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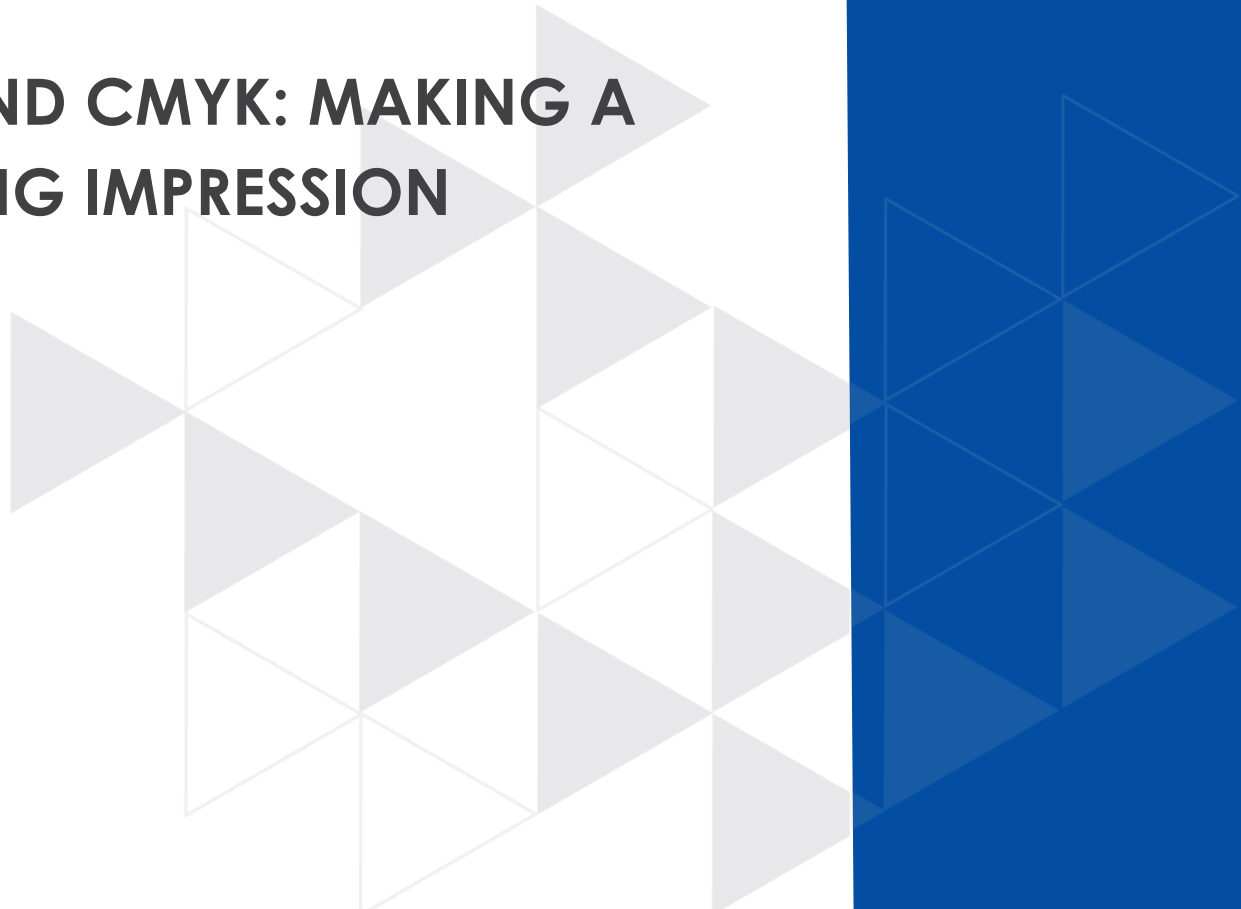
InfoTrends

PREPARED FOR:

RICOH
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ANALYSIS

BEYOND CMYK: MAKING A LASTING IMPRESSION





contents

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Introduction

Production digital color document printing technology has come a long way since it was first introduced in the mid-1990s. Technological innovations on many fronts have enabled faster speeds, longer run capabilities, larger formats, a wider color gamut, and the ability to create eye-catching special effects that enable pieces to stand out and drive business results. Keypoint Intelligence – InfoTrends believes that the market for enhanced digital printing is valued at about \$917 million in the U.S. and Western Europe. This value is expected to demonstrate a compound annual growth rate (CAGR) of 14%, reaching \$1.3 billion by 2020.

Key Highlights

- ◆ Within the printing industry, the process of using special effects to enhance the value of print is called beyond CMYK.
- ◆ InfoTrends estimates that digitally enhanced pages will demonstrate a CAGR of 27% between 2015 and 2020, reaching 25 billion pages by 2020.
- ◆ Although implementing the systems to produce special effects is relatively simple, the challenges reside in optimizing the system, promoting capabilities to customers, and pricing the jobs appropriately.
- ◆ Although the addition of a 5th color can attract attention, it's important to remember that the “wow” factor isn't enough to sell it.

