user or customer to do something, such as respond to an offer or other outbound message.

Now

The intent is to lure or attract customers via inbound marketing efforts.

Instead of trying to create demand that may never materialize, you assume that there are people out there who already want what you offer, and you thus make it easy for them to find you.

Cross Media

Then

Content for different channels was produced and deployed serially; that is, first the print material was created, then those assets were reused for the Web site, then a TV spot was created, etc.

Now

Content needs to be deployed to a variety of media channels more or less simultaneously, or in parallel.

Strategy and planning become more important than carrying out physical production tasks.

Reference Point

Then

There was a single, authoritative voice that delivered content as a monologue to users.

Now

Media serve as a gateway to content (and context) that fosters a dialogue with and among users.

One clear example of this has been the gradual decline in importance of the professional movie critic, as word of mouth from general moviegoers trumps what the film critic for the *New York Times* or even

Roger Ebert says.¹⁰⁷ So, too, have professional book reviews been disappearing. Online media have made it easier for the “man in the street” to opine on a product, company, or any other topic.

Media Selection

Then

The creator has full control over a limited number of media that could be used to reach users.

Now

We are saturated with media channels and the content creator has no control over which a given user will prefer at any given time.

By focusing on a limited few media and excluding others, the creator risks alienating or never making contact with a pool of potential readers/viewers/customers.

Personalization

Then

Content could be personalized by linking it to a preselected database of recipients.

Now

The recipient opts in to receive targeted and personalized content.

How many times have you received a variably printed piece that had outdated information on it? If there is an advantage to online personalization it's that its databases tend to be more up-to-date.¹⁰⁸

¹⁰⁷ See, for example, the 2009 documentary, *For the Love of Movies: The Story of American Film Criticism*, www.imdb.com/title/tt1241707/.

¹⁰⁸ Still, we do get personalized messages from the likes of Amazon that have a *When Databases Attack* kind of feel to them: “You bought *War and Peace*; we thought you'd like *Thin Thighs in 30 Days*.” (That's really not much of an exaggeration!) The reason this happens is that not all of a person's purchases reflect a common interest, and people buy gifts for others. The database doesn't realize this, and assumes that everyone who likes Tolstoy has chubby thighs.

Direct Response

Then

Users/customers were targeted from above; users were herded to specific locations or actions.

Now

Response to content is user-generated and swells from the ground up.

People choose what to view, be interested in, and act on. It can be frustrating when people don't catch on to something the way the user intended, but that's the way it is.

All of these factors describe the ways that users interact with content then and now. Print had a handle on coping with the “then”—but what about the “now”?

Print Business in Transition

As a result of the changes in the way people access and interact with content, changes need to be made in the nature of the print business. That is, print has to bridge the gap between the then and the now. It may sound impossible (remember the inherent limitations of print in the Angelo's Palace Pizza example), but there are ways that the industry can—and must—transition itself in order to cope with these changes.

These transition points can be summed up in the following “then and now” table of ten factors. We explain them one by one on the pages that follow.

The Printing Industry—Then and Now

	<i>What We've Been (then)</i>	<i>What We're Becoming (now?)</i>
<i>Focus</i>	task-based	ROI-based
<i>Responsibility</i>	no responsibility	full responsibility
<i>Scope</i>	project	process
<i>Deployment</i>	deliver and store	broadcast and maintain
<i>Production</i>	doing	managing
<i>Media</i>	single medium	multiple media
<i>Strategy</i>	strategy ignorant	strategy advisor
<i>Client</i>	client-agnostic	client-curious
<i>Dependence</i>	medium-dependent	medium proactive
<i>Growth</i>	getting business	creating business

Focus

<i>What We've Been</i>	<i>What We're Becoming</i>
Focused on the specific tasks—printing, binding, prepress—that comprise the company's business.	Focused on overall ROI of the component parts of the business.

Understanding the overall communications process is now more important than just completing a print job and sending it out the door.

Responsibility

What We've Been

Passive replicators of content with no responsibility for the performance of that content for the client's own ROI.

What We're Becoming

More fully responsible for what happens to content when it leaves the shop.

Becoming more involved with the customer in a consultative and strategic way is now more important than just completing a print job and sending it out the door.

Scope

What We've Been

Concentrating on a physical project with a start and end point.

What We're Becoming

Concentrating on media as an ongoing process.

Knowing how today's media comprise a series of ongoing conversations is now more important than just completing a print job and sending it out the door.

Deployment

What We've Been

Producers of physical products that are finished, delivered, and stored.

What We're Becoming

Producers of content that is broadcast and must be maintained and updated on an ongoing basis.

Staying involved in the ongoing conversations regarding disseminated content is now more important than just completing a print job and sending it out the door.

Production

What We've Been

"Doers" of jobs that are finished and done with.

What We're Becoming

"Managers" of projects that are ongoing.

Functioning as retainer-based service providers is now more important than just completing a print job and sending it out the door.

Media

What We've Been

Producers of content for a single medium (print).

What We're Becoming

Producers of content destined for a wide variety of multiple media.

Developing and managing a multichannel strategy for disseminating content is now more important than just completing a print job and sending it out the door.

Strategy

What We've Been

Ignorant of the client's overall communication strategy.

What We're Becoming

Capable of advising the client on the most effective communication strategy.

Advising the client on the best communications strategy for their business and their own objectives is now more important than just completing a print job and sending it out the door.

Client

What We've Been

Not particularly interested in the client's business beyond their print needs.

What We're Becoming

Curious about the client's business and how best they can reach their own customers and grow their businesses.

Understanding the client's market, their industry, their needs, and how they can grow their business is now more important than just completing a print job and sending it out the door.

Dependence

What We've Been

Dependent on demand for a single medium (print).

What We're Becoming

Proactive about producing content in a variety of media.

Weaning one's print business away from a single medium and embracing the whole of communications media is now more important than just completing a print job and sending it out the door.

Growth

What We've Been

Growing by getting more business.

What We're Becoming

Growing by creating new business.

Understanding the fundamental difference between “getting” and “creating” is now more important...than anything.



We understand that the industry is so used to seeing discrete, finite, finished work go out the door on a regular basis that it's difficult to understand the idea of building a continuous array of ongoing tasks that may never be “finished” in the usual sense.

If you want to boil this down to its “fortune cookie” essence (if it's a good idea to have Chinese food right after all that pizza earlier this chapter), it is that printing is changing from a manufacturing industry to a service industry. It's no longer about simply producing things as they are needed. It's now about partnering with clients to help them solve their communication problems.

Prints Charming

There was a saying that emerged in the 1990s—“content is king.” Although some of us who were writers at the time used to jokingly add the qualifier, “In a Louis XVI kind of way,” the phrase purportedly meant that the actual distribution channel was irrelevant; that content was supposed to be media-agnostic. But that doesn't mean that content is king *per se*; rather, distribution is king, and content is queen, or perhaps prince (prints?).¹⁰⁹

¹⁰⁹ Not many people remember that marketing was not taught extensively in business

There are some excellent examples why distribution, not content, is king, but Google might be the best. Unless someone is already familiar with a data source, they will rely on a search engine to find it. Getting ranked highly in Google takes work and planning¹¹⁰. While anyone can get a top listing if they are obscure or unique enough (the paradox of search engines is that the more obscure and focused you are the more likely you will be in the top rankings) getting ranked highly if you are generic is a chore and requires careful planning and skill.

After all, what good is content if no one can see it, or get access to it, or know about it, and ultimately, experience it? If you generate content in a forest and no one is there to read it (except maybe some trees), is it really content?

Google and other search engines have affected every aspect of the way we think about content and information. While there is incredible technological magic behind the process, the simplicity of search is what has shifted attention away from printed materials. Web sites could have the exact information someone wanted, but unless it could be found, it might as well have never existed.

Google is not the answer to everything, of course. People still rely on word of mouth, advertising, news stories, and other means they have of gathering information, even if that information gathering is not planned.



People start with search engines and then start accessing other media, both online and offline, especially if they are considering a large purchase.

The whole idea behind Web 2.0 and inbound marketing is to create compelling content that people (customers, ideally) will want to keep reading and, perhaps more importantly, virally pass on to others in their social network. Still, it's the multipronged approach to the distribution of that content—blogs, tweets, LinkedIn, Facebook, YouTube, etc.—that is the important aspect of the whole strategy. How and when content is accessed is a choice made by the consumer. The content creator thus has to manage the distribution of that content so that it can be found anywhere, anywhere, at any time, and in any format.

So maybe King Content wears the crown of distribution?

By the way, if content were *really* king, its format would be the same regardless of medium. A two-page spread in print looks terrible on the Web and in e-mail—and vice versa. The logistics of converting content

school until the 1960s. Prior to then, students usually had to major in “distribution management.”

¹¹⁰ There are entire symposia and seminars dedicated to search engine optimization (SEO). Google offers a helpful set of Webmaster tools for getting found at www.google.com/support/webmasters/bin/answer.py?hl=en&answer=35769.

from one medium to another have formed the basis of what was called “cross media” back in 2000 and judging from the number seminars that still aim to cover “how to export Web pages from InDesign” the issue remains largely unresolved. However, there are solutions, and there remain tremendous opportunities for companies that can develop and offer these solutions.

In the next chapter, we will look at specific ways that printers can immerse themselves in social media—both for their own businesses, as well as for potential service offerings to clients.

Your weapons of mass disruption:

-  look at the Angelo’s Palace Pizza example at the beginning of this chapter and think of any clients of your own who could benefit from a similar campaign
-  brainstorm the ways that you could combine print and electronic media for a specific current client
-  on a whiteboard, or notepad, or Excel spreadsheet¹¹¹, create a two-column matrix, with the ten factors driving the transition of the printing business in the lefthand column; in the righthand column, note the ways that your own business could make this transition for specific customers
-  pick one or two current customers and list all the ways you could be assisting them with their marketing and communication needs beyond print
-  the idea is to pick specific customers, so it’s less of a hypothetical, academic exercise and more something that can be acted upon

¹¹¹ We provide a sample spreadsheet amongst the other online resources for this book at <http://members.whattheythink.com/disrupting-the-future>.

6



Working Without a Net— But Not Without the 'Net

In this chapter:



the new and social media explained

- Web sites
- e-mail marketing
- blogs
- podcasts
- Facebook, LinkedIn, and other social networking sites
- Twitter
- YouTube and online video



for each, we explain:

- what it is
- what is required to get started
- what it costs
- how printers can use it for their own businesses
- how printers can offer it to their clients



how to gauge the ROI of social media

IN PREVIOUS chapters, we have discussed at great length all the pieces of the media pie (or pizza). All of these things are competition for print, but at the same time they also complement print. That is, media are more effective when they are used in combination. What is the best combination? That will vary. Some of the factors that need to be considered when determining the media mix are:

- nature of the client's company
- target audience demographics
- budget

Film at 11

Here's a real-world example of a multifaceted media strategy. We use this example for two reasons. The first is the co-author of this book is heavily involved with the organization¹¹² and actually handles much of this implementation, and the second is that since the organization in question is a non-profit, everything needs to be done as inexpensively as possible. For-profit companies have a little more leeway in terms of marketing budget, but this "worst-case" scenario illustrates what can be accomplished on a shoestring budget. And the cost issue plays heavily in the organization's use (or not) of print.

The Saratoga Film Forum is a not-for-profit organization dedicated to bringing a wide variety of quality films to downtown Saratoga Springs, New York. It was founded in 1993, and screens the latest alternative, foreign, and documentary films three nights a week (Thursday, Friday, and Sunday), with occasional special events (like "meet the filmmaker" nights that highlight local directors). Until 2005, the Film Forum programmed three series each year—Spring, Fall, and Winter (they used to go dark in the summer). The movies were programmed months in advance, and the primary means of promoting its series was an eight-page tabloid newspaper, printed by a nonheatset web shop in Clifton Park (now out of business). The newspaper would be designed and laid out a couple of months prior to the start of an actual series, and, since the printer did not have e-commerce capabilities until shortly before its demise, a disc would have to be driven down or overnighted. After the newspapers were printed and folded, they needed to be conveyed to a mailing house, which inserted a sheetfed-printed flyer of that series' movies (designed to be hung on a refrigerator), wafered them, and mailed it all. The sheetfed printer (located in Saratoga Springs) also printed the flyers on card stock so they

¹¹² Richard Romano has been on the Board of Directors of the Saratoga Film Forum since 2002 and has written and designed all the Film Forum's promotional material since then. He also recently upgraded the Film Forum Web site at www.saratogafilmforum.org.

could be distributed—along with additional newspapers—at local coffee shops, libraries, bookstores, and other drop spots.

In 2005, the Film Forum changed its programming from thrice-yearly to monthly, as the extended schedule hampered their ability to get the latest movies, and competition from DVD was starting to eat into ticket sales. A monthly newspaper was out of the question, for cost and time issues, and it was decided to use a monthly printed postcard in tandem with electronic media to promote their movies.

The drivers away from print: timeliness and cost.

Today, the Film Forum still prints and mails a monthly postcard to a limited mailing list (printing is done at Kinkos, the mailing done by volunteers), but supplements it with a weekly e-mail to subscribers, a Web site (that was just redesigned), and a brand new Twitter feed (which in only a couple of months has garnered 256 followers¹¹³) and Facebook fan page (which has 254 fans).

One of the great advantages of the electronic media is that last-minute changes can be easily communicated. It being upstate New York, weather often pre-empts screenings, and there are often other eleventh-hour alterations (films don't come in on time, equipment breaks down, etc.). Fans and members of the Film Forum can be immediately apprised of these situations, and their good will can be fostered by preventing them from coming out to a screening only to find out that it has been postponed.

The Film Forum is also in the process of developing a movie-related blog, and has been in discussions with local newspapers about having a branded blog on their sites. These “electronic newsletters”—in tandem with the Twitter and Facebook status updates—now serve the same purpose that the eight-page printed newspaper used to serve: providing value-added content about movies, rather than simply a schedule. And it's all free.

This strategy is nothing unique to the Saratoga Film Forum. Companies and organizations in all corners of the economy are leveraging these new media tools, some more successfully than others. Some supplement their basic online presences with podcasts, some have YouTube channels or other online video, some are heavily involved in mobile initiatives and applications.¹¹⁴

¹¹³ A recent tweet was “retweeted” by a writer/tweeter at the Albany *Times-Union* newspaper, which got the Film Forum a few more followers.

¹¹⁴ It may seem like we are concentrating on small businesses in this book, and we are. While we know that printers do have Fortune 500 or other large customers, the future of the printing business will involve working more with small and mid-size businesses who need the kind of help we outline in this book. Which is not to say that these strategies are not practical or scalable to larger concerns.

How Could a Printer Have Become Involved?

A printer could have become involved in these strategies in a variety of ways:

- give the customer the idea to do those things
- implement and coordinate the actual execution

And, come to think of it, why are volunteers doing the mailing? Can't that be done on a digital press, fully-addressed, with preprinted postage, and in carrier-route order?

Other Examples

Take one of the most important magazines for the advertising industry—*Advertising Age*.¹¹⁵ They have:

- a weekly print magazine
- a daily e-mail newsletter
- a Web site
- blogs
- video feeds
- links to Twitter, Facebook, and other social media and book-marking sites
- an iPhone app
- white papers
- Webinars

If you follow any portion of the above, you know that much of it is repurposed; stories that appear in the print edition appeared first in the daily e-mail, which also appear on the Web site. This is what we mean by cross-media publishing: disseminating the same basic content in multiple media essentially simultaneously. In many cases, it's automatic. That is, there is software that can automatically send a blog post to a Twitter update and a Facebook status update.¹¹⁶

There is an important reason for this. The target audience for *Advertising Age* is still basically the same, but the *AA* editors have no idea when, how, or in what circumstance their content will be viewed. For example, we religiously read the printed edition of *Advertising Age* every week, but when it comes time to write reports, articles, blog posts, or books, we include links to the electronic versions of relevant stories. (It's also less

¹¹⁵ By the way, every printer who wants to know what the latest trends in media, advertising, marketing are—and we think all printers should—should subscribe to *Ad Age*. Visit them at www.adage.com, where you can sign up to receive their content in any medium/media you desire.

¹¹⁶ For example, Twitterfeed, <http://twitterfeed.com>.

labor-intensive to simply copy and paste text from a Web page than to re-type copy from the print version.)

