



State of the Industry Update  
Third Quarter 2023  
**EXECUTIVE SUMMARY**



Sponsored by Canon U.S.A., Inc. **Canon**

Produced by the PRINTING United Alliance and NAPCO Research for its members.

**JANUARY 2024**

# Staying on top of industry trends is essential to your success.

Throughout the year, PRINTING United Alliance's research team creates top-notch reports for the industry and works with consultancies to conduct commissioned research.

PRINTING United Alliance members get unlimited access to the resulting reports that reflect the scope of the printing industry.

Visit: [printing.org/library/business-excellence/economics-forecasting](https://printing.org/library/business-excellence/economics-forecasting)

If you have any questions, please contact [researchteam@printing.org](mailto:researchteam@printing.org).

## Executive Summary

---

The PRINTING United Alliance *State of the Industry Update, Third Quarter 2023* is based on a survey of 187 companies from across the printing industry. Participants include commercial printers, graphic and sign producers, apparel decorators, package printers/converters, and functional printers. Annual sales range from less than \$500,000 to more than \$250 million.

The report summarizes how companies surveyed performed through the first three quarters of 2023 and their expectations for 2024, including how they plan to increase profitability, their capital investment objectives, and their biggest concerns. Must-dos such as 5S methodology and adopting management by objectives are crucial for optimizing efficiency and productivity in the printing business.

PRINTING United Alliance members can download the *State of the Industry Update, Third Quarter 2023* [here](#).

---



*Canon U.S.A., Inc. is a leader in digital imaging and printing solutions with one of the broadest portfolios in the industry, offering solutions such as digital presses, production ink-jet presses, wide-format printers, workflow solutions and professional services. With approximately \$30.6 billion in global revenue, its parent company, Canon Inc. (NYSE:CAJ), as of 2021 has ranked in the top-five overall in U.S. patents granted for 36 consecutive years and was one of Fortune Magazine's World's Most Admired Companies in 2022. Canon U.S.A. is dedicated to its Kyosei philosophy of social and environmental responsibility.*

## SAMPLE FINDINGS

The comprehensive SOI update report depicts a significant slowdown in sales growth this year, averaging 2.7% compared to the remarkable 12.8% surge in the prior year. Notably, 50.5% of companies observed growth, down from 79.2%, while those experiencing a decline rose to 30.1% from 8.9% (Figure 1). Real sales also decreased by 1.1%, contrasting with last year's 1.9% growth, with 44.0% witnessing an increase and 46.9% facing a decrease, differing from the previous year's trends. The full report also extensively analyzes price trends and operating costs, revealing a reduction in cost inflation yet a notable rise in resistance to price increases.

**Figure 1: Key Business Indicators, First Three Quarters 2023 and Full-Year 2022**

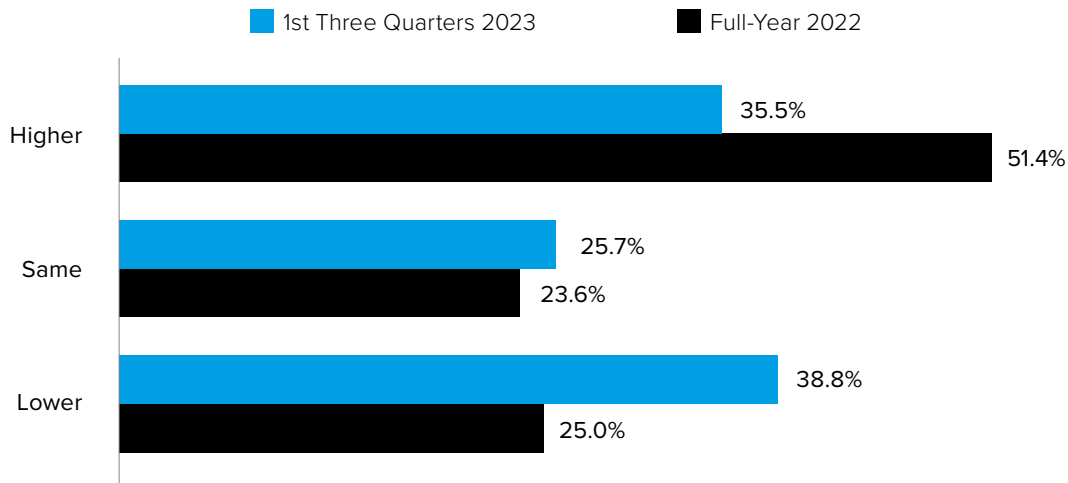
Q: How sales (all sources) and real (inflation-adjusted) sales compared with year-earlier levels for SOI participants.