Recommendations

- ◆ Adding value isn't as simple as showing some samples; you must help your customers understand the value or return on investment that enhancements can provide.
- ◆ When selling enhancements, the question of cost will likely arise early in your discussion. It's important to shift the focus toward the value of the enhancements and build a compelling case that will get your prospect's attention.
- ◆ To make a truly compelling case for value, show a non-enhanced and an enhanced print side by side. Chances are good that your prospect will see the difference firsthand, and this will enable you to keep the sale moving!



Enhancing the Value of Print

Every printer is seeking to offer a set of products that they can sell at a premium. Bigger margins on high-value products can help to cover loss leaders and also increase overall revenues. One of the fastest paths to added value is the addition of print enhancement techniques.

In conducting its multi-client study entitled *Beyond CMYK: The Use of Special Effects in Digital Printing*, InfoTrends surveyed more than 300 U.S. and European print service providers and 100 print buyers to explore the use, effectiveness, pricing, and customer requirements of digitally printed special effects. According to InfoTrends' research, designers and print buyers understand the benefits that special effects deliver in making their print pieces stand out to capture attention. Print buyers identified white, spot colors, fluorescents, and spot/flood coating as the special effects that they would be most likely to leverage. Overall, buyers saw the greatest benefit in using special effects with printed brochures, business cards, direct mail, and greeting cards/invitations. Only a small percentage of today's production digital printing jobs are produced using these specialty effects, but a significant portion of print buyers believed that these effects would be beneficial for certain applications. For example, 47% of print buyers believed that their brochures could benefit from spot or flood coating.

Beyond CMYK

Within the printing industry, the process of using special effects to enhance the value of print is called beyond CMYK. This may include adding fifth and sixth colors, incorporating different post-processes like varnishes and coatings, or using die-cuts and foiling.

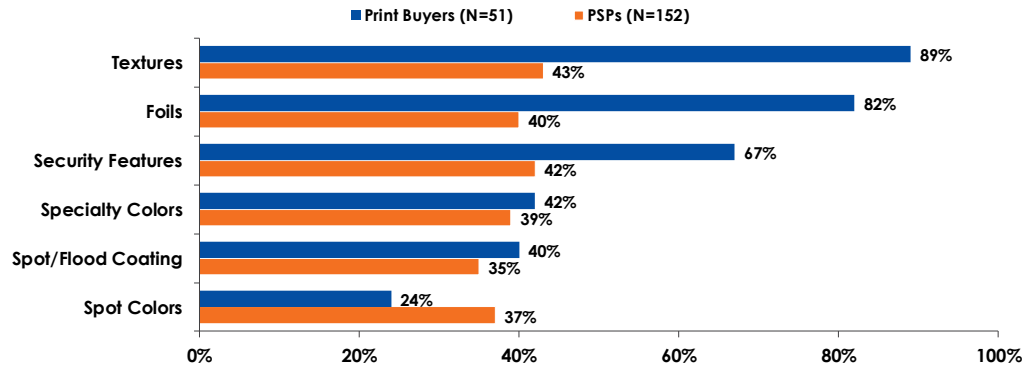
For instance, the RICOH Pro C7200X series supports value-added special effects beyond process color. Examples of available print enhancements include white, neon yellow and pink, clear, and invisible red toner. These specialty options take advantage of unique digital capabilities like the ability to personalize, print on demand, and handle just-in-time manufacturing. These same printed materials could not be easily produced using conventional presses.

According to InfoTrends' research, print buyers are willing to pay a premium for many types of print enhancements—and PSPs should charge for them! Textured surfaces, foiling, and security features commanded the largest increase in value for print buyers and providers alike.



Figure 1: Buyers' and Printers' Expectations about Paying Premiums for Print Enhancements

Print Buyers: Compared to standard 4-color printing, how much more did you pay/would you expect to pay for the following enhancements?
Print Service Providers: In relation to digital CMYK-only printing, how much of a premium can you charge for the following enhancements?



Source: *Beyond CMYK: The Use of Special Effects in Digital Printing*; Keypoint Intelligence – InfoTrends 2016

Digitally enhanced pages clearly represent a tremendous growth opportunity. InfoTrends estimates that over 10 trillion color pages are printed on a worldwide basis, and roughly 5.9 trillion of these pages are produced in the United States and Western Europe. About 1.8 trillion of these pages have a CMYK+ enhancement of some type, and approximately 9 billion of the pages leverage digital enhancements. The implementations of digital enhancements are growing, as are the number of pages. InfoTrends estimates that digitally enhanced pages will demonstrate a CAGR of 27% between 2015 and 2020, reaching 25 billion pages by 2020.