In fact, you'll notice in our copious bibliographic footnotes throughout this book that we don't cite page numbers in the printed edition of a magazine or newspaper; we add a hyperlink. In the PDF version of this book, those links are live and can be clicked.¹¹⁷

Publishers may seem like the most obvious group to be involved in cross-media publishing, but companies in a wide variety of industries are getting involved in these things.

Here's an exercise: pick a random company—a restaurant chain, retailer, publication, or whatever—go to their Web site, and see how many different media they are active in. Do they have e-mail sign ups? Text alerts? A Twitter feed or the ability to click-and-share their site on Twitter? A Facebook fan page? Anything else?

After reading the rest of this chapter, go back and repeat the above exercise, but consider those that don't have some of these channels. How would you implement some or all of them for those companies?

Media and Channels

In the rest of this chapter, we will detail the various new media options available, and provide, for each channel:

- what it is
- what is required to get started
- what it costs
- how printers can use it for their own purposes
- how printers can offer it to their clients

The latter two items are “blue sky” ideas we had. An exercise for you, the reader, would be to expand upon the ideas we laid out and see if you can go even further than we did.

Web Site

What It Is

Gosh, we hope we don't have to tell anyone what a Web site is! But, in case it needs explaining, it's a location on the Internet that provides information, entertainment, or other content. For businesses, think of it as an electronic brochure.

¹¹⁷ We had the idea of including, in the printed version of this book, an appendix of QR codes for all the links we cite, which could then be accessed directly from a Webcam or mobile phone. The idea was nixed for fear we would scare the heck out of readers.

What Is Required to Get Started

Web design software such as Adobe Dreamweaver, although anyone who is conversant in HTML can use any text editor to create Web pages and sites. You'll also need to work with a Web host, a company that owns a server on which the Web site files reside. You will also need to purchase a domain, or what the specific Web address is (i.e., *whattheythink.com*, *amazon.com*). You also need someone skilled in Web site design and development.

What it Costs

A domain can be had for about \$25, which registers you for a year or more. Web hosting runs about \$10–\$20 a month, but if you have a server you can always host your own site. Web design software like Dreamweaver is around \$300–\$400, but comes as part of the Adobe Creative Suite which printers may have already. Hiring or a full-time Web designer or contracting a freelancer is akin to what a print designer would cost. It's important to make sure the skills are equivalent to what you want your Web site to do. That is, if you want to add e-commerce or integrate your site with your production workflow or MIS, make sure the personnel you hire can do this. A print designer who “knows a little bit of Dreamweaver” may be able to design a nice-looking site, but will probably not give your site the back-end functionality you need. This is where a more extensive IT investment is required.

How Printers Can Use It for Their Own Purposes

The best printers' Web sites should provide more than a picture of the facility and an equipment list. It should put the best face possible on the printers' business. If you walk into many print shops, there is often a bulletin board or other display of high-profile projects the shop has printed. Those should be digitized and posted online to give visitors eye-catching visuals. Obviously you're not going to convey print quality online, but that's not the point. The point is to demonstrate the *kinds* of jobs your shop produces, which lets potential customers see if you are appropriate for their job. If you only produce million-copy runs of high-end magazines, visitors should be able to tell quickly from your Web site if they can get 250 business cards printed. This also frees up your own sales staff from having to field questions from the “wrong” clients.

That said, your Web site should also go *beyond* simply showing the kinds of work you do; it should provide case studies of how you have helped your client(s). This is different from a mere testimonial; a good case study explains where the client's company was before you helped

them, what you did for them, and how they increased their business thanks to the work you did.¹¹⁸

Your Web site should also make it easy to request quotes and/or contact sales personnel electronically, as well as submit jobs and facilitate e-commerce. On the back end, you should respond to electronic inquiries as quickly as you would return a phone call—perhaps even faster. In this age of 24/7 connectivity, waiting a day for an e-mail response is unreasonable, and gives the potential customer cause to go elsewhere. Even if you can't personally respond immediately, you should at least have an autoresponder that tells the e-mailer that you have received their request and will get back to them. Customers like to get some sort of acknowledgement.

How Printers Can Offer It to Their Clients

Printers who have either hired in-house designers or have developed relationships with freelance Web designers can help their print clients with their Web sites—either designing them from the ground up, overhauling an existing site, or adding features and functionality. Some printers also are Web hosts. Web sites can also be tied to databases, which can capture clients' customer info for use in e-mail marketing (which the printer can handle) or in print direct mail (which the printer can also obviously handle). Printers who have boned up on the essentials of effective Web design and development can offer those skills as a resource to clients. Becoming an expert in, for example, search engine optimization can provide a great deal of value for clients who may themselves be clueless about it. The ultimate advantage for printers in being able to design and develop Web sites for customers is that they can still get that customer's business even if they don't get anything printed.

¹¹⁸ Think of it like those old Charles Atlas “before and after” ads.

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Weekly Audio Chart

Week of 12/14/09 - Commercial Printing and Services Shipments 2001 - 2011

View Chart

Mondays with Dr. Joe

► On These Cable TV Talking Heads

► Let's Be Strategically Social

► Tug War: The Economic Week That Was

► An Action-Packed Week Ahead, if You Love Economic Data

All Mondays with Dr. Joe Columns

Industry Snapshot

The Industry Snapshot is a collection of regularly updated industry data about shipments and services measures of business activity.

View Snapshot

Recently updated as of 03/14/10

Printing Shipments: Shipments (MCS \$2B) (Current: 14.6% 12 to 14.5% \$)

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A Web site

E-Mail

What It Is

Again, we expect that you know what e-mail in general is. E-mail marketing sends out virtual flyers or newsletters via e-mail to a mailing list. It's not appreciably different than print direct mail, except that by law recipients have to have signed up to receive the e-mail, and they must be given the opportunity to opt out should they desire to stop receiving them.

What Is Required to Get Started:

A mailing list. Creation software; e-mail newsletters are usually—but not always—created using HTML, but much simpler HTML than a Web page. Microsoft Word is often used for e-mail messages, although professional designers use higher-quality tools.

What it Costs

At the lowest end, someone can easily put together their own e-mail and send to their own mailing list essentially for free. E-mail marketing only runs into costs when you are hiring out for the design, or using a third-party e-mail marketing provider like Constant Contact or Emma. Purchasing mailing lists is also expensive.

How Printers Can Use It for Their Own Purposes

We know many printers who send out print newsletters—either themselves or via a company like Great Reach Communications—and some are starting to produce their own e-newsletters, as well. The goal is to offer compelling content to customers, as well as reinforce your brand. The Great Reach print and electronic newsletters, for example, offer software tips, marketing strategies, news about new hardware and software, and other valuable content. In other words, it's how the printer acts as an information resource for customers. Sir Speedy, Alphagraphics, and other print franchises have contracts with Constant Contact for resale of their services by franchisees.

How Printers Can Offer It to Their Clients

Printers can help their clients develop their own e-mail marketing or e-newsletter initiatives by understanding how the process works, and offering to handle some or all of the process, much in the same way they may handle some or all of the process of producing a printed newsletter. If a customer already produces a printed newsletter, it is an extremely easy task to “port” the assets for the print version to an electronic version. This has the virtue of helping retain the same look and feel of content regardless of what medium it appears in. This further helps reinforce the print customer's brand. As the printer becomes more of an expert on e-mail marketing, they can advise the client on things like the best day to send e-mail messages (there are lots of studies on this), how often one should send e-mails without seeming like they're spammers, and other details. The ultimate advantage for printers in being able to design and execute e-mail marketing and e-newsletters for customers is that they can still get that customer's business even if they don't get anything printed.

From: Dr. Joe Webb, WhatTheyThink <newsletters@whattheythink.com>
Subject: **Just When I Thought We Were Becoming Japan**
Date: February 25, 2010 4:32:00 PM EST
To: Romano Richard
Reply-To: newsletters@whattheythink.com

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WhatTheyThink?

Economics and Research Center

New This Week

[Just When I Thought We Were Becoming Japan, Stagflation Seems More Likely Again](#)

[Best of Dr. Joe: Comparing Technologies of the Past](#)

[This Week's Data Table: Federal Reserve Printing Industry Capacity Index and Capacity Utilization Rate](#)

[Dr. Joe Recommends](#)

[Updates to the Economy Snapshot](#)

[Updates to the Industry Snapshot](#)

☛ **Just When I Thought We Were Becoming Japan, Stagflation Seems More Likely Again**

Is the U.S. Economy playing out like 1990s Japan or 1970s U.S. stagflation? Dr. Joe changes his mind... again. All it took was the Producer Price Index and Consumer Price Index releases of last week. Well, so much for his lecturing about the tendency of managers to react to the last thing they hear rather than pondering things. He also suggests buying oil with gold might be a good idea after looking at the last 20 years of data. That should be interesting to try during the New England heating season when the oil truck stops by. And if you thought Keynes was dead, you should see his new rap video with Frederick A. Hayek. If dead economists can make a rap video, can Elvis be far behind?

Upcoming Dr. Joe Sightings

Xerox Real Business Live! Building Your Customer's Business: Don't Just Survive... Thrive! Dr. Webb's presentation is *Directions to the Future: Creating a Fresh Role for Print in the Hyperconnected Marketplace*; click on city name to register.

- [Mississauga, Ontario](#), March 3, 2010 International Centre, 6900 Airport Road
- [Toronto, Ontario](#), March 4, 2010, MaRS Centre, 101 College Street
- [Edmonton, Alberta](#), March 9, 2010, The Westin Edmonton, 10135 100th Street
- [Calgary, Alberta](#), March 11, 2010, The Metropolitan Conference Centre, 333 Fourth Avenue S.W.

[View all upcoming sightings for Dr. Joe](#)

Latest Report

[WhatTheyThink Special Report Offers a Detailed Overview of Social Media for Printers](#)

Weekly e-mail from the WhatTheyThink Economics and Research Center provides news, information, and commentary

Blog

What It Is

Short for “Web log,” the idea of the blog began back in the 1990s as a kind of online diary, where techies would detail the minutiae of their lives which, as you can imagine, was utterly compelling. Funny how some things don't change. Still, blogs have evolved into a hybrid magazine article/editorial. The

best blogs provide information, opinion, and perspective on some area of interest. They are written much more informally than a typical magazine article and any given blog post is typically fairly short (less than 500 words). There is a form known as “slow blogging” that goes into far more detail and can be the length of a magazine feature—that is, around 3,000–5,000 words. Only the most dedicated readers stick around for that long, so blog posts tend to be short and easily digestible. A key component of a blog is the ability for readers to post comments; this becomes an important way that a dialog and a sense of community are forged. Another key component is to link to other blogs and sources of content. Writers often use blogs to write books—for example, two very successful books (David Meerman Scott’s *New Rules for Marketing and PR* and Chris Anderson’s *The Long Tail*) began life as blog posts, and comments and feedback informed the authors’ discussions.

What Is Required to Get Started

Setting up a very basic blog on one of the three primary blog platforms takes literally a few minutes. Blogger (owned by Google), TypePad, and WordPress are the three biggest blog services at present, and all offer the ability to create and update blogs, and some offer more control over typography and graphics. WordPress, for example, lets you use your own graphics and logos. TypePad does as well, but only via their premium service.

What Does It Cost

A basic blog is completely free. Some of the blog providers have for-pay premium services (usually about \$20 a year) that give you more control over the look and feel of the site graphics, as well as the ability to integrate the blog onto a parent Web site. (This is important if you want the URL of the blog to have your own domain and not wordpress.com or blogspot.com.) You can also have your Web site developer incorporate a blog into your own site, which can be a substantial cost.

How Printers Can Use It for Their Own Purposes

Blog posts can function in much the same way as newsletters, providing information or commentary that print customers may find useful or interesting. Links to stories in the trade press are always good blog fodder, news about software updates, bugs and bug fixes, environmental issues—name it. It’s about providing information that your customers can use to grow and manage their own businesses or hone their design skills. A printer can use their own blog to highlight the customers they have—and promote the customers’ businesses at the same time.

How Printers Can Offer It to Their Clients

Printers can help their clients develop their own blogging initiatives, by understanding how the process works, and offering to handle some or all

of the process. Printers can explain to clients how to set up a blog, how often to post, how to embed links, images, video, and audio, and other technical and strategic details. If a customer already produces printed materials, it is an extremely easy task to “port” the assets for the print version to the blog. This has the virtue of helping retain the same look and feel of content and further helps reinforce the print customer’s brand. Beyond set up and maintenance, there really isn’t a lot that the printer needs to do vis-à-vis a customer’s blog—although they can hire a freelance writer to generate posts regularly. The ultimate advantage for printers in being able to advise and assist customers in their blogging initiatives—or host the customer’s blog or entire Web site—is that they can still get that customer’s business even if they don’t get anything printed.



Using Social Media in Your Business

By Adam Dewitz on February 09, 2010 - Comment

I was reading Baris Fellow's article *Print Service Providers Are Going Social!* which highlighted how few printers are using social media strategies to connect with customers and increase business. Social media can and does work when the right strategy is developed. Companies like Visaprint and Tulkaz discussed in the article have created strategies that work...

[Continue Reading...](#)

[Feed in 10 seconds...](#)

Print Media and iPad's Profit Potential

By iSacks on February 3rd, 2010 - Comment

iSacks Speaks Out: I have been tracking the iPad very closely. It is the belief that it is an important device. Why is a good question? The answer is that it isn't so much a device as a universal translator platform, much the same way that an iPhone is not just a phone...

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WhatTheyThink's PrintCEO Blog

Podcast

What it Is

It sounds futuristic and science-fictiony, but a podcast is really not much more than a radio show.¹¹⁹ A podcast is like a news and information, or entertainment, program. The only difference is that, instead of being broadcast live (although some are) over conventional radio, they are distributed on the Internet as audio files. The easiest way to distribute a podcast is to upload it to Apple's iTunes Store, and users can subscribe and download episodes as they become available. The audio files that accompany Dr. Joe's Chart of the Week are technically podcasts.

What Is Required to Get Started

Audio hardware and software. A digital voice recorder available at any Staples—or even one's computer microphone—will function as audio input hardware, and there are a variety of audio editing applications on the market. Apple's Garageband has a podcasting function, but other applications exist. If you want to be able to have users subscribe, you will also need to set up an RSS (Really Simple Syndication) feed, which is what iTunes and other applications tap into to notify subscribers of a new episode. (RSS feeds can be easily created using an inexpensive application called FeedForAll, but anyone who is familiar with XML code can easily create their own RSS feed.)

What Does It Cost

A decent digital voice recorder can be had for about \$50, on average. If you are serious about producing high-quality audio, there is virtually no upper limit on what you can spend on audio gear. In terms of software, Audacity is a good, free, cross-platform audio editor. Apple's iLife (which includes Garageband) costs around \$75. A good audio editing application we like called Sound Studio from Freeverse also costs around \$75 (it was \$25 shareware several years ago when we first started using it). Adobe Soundboard is also a very high-quality audio editing application that is part of the Creative Suite. Once a podcast is actually made, it costs nothing to distribute it or send it to the iTunes store. Most podcasts are free for users. Some podcasters also include the ability to stream a podcast from their own site, in addition to using iTunes to manage subscriptions.

How Printers Can Use It for Their Own Purposes

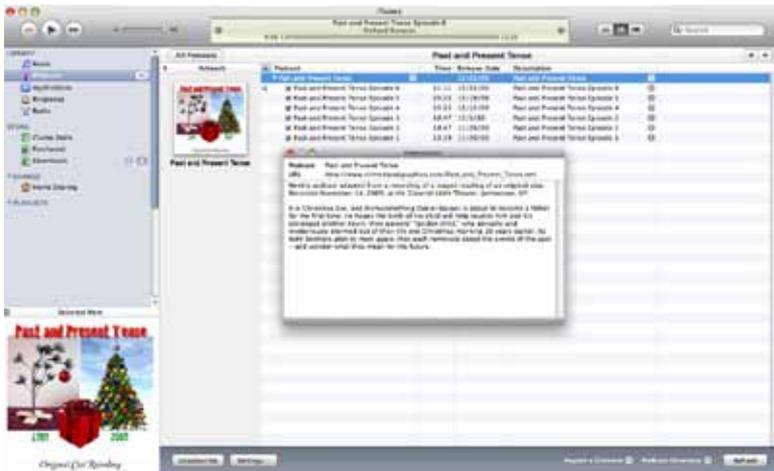
It's yet another way to provide information or commentary that print customers may find useful or interesting, while at the same time rein-

¹¹⁹ The term "podcasting" was coined by Ben Hammersley in *The Guardian* in 2004 (Ben Hammersley, "Audible revolution," *The Guardian*, February 12, 2004, www.guardian.co.uk/media/2004/feb/12/broadcasting.digitalmedia) and is a combination of the word "broadcasting" and "iPod," Apple's audio media player. It's a bit of a misnomer, as you don't actually need an iPod for podcasting, but the term has stuck.

forcing the printer's brand and becoming a resource for customers. One popular graphic arts podcast is Jeff Gamet and Jay Nelson's *Design Tools Weekly* (www.design-tools.com/podcast/index.html), a companion to their great print newsletter *Design Tools Monthly*.

