



State of the Industry

SECOND QUARTER EXECUTIVE SUMMARY

JULY 2022



powered by  **NAPCO RESEARCH**

EXECUTIVE SUMMARY

Aimed to further measure the significant effect that supply chain shortages are having on the printing industry, the second-quarter 2022 PRINTING United Alliance/NAPCO Research State of the Industry Survey focused solely on measuring evolving supply chain dynamics and how printing companies are responding to them.

Nearly 300 printing companies from across the United States and Canada participated in the survey.

Topics for this targeted supply chain study included:

- Substrate availability and pricing changes
- Consumable availability and pricing changes
- Effects of supply chain disruption on revenue
- Supply chain market shifts and expectation trends
- Sentiment around major issues and solutions

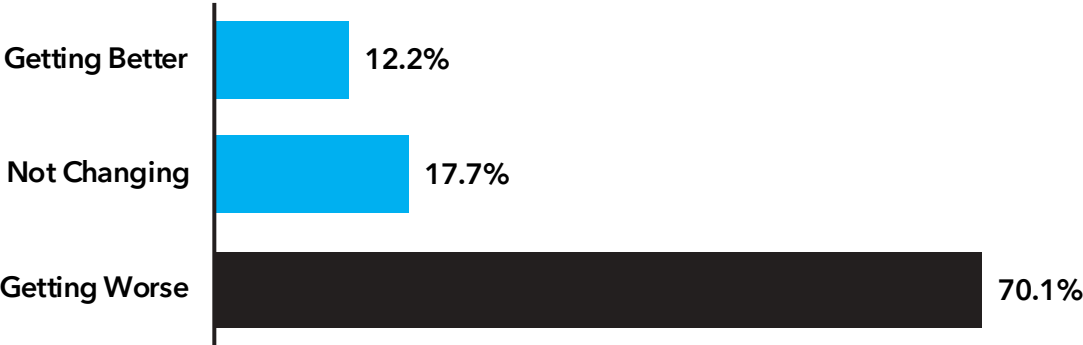
Results of the survey are presented in the *State of the Industry Update, Second Quarter 2022*, which PRINTING United Alliance members can download [here](#). The Update also covers why the American economy is likely to weaken over the next 12 months and how printing companies can protect themselves from the downturn.

Key Findings

Supply chain disruptions continue to be a major issue for the printing industry, creating increased costs, unpredictable workflows, and pressure on margins.

Challenges continue to plague the printing industry and, according to last quarter’s State of the Industry Survey, supply chain disruptions topped the list with 92.3% citing it as a significant concern. Three months later, the situation has not improved. 70.1% of companies surveyed in the Q2 2022 Supply Chain Conditions Survey report that supply chain conditions are getting worse.