Figure 2: Value-Added Special Effects with CMYK+



Designing for Enhanced Digital Print

Designing for enhanced prints takes some planning. Creatives and print service providers should work together to maximize the advantages of special effects. It takes a bit longer to map out how these enhancements can best achieve the intended purpose than it takes to design a standard printed document. The designer must understand how to create and



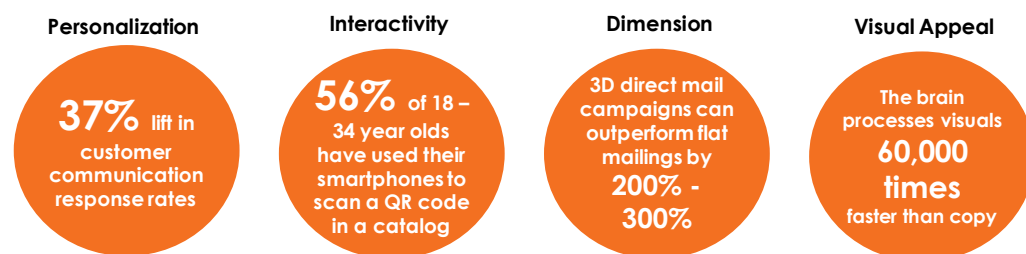
manage the necessary layers so that the enhancement can be implemented appropriately. Service providers that are offering these products need to educate their clients on how to create them. Manufacturers, in turn, need to educate their customers on how to design using 5th Color. Ricoh offers several video tutorials for designers and pre-press technicians via its customer resource center, Ricoh Business Booster. This resource also features file preparation guidelines and tip sheets to ensure that designers can efficiently interact with the technology. Once the planning and designing stages have been completed, the RICOH Pro C7200X reduces pre-flighting and production printing to a simple one-pass process that eliminates the need for additional resources and time.

Overcoming the Selling Challenge

According to the print providers that InfoTrends surveyed, implementing the systems to produce special effects is relatively simple. The challenges reside in understanding the best practices for optimizing the system, promoting capabilities to customers, and pricing the jobs appropriately. Although selling customers on the value can be daunting, savvy providers are overcoming the challenge by showing well-designed, attention-grabbing print samples to prospective buyers.

When it comes to considering your sales growth options for enhanced digital printing, there are really only two options—you can find new customers or you can sell more to your existing customers by providing higher-value applications. Many of your customers are already looking for ways to grab the attention of prospects and create engaging experiences that drive response rates, including personalization, interactivity, dimension, and visual appeal.

Figure 3: Elements that Drive Engagement



Sources: [Canada Post](#) (performed by [TrueImpact](#)); *In Search of Business Opportunities: Finding the Right Prospects* and *Beyond CMYK: The Use of Special Effects in Digital Printing* by InfoTrends; Neo Mammalian Studios; Impact Communications; Response Rate Report; DMA

Beyond the Print Sample: Adding Value

Offering added value isn't as simple as just showing some samples. You must work with customers to help them understand the value that enhanced print can provide. In short, you have to help them see the return on their potential investment. When you think about what value looks like to your customers, it goes beyond high quality, fast service, great people, and competitive pricing. Much more importantly, your customers are seeking ways to sell



more, and reduce fraud that eats into their profitability. For example, the addition of a 5th color might enable some of your customers to significantly increase their return on investment or eliminate a problem that costs them money. This is a real value to your customer that can translate into profit for you!

Here are some ways that a 5th color can add value:

- ♦ **New application opportunities:** When seeking applications that will benefit from enhancements, start with the applications that you currently sell. Things like brochures, direct mail, point-of-purchase signage, invitations, and even business cards can be made more memorable with enhancements. You should also consider applications that are products themselves, including book covers, and greeting cards.
- ♦ **Interesting sizes and shapes that appeal to more senses:** Consider printing 5th color on high-value substrates like rugged synthetics, pressure-sensitive stock, pre-scored and ready-to-print dimensional stock, and photo media. Printing on specialty media can expose new market opportunities with unique solutions that meet your customers' needs, especially when combined with special effects. This can enable you to capture more high-margin work, retain your existing customers, and grow your customer base.
- ♦ **Achieve high-end designs faster and for shorter runs using white toner:** White toner used on dark envelopes can make your customers' mailers stand out in the mail stack. The use of white toner can also help to maintain the integrity of flesh tones when used on colored stock, using that as a base layer for the image.
- ♦ **Attract attention and provide control with clear toner:** Use clear toner as a spot or apply it as a pattern for security or a special effect on photos and brochures. It can also add dimension to make invitations and posters pop. Also, don't forget to use clear toner on your own brochures to show your customers what is possible!
- ♦ **Use invisible red toner to reduce fraud:** Invisible Red (IR) enables you to print text and images that are only visible to the human eye under UV light, providing an affordable way to create printed applications that cannot be copied and are difficult to forge. This technique can also improve the customer experience by adding extra excitement and intrigue at events like promotions, raffles, and special offers.