How Printers Can Offer It to Their Clients

The analogy is the digital photo studio, which many service bureaus started adding in the late 1990s. That is, for client companies that want to develop their own podcasts, printing companies can likewise set up audio facilities. A more practical option would be to partner with local recording studios or other audio technicians to handle the actual audio recording and mastering, then the print shop can handle all the back-end tasks, such as formatting and posting the file, updating the RSS feed, etc. For example, an accountant might make a five-minute podcast about the importance of Roth IRAs, or perhaps produce a podcast about changes to tax laws that is available during tax season. Local public speakers or, say, Toastmasters¹²⁰ club members may be interested in a company that offers podcasting services.



Podcasts are audio programs that can be subscribed to and downloaded directly to iTunes

¹²⁰ Toastmasters International (www.toastmasters.org) is a world leader in helping people become more competent and comfortable speaking in front of an audience. The non-profit organization now has nearly 220,000 members in 11,300 clubs in 90 countries, offering a proven—and enjoyable—way to practice and hone communication and leadership skills.

Facebook

What it Is

Facebook is a social networking site where users create profiles of themselves, add friends, post status updates, share photos, videos, and other links, and make connections literally around the world. For businesses, the most relevant aspect of Facebook is the “fan page.” That is, you create a profile, post status updates, and encourage others to become fans, often via links on other Web sites or blogs. Facebook status updates can also be relayed back to a company or individual’s main Web site.

What Is Required to Get Started

Some free time.

What Does It Cost

Absolutely nothing, except the time it takes to set up and post updates.

How Printers Can Use It for Their Own Purposes

The real opportunity is not necessarily in creating a fan page for a print shop, but rather in understanding where Facebook can be useful and where it’s just silly and a waste of time. (There are those who would argue that the whole thing is a waste of time.) Still, the status update section of a fan page can be a useful means of also providing useful information, compelling links, and so forth.

How Printers Can Offer It to Their Clients

The important aspect to the Facebook discussion is in being able to convey its usefulness in the overall marketing mix, where it’s useful and where it’s not. How would a client company use a Facebook fan page to complement its other marketing initiatives? How much time should be devoted to it? How does one integrate it with other new media? Again, as with most of these new media options, the goal is to be able to act as a marketing resource for clients. We include below two examples of Facebook fan pages that we think are effective: the Saratoga Film Forum and American Printer. You’ll notice that it’s not appreciably different from what can also be accomplished via Twitter (see below).

By the way, Facebook isn’t the only social media site. The same discussion applies to MySpace, although that has fallen out of favor. The site Friendster was never really popular, but the name crops up occasionally.

facebook

Saratoga Film Forum

Wall Info Discussions Events Boxes Photos

Write something...

Attach: Share

Suggest to Friends
Subscribe via SMS

3 Academy Award Nominations
BEST ACTRESS
BEST ADAPTED SCREENPLAY
and
BEST PICTURE
AN EDUCATION
Thursday-Friday, February 18th-19th, 8 p.m.
Sunday, February 21st, 3 p.m.
Tickets \$7 and \$5 for Students and Military

Information
Location:
320 Broadway
Saratoga Springs, NY, 12866
Phone:
518.584.FILM

Fans
6 of 309 fans See All

Saratoga Film Forum AN EDUCATION - 3 Academy Award Nominations including Best Picture. Thursday-Friday, February 18th-19th, 8 p.m. Sunday, February 21st, 3 p.m.

An Education Trailer - Trailer Addict
www.traileraddict.com
Trailer for An Education
44 minutes ago - Comment - Like - Share

Saratoga Film Forum End of THE ROAD: Final showing today at 3PM. Stars Viggo Mortensen. \$7 www.saratoga-filmforum.org
Yesterday at 12:12pm - Comment - Like

Sue Badera Something worth while, of quality that does not cost an arm and a leg
Sat at 7:03pm - Comment - Like - Report

Saratoga Film Forum

MARCH 2010
4 new photos
February 11 at 12:28pm - Comment - Like - Share
Mary Kurta likes this.

The Saratoga Film Forum Facebook page provides news and updates on movies being screened



The American Printer Facebook page provides news and headlines

LinkedIn

What it Is

LinkedIn is, like Facebook, a social networking site, but is instead geared toward businesses and professionals. Essentially, people create networks of links, form groups that can participate in conversations, ask questions, offer answers, and so forth.

What Is Required to Get Started

Like other social media, free time.

What Does It Cost

Again, absolutely nothing, except the time it takes to set up and post updates.

How Printers Can Use It for Their Own Purposes

Like Facebook, it's not necessarily about using it for direct marketing, but rather about participating in discussions and conversations, and becoming visible to an audience that may or may not ever become paying customers. On that level, it may *sound* like a waste of time, but these types

of online social media are fast replacing in-the-flesh social networking like trade shows, seminars, and business mixers.

How Printers Can Offer It to Their Clients

Again, the important aspect to LinkedIn is not necessarily offering it as a billable service, but rather in understanding its role in an overall business and marketing strategy. Telling and showing client companies how to utilize these types of social media effectively is where the opportunity lies. It's about becoming a recognized expert in marketing services—all marketing services. Another opportunity for the printer might be to offer as a service the management and tracking of social media mentions and responses for clients. Keeping tabs on what the social net is saying about businesses and individuals is an important element to social media. Often, companies need help monitoring it all. The free application TweetDeck (see below) can help with that.

Facebook vs. LinkedIn

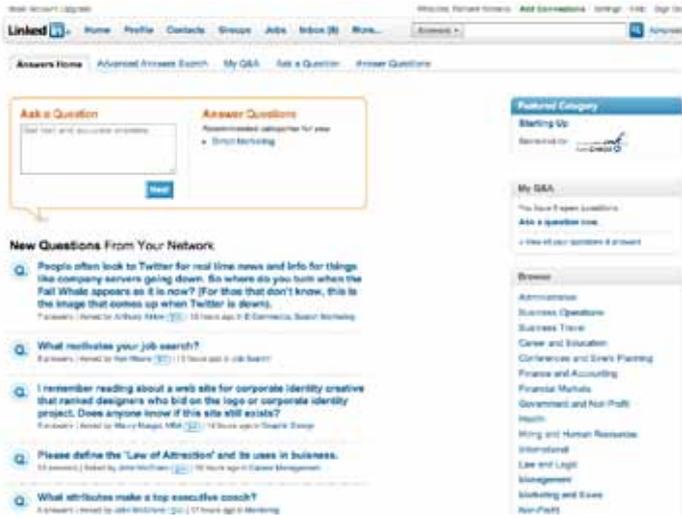
What's the difference between Facebook and LinkedIn and, if you had to choose, which would should you opt for?

The biggest difference is that LinkedIn is specifically designed for businesses. Facebook is a more personal social networking site—and, in fact, businesses are not allowed to set up Facebook accounts. They can create “fan pages” but the primary account holder has to be an individual person. The emphasis in LinkedIn is on business, while in Facebook it's about personal relations—you tend to find fewer LinkedIn updates about people's babies' bodily functions, which is a chief advantage right there. There is some degree of overlap (even more thanks to TweetDeck—see below), but one analogy might be that Facebook has a “business-to-consumer” focus while LinkedIn is “business-to-business.”

One of the biggest advantages of LinkedIn is the LinkedIn Answers, where users can pose questions to their network as well as offer answers to questions that others have posed. These tend to be more or less relevant questions, and not those silly quizzes that turn up in Facebook, like “Find out what kind of bacterial infection you most resemble” (that's not much of an exaggeration). Participating in LinkedIn answers as either asker or answerer is good for generating visibility amongst one's peers.

Perhaps the best advice we can give regarding these two sites is to determine where you're most likely to encounter the people you need or want to network with. Where are your clients—are they in Facebook or are they in LinkedIn? Or both? Or some other site? The important of social media is to go where others are, otherwise you're just talking to yourself, and that's never good.¹²¹

¹²¹ We do concede that talking to oneself is often the only way to have an intelligent



LinkedIn Answers facilitates professional conversations

Twitter

What it Is

Twitter is what's known as a "microblogging" site—that is, it functions like a blog (see above) but posts can only be a maximum of 140 characters. That sounds like scarcely enough to say anything particularly poignant, but you'd be surprised. Users who have a Twitter "feed" attract "followers" and in turn follow others. Twitter also fosters more or less real-time conversations, and "tweets" (as Twitter posts are called) can be "retweeted" by a particular user's followers, which can attract—er, *attract*—other followers. (It's hard to talk about Twitter without sounding like Elmer Fudd.)

What Is Required to Get Started

Free time; a tendency toward the terse.

What Does It Cost

Nothing, except the time it takes to set up and post updates.

conversation.

How Printers Can Use It for Their Own Purposes

In keeping with the dominant M.O. of any social media, it's about visibility, and achieving that visibility by participating in discussions and conversations that are relevant and valuable to an audience involved in the printing and graphic communications industries. Again, it's not about estimating that \$*X* is going to result from *Y* number of tweets, but rather in building a name and a reputation as an expert in the field of printing and communication.

How Printers Can Offer It to Their Clients

Once again, the important aspect to Twitter is understanding its role in an overall business and marketing strategy. Telling and showing client companies how to utilize it effectively—number of tweets, frequency of tweets, attracting followers, following other industry experts (in whatever industry they are in), etc.—is where the opportunity lies. Again, it's about becoming a recognized expert in marketing services—*all* marketing services.

Twitter isn't the only microblogging site. Tumblr (www.tumblr.com/), for example, is less popular than Twitter, but has its fans. In fact, taking advantage of less popular social media sites can be a good way to get started, as well as appeal to a smaller, perhaps more rarefied niche audience.



The ERC's Twitter feed

TweetDeck

One application that is growing in popularity is called TweetDeck (www.tweetdeck.com/). TweetDeck is a free social media management application. Say you have Twitter, Facebook, and LinkedIn accounts and you want to post the same update to each of these. You could laboriously go to each and type the same thing three times (or cut-and-paste). But with TweetDeck, you can link all your social media accounts, type a status update once, and have it automatically appear in all three places. Likewise, you can see others' status updates in all of these (or some combination) social networking sites in a single window, you can track cross-links that

have mentioned you, you can manage direct responses, etc. It can be rather addictive. (Some people, we have found, can be a little too addicted and need to be stopped.)



TweetDeck is a free application that manages your social networks

You can set up TweetDeck so that updates flash on the screen as they come in, which can be a bit distracting if you're trying to concentrate on something (like writing a book), but in a curious way it has the effect of feeling like you're involved and connected. It's easy to participate in virtual conversations.¹²² There is also a TweetDeck iPhone app, so there's no escape.

¹²² The biggest complaint that people (read: managers) have had with social media—and the Internet in general—is that it distracts employees from doing “productive work.” Yes and no. Recalling the time that we used to work in proper offices, office conversations and socializing—and long, interminable meetings—were bigger productivity killers than anything cyberspace has to offer.

YouTube/Online Video

What it Is

On online video site. The offerings run the gamut from uploaded TV programs and commercials from seemingly the entire history of television, concert videos (professional and amateur), training videos, home videos, pets (cats doing various things are some of the most popular online videos), and just about anything that can be done with a video camera. (Except porn; there are other sites for that.) YouTube can be thought of in many ways as the video equivalent of podcasting (see above).

What Is Required to Get Started

A video camera. Video editing software.

What Does It Cost

Like podcasting, it doesn't cost anything to upload content to YouTube. The only expense is in the video recording and editing equipment. Flip Video cameras (which range from \$100–\$300, depending on capacity) have become very popular for quick, easy, and inexpensive digital video. Software can range from the free iMovie (it comes with the Mac OS X) to Adobe Premiere (part of the Creative Suite), Apple Final Cut Pro, and other even more high-end editing applications. As with audio, those who are ambitious about producing high-quality video can spare no expense in setting up a production studio.

How Printers Can Use It for Their Own Purposes

In many ways, online video can be thought of like a commercial or infomercial. It's really about self-promotion, but is best handled in an informative and/or entertaining way, rather than the "hard sell" approach. The Holy Grail of online video is "going viral," or having bloggers and others latch onto it and pass it around the Internet. One bad example of a printing industry video that went viral is the Pazazz Printing "crazy printer" clip.¹²³ What we dislike about the clip is that we're not sure that coming across like a raving lunatic is the best face to put on the industry. Imagine if he had been screaming and swearing "I love buggy whips!" when cars became popular.

Another well-received clip from Genesis Press channels the late *Saturday Night Live* actor and comedian Chris Farley.¹²⁴ Progressive Printing has a more staid but informative approach to explaining the commercial printing process—and has garnered 73,410 page views thus far.¹²⁵ There are many windows of opportunity for commercial print shops to

¹²³ www.youtube.com/watch?v=VpAuDrs5ocg.

¹²⁴ www.youtube.com/watch?v=SyLgtwhNTfs.

¹²⁵ www.youtube.com/watch?v=XUIBueqStg4.

come up with something clever that can be informative, entertaining, and put a good face on the industry. The UK's *Sun* newspaper, for example, did a clever video. (Watch it at <http://vodpod.com/watch/2604643-newspapers-courting-gadget-lovers-theres-an-ad-for-that>.) It doesn't require a tremendous cost to do something smart and witty. It just takes creativity.

How Printers Can Offer It to Their Clients

Not that we're advocating that commercial printers get into the video production business, but video is playing into more and more marketing initiatives, especially as online video capabilities improve in quality and ease of use. Getting back to the Saratoga Film Forum, they now routinely embed movie trailers on its Web site, which is a very easy thing to accomplish. In Albany, New York, the CDTA (Capital District Transportation Authority) has links to video on their site (<http://cdta.org/>) that show people how to ride the bus (yes, there are people who have never taken public transportation in their lives). They also provide video feeds of their board meetings, for people who are insomniacs, we would guess. Again, the key is to understand how video fits into an overall marketing and promotion strategy.

We said earlier that going viral is the Holy Grail of online video, but we do need to stress that “virality” (actually “virulence” would be the proper word to use) is not a *strategy*; it's an *accident*. It's impossible to plan for success with viral video, just as anyone in Hollywood can tell you it's virtually impossible to tell you what movie or TV show will be a hit. That said, it does tend to be a safe bet that anything that involves kittens tends to be popular. How the commercial printing industry can harness that, we have no idea. We do know that if you have videos you want customers to see, that you need to promote them, and the videos need to be worth viewing.

Video can help a client by making them more familiar—and visible—to their own prospects and customers. Rather than having clients go on “cold calls,” their prospects may feel they already know them if they see them, and their work, online. In other words, it can warm up the cold-calling process.



Genesis Press video on YouTube

ROI, ROI, Crazy ROI

The tempting question to ask about all of these new and social media is “what’s the return on investment?” Print businesses—like many businesses—are so used to asking that question that it becomes the immediate reaction to any expenditure of time and/or money. And yet that’s the wrong way to think about these items. After all, what’s the ROI of a business card? Or going to an industry cocktail mixer? Or attending a seminar? Or conducting a seminar?

The point of social media is for a given individual or business to increase their visibility as an expert in their field. By networking virtually with likeminded individuals and businesses in an industry, and providing valuable content and comment on important issues and topics in that industry, it becomes easy for potential clients to find you. It’s the essential principle of inbound marketing: put yourself out in the market and make it easy for people to find you when they need what it is you do. Approaching these items with the notion that X investment (of time, money, resources) is going to yield Y amount of business is wrongheaded. It’s an ongoing *process* that bears fruit over time, rather than a discrete *task* that pays off immediately.

In the next chapter, we will lead you step by step through a concrete example of how social media management can be applied to a print client.

