

## Digital printing continues to drive diversification

Most print service providers are providing a combination of litho and digital printing to cater to the needs of a broader market, says Nick Constantinou, group channel manager at Itec.

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In today's cutthroat printing environment, **digital printing** is no longer a nice to have. On the contrary, most print service providers are providing a combination of litho and digital printing to ensure they can cater to the needs of a much broader market, thereby driving more revenue.

According to IDC, in light of the ongoing shift towards the paperless office, vendors offering print services will need to continue to improve their solutions in order to keep up with the pace of new technology being made available, and in the same breath, ensure their services are flexible enough to adapt to the different needs of different verticals across the market. **Nick Constantinou**, group channel manager at Itec, agrees.

"Print service providers, already operating on thin margins, must look at diversifying their businesses and protecting their margins with value-added services to stay profitable and relevant in today's market," he says.

"Digital printing is one technology that they can use to stay ahead of the competition, but there are also solutions such as Web-to-print, **digital print workflow** and **variable data printing**."

"The rise of digital printing has also lowered the barriers to entry for new print providers, which means the industry is becoming increasingly competitive," he says. "This, along with the need for customers to drive down their own printing expenses, means that service providers no longer have an option but to diversify and provide value-added services to justify higher prices and healthier margins." According to Constantinou, the only other option is to get caught up in a price war, always on the edge of losing key clients to the next print provider.

While the initial cost of moving to digital can be quite expensive, the long-term benefits justify the investment and a return on investment is usually seen quite quickly.

"Digital printing allows for shorter print runs and faster turnaround, which means the service provider is able to tap into a market where litho just would not be an option," he says. "It also enables the business to offer competitive quotes when clients are already considering other digital proposals."

Web-to-print technology creates added convenience for the customer in that clients can send, place and track print orders online. "This cuts out the time and expense of dropping off DVDs with print images at the print shop and is a tremendous value add," says Constantinou. "Given the improvements in bandwidth that we have seen in the country, this is an opportunity that print providers should seriously consider." Digital print workflow presents another opportunity: "Many larger commercial print providers resist implementing this technology, because they fear it may cannibalise their existing revenues and eat into their margins. We have, however, seen that if implemented smartly and selectively, digital technology can help increase revenues."

Finally, there is variable data printing (VDP), a software tool that allows print providers to create highly personalised documents for their clients. VDP allows for various levels of personalisation and can be as simple as changing a reference number on a voucher, or as complicated as a different recipient with different text and images for a run of calendars. "It does, however, offer print providers another service that can increase revenues and boost margins, because clients attach tangible value to the improved response rates they get from their customers when they send them personalised communications," Constantinou concludes.

### **Itec**

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