- ♦ **Add value with neon toners:** Because the brain processes visuals 60,000 times faster than text, designers love visual effects like neon toner. Many of today's marketers are using yellow neon and pink neon toner in their promotional materials, invitations, and signage to capture the attention of recipients and drive response rates. Blending neon pink with CMYK, for example, can further expand your color gamut by creating a vibrant orange that really stands out.

Although the addition of a 5th color can attract attention, it's important to remember that the "wow" factor isn't enough to sell it. You can't simply show off your applications and assume that your customers will want them. The question of cost will likely arise early in your discussion, and it might shut you down before you've even had time to build a business case for the customer. When selling these enhancements, it's important to focus on the value and build a compelling case that will get your prospect's attention.

Next, you'll need to create a talk track that will get your prospect thinking about the *value* of any enhancements rather than the added price. Once you've confirmed the prospect's interest, you can set up a meeting to summarize your previous conversations and ask if anything has changed. Pitch your offering based on factors that generate a response, then be prepared to show two versions of a printed product:

1. The first should be a static, CMYK-only print that is produced in a traditional size using a common substrate.
2. The second should be a larger, personalized item that includes a 5th color as well as a premium substrate.

To make a truly compelling case for value, show these two versions side by side and ask your prospect which one their prospects would be more likely to notice. Chances are they will see the difference firsthand, and this will enable you to keep the sale moving!

Designers Speak Out About 5th Color

Manhattan-based Square Root Creative (New York, NY) is an advertising agency that creates award-winning design and printed products going beyond traditional CMYK output. Servicing local boutiques as well as Fortune 500 brands like Ricoh, Square Root Creative (SRC) creates impactful designs using black or other color substrates as a base coupled with tactile effects from patterns using clear toner, or non-traditional colors like whites, oranges, and pinks that break out from the mundane.

According to Alysha Burch, Founder and President of SRC, "Using the Ricoh 5th color options has helped us to win new business while also making our current clients look good." For starters, the agency has helped local clients to stand out from the crowd with high-end business cards. Burch continues, "Business cards are how our clients either make a first impression or leave their mark. Cards that deliver a superior impression help them



differentiate themselves as high-end organizations that are unwilling to sacrifice quality for cost.”

At the same time, however, business cards are only the conversation-starter. From there, SRC shares ideas with clients on how to make an impact with print in other business areas, including signage, event marketing, promotional materials, direct mail, and packaging. Leveraging digital printing for short-run test markets and versioned/personalized campaigns has garnered attention from brands of all types and sizes, expanding SRC's portfolio. Burch asserts, “Fifth color is no longer seen as a novelty. The key to success is understanding how to apply 5th color as an effect that stands out and delivers a higher perceived value. SRC adds this value by understanding how to use the technology to design with purpose, and creating a luxurious product in less than 48 hours that really make our clients say, Wow!”

Burch offers the following tips for making the most of Ricoh's 5th color options:

- Build trust with your clients through color consistency. Color matching across their various marketing materials shows that you understand the importance of branding and what it means deliver high-caliber work. It also shows that you care about the work you put out into the marketplace.
- Use it as a point of differentiation. The ability to go beyond CMYK on a digital press truly opens the door to a whole new range of applications that are simply impossible to produce on a traditional 4-color system. Furthermore, most of these applications would also be out of reach from a cost-per-piece perspective if produced on offset in short runs.
- Leverage invisible red to sell more promotional programs to clients that want to reduce their risk of fraudulent duplication on high-value items like gift certificates and coupons.
- Use clear when you need to add a little more polish or want to create high-end look that's still within your client's budget range.
- White can be used as a base layer to print images and logos on dark media and have them retain their original color integrity. This is an extremely sellable application for packaging, recruitment campaigns, and high-end marketing materials for clients requiring color matching for brand identity.
- Neon pink is perfect for designing materials with messages or offers that must stand out. It's also great for seasonal promotions and cause-related marketing materials with short-run volumes and personalization. It can also be blended with CMYK to create vibrant oranges.



opinion

InfoTrends' Opinion

Enhanced digital printing techniques offer many benefits to print service providers. Unique imaging can help providers differentiate themselves from the competition by offering a broader set of capabilities. More importantly, these capabilities can enable print providers to better serve their customers. Using enhanced printing techniques offers many opportunities for creating direct mail pieces and marketing materials that get noticed with added texture, gloss, watermarks, or a protective coating, all while maintaining the high print quality that customers demand. When combined with other digital print advantages such as short runs, quick turnarounds, personalized print, and just-in-time manufacturing, these enhancements can open up an entirely new world for production digital print.



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[Comments or Questions?](#)

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