Your weapons of mass disruption:



pick any company you like, go to their Web site, and see how many different media and channels they are active in

- **how does the content differ from channel to channel?**
- **how would you implement for them any channel they are missing?**



expand upon the “how printers can use it for their own businesses” and “how can printers offer it to their clients” ideas we had brainstormed for each of the media channels in this chapter; try to apply these ideas—or others—to your own business, or to one or two customers’ businesses

7



Building Blocks of the New Printing Business

In this chapter:



1970s advice is no longer relevant

- watch your niches? specialize but be adaptable
- watch your equipment? avoid being stuck with expensive equipment that no longer produces what the market wants
- watch your employees? cultivate a network of flexible freelancers and consultants



building blocks for re-growth

- focus on print businesses not print media
- understand the value proposition of print—and other media
- develop entire multichannel campaigns for customers, not just print



what will the print business of 2015 look like?



how to manage the transition to a new communications business



a step-by-step example of how to manage a print customer's complete media needs

WHERE DO we do from here? How do we start to rebuild the printing industry? And is that a wise thing to do in a recession—even if the recession is almost over?¹²⁶ Actually, a recession is quite possibly the *best* time to do this, for a number of reasons. In this chapter, we'll look at some of the “building blocks” that printers can use to help reconstruct their businesses.

People

One basic building block of the new printing business is employees. The issue of employment has several implications for the printing business.

First, there is the macro issue of employment and unemployment. The official unemployment rate has been hovering around 10% (the broadest definition of unemployment has it around 17%) and will likely remain that way for at least the rest of 2010, if not longer.

Solving our macroeconomic problems is beyond the scope of this book, but this dismal employment scenario has a silver lining of a sort. Corporate employment is—and will likely continue to be—austere, even if the recession officially comes to an end.¹²⁷ The unemployment rate is what is known as a lagging indicator and businesses are reluctant to hire until a recovery is well underway. However, business still continues, and this creates outsourcing and management opportunities for service providers who know how to take advantage of them. This is one reason why the first sign of a recovery is a rise in temporary workers.

In particular, small and mid-size business are often especially vulnerable in recessionary times, and often lack communication capabilities, skills, staff, time, and experience. In other words, many don't know how to use the marketing communications technologies we discussed in the last chapter. What they need is a hand to guide them. This opens up the possibility of serving as a communications consultant—or, to coin a phrase, a marketing services provider. This is not just waiting for someone to come and have something printed, but rather proactively reaching out to other businesses and advising them on a holistic communications strategy.

As we have said *ad nauseam*, multiple media is an essential communications strategy. While it may seem like everyone is yelling in all directions at once, the savvy marketing services provider knows

¹²⁶ There remains some debate about this. Be sure to follow WhatTheyThink's Quarterly Business Conditions reports (<https://store.whattheythink.com/economics/quarterly-business-conditions-report>) and the Economics and Research Center's blog (<http://members.whattheythink.com/erc/erc.cfm>) for regular status reports.

¹²⁷ It bears mentioning that in January 2010 the Q4 GDP figures came out and everyone seized on the fact that it was high and positive, even though it was largely do to inventory correction and likely doesn't represent a long-term trend. On Wall Street, they often use the term “dead cat bounce.” That is, “even a dead cat will bounce if it falls from a great height.”

how to rise above the cacophony. They also know how to differentiate between outbound and inbound marketing, and cultivate the art of being found.

Recessionary periods are especially good for this because companies are desperate for a competitive advantage. Competition becomes fierce when customers are few. Any advantage is, well, an advantage. Not that we take any especial delight in being in a recession, but the wrong strategy that so many adopt is to curl up in a ball and wait for things to get better. That's not a good business strategy.

In many ways, it's fortunate that this new/social media (r)evolution is happening during this present recession. After all, for many businesses (even if not for many customers of those businesses) these things are still a big black box and few people really know how to use them effectively. The rules are being written as we are going along; individuals and companies getting involved now can help write those rules. And when you write the rules, you are, by definition, an expert on them.

Skills

There is another aspect to the employment situation that can also prove advantageous to the printing industry: *it needs employees!* We have reported often on the dramatic declines in graphic arts industry employment. For example, in January 2010, we wrote that "there were 11.3% fewer print production workers in December 2009 than there were in December 2008. From November 2008 to November 2009, newspaper workers were down 13.8%, graphic design employees were down 9.9%, and direct mail advertising employment was down 13.4%."¹²⁸

The industry has been shedding employees at an alarming rate (but then who hasn't?) but this is the wrong time to be cutting staff. Or, rather, this is the wrong time to be cutting the right staff. What we mean is that one of the crucial building blocks of the new printing industry is a skill set that so far many shops still lack. Naturally, specific skills will vary by how a specific company defines its strategy, but ultimately the types of people and skills that print business should be looking for are:

- IT (information technology)
- database management
- Web/new media design and development
- marketing communications
- graphic design

¹²⁸ Bureau of Labor Statistics, via WhatTheyThink's *January 2010 Business Conditions Report*.

Remember back in Chapter 2 when we complained about our survey respondents thinking that the only hires they need are salespeople? This is not because we have anything against salespeople. Some of our best friends are salespeople. Instead, we feel very strongly that it's more important for print companies to concentrate on developing new things to sell, and then looking for the right salespeople to sell those new initiatives. And when we say "sell those new initiatives," what we mean is a combination of the old ways of selling, but also using the aforementioned combination of outbound and inbound marketing to cultivate the types of relationships that shops should be looking for.

These employees and skills don't have to be full-time hires. In fact, an important strategy is to cultivate a diverse network of outside specialists and independent contractors. That is, people you can go to when a specific need arises. This helps a business retain flexibility in its offerings. Just like equipment is a major capital investment that limits a company to offering only what that equipment produces, so, too, do full-time employees limit a company to what those people's skills are. Again, that may not be what the market demands. By availing yourself of a network of freelancers and outside consultants, you keep yourself open and flexible.¹²⁹ This is not to say that you should be a virtual company with no full-time employees¹³⁰, but instead you should strive to achieve a strategic mix of full-time, part-time, and freelance staff.

Technology

We've written about this before, but it bears repeating because it illustrates quite well how technology can help businesses weather a poor economic climate.

If you look back through the data (as we often do; you should see our scrapbooks and family albums), graphic communications markets often buck economic trends. The graphic design markets in particular saw a resilience to the 1990–1991 recession, thanks largely to the explosive growth of desktop publishing. Aldus PageMaker came out in 1985, QuarkXPress was released in 1987, and Photoshop 1.0 in 1990. (Version 2.0 appeared in 1991.) Adobe Illustrator was first released in 1986 and Illustrator 88 (as in 1988) was a pivotal release. This means that by the time the recession hit in 1990, the "classic" applications for desktop publishing were appearing and starting to become widely adopted.

In mid-2009, for our *Q2 Business Conditions Report*, we did some calculations to put things in perspective. This may seem a bit wonky,

¹²⁹ You also save on employee benefit costs and all the other expenses associated with full-time employees.

¹³⁰ Well, not necessarily...we'll get to that.

but bear with us. We correlated the change in real GDP, and change in several graphic design demographic categories (employees, payroll, and establishments). In 1990, real GDP grew only 1.9%, but graphic design employment grew by 2.4%, graphic design payroll grew by 5.5%, and graphic design establishments grew by 6.6%.

In 1991, when real GDP *declined* by 0.2%, graphic design employment *grew* by 2.3%, graphic design payroll *grew* by 2.2%, and graphic design establishments *grew* by 7.7%. How's that for bucking a trend.

A year later, in 1992, graphic design employment declined 6.4% and payroll declined 2.6%, but establishments dramatically increased 15.1%, which suggests that a fair number of designers decided to strike out on their own and form their own design firms. This was made possible, after all, by the new technologies.

Technology often has the benefit of mitigating the effect of recessions and other economic downturns. Just ask Apple.

Unconventional Wisdom

Here we go with another “that was then, this is now” table. The point here is again to illustrate how things have changed, but at the same time to understand that we can't know where we're going if we don't know where we've been. Many print businesses still cling to 1970s advice. Well, this isn't the 1970s anymore. You can tell because no one wears loud plaid suits.

<i>1970s Advice</i>	<i>2010s Advice</i>
Carve out a business niche where they gain a distinct advantage over competition.	Niches have a risk to their higher payback, and niches can disappear quickly.
Gear the entire company to support the niche selected and developed.	Always explore new niches, applications, and geographies.
Keep up to date with new equipment.	Marketing life of equipment is shorter than mechanical life, and more important.
Recognize the need for motivation and development of personnel.	Create networks of flexible workers and outside specialists.

In other words, here are what you should be watching:

Watch Your Niches

We spoke in an earlier chapter about the increasing rate of change, that technologies and markets evolve ever more quickly. “Carving out a niche” isn’t necessarily a bad thing; being good at something and specializing in it can obviously have its advantages. However, as markets change rapidly, niches can disappear just quickly. The goal then is to “specialize, but adapt.” That is, exploit a niche, but ensure that your business can survive if that niche goes away. Explore new niches, applications, and even geographies. The Internet makes the latter more possible than ever.

Watch Your Equipment

It’s tempting to always want to have the “latest and greatest,” but remember that printing equipment has two lives: its mechanical life (how long it will physically last) and its marketing life (how long it will produce what the market wants). The former can be orders of magnitude longer than the latter. As a result, avoid being stuck with a large piece of equipment that is no longer productive (in a marketing, not manufacturing sense). Digital equipment often has a distinct advantage here, but it’s more of a financing issue than a specific equipment issue. Digital equipment can often be more easily upgraded and replaced, but the advantage is often more in the shorter-term leasing arrangement than the longer-term purchasing arrangement. A key element of any equipment strategy should be to wear it out as quickly as possible. This means running two shifts as often as possible. The need to run two or three shifts to get onto a more regular equipment replacement cycle should be considered as a new reason for consolidation among small and mid-size print businesses.

Watch Your Employees

No, not to make sure they’re not stealing paper clips. Rather, as we said earlier, cultivate a diverse network of flexible workers and freelance specialists and consultants. Just as with equipment, you want your business to be as flexible and adaptable as possible.

The key here is not being saddled with investments—in equipment, personnel, or niches—that prevent your business from reacting quickly to changes in the market.

Growth—Again

What are the steps that print business can take to grow again, to bounce back from the lost decade and make the 2010s a return to prosperity? Here are a few ideas:

Focus on Print *Businesses*, Not Print *Media*

If you've only gotten one thing out of this book thus far, we hope it is that there is an ever-increasing diversity of media and communications channels that negatively affect the demand for print. That is, all of these media exist to either supplement or complement print. This means that communication is about *more* than print. Consequently, print businesses need to be about *more* than print. The emphasis has to be on a holistic communications strategy, not just one small piece of it, for the simple reason that there is not enough of that piece to go around.



Why don't they do this? Because when you have \$5 million worth of equipment you have to use it.

Judge the Value of Print in Relation to Other Media

Any sales expert will tell you that in order to effectively sell a product or a service, there needs to be a value proposition. That is, what value does *x* offer to a customer that makes it worth their time and money? This is an unusual question to ask in the printing industry because for so long no one has ever had to ask it. Everyone knew the value of print. Or, as we said in the Foreword, they didn't really, but they *thought* they did. The value of print was really that there wasn't anything else. That situation doesn't exist anymore. Print has to justify itself as a medium (which is to say that printers have to justify print as a medium) in ways that it never had to before.

The reverse is also true. The value of other media needs to be judged in relation to print—or to each other. In other words, we're back to the conversation about deploying media as a strategy not a task. What combination of media are the most effective for a given client, producing a given project, for a given target audience? There is no universal answer to that question anymore. That's why communications companies who can answer it effectively in all cases will have the advantage. Again, the keyword is flexibility.

Understand that Media is Media

There are companies who have never printed anything. It may seem hard to believe, but it's true. Believe it or not, there are businesses—successful

ones, too—that have never bought print. They may not even have printed anything on their desktop or network laser printers. They are 100% electronic.¹³¹ For these companies, print would technically be considered “new media.” After all, if someone has never used something, it’s new to them, by definition.

These companies could probably improve their marketing if they *did* include a print component. As a result, they need to be educated about the value of print. (Yes, we’re back to the question of the value proposition of print.) Companies that have never printed anything could very well be a printer’s best customer. How to get to them? Understand the media they use now, help them develop those media, and use new media as a jumping-off point for print. In the same way that print customers have migrated to electronic media thanks to the perceived value proposition of new media, so, too, can electronic media users migrate to print, *if it’s appropriate for those users.*

Again, it’s about thinking about media holistically and strategically.

Print’s Total Costs Must Continue to Fall

Ask people who use electronic media for marketing why they don’t print and they’ll give you one of two reasons. The most common is, “Print is too expensive. We can’t afford it.” The second is “We don’t like killing trees.” In most cases, however, reason number two is little more than an excuse for reason number one.¹³² Regardless, basic economics dictates that the comparative cost of print needs to come down. That may be heresy for many in the industry, and the immediate response is “We already have razor thin margins, if any at all.” That’s why we talk about offering all these other things as part of a holistic media strategy. When you’re developing an entire multichannel campaign for a customer, you develop a package cost that takes into account the cost of printing as well as the lack of cost of not printing. Say what? In other words, the “free” electronic media components of a project are paying for the print component.



There is a lot more flexibility in cost when you’re selling “marketing services” vs. print. In the latter case, you’re selling experience and competence at developing a successful overall marketing strategy, which may very well have a much higher value than simply a print job which, as we have seen all too often, more and more companies think they can do without.

¹³¹ We recall a big deal being made a few years ago when Amazon produced a printed catalog. For some in the industry, it was tantamount to some kind of religious conversion. Unfortunately, it’s never happened again.

¹³² Come on, let’s face it, if print were cheaper than electronic media, how many people would still use e-mail out of environmental responsibility?

Since it's the comparative benefits in relation to their costs, when print makes the other media more effective from a revenue perspective, the decision not to print has a cost as well. Unfortunately, these new media are still new, so there is little track record for one to pull out of a statistical bag of tricks to wow a wavering client.

Redefining a Printing Business

Today's—and hopefully tomorrow's—printing business can be summed out quite succinctly:

- **Billing customers for results rather than for tasks**
- **Getting paid for reducing customers' other cost centers**
- **Getting paid for increasing the revenues of customers**
- **Selling print/media through diligence, timeliness, relevance, and predictability**
- **Understanding the complexity of media—all media—and guiding the customer through them**
- **Getting business through inbound marketing efforts**
- **Realizing that except for direct mail, print “ROI” is a nebulous concept, electronic media ROI even more so**

Inbound Printing

We have spoken often in this book about inbound marketing, or cultivating the art of being found. The principle of inbound marketing is that there are individuals and businesses out there all the time who want what it is you provide. Rather than broadcast yourself and try to convince the disinterested to patronize your company, make yourself conspicuous and easy to find by those who are looking for you.¹³³

For printers, this can be boiled down to what we can call the “three Ms”:

¹³³ By “you” we mean “the royal you,” or companies like yours which, by definition would include your own.

Monitoring—Monitor new media initiatives for clients as part of your service offerings.

Measuring—Make print measurable using pURLs¹³⁴ or other methods.

Morphing—Turn printed materials into direct response vehicles with quick response (QR) codes.

The Printing Business of 2015

It's hard to imagine that 2015 is only five years away. But given how quickly things change, it's not hard to imagine that by then we will be talking about a whole new slew of media and channels. After all, five years ago, how many people had even heard of Twitter (which wasn't launched until 2006), Facebook (2004), or YouTube (2005)? So we have no reason to expect that five years hence, we will be talking about the same things. Foursquare? Gowalla? Something else? Bank on it.

This is why we caution companies about niches and investing heavily in the here and now. Things change, and while these items (and more) are here now to be taken advantage of, companies that are serious about staying at the forefront of marketing and communication trends need to be constantly on the lookout for what is new. It's important to stay on the bleeding edge of trends—just make sure you have lots of Band-Aids.

That said, there are a few characteristics that the printing company of 2015 will share. Ultimately, regardless of what media and channels emerge...



The successful printing company of tomorrow will be the hub for managing the creation, coordination, deployment, measurement, and management of communications logistics.

¹³⁴ “Personalized URLs,” personalized Web sites used in conjunction with direct mail that can gather information about the person that visits it. There are many companies, such as MindFire and XMPie, that offer pURL capabilities to printers.