Figure 1: Supply Chain Conditions



Q. Overall, what’s happening to conditions in your supply chains?
n=278

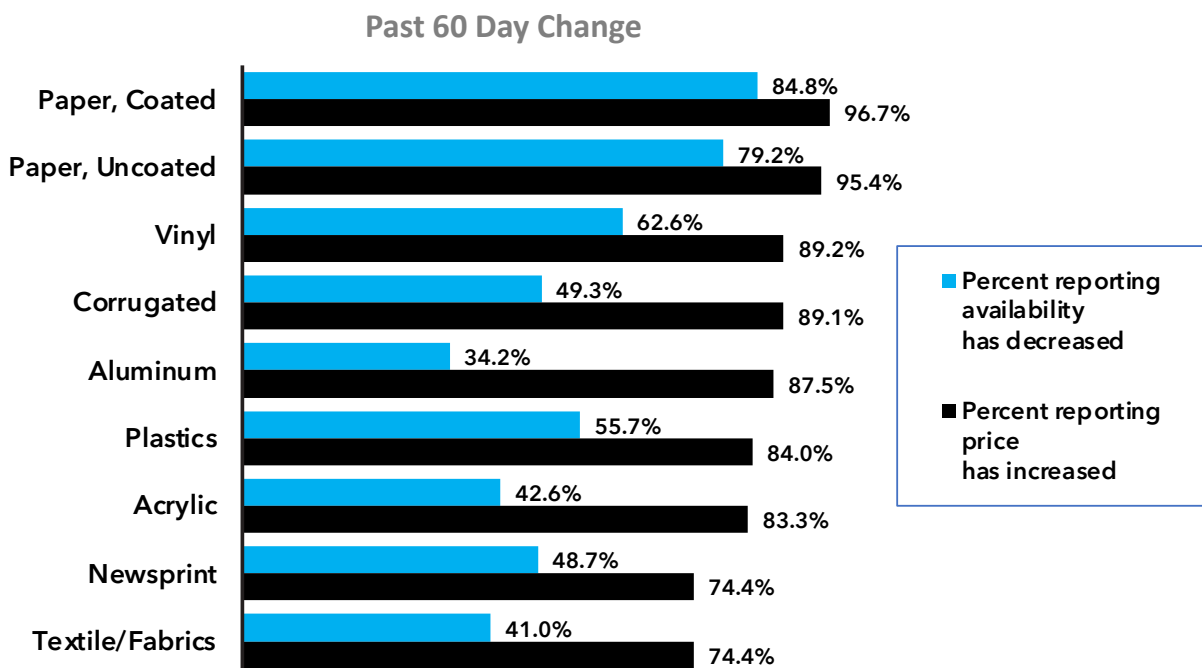


For every substrate covered, reports that availability has decreased over the past 60 days far exceed reports that availability has increased. More than three-quarters report there is less availability for coated paper (84.8%) and uncoated paper (79.2%); more than half cite less availability for vinyl (62.2%) and plastics (55.7%); and slightly less than half report they are seeing less availability for corrugated (49.3%) and newsprint (48.7%).

Over the past 60 days, consumable availability shows to be relatively unchanged. However, more than one-quarter say coatings (35.8%) and toner (27.3%) are currently less available to them.

Regardless of availability, the change that is most significant over the last 60 days for both printing substrates and consumables, is price increases. The majority report higher prices for all substrates, with nearly all reporting increases for coated paper (96.7%) and uncoated paper (95.4%). More than half report price increases for all consumables; with coatings (84.8%), plates (78.1%), ink (77.6%) and emulsions (76.5%) topping the list.

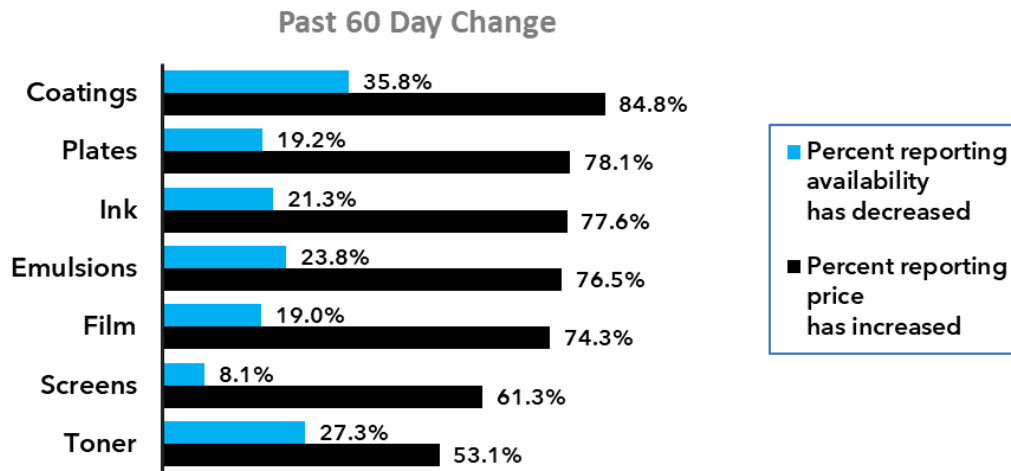
Figure 2: Substrate Availability and Prices