Indicator	Period	Average Change	Compared to Year Earlier		
			Higher	Same	Lower
Sales (all sources)	1st Three Quarters 2023	2.7%	50.5%	19.4%	30.1%
	FY 2022	12.8%	79.2%	11.9%	8.9%
Real (inflation-adjusted) sales	1st Three Quarters 2023	-1.1%	44.0%	9.1%	46.9%
	FY 2022	1.9%	55.7%	10.2%	34.1%

**Margins follow the trends observed in real sales performance.** As Figure 2 shows, pre-tax profitability increased during the first three quarters of 2023 for 35.5% of companies surveyed and decreased for 38.8%, contrasting with last year, when profitability increased for 51.4% and decreased for 25.0%. Moreover, the comprehensive full report delves into critical factors influencing profitability, showcasing the positive effects of internal actions and the negative impact of external factors.

**Figure 2: Pre-Tax Profitability Trends, First Three Quarters 2023 and Full-Year 2022**

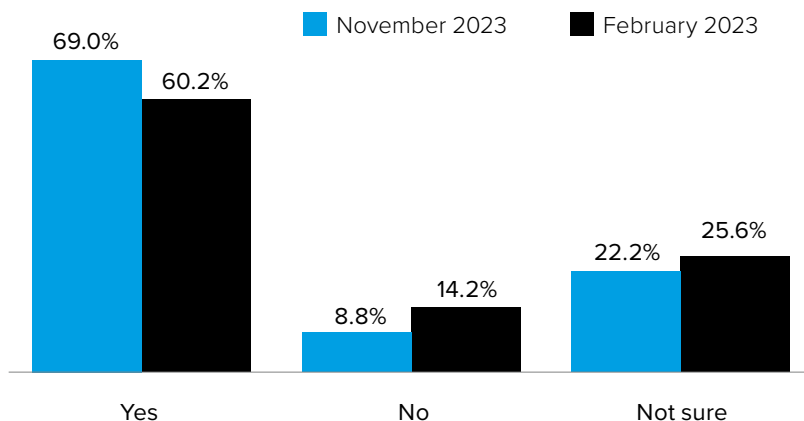
Q: How does your pre-tax profitability compare with year-earlier profitability? Responses are for the periods indicated.



**Capital investment expectations rise in anticipation of economic resilience.** Figure 3 shows that SOI participants planning capital investments rose to 69.0% from 60.2% in February, indicating increased confidence that the economy will avoid recession. Yet, worries persist, with 52.6% of companies not sure if they will be investing concerned about the economy, 47.4% about market conditions, and 31.6% about credit. The full report also summarizes expected capital investment rates, most desired capital investments, and investment objectives.

**Figure 3: Capital Investment Plans**

Q: Will you be investing in capital equipment, hardware, or software during the 12 months ahead? Responses are for the period indicated.



**The outlook for 2024 among SOI participants appears restrained.** SOI respondents anticipate restrained growth in 2024, identifying prospects in election-year printing and select industries such as live events and travel. They are most concerned about maintaining profitability and increasing sales. Plans to build margins include strategies aimed at cost reduction, revenue enhancement, and substantial investment in capital and workforce.

**Labor shortage and changing skills:** The industry grapples not just