The Printing Business of 2015



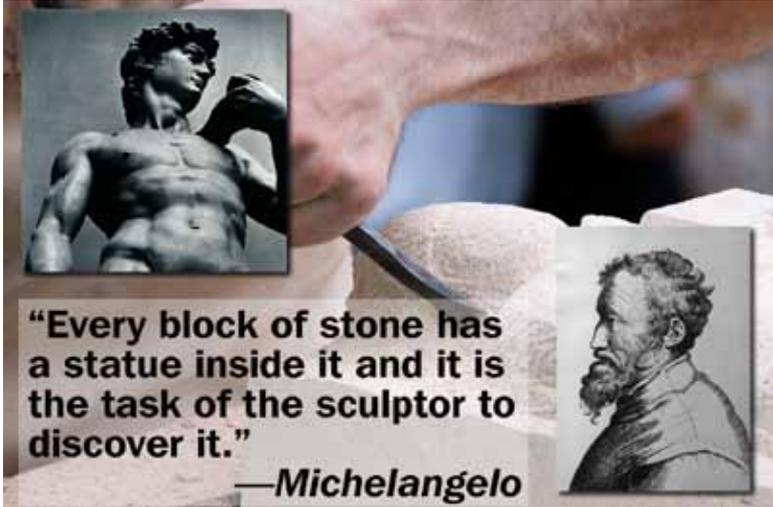
Managing the Transition

What will ultimately help the printing business transition to the new business of communications logistics is for print business owners to re-discover how to become entrepreneurial. We say “rediscover” because the printing industry used to be far more entrepreneurial than it is today. Printers would start out by outsourcing some service—like color separations—and then eventually buy a scanner and start doing their own separations for customers. Or bindery. Or...you name it. Print businesses had related complementary and supplementary businesses often in the same building. Sometimes they had different names and phone numbers but they were all owned by the same parent business. These businesses could be quite creative.

Somehow, the industry lost that entrepreneurial streak. Why? Likely because the complementary businesses¹³⁵ they used to get involved in—color separations, prepress, postpress—were at least mechanically related to the process of printing, whereas the important new businesses today—the Internet, social media—seem far outside the realm of what printers typically do that they don’t feel it’s relevant—or, at worst, they see it as their enemy. And yet, as we hope this book has shown, new media *are* a logical extension of the printing business, and are not the enemy.

¹³⁵ We’re loath to use the term “ancillary services” which has become synonymous with “value-added services,” which is not what we are talking about here.

Carve the Stone Away



This quote is appropriate to a discussion about entrepreneurship and innovation. In all of our industry's sales seminars and workshops, there's nothing that garners more attention than the sense that there are opportunities that have yet to be found. Owners and managers sometimes admonish salespeople that they are not looking for opportunities hard enough, that somehow they are hidden out there. How many times have we heard the phrase that "we've taken care of the low hanging fruit, now we have to go for the rest," only to be frustrated that the higher branches don't seem to have any fruit worth getting.

The sense that there are hidden opportunities in a marketplace that somehow one cannot see despite years of experience is every manager's and salesperson's nightmare. We're often asked "are we missing something?" only to tell the questioner "no, you are looking at things correctly"—followed by disappointment, which is written in large, bullet points all over their faces.

There are no real hidden opportunities—and in these times we don't think this is the best way to think about it. It certainly does get people's attention, but it implies that these opportunities already exist, and that the businessperson is playing an elaborate game of hide-and-seek or going on a scavenger hunt, turning over rocks or rifling through dresser drawers looking for opportunities that someone has mischievously hidden. In the movie *Glengarry Glen Ross*, the entire plot hangs on being a good enough salesman to get access to the "good leads" rather than

the unqualified cold calling lists that waste time and seem to be bare branches with no fruit.

When a market is changing, the approaches that seemed time-tested no longer work. That's one of the ways we know the market has changed. Nothing is "hidden," it's actually out there in plain sight—you just have to know how to see it, but you also need to know what to do about it.

Instead, think like a sculptor. Great artists like Michelangelo weren't looking for hidden statues; rather, they and only they saw the art "trapped" inside the rock. Once they "saw" the statue in their mind, it simply became a mechanical task of carving away the rock to "let it out." It seemed like creativity to others, but to them it was an expression of what they had already seen that others did not.

Any other artist—a painter, a novelist, a musician—is also capable of "seeing" (or "hearing") the things that one else can.

Likewise, an entrepreneur is someone who has an idea that no one else has had yet, and is compelled to act on it. They can look at the market and see a business/service/product that no one else can see. Once they "see" the business, it then becomes a logistical task to assemble the infrastructure to develop it and bring it to market.

There is no shortage of ideas for seeing new ideas for print businesses, but too many owners get spooked by the logistics—and there's no reason for it.

Very often the testing of a new idea requires the assumption of risk. Entrepreneurs are not risk takers in the way people think, they are actually risk minimizers, going into situations with their eyes open, but aware that there is always the chance that they have made a mistake. Like a sculptor who may make a mistake, or find that the stone may have flaws that were not visible until it was cut and exposed, they move ahead cautiously, based on whatever information they can gather, and whatever experience they have. How do we deal with risk as innovators and entrepreneurs. Simple: we bring others into the process.

We know of many printing companies that don't own a single piece of printing equipment. How can that be?

Think about this. Say you want to have your kitchen remodeled. You can go to Lowe's or Home Depot, pick out our fixtures and cabinets and design the whole room right in the store. However, Lowe's doesn't have actual employees come and do the work; they work with independent contractors who go out and install everything on their behalf. The project is paid for through Lowe's and they in turn pay the contractor on the back end. The advantage for the customer is convenience, not only in that Lowe's has everything that will be needed for the project, but there's also the sense (which may or may not be justified by reality) that you're getting a trusted and vetted building contractor. But the analogy

is this: Lowe's as a company doesn't have actual contractors on staff. They outsource everything. The advantage for them is that Lowe's knows they will sell more cabinets and appliances if they take the next step for the customer. The contractors know that having a relationship with Lowe's is a source of business that reduces their sales and marketing costs. The customer (especially if they are a first-time home-buyer or first-time remodeler) feels as if he is getting a helping hand through what can be an expensive and potentially nightmarish process, while at the same time knows that Lowe's has a procedure for dealing with problems as an intermediary if they are dissatisfied with the contractor.

In other words, it's generally win-win-win for all parties concerned.

The same is true of printing companies that don't own any equipment. They work with the customer to develop the parameters of the job, but outsource the actual printing.

It could even be said that the best way to be a successful printing company today is to not own any equipment! At least that might be the case in opening up some new markets.

With this analogy in mind, here are seven concrete strategies for making the transition to a new communications logistics company.

Partner with Another Company

Is there a service or product you want to add for your current customers, but don't know how to bring or develop these services in-house? New media, social media, video production, etc.? Find an outside company to partner with and outsource these tasks to, just like in the Lowe's example mentioned earlier. Networking at local business events, industry seminars and trade shows, and other networking events—actual and virtual—can be excellent places to locate individuals or businesses who may have the skills to you need to outsource to. And don't forget that you can use Twitter and LinkedIn to find these folks, as well (see Chapter 6).

It may often be a case of making contact with a freelancer and saying, "I really need some help with my business. Perhaps we can work together and develop this social media content management service. I have a large pool of contacts because of all the print work I have done over the years."

If your printing company is big enough, it may even be worth acquiring one of these companies and running it as a separate business. That can be decided later once there is a good track record of success and cooperation. Some large printing companies have found that the best way to transition their businesses to where they needed to go was to acquire an agency. Remember, not everything needs to be done under your own roof by your current staff. If you want to move into a new market

quickly, and with credibility, an acquisition may be one of the best ways to work. In fact, developing a new service from scratch in-house may take time, and opportunities may not wait for that.

A critical aspect of the relationship is long-term trust. If there is any sense that either side is into the relationship just for occasional jobs, then it's not the right partner to pursue.

Start and Nurture a New Business

There is no reason why any new initiative has to be part of your “old” printing business. It may sound harsh, but in some cases it's accurate: propping up a dying print business may be throwing good money after bad. Therefore, take your new initiative and start it as a new business that exists in parallel with the old one. Staff and equip it appropriately, but keep it separate. Nurture it, and if down the road the old printing business dies a natural death...well, life goes on.¹³⁶

This “new business” doesn't even need to have any new equipment, at least not at the outset. Remember the Lowe's example; this new business can simply start by assembling strategic partners. Eventually, you can acquire your own in-house capabilities.¹³⁷

Ditch Old Equipment

How many times has this happened: you finally paid off your car loan and exulted in the fact that you can save money each month by not having to make a payment. Once that final payment is mailed, it seems that the car “knows”¹³⁸ and it's at that point everything starts breaking down. So, no, you don't have a monthly car payment anymore, but you do have regularly increasing repair costs.

Printers often make the same mistake with regard to equipment. They keep old equipment around after it has been paid off in the mistaken belief that just because there isn't a payment being made that it doesn't have a cost. But it has whatever it costs to operate it and to staff it, as well as an opportunity cost (i.e., there are other things you could be doing with floor space, resources, and staff). If it's no longer being productive, it doesn't matter how paid off it is. It's still a non-recoupable cost center.

This is not to say that you should ditch all old equipment. If it's productive and profitable, great. But any only marginally used piece of equipment ties up capital that can be better applied elsewhere.

¹³⁶ Ob-la-di, ob-la-da.

¹³⁷ Once again, the printing industry used to do this sort of thing all the time.

¹³⁸ Modern cars have special microchips that can sense when the car is paid off. Coincidentally, it's the same technology that senses when it's in the repair shop and stops making whatever strange noises it had been making.

Don't Think You're Competing Against Yourself

There are commercial printers who feel that if they start offering lower-end templated jobs, they are in effect competing against themselves.

As an example, an important application for digital printing has been the production of digital photo albums. These include wedding albums, with photos uploaded and printed in short runs for guests, relatives, as well as corporate and organizational events.

There are services that specialize in offering this online. Consumers go to a Web site, choose a template, upload their pictures, and select the kinds of binding they would like. Many printers feel uncomfortable with template-based businesses because they may offer professional design services, and template-based offerings undermine those design services.

The discomfort comes from the fear of competing against their own high-end production processes, taking their high-end clients and turning them into low-end ones¹³⁹. We don't grant the premise. High-end clients are usually high-end clients for a reason, and in most cases likely won't be lured into producing a lower-end job. But at the same time, there are lots of new lower-end customers that could be attracted by offering such a service—and again, it could be as a new business.

The strategy, then, is to offer template-based services as a separate business. Because it would be owned by the same printing company, but marketed with a separate identity, the host company could identify larger users of the template-based services and then target them to upgrade to professional services. What better way to cultivate customers than ones that have been qualified by knowing their track record of purchases?

Specific Products May Change, But There Will Always Be Specialty Opportunities

Another concern for many printers making a transition to niche specialty products is that they often have a large upfront capital outlay. For example, the idea of buying digital printing equipment for the production of digital photo books that are purchased one at a time, rather than selling 5,000 sheets at a time, is understandably scary. But these days, there are numerous ways to sell these things on a private label basis. There are printers who have already made these investments and are willing to brand Web sites and sell output on a trade basis. Our industry has always had a history of brokered and trade services, so it's nothing new to our

¹³⁹ We don't use the term "low-end" pejoratively, or mean to refer to such jobs as "low-quality." We just use it to distinguish templated jobs from traditional individually customized and produced jobs. In terms of actual quality, there may be little difference at all.

culture.¹⁴⁰ Once sales volumes are high enough, only then should a consideration of investment should be made.

This is what we mean when we say you need to “create business” and not just “get business.”

It’s tempting to think, once again, that certain specialty products are fads—like the digital photo albums. Will there always be a market for them? Probably not. But the advantage of digital equipment is that it keeps you flexible to capitalize on opportunities for new specialty print products. All these types of projects have similarities, and having experience with one, and the equipment to produce it, makes you able to understand how to produce others when the “new thing” comes along. Today it may be digital photo albums. Tomorrow, it may be...printed collections of blog posts or tweets or Facebook pages. Who knows?

It’s worth mentioning this story that came over the wire a couple of weeks ago:¹⁴¹

Newspaper Club launches start-up for printing newspapers on demand, buying low-cost city press time during off hours and reprinting favorite online material.

Unused presstime at daily newspapers may find new customers from an unlikely source: bloggers who would like to see their postings committed to print. Newspaper Club, a U.K. start-up, has launched a business printing newspapers on-demand, buying low-cost press time during off hours and reprinting material for customers, much of it originating as blogs and other online material.

The point is, once you are set up to take advantage of these types of one-off projects, you are ready for whatever comes along.

Understand How to Manage Content

Ultimately, communications today is about managing the phenomenal amount of content that is being created literally every second.¹⁴² Many

¹⁴⁰ When one studies the printing industries of downtown New York and Chicago, it’s clear that the freight elevator was the equivalent of the Internet. All kinds of craft-people set up shop in the same industrial building, and sold their services to each other, transferring work in process to each other on the elevator. And print brokers, when asked to see “their shop,” would bring clients to see the facilities of those independent businesses.

¹⁴¹ Bill Esler, “Flash: Self-Publish Newspapers,” *Graphic Arts Online*, March 14, 2010, www.graphicartsonline.com/article/452952-Flash_Self_publish_Newspapers.php?nid=3470&source=title&rid=7732121.

¹⁴² If you use the social media management application TweetDeck, you can set it to alert you every time there is a new tweet, or Facebook or LinkedIn status update. You will want to turn it off, because it can get quite maddening if you’re trying to concentrate on anything.

people go into social media willy-nilly, and soon realize that they can't manage it effectively. It can be a full-time job in and of itself. As a result, a company—any company—needs a social media strategy.

We just discovered that most of what we have been discussing in this book has a name: content marketing. Via David Dodd in a PrintCEO blog post:¹⁴³

What is content marketing? Joe Pulizzi, co-author of *Get Content. Get Customers*, defines it this way: “Content marketing is a marketing technique of creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood audience—with the objective of driving profitable customer action.” The basic idea behind content marketing is to create content that speaks directly to the issues and challenges that potential buyers are facing, and thus provide those buyers a compelling reason to engage with the selling organization.

This sounds like our old friend “inbound marketing,” doesn't it? In some ways it is, and it's still an opportunity for any company that seeks to be in the communications logistics business. Which you should be.

Clean Your Company

No, we don't mean dust the equipment and empty the trash cans. We mean that more metaphorically. As an example, there are consultants that go into troubled businesses and “clean” them up to make them attractive to a prospective buyer.¹⁴⁴ We hope that by reading this book it doesn't come to this (but it may), but perhaps cleaning your company so that it is attractive to *clients* is a strategy worth pursuing. This is not merely cosmetic, or marketing-based obfuscation (i.e., your Web site screams “We're a marketing services provider!” but mumbles “Actually, we're just a printer.”) Do you offer the right mix of things and then promote them in a way that entices new business?

That said, if you *do* need someone to come and clean up your company for potential acquisition, isn't that a sign in and of itself that you're dealing with an already dead business—which cries out for change?

Know the Warning Signs

So how do you know if you need to worry about this transition? Are there telltale signs that business is heading downhill and won't come back? After

¹⁴³ David Dodd, “Why Marketing Content Matters More Than Ever,” PrintCEO Blog, February 23, 2010, <http://printceo.com/2010/02/why-marketing-content-matters-more-than-ever>.

¹⁴⁴ Think of it like the improvements you make to your house before you sell it, or the fact that you at least get your car washed before you put it up for sale. You do, don't you?

all, if so many people in the industry didn't know what was happening for an entire ten-year period, how is any one company likely to know?

The fact of the matter is, there were—and there continue to be—warning signs. Sure, many businesses are cyclical, and there is a natural ebb and flow over the course of a year, and maybe even longer. Here are some danger signs. Some are obvious, some less so.

- decline in sales
- reduced purchases from customers who otherwise seem to be doing well
- other print businesses dropping like flies around you (and though you pick up some of their business, things don't improve substantially)
- disappointment that employees can't get raises
- working harder and selling harder do not provide the results needed

If you notice more than a couple of these factors, you might want to go back over this chapter.

A Guide to Managing the Transition—and Managing Communications Logistics

Managing communications logistics for customers—rather than just printing a job and being done with it—is the goal of the transition to a new printing business. And managing those logistics can be boiled down to seven steps:

- build credibility
- have something to say
- know when to say it
- get the word out
- be seen
- exploit specialties
- see the future

Let's look at them one by one, and then we'll apply them to a concrete example.

Build Credibility

The credibility of a print business in new media is usually nil, but only because we have not used new media ourselves. There are no books, no guidelines, no best practices. All of these are being created as they hap-

pen. Look at blogging: it was there, and now it's largely been replaced by Facebook and Twitter. Those will be replaced, too. Or, that is to say, they will evolve into something else, just as blogging evolved out of the Web, and social media evolved out of blogging. It's all a continuum of gradual changes, not wholesale replacement of one thing by something completely different.