Q. For each substrate you purchase, how on average have availability and price changed over the last 60 days?
n=295



Figure 3: Consumable Availability and Prices



Q. For each consumable you purchase, how on average have availability and price changed over the last 60 days?
n=295

Supply chain disruptions have impacted the bottom-line for many and will continue to slow industry growth, but regardless, there are strategies that can work to lessen the impact

Supply chain disruptions have attributed to decreased 2022 revenue for many. 45.5% say they have had revenue loss attributed to supply issues. Some have, however, been less affected by the crisis. 31.6% report no change in 2022 revenue while 23.0% report that 2022 revenue has increased. Those seeing share increases attribute the gains to advantages gained long before the current crisis.

Prepare now for the downturn ahead

There are real reasons for concern when looking at current economic trends. According to the numbers and expert opinion, the odds of a recession are increasing. As the economy slows, so will the printing industry. PRINTING United Alliance estimates that total industry sales adjusted for inflation will grow by less than 1.0% during the final quarter of 2022. There are actions you can take to prepare, and the time to do it is now. Actions include stress testing your company, acting on early warning signs, and exploring credit options.

Download the full version of the *State of the Industry Update, Second Quarter 2022* to learn more about how the current supply chain disruption is impacting the printing industry and to learn what you can do to minimize the effect it could have on your bottom-line.

Become a member of the PRINTING United Alliance to access all reports in the State of the Industry Series and other great member-only content.

<https://www.sgia.org/resources/research/industry-reports>



WHAT CAN PRINTING UNITED ALLIANCE RESEARCH DO FOR YOU?

PRINTING United Alliance research provides first-hand accounts, analysis, and ongoing monitoring of critical industry trends influencing the printing industry, future trends, and the underlying factors influencing change. PRINTING United Alliance Research is now part of an expanded research team that includes NAPCO Research experts, survey and analysis capabilities, and additional audience reach.

■ **PRINTING United Alliance Research LEVERAGES** its extensive member community and staff of industry economic, legislative, marketing, and technical experts to support customers in identifying market opportunities and improving business profitability and operations.

■ We partner with our clients to **IDENTIFY** their unique business challenges and create solutions that **ENABLE** deeply informed decision-making and **DELIVER** results.

■ Gain access to PRINTING United Alliance's & NAPCO Media's engaged audiences of industry executives across key industries.

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MARKET REACH & EXPOSURE

PRINTING UNITED ALLIANCE/NAPCO RESEARCH CLIENTS



MEET THE RESEARCH TEAM



Nathan Safran
Vice President, Research
NAPCO Research
nsafran@napco.com



Lisa Cross
Principal Analyst
NAPCO Research
lcross@napco.com



Cory Francer
Analyst
NAPCO Research
cfrancer@napco.com



Evan West
Data Analyst
NAPCO Research
ewest@napco.com



Jill Cantrell
Senior Analyst
PRINTING United Alliance
jcantrell@printing.org

Get in touch with our research team to arrange your free research consultation. [Contact nsafran@napco.com](mailto:nsafran@napco.com)

WHO WE ARE



PRINTING United Alliance is the most comprehensive member-based printing and graphic arts association in the United States, comprised of the vast communities which it represents. The Alliance serves industry professionals across market segments with preeminent education, training, workshops, events, research, government and legislative representation, safety, and environmental sustainability guidance, as well as resources from the leading media company in the industry – NAPCO Media. Now a division of PRINTING United Alliance, Idealliance is the global leader in standards training and certification for printing and graphic arts operations across the entire industry supply chain.

PRINTING United Alliance also produces the PRINTING United Expo (Oct.19-21,2022, Las Vegas), the most influential days in printing. The expansive display of technology and supplies, education, programming, and services are showcased to the industry at large, and represents all market segments in one easily accessed place.



NAPCO Research crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision-making.

Contact research@napco.com to talk with our analysts to find out how we can help you with your research needs.