So what we mean by “credibility” is to understand whatever the current “thing” is, because that makes it much easier to adapt to whatever it evolves into. People who jumped on the Internet in the 1990s and knew how to create and use Web pages could very easily adapt to the idea of blogs and other online applications in the early 2000s. Later on, trying and adapting to social media was no big deal; anyone who had ever written a blog or visited blogs knew exactly what Twitter or Facebook was all about.¹⁴⁵

The “credibility gap” exists because there is the perception that printers are just printers—because they don't use these things themselves. Therefore the best way to build that credibility and gain experience with these things is to use them, and use them often. The relentless evolution of new media is hard to grasp when a business has been focused on billable jobs, not billable time.

Have Something to Say

Another part of the credibility issue is what we could refer to as “tweet cred,” which is like “street cred,” only online. Tweet cred refers to knowing how, why, and when to use social media, for oneself and for one's clients. That requires relevance, and that means having something to say.

If you follow people on Twitter or Facebook, you know that sometimes people have nothing to say, but they say it anyway. They are eager to point out what they are eating, that they are about to take a nap, that they are getting on a plane...who cares, right? It's this irrelevant chattering that gives social media a bad rap—imagine in the “old days” if someone sent out a press release every time they ate a bagel. It would be unbearable.

So the goal of social media management is to not just say random things, but to have *relevant* things to say. Social media has to be managed like any other ad or PR campaign. A good PR agent doesn't just spew out an endless stream of random press releases¹⁴⁶ but rather crafts a message. PR agents who are adept at social media also don't spew out an endless stream of random tweets; they are well-crafted like micro-press releases,

¹⁴⁵ The real challenge, for those of us given to verbosity, was limited one's comments to a scant 140 characters!

¹⁴⁶ Well, at least not since the dot-com bubble in the late 1990s.

and are carefully timed. Twitter posts and other social media updates are often re-purposed from traditional press releases; these things are all part of a campaign with a message and, like any ad or PR campaign, social media should stay on message.

When working with print customers on their social media communications, it will require knowing who those customers' audience is, and what is relevant to them. Now, you may be saying, "I have enough trouble keeping up with my own business, now I have to learn all about my customers? How am I supposed to do that?" This is where working with freelancers and independent contractors comes in. It's easy to outsource these things to freelancers; contract with someone to follow a particular customer or customers, bookmark news sites and trade publications in their particular industry, and work with the customer to craft relevant content.

It may often be a case of making contact with a freelancer and saying, "I really need some help with my business."¹⁴⁷ Perhaps we can work together and develop this social media content management service. I have a large pool of contacts because of all the print work I have done over the years."

It may not even have to involve freelancers; perhaps the customer himself can produce the relevant content. All you need to do is show them how to do it. It doesn't need to be as difficult as it sounds, and once someone gets immersed in another company's industry or market, it soon becomes obvious what to talk about.¹⁴⁸

Know When to Say It

All media require a plan. The best "spontaneous" social media efforts are actually all planned and programmed. The important aspect to this is to figure out what frequency is right for your client. Again, if you follow anyone on social media, you know that there are people who tweet far too much. You know, you open up Twitter first thing in the morning and the entire first two screens contain posts by just one person. It's tempting to un-follow them, or figure out how to block Facebook updates from these folks, or have their fingers cut off. They do themselves a disservice by posting so much—and if they are doing it on behalf of a client, they are not fostering good will toward that client.

¹⁴⁷ We'd quote The Beatles' "Help!" here, but we couldn't afford to reprint the lyrics. We're sure you know the song.

¹⁴⁸ In the early 2000s, Dr. Joe and his original TrendWatch partner Jim Whittington launched new market research initiatives to cover markets other than print and its related industries, namely, textiles, visual effects, and television broadcasting. Although we knew very little about these industries going in, we immersed ourselves in the trade literature and consulted with experts and soon could write about these markets with reasonable authority.

At the other end of the spectrum, there are those who post infrequently—once a week, maybe even less. This can be just as much of a disadvantage, because the point of social media is to be social, to be seen, and to be seen to be gregarious (but not a chatterbox). The social media user who rarely posts is that guy at a party who stands in the corner all night and never talks to anyone. Do you really want to be that guy? How much new business are they likely to get?

Logical and relevant subjects for social media messaging include trade shows, investor relations, local events, new product announcements, sales and special offers, or a perspective on something happening in that industry or market at large. Perhaps there is some kind of legislation pending that could affect businesses in a particular industry. Posting viewpoints on it is a great way to build visibility and a reputation for expertise—or, essentially, credibility.

So, when planning social media management, create an editorial plan with clients, and especially for yourself. Avoid irrelevant tweets, or tweets that are trying for a hard sell. You don't want to appear to be overtly selling something; you want to provide useful and relevant content. Think of it more like publishing than advertising. Say something meaningful. Often that involves linking to some other story online that you thought was interesting. Tell the social network where you'll be, at a Chamber of Commerce meeting, a seminar, or industry event¹⁴⁹. After you see an interesting speaker, tweet the key point or a thought-provoking idea.

Unless your clientele consists entirely of hermits, every client—every business—has these kinds of opportunities and events. No business exists in a vacuum.¹⁵⁰ Again, understanding your client and his business—or contracting with freelancers who will—can make these opportunities easy to spot.

Get the Word Out

All digital media start small. People need a reason to follow others online. Sometimes it's obvious, like a stock analyst who has to follow a particular company, or a trade journalist who needs to stay connected with the movers and shakers in an industry. Thus, you need to make sure all critical constituencies find out about one's availability in new media, whether it's yourself or a client.

The first inclination of print salespeople is not to engage, but to sell. They'd rather have a list of members of the local PRSA¹⁵¹ chapter so they can make sales calls to them, rather than make a speech to the group about how social media and printing can work together. The only way to

¹⁴⁹ Not, say, eating a cheeseburger or visiting the gents'.

¹⁵⁰ Except maybe NASA contractors, but then only part of the time.

¹⁵¹ Public Relations Society of America, www.prsa.org.

change the context of the way people view you is to aggressively change where and when they actually see you.

Be Seen

What makes a person an expert in a given industry? Obviously, knowing a lot about that industry, yes, but also appearing as such to others. In the past, this was accomplished by being ubiquitous at industry events and trade shows, or by writing often for trade publications, or being interviewed often. It was all about being visible.

Today, visibility is the *raison d'être*¹⁵² of social media. Following and being followed, and posting compelling, relevant content, are the ways in which experts become seen by an industry, market, or customer base—and become seen as experts.

Exploit Specialties

What about printing? With all the talk in this book about social media, you'd think we were advising printers to stop printing! Well, no, obviously not.

Many printers hear about opportunities selling certain kinds of printed goods, and in every one of these situations there is risk.¹⁵³ A niche strategy can be rewarding, but it can create a situation where that niche requires a commitment, and the risk that that niche will vanish.

So when we hear about specialty printing—like digital photo albums—are those specialties really just fads? Are digital photo books something that will continue over time? Or will they be replaced with some kind of personalized motion video and photo viewing that can be accessed in cloud computing and viewed on an iPhone or a high definition 60-inch screen? Will some other type of specialty printing product emerge?

When it comes to staying ahead of clients, fads are actually important, and fads are opportunities for new ideas that can be brought to clients. Despite the ephemeral nature implied by the term, “fads” actually have a habit of staying around for years. Here's an example: blogs were a fad in the beginning, and they cooled down considerably. But there was a weeding out of bad blogs, or passionless blogs, and this form of publishing settled down to become another form of information distribution. Blogs are changing the face of traditional journalism (to the consternation of many in publishing), and it's safe to say that they will not go away for quite some time. Already, blogs are being replaced by Twitter and Facebook for casual users, but the blog format will not disappear im-

¹⁵² “The reason to be”—we've switched from Latin to French.

¹⁵³ But, as we hope we have convinced you throughout this book, there is risk in simply continuing doing what you have always been doing without changing.

mediately. If anything, “shorter” media like the microblogs will be used to drive traffic to longer blogs—kind of like print was used to drive traffic to the Web in the 1990s.

But back to the idea of print specialties and fads, as we said earlier that learning how to produce the products that are currently popular builds up expertise and the capability to produce whatever may come next. It’s like setting up printing capabilities in general. If you started off with an offset duplicator back in the day, you learned how to print letterhead or other simple documents. Once you understood how offset printing worked, you had expertise in how offset products were produced and sold, and it was a not a major leap to move to other products, like postcards or brochures. The only hurdle was buying new equipment.

Likewise, once you understand how on-demand or templated printing is produced and sold, you have expertise and can transition to other digital, on-demand, templated products.

Know the Future

All right, no one can *know* the future, but by being fully immersed in the present, and being aware of what is going on outside our own walls, we can get an idea of where we are going. Recall back at the beginning of Chapter 1 when we found our *Printing Industry Forecast 2000* report and our comments seemed remarkably prescient. This wasn’t due to psychic powers, but simply to the fact that we were looking at *everyone* involved with the printing industry—namely, those who bought print. We sought to understand what their concerns, issues, and trends were, and it seemed fairly obvious that things were moving in electronic directions. At the same time, the culture as a whole seemed to be focusing more attention on electronic media, and it wasn’t a major cognitive leap to imagine that the kids who were born in the early 1990s would be, when they came of age, heavily new media-oriented, just as those of us who came of age after the invention of television were very TV-oriented.¹⁵⁴

There is a fallacy that a lot of forecasters make: they project themselves and their preferences into the future, rather than the preferences of the next generation(s). This was a classic case with e-books; when the first wave of e-books hit the market in 1998/1999, it was common to hear people saying “no one will ever want to read an electronic book.” This was often said by people who *themselves* didn’t want to read an electronic book. After all, no one likes reading on a computer screen, right? But what about people who grew up reading on computer screens? Will it bother them as much as it bothers those of us in middle age?

It was perfectly reasonable to be skeptical about e-books, at least as

¹⁵⁴ Which explains our propensity for references to TV shows from the 1960s and 1970s.

far as the state of them in 1999 was concerned. But the skepticism we had about them at the time concerned the state of the technology (many competing formats, confusion) and the marketing behind them, not the notion that “no one will ever want to read an electronic book.” When the Amazon Kindle appeared, the market was ready, and now e-book sales are swiftly gaining on print book sales. So it seems that, hey, people *do* want to read things on a computer screen. And if people didn’t, why is reading content on the Web so popular?

This seems as good a place as any to discuss the Apple iPad. After all, it’s on the cover of this book. We should probably mention it at some point!

As of this writing, the iPad has yet to actually be released, so it’s difficult to say what impact, if any, it will have on printing, publishing, or even the tablet PC market, which has floundered for literally decades. Said a *Guardian* technology blogger in February 2010:

US-based ABI Research says it could be “the real start of a new market segment for media tablets.” It reckons 4m could be shipped this year, rising to about 57m a year by 2015. That compares with about 300m PCs shipped in 2009.¹⁵⁵

Publishers are looking to the iPad for some sort of salvation, hoping that they can monetize publishing in a way that is more successful than what they have been able to achieve online. Will that happen? Hard to say. Just remember our Law of Disruptive Technology: “Any potentially disruptive technology must provide a better experience for the user than the technology it aims to replace. Not for all users, just enough users.” We haven’t seen the iPad yet, so we don’t know if it will provide a better experience for users of magazines, newspapers, and books. But hope springs eternal.

We discuss the iPad in this book because it could be a potentially disruptive technology, although it’s more like a chunkier iPhone, which was itself a major disruptive technology. The iPad is also a major opportunity for printers, not because it creates new revenue streams for printing, but because it means that clients need to understand mobile marketing. Be the first on your block to get one, and use one, and start adapting your own Web site for the format. The format will grow, and there will be numerous competitive devices that will make this device grow, well beyond what Apple does, though it is likely Apple will be the most successful, like it has been with the iPhone.

¹⁵⁵ Jack Schofield, “Apple iPad to start a boom? Tablet sales could rocket to 57m in 2015,” Technology Blog, *The Guardian*, February 4, 2010, www.guardian.co.uk/technology/blog/2010/feb/04/ipad-abi-tablet-sales-boom.

Let's Go

Here, we are going to walk you through the transition step-by-step. The first stage is to build credibility by implementing these things yourself, while the second stage is to apply these strategies to clients. For this exercise, we will create a theoretical print client and show how you can help them not just with print, but also with all the elements of communication logistics. See Chapter 6 if you need more background on some of these channels.

1. Go to a popular printing industry blog, like What They Think's PrintCEO Blog: <http://printceo.com>. Read blog posts, and especially the comments. You'll notice that there tends to be a usual gang of frequent commenters. This is the PrintCEO Blog online community. Add your own meaningful comments; this is a key element of becoming visible and gregarious, and in becoming part of this community. You can even start by commenting on portions of this book: <http://printceo.com/2010/03/disrupting-the-power-of-print>. As you comment on more and more posts, your name starts to become visible.
2. Go to other industry blogs—the major trade publications have blogs, such as *Printing Impressions* (www.piworld.com/channel/opinions-feedback/) or *American Printer's* blogs (<http://americanprinter.com>). Join those communities and comment. Type “printing industry blogs” into Google and investigate others. Rinse and repeat.
3. Do you have a perspective on some issue relevant to the printing industry, and want to share it via more than a blog comment? Blog runners are often desperate for content. Ask if a particular blog accepts guest posts. If so, craft a well-written blog post (usually in the neighborhood of 500 to 1,000 words). Watch it for comments and interact (cordially) with commenters. This is also how you become seen, gregarious, and part of the community.
4. Go to Twitter (<http://twitter.com>) and sign up for an account. Start to follow others in the industry. Here are some folks to start with: @wtterc, @whattheythink, @rromano, @csherburne, @margiedana, and @HSPR_Public. Click the Find People link on the Twitter site to search for other printing industry tweeters. See what others in the industry are tweeting; try to

set up your own tweeting schedule. You may find that people start following you; proper Twitter-*quette* suggests you reciprocate and, in turn, follow them.¹⁵⁶

5. Go to LinkedIn (www.linkedin.com) and sign up for an account. Complete your profile and do a search for other printing industry figures. Link to them, and accept their invitations to link. Repeat with Facebook.
6. Start a blog—it can either be on one of the free blog platforms (Wordpress, Blogger, or TypePad) or if you have experienced Web developers in-house, design one that is integrated with your main site. Get on a regular posting schedule—don't be afraid to hire freelancers or task interns. Use Twitterfeed (<http://twitterfeed.com>) to link your blog to your Twitter and Facebook accounts so that all your social media are updated simultaneously. Accept guest posts, if you are stuck for content.
7. Remember, with all these social media, the goal is relevance and interest. Try to avoid mentioning what you are eating, what city you are taking a cab in, or what the weather is doing.
8. Spend some time immersing yourself in these social media.

Now we're going to apply these same techniques to a hypothetical print customer: Greg (as in "Greg-arious"). Greg is a certified public accountant, and he buys printing from you—letterhead, business cards, promotional brochures, and so on. The only contact you have with Greg is when he needs something printed. Other than that, you have no idea what Greg is up to, or what else he is doing. You know he's an accountant, but you don't know how he promotes his business or interacts with his own customers. So step 1 is:

1. Do a Google search for the name of Greg's business. Or, if you have copies of his business card around, see if he has a Web site, which makes it easier. If he has a Web site, visit it. Let's assume that Greg has a very basic Web site—one or two pages, contact information, credentials, maybe some major clients, etc. But aside from that, it's pretty static.

¹⁵⁶ Not everyone; sometimes you get spam-like followers—if they have what sounds like a porn name and no tweets, chances are it's not someone you want to acknowledge. You may also find that chain businesses follow you; Richard Romano recently got a notice that Panera Bread was following him. Obviously, the idea was for him to follow them back so he can be sent all sorts of tweets about a restaurant he never really goes to. If you like the company, then follow them, but don't expect that high-level Panera Bread executives will be hanging on your every tweet.

2. Is Greg involved in social media? Go to Twitter, LinkedIn, and Facebook, and search for him or his company. Let's assume you found that he has a personal Facebook page with a few friends, and he updates it sporadically, usually with stories of what his kids are doing, some of which is not gross.
3. You remember from your last conversation with Greg (when he picked up some business cards) that his business was doing okay, but not spectacular, that it picked up around tax season, but got fairly slow the rest of the year, and that he was losing business to chains like H&R Block, or even people doing their own accounting via QuickBooks. He goes to local Chamber of Commerce mixers and other in-person social events, and maybe gets one or two new clients, if he's lucky.
4. What can you do for Greg? You can make him a prominent expert and information resource.
5. First of all, find out who his competitors are. Who are other local accountants? Based on what Greg's Web site says (that is, what services his company offers) you can easily find other companies in the area that offer similar services. You can even use the printed Yellow Pages. What are his competitors doing vis-à-vis their own communications? Go to their Web sites and find out.
6. In terms of drawing up a marketing communication plan for Greg, you can start with print. Maybe his customers would appreciate receiving a printed newsletter once a month with financial planning advice, deadlines for tax season, changes in tax law, and other news and information. You can use his database of customers, or buy lists from the local Chamber of Commerce, or elsewhere. As for the content, you can often buy syndicated financial planning newsletter content, or hire freelancers to write it.
7. Even if Greg isn't interested in paying for print and postage, consider an e-mail newsletter with the same basic content. Again, there are companies that provide customized content, or even entire customizable newsletters.¹⁵⁷

¹⁵⁷ Sorrell Associates (www.sorrellassociates.com/), for example, offers customizable newsletters for business coaches. They are delivered via Constant Contact by e-mail once a month, branded by the client company. In the printing industry, by the way, Great Reach Communications (<http://greatreachinc.com/>) provides customizable print and electronic newsletters for commercial printers to send to their customers. (In the interest of full disclosure, Richard Romano often writes for them.)

8. On top of this, you can help Greg develop a blog. Task someone—in your company, in Greg’s company, or perhaps a freelance writer—to develop relevant content on a regular basis. It’s best if it is written in Greg’s name for consistency of branding, but it can be ghostwritten. Find other accountancy or financial planning blogs and have Greg join the community much like you joined the printing industry online communities above. Comment on posts, have Greg guest post, and cross-post back to his blog.
9. Make sure Greg is on LinkedIn, and do searches for others in his field to link to. Have Greg—or someone in Greg’s name—post updates, participate in LinkedIn Answers, and be generally active and visible.
10. Likewise, have Greg on Twitter. Set up a tweet schedule; use Twitterfeed to link it to his blog. Highlights from print and/or e-mail newsletter content make for good tweet-fodder. If Greg is going to an event—like, say, a symposium on tax law changes—have him tweet in advance that he is going to be at this event, and encourage others to meet up with him. While he is there, make sure he tweets about some of the salient points, which can then be expanded upon for a longer blogpost after the fact.
11. Since Greg already has a Facebook account, he can set up a fan page for his business. He can use TweetDeck to automatically post to Twitter, Facebook, and LinkedIn simultaneously.
12. While Greg may or may not be interested in playing a major role in these social media initiatives, you can serve as the monitor of all these things. Are there virtual conversations going on that Greg should know about? Is it simply a case of keeping on top of friend/link/follow requests, and proactively adding friends/links/followers?
13. Maybe at some point down the road, Greg wants to start doing a podcast—talking about Roth IRAs or important advice for tax season. Maybe he wants to do an online video. You can work with outside freelancers to help with all of these things.
14. How do you bill Greg for all of this? Once you and Greg have decided upon the parameters of what you are going

to be doing, come up with a regular retainer fee, such that for \$ X a month, you will handle a, b, c, d, \dots, z . Base your retainer on what it would cost you to outsource what you need to outsource, and what you would charge normally for any printing component.

15. Work with Greg to come up with a schedule for gauging the response. What do you both realistically expect the outcome to be, and in what timeframe? Is it x number of new clients in y number of months? Is it $z\%$ increase in Web site/blog traffic? Is it t number of Twitter followers or LinkedIn contacts? Again, be realistic in your expectations, and when setting up a schedule, understand that this is a process that bears fruit over time.
16. Stay on top of new developments in social and mobile media so that you can keep Greg always in touch with the latest. You'll find that as you hang out on today's social media, you get a good sense of what is likely to come, as your network starts talking about the new things they discovered.

These steps are offered as a guide to developing your own old, new, and social media strategy, for yourself and clients. All printers have different types of customers, but the principles and steps above are pretty much the same across the board, just substitute “accountant” with “lawyer” or “restaurant” (and see the Angelo’s Palace Pizza example in Chapter 5 for how you can help them) or whatever.

Your weapons of mass disruption:



take a hard, objective look at your niche, equipment, and employees: is your company flexible and adaptable to changes in the market?



as in other to-do list items, pick one or two of your current customers and think up ways you could spin off their print jobs to larger, multichannel campaigns

- what new hardware/software/equipment would be required? what new skills would be required?

- take a current customer and think through the seventeen steps described above



network with non-print graphic communications professionals virtually (i.e., social media) and at local mixers and other events; learn what they are doing for their own clients and cultivate these networks for outsourcing your own new media initiatives



envision how you see your business in 2015—what will be the same? what will be different? what will you need to do to achieve that vision?



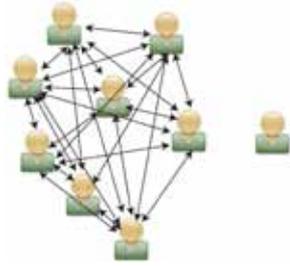
take a cold, hard look at your equipment; is there anything that can best be jettisoned?



go online to social media sites or go physically to business or graphic communications networking events and look for professionals who might be worth approaching to help with complementary products and services

8

Do As We Say— And As We Do



In this chapter:

-  defining the new rules of the **printing communications** business
-  how a “monochannel” industry can move toward becoming a multichannel one
-  how to become a “communications coach”
-  how to move from offering a product to offering a service

HERE'S WHERE we build on the previous chapters, get down to the nitty-gritty, and proceed to draw up some “new rules” for the printing business.

Printers need to become outsourced communications providers.

That is, not just “printers.” For example, if you buy a machine in Staples that functions as a printer, scanner, and fax machine, should it simply be called a printer? Or is it more appropriately a multifunction device? Commercial print providers need to see themselves in a similar fashion. That is, they should be concentrating—psychologically as well as practically—on becoming *communications* providers, with all that the word “communications” implies.

So the first rule is to stop referring to it as the “printing” business. It's the “communications” business. So, from now on, we are going to be using the term “communications providers” instead of “printers.” Eventually, it will catch on.

A “new” print communications business that cannot execute new media for its own business will not have credibility selling those services to others.

There is a classic logic puzzle that runs this way:

A man was in a small town for the day, and needed a haircut. He noticed that there were only two barbers in town, and decided to apply a bit of logical deduction to choosing the best one. Looking at their shops, he saw that the first one was very neat and the barber was clean shaven with a nice haircut. The other shop was a mess, and the barber there needed a shave and had a bad cut besides. Which barber did he choose?

The answer, of course, is the messy barber. Since barbers can't cut their own hair, obviously the one who had the great haircut was barbered by the messy guy. And vice versa. We mention this because those shops that use their own services effectively for their own purposes have more credibility than those that don't—or which simply talk about it.

Stay ahead of the clients; ignore the competitors.

Since the early 2000s, one increasing complaint of graphic designers has been that their own clients have become their biggest competition. After all, the “graphic design” capabilities of Microsoft Office (such as they are) are available to anyone who owns Office—which is, we feel it safe to say, most businesses and individuals. It may not be *great* graphic design, but

what all that Comic Sans¹⁵⁸ means is that people are quite happy to not spend a great deal on “real” design services if they can just whip something up in Word. Sure, a major communications campaign is not going to get created this way (or at least not yet), but most everyday design and printing needs likely will be.

The solution for designers—and this includes Web designers as well—has been to stay ahead of what the clients can do themselves. There is a paradoxical quote from Mahatma Gandhi that seems apt: “There go my people. I must follow them, for I am their leader.” It’s important to see where your customers (that is, the market) are going, but it’s even more important to be able to stay ahead of them. It’s a tricky balancing act, but successful companies can do it.

Traditions and the mismatch of capital with the marketplace limit the ability to implement change.

This is a recurring theme throughout this book: planning for the past rather than the present or the future. As we have said repeatedly, the balance must be struck between being able to provide what the marketplace currently demands, but not be so rigid that the company can’t respond to changes in the marketplace.

Focus on client’s total communications ROI, especially for non-print initiatives.

Most printers communications providers have absolutely no idea about customers’ ROI. Heck, they rarely have any real clue about their own, so it shouldn’t seem surprising that they are even more clueless about their clients’. But it’s an important conversation to have. We’ve been print buyers long enough to know that printers rarely have any follow-up on projects, and even fewer bid on a job and then follow up on why they didn’t get the job. They probably *assume* someone else quoted a cheaper price, but is that really the case?

Here’s an actual case in point. (We’ll leave names out, to protect the innocent.) A few months ago, a company that had existed 100% online asked us to look into producing a printed newsletter for its “elite” clients. We solicited a few bids from printers, but for a variety of reasons the project never happened. However, none of the printers who had bid on

¹⁵⁸ Says the Web site <http://bancomicsans.com>: “In 1995 Microsoft released the font Comic Sans originally designed for comic book style talk bubbles containing informational help text. Since that time the typeface has been used in countless contexts from restaurant signage to college exams to medical information. These widespread abuses of printed type threaten to erode the very foundations upon which centuries of typographic history are built.” A bit overstated, perhaps, and maybe we need an alternative called Tragic Sans. Anyway, nothing screams “I know nothing about graphic design!” like using Comic Sans.

the job ever followed up and asked “So is the project happening? Did you go with someone else?” Sure, there are a variety of assumptions the printers could have made, if they even made any at all. But a simple phone call or e-mail could have gone a long way toward understanding the needs of their potential clients (i.e., us). And, to indulge in a bit of blue-skying here, if they were *really* proactive they could have sought to understand that our client, not ever having printed things before, got “sticker shock” at the cost of printing and mailing a newsletter. They could have tried to assess this company’s current communications strategy and perhaps even offered ways of supplying some portion of it—with the option of print still existing at some point down the road.

But instead, they all decided to leave us to our own devices (so to speak) and not bother themselves with understanding where we are and where we want to go. More fool them.

Multichannel Has Multichallenges

How does a monochannel industry move toward becoming a multichannel one? Granted it’s not without its challenges, but here are some ideas:

Consistency and persistence are essential virtues.

Success is not going to happen overnight, and it’s not going to be a case “if you build it, they will come.” People who have achieved success in new media have done so because they were persistent and consistent. Bloggers “catch on” because they post frequently and consistently and say valuable things that people want to read. Nothing is more frustrating for an Internet user to keep checking a site, or a Facebook page, or a Twitter feed only to find that it has been weeks since it was last updated. Successful new media users talk to their constituents regularly and predictably. So may call it “babbling,” but it’s important to generate content that is worth coming back and reading. Some folks find this easier than others. This is nothing new; has anyone ever subscribed to a print magazine or newspaper because they hated reading what was in it?

The best prospects are small and mid-sized businesses in need of a “communications coach.”

Like printers communications providers of similar size, these types of companies are likely beset by the same challenges of navigating these new media waters, and smaller companies often lack the resources to explore these topics on their own. Therefore, what they require is a trusted advisor to guide them through the process and offer solutions and action items. Think of it as business coaching, which is a lucrative niche for some people. Or, perhaps, we can think of it as “communications coaching.”

Understand media choice opportunities.

The sheer number of choices that a recipient or information seeker has can make deployment of content a nightmare. As a result, the content creator has to make content “work” in multiple formats in terms of viewability and intelligibility, let alone consistency of branding. Taking content and producing a printed magazine, an e-mail blast, a Web site, a blog post, a Twitter feed, a Facebook fan page, and mobile versions of any or all of these things seemingly requires more staff and resources than most publications can afford. (This isn’t limited to publications, but we’ll use them as an example because they are the archetypal content creators.) The trick is to automate as much of the process as possible. There are software tools that will automatically send a blog post to Twitter or Facebook, and other automation schemes are possible. XML-based content management systems are also one way that large publishers manage masses of content and its simultaneous deployment.

Most businesses—and even most publishers—don’t have the rigorous demands of that much content, but the issue of simultaneous deployment still exists. Advisors and service providers who understand how to do this effectively and efficiently are, and will continue to be, a valuable commodity.

Business is retainer-based, not task-based.

Remember, the future of the **printing** communications industry is in offering a service, not a product. On that basis, the businesses needs to shift from being task-based to strategy-based. You need to be on call to offer service on an ongoing basis, not just at discrete points when they need something printed. Think of it like the attorney-client relationship; attorneys are often kept on retainer and are there when needed to offer a service, usually an unpleasant one. And you don’t even need to go to law school!

Staffing is a critical issue; create a network of freelance practitioners.

We’ve said before that picking the right mix of employees is a crucial building block of the **printing** communications industry of tomorrow. Staff who understand and can execute your business strategy are vital, far more vital than that sales guy bringing his Rolodex or Outlook address book from ABC Printing. You obviously need certain mechanical, technological, marketing, sales and management skills full-time, but as with equipment you don’t want your employee mix to be so inflexible that you can’t respond to change.

The best way to keep your **printing** communications business flexible is to build a network of freelancers. It’s also a cost-effective way of being able to offer a wide variety of communications services without making

a substantial investment. Don't want to hire a full-time Web designer? Hook up with an independent contractor who specializes in Web design and can be "on call" when your own clients need Web design work. Most freelance designers are very happy to be freelancers, and will be even happier when they can forge strategic relationships with what could very well be called "design brokers" that funnel them a steady stream of work.

The same applies to print designers, marketing service experts, and others who may specialize in their own particular communications niches. Since these folks are not part of your full-time staff, you are perfectly free to not use them when the market for what they do changes.

Stay on top of new media and media trends.

We can't emphasize enough that the media we are talking about today are not written in stone.¹⁵⁹ As we all know painfully well, media change. The world is more dynamic than we like to think. Therefore, it behooves the smart printing communications business to stay on top of the market. There are many information sources (see the Resources section at the end of this book) but a few of the ones we like are Smartbrief.com, which offers free e-newsletters for social media, interactive media, and the advertising business. eMarketer.com has a free daily e-letter that tracks the latest media and marketing trends.

We also try to attend the various ad:tech shows, which provide a couple of days worth of vital sessions and keynotes pertaining to the latest and greatest in interactive advertising and marketing. There are ad:tech shows in New York, San Francisco, Chicago, Sydney (Australia), Singapore, London, Tokyo...they're everywhere. Visit www.ad-tech.com to find the nearest show. Here are some popular shows and their usual months:

- ad:tech San Francisco: April
- ad:tech Chicago: September
- ad:tech New York: November
- HOW Design Conference (www.howconference.com): June
- Print Buyers International Conference (www.printbuyersconference.com): November

The Print Buyers Conference covers the latest trends in, well, print buying. Recent Print Buyers Conferences have been devoting substantial amounts of session time to using new and social media in the print communications buying process, and provide valuable information on getting started with these technologies.

¹⁵⁹ However, lithographic stones are valuable collectors items, when they're not being used as doorstops.

Ultimately, staying on top of communications and media trends involves staying in touch and networking with customers. Local chambers of commerce events, Small Business Association, even service organizations like Rotary and Kiwanis provide valuable forums for connecting with local business leaders. You should also make it a point to find Public Relations Society of America (www.prsa.org) and American Marketing Association (www.marketingpower.com) events and be a highly visible presence.

After all, doesn't it make sense to hang out where the marketing and media decision-makers go?

Read/watch science-fiction.

This seems like an odd piece of advice, and it is, but hear us out. Science-fiction books, stories, movies, and television shows often imagine media trends that eventually come to pass. Admittedly, some are ill-thought out, but just as many are remarkably prescient. The books of Philip K. Dick from the 1950s to the 1980s foresaw electronic newspapers, while the current SyFy Channel TV show *Caprica*¹⁶⁰ features a very cool application of electronic paper that is a computer itself, perhaps the logical extension of the Apple iPad. Maybe in a few years Apple will release something similar called iPaper.

The point is, keeping an idea on what people *think* the future will hold often is a good predictor of what the future may actually hold. After all, how many of today's scientists and engineers went into those fields because they liked *Star Trek* when they were kids? As a result, they took the elements of fantasy and made them reality. This is the real "revenge of the nerds."

Your weapons of mass disruption:



look at the headings in this chapter and think about them in the context of your own business

- how can you apply these strategies to your own company?



go back through all the to-do items in this book's previous chapters

¹⁶⁰ Speaking of the death of mass media we discussed in Chapter 4, it's possible to enjoy the SyFy Channel program *Caprica* without getting SyFy or even having cable television at all. Full episodes can be streamed via www.syfy.com whenever and wherever one wants. The same is true of an increasing number of television programs.



Afterword is Afterward: 20/20 Hindsight and 2020 Foresight

From WhatTheyThink.com, January 2, 2020, reprinted by permission (eventually):

AcCom Thrives in New Media Environment

Harold Smith, owner and founder of Acme Communications—known to its legion of customers as AcCom—is no stranger to constant change. Born in 1990, his family was always on the move, and he found, in his teen years in the mid-2000s, that his online social network was the only constant in his life. When he entered college in 2008, he worked part-time in a print shop owned by his uncle.

“They were still called print shops then,” says Smith, who graduated in 2012 with a degree in IT-based marketing. “But I saw that the potential was there to harness the power of communication of all types, since I personally used communication of all types.”

His brainstorm came in his senior year in college. “There was this pizza place near campus that we used to hang out in all the time,” he says. “They had printed menus and a real basic Web site, but one night a bunch of us had a little too much Diet Coke and we started coming up with these crazy marketing ideas. One of them was a blog written by the delivery boys—you know ‘wacky customers’ and things like that. Pizza delivery folks have no shortage of crazy stories, especially on a college campus.” The biology professor who ordered pizza for his live snake was one of the highlights of what ultimately became a highly read blog, first on campus and then, via social networking, on other campuses as well. They also came up with e-mail marketing strategies, notifications of deals, newsletters that were only peripherally concerned with selling pizza, videos, games, and other compelling content. When a pizza order came from 300 Main Street, they would send iCoupons to everyone else on the block.

“The idea was not to make to seem overtly like advertising or marketing,” says Smith. “If content is either entertaining or informative, it will be far more effective for the company producing it than the hard sell, which is just so easy to tune out.”

They brought their ideas to the attention of the owner, who was interested but had no idea how to even begin, or how much such a thing would even cost. So Smith and his friends formed an ersatz marketing services company to handle all of these ideas—with one vital piece.

“What we did was we worked out of my uncle’s Acme Printing shop which, as it happened, printed all their menus. So it became easy enough to access the pizza place’s asset files and create a consistent brand across all these media. We also took over the Web site, using an old prepress server we had converted into a Web server.” The cost to the pizza place? “Initially, we considered it part of the cost of printing, but it gradually evolved into a whole marketing package retainer cost.” The pizza place saw its business start to climb, slowly at first, but eventually in a measurable way. “Word of mouth—or word of finger—started as the blog caught on, which drove traffic to all these other things. Social media fan pages, Twitter and, several years later in 2012, Hyper Twitter ‘tweets,’ on-line videos. It was no one thing, but a combination of all these inbound and outbound strategies that grew the pizza business. Once e-mail died as a medium in 2015, we had all these other channels ready to go.”

And that was how, by 2017, Angelo’s Palace Pizza became the largest pizza chain in North America.

Smith didn’t stop with pizza, and after his college graduation, his uncle was thinking of retiring from the print business. Smith offered to take over Acme Printing and started developing customized marketing services like he had done for Angelo’s. “The first thing I did was change the name from Acme Printing to Acme Communications,” he says. By the end of 2011, AcCom was far more profitable than Acme Printing had ever been. As news of Smith’s success spread, more and more “old media” companies that specialized in printing were turning to a unified communications media approach.

Such was the transformation of what had once been called the “printing industry” that between the 2012 and 2017 Economic Census, NAICS 323 had dwindled substantially as “printing” companies morphed into something else entirely. Says Dr. Joe Webb, director of the WhatTheyThink Economics and Research Bunker located several miles in the Earth below Harrisville, Rhode Island, “What we used to call ‘print’ stopped being a manufacturing industry around the middle of the decade and companies that produce communications of all types—print and non-print—are found in a number of service NAICS classifications. If we aggregate all of these businesses, we find an ‘industry’ that is much healthier than printing had been since the mid-1990s.”

As the end of the decade approached and 2020 loomed,¹⁶¹ the in-

¹⁶¹ Yes, the “true” decade is 2011–2020. Let’s not go there.

dustry was completely unrecognizable from what it had been a decade earlier.

“We really have seen the most dramatic transformation of the printing industry since Gutenberg,” says the disembodied brain of printing industry legend Frank Romano, which is being preserved in a jar at the Museum of Printing in North Andover, Massachusetts, and still communicates with the industry through a special iPhone app. “It’s even more dramatic than in 2016, when Amtrak transformed from providing passenger rail service to transporting livestock.”

Smith and AcCom are still at the forefront of media trends and technologies. “We were the first communications provider to optimize text and graphics for the first generation of wearable computers. When computer displays were first incorporated into first special glasses and later contact lenses, the problem was overlaying data in a legible way on a variety of physical surroundings. So we developed a series of algorithms that could automatically convert the original assets to a form that would stand out when viewed against...well, the world.” In 2019, it was estimated that more than 75% of Internet users accessed it wirelessly via wearable computers and in-eye displays like the Apple iEye.

Smith credits his success to his insatiable curiosity about cutting-edge technology. “I think there is such a thing as ‘technological growth’ in humans, or the desire and propensity to explore new technologies and gadgets. After a certain age—I would argue that it’s maybe around age thirty or thirty-five—you simply stop wanting to keep up with things. And that is just death, especially if you are a business leader, and especially today when things change much more quickly than they did even twenty years ago. Back when things changed very slowly in comparison, any given individual could get away with clinging to old technologies and attitudes after a certain point, knowing that they would still be fairly relevant. No one has that luxury anymore.” Smith himself is on the cusp of turning thirty; will he be as interested in new technology ten years hence in 2030 as he is now?

“I can’t imagine ever becoming complacent,” he says. “Maybe that’s just my generation.” We’ll have to check back with him in ten years and see what happened.

Your Weapons of Mass Disruption



-  identify large and/or once-regular customers who haven't printed anything with you in a while; find out what happened to them: did they switch to another printer? did they stop printing?
-  ask your current customers what other media and channels are important to their marketing and communication plans—and which are becoming more (and less) important
-  determine what skills you *really* need in your shop
-  start to investigate new and social media, even if it's just to follow a friend, colleague, or favorite writer (we'll make it easy: start with <http://twitter/wttrc> and <http://twitter/whattheythink>)
-  find out if your biggest customers are using social media
 - search Twitter/LinkedIn/Facebook for their names
-  explore how others in the printing industry are using the Internet; do a Google search for commercial printers with capabilities similar to yours and compare and contrast their Web sites to yours
 - are they better or worse?

-  search other online and social media sites for printing industry companies; what are they doing that you are not?
-  start to think about how you might be able to use new and social media for your own marketing and communications purposes
-  start to think about ways you might be able to help your customers with non-print marketing and communications initiatives
-  look at the Angelo's Palace Pizza example in Chapter 5 and think of any clients of your own who could benefit from a similar campaign
-  brainstorm the ways that you could combine print and electronic media for a specific current client
-  on a whiteboard, or notepad, or Excel spreadsheet, create a two-column matrix, with the ten factors driving the transition of the printing business in the lefthand column; in the righthand column, note the ways that your own business could make this transition for specific customers
-  pick any company you like, go to their Web site, and see how many different media and channels they are active in
 - how does the content differ from channel to channel?
 - how would you implement for them any channel they are missing?
-  take a hard, objective look at your niche, equipment, and employees: is your company flexible and adaptable to changes in the market?

-  pick one or two of your current customers and think up ways you could spin off their print jobs to larger, multichannel campaigns
 - what new hardware/software/equipment would be required? what new skills would be required?
 - take a current customer and think through the seventeen steps described above
-  network with non-print graphic communications professionals virtually (i.e., social media) and at local mixers and other events; learn what they are doing for their own clients and cultivate these networks for outsourcing your own new media initiatives
-  envision how you see your business in 2015—what will be the same? what will be different? what will you need to do to achieve that vision?
-  go online to social media sites or go physically to business or graphic communications networking events and look for professionals who might be worth approaching to help with complementary products and services



Resources

Note: All links were live as of this writing. So were the authors.

First of all, this should be required viewing:

“The Social Media Revolution” YouTube video: www.youtube.com/watch?v=sIFYPQjYhv8. 1,544,231 views and counting.

Books

The Official Philip K. Dick Site: www.philipkdick.com

Bob Garfield, *The Chaos Scenario*, Stielstra Publishing, 2009, <http://search.barnesandnoble.com/The-Chaos-Scenario/Bob-Garfield/e/9780984065103/?itm=1&usri=Chaos+Scenario>.

Brian Halligan and Dharmesh Shah, *Inbound Marketing: Get Found Using Google, Social Media, and Blogs*, John Wiley & Sons, 2009, <http://search.barnesandnoble.com/Inbound-Marketing/Brian-Halligan/e/9780470499313/?itm=1&usri=Inbound+marketing>.

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David Meerman Scott, *The New Rules of Marketing and PR: How to Use News Releases, Blogs, Podcasting, Viral Marketing and Online Media to Reach Buyers Directly*, John Wiley & Sons, 2008, <http://search.barnesandnoble.com/The-New-Rules-of-Marketing-and-PR/David-Meerman-Scott/e/9780470379288/?itm=7>.

David Meerman Scott, *World Wide Rave: Creating Triggers that Get Millions of People to Spread Your Ideas and Share Your Stories*, John Wiley & Sons, 2009, <http://search.barnesandnoble.com/World-Wide-Rave/David-Meerman-Scott/e/9780470395004/?itm=2&usri=David+Meerman+Scott>.

Periodicals and Web Sites

Advertising Age, www.adage.com.

B-to-B Magazine, www.btobonline.com.

eMarketer, www.emarketer.com.

Gizmodo, <http://gizmodo.com>.

HOW, www.howdesign.com.

SmartBrief Publications, www.smartbrief.com/signup/index.jsp.

WhatTheyThink, www.whattheythink.com.

Shows

ad:tech, www.ad-tech.com.

Caprica, www.syfy.com/caprica/index.php.

ThinkMobile, www.mediabistro.com/thinkmobile.

Random Stories

In no particular order—just like the Internet!

FTC releases guidelines for targeted ads (www.washingtonpost.com/wp-dyn/content/article/2009/02/12/AR2009021201774.html).

Top digital agencies ranked by Forrester (www.adweek.com/aw/content_display/news/digital/e3i111888fc4afd5a6aaab1260bc457a953).

The 10 iPhone apps every ad type should have (http://adage.com/smallagency/post?article_id=135011).

Domino's YouTube emergency (www.usatoday.com/money/industries/food/2009-04-15-kitchen-pr-dominos-pizza_N.htm).

The ad optimization boom (www.forbes.com/2009/04/24/advertising-internet-business-media-ad-data.html).

First banner ads appeared 15 years ago today (http://adage.com/digitalnext/article?article_id=139964).

Debunking six social-media myths (i.e., marketing isn't cheap and easy) (www.businessweek.com/technology/content/feb2009/tc20090218_335887.htm).

Twitter is the beginning of new Web era (www.businessweek.com/magazine/content/09_33/b4143046834887.htm).

News Corp. executive gripes that, for newspapers, "free is too expensive." (www.mediaweek.co.uk/news/971194/Newspaper-publishers-told-free-expensive/).

Survey of *Inc.* 500 execs and how they use social media: (www.umassd.edu/cmr/studiesresearch/socialmedia2009.cfm).

From a *Harvard Business Review* blogger: why you only need to be fifteen minutes ahead of the competition: (<http://blogs.hbr.org/kanter/2009/11/find-the-15minute-competitive.html>).

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"Facebook hits 300 million users, says it's cash-flow positive," *LA Times*, September 15, 2009, (<http://latimesblogs.latimes.com/technology/2009/09/facebook-hits-300-million-users-says-its-cash-flow-positive.html>).

Raymund Flandez, "Three Best Ways to Convert Web Traffic Into Sales," *Wall Street Journal*, September 4, 2009, <http://online.wsj.com/article/SB125207251462486505.html>.

Johnnie L. Roberts, "This News Doesn't Want to Be Free," *Newsweek*, September 1, (<http://www.newsweek.com/id/214607>).

Stephanie Clifford, "Magazines Now Create and Customize Ads," *New York Times*, September 3, 2009, (www.nytimes.com/2009/09/04/business/media/04adco.html?_r=2).

Joe Mandese, "Study Finds Social Nets 'Realistically' Near Top Of 2010 Media Buying Plans," September 10, 2009, MediaPost News, (www.mediapost.com/publications/?fa=Articles.showArticle&article_id=113269).

Nat Ives, "Economist Replaces Your Newsstand Guy With a Cell-phone: Respond to a Text, Get a Copy Delivered to Your Door the Next Morning," *Advertising Age*, September 3, 2009, (http://adage.com/mediaworks/article?article_id=138789).

John D. Sutter, "The future of libraries, with or without books," CNN, September 4, 2009, (www.cnn.com/2009/TECH/09/04/future.library.technology/index.html).

Julianne Pepitone and David Goldman, "Is Twitter worth \$1 billion?" CNNMoney.com, September 24, 2009, (http://money.cnn.com/2009/09/24/technology/twitter_valuation/index.htm).

Richard Fisher, "Appland: How smartphones are transforming our lives," *New Scientist*, August 19, 2009, (www.newscientist.com/article/mg20327220.200-appland-how-smartphones-are-transforming-our-lives.html).

Abbey Klaassen, "What *Men's Health* Has Learned From 50,000 iPhone App Downloads," *Advertising Age*, September 24, 2009, (http://adage.com/digital/article?article_id=139236).

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About the Authors

DR. JOE WEBB is one of the graphic arts industry's best-known consultants, forecasters, and commentators. He is the director of WhatTheyThink.com's Economics and Research Center. A thirty-year veteran of the graphic arts industries, he was the founder of the influential TrendWatch information service, which was sold to Reed Elsevier in 2000. Since January 2003, his "Mondays with Dr. Joe" column has become a must-read feature on WhatTheyThink.com, as have his quarterly economic forecast Webinars, where he analyzes trends in the economy, technology, and the industry, interpreting what they mean for executives and their strategic decisions. He is a Ph.D. graduate of the NYU Center for Graphic Com-



munications Management and Technology (1987) and serves on the Center's Board of Advisors. He holds an MBA in Management Information Systems from Iona College (1981) and was a magna cum laude graduate in Managerial Sciences and Marketing from Manhattan College (1978), and was a member of the economics honor society. He has taught graduate and undergraduate courses in marketing, market research, quantitative analysis, business policy, and organizational behavior. He started in the industry with Agfa's Graphic Systems Division and was later a marketing executive with Chemco Photoproducts, entering consulting full time in 1987. Among his publications is the controversial 2008 book *Renewing the Printing Industry: Strategies and Action Items for Success*.

RICHARD ROMANO has been a professional writer since 1994, having concentrated predominantly on various graphic communications technologies such as digital imaging, computer graphics, and media trends.



From 1999 to 2008, he was a senior analyst for TrendWatch Graphic Arts (later The Industry Measure), and from 1995 to 2001, he had been a writer and editor for *Micro Publishing News*, a newsmagazine for electronic designers and print buyers, as well as its then-sister publication *Digital Imaging*, for which he had reviewed graphics hardware and software and wrote regular features and news stories on various graphic arts technologies. Over the years he has also written for such magazines as *Graphic Arts Monthly*, *GATFWorld*, *Printing News*, *HOW*, and others. He recently served as editorial director and designer of Dr. Joe Webb's book *Renewing the Printing Industry: Strategies and Action Items for Success*. He currently contributes to www.WhatTheyThink.com, the leading news and information portal for the graphic arts industry, for which he writes occasional feature stories, news reports, and monthly market research and technology reports, concentrating on new media and publishing technologies, such as e-books.

Romano is the co-editor of *The GATF Encyclopedia of Graphic Communications*, a compendium of more than 10,000 graphic arts terms published in 1997 by the Graphic Arts Technical Foundation. As if that weren't enough, he is also the author of a half dozen or so books on graphics hardware and software. Romano also speaks at various seminars and shows, including the HOW Design Conference, Print, Macworld, and an annual printing industry forecast presentation at Graph Expo.

He has vague recollections of having graduated from Syracuse University's Newhouse School of Public Communications in 1989 with a B.A. in English and Writing for Telecommunications, and has a certificate in Multimedia Production from New York University where he single-handedly produced an interactive, CD-ROM-based videogame that no longer runs on any computer. He has no advanced degrees, but does often run a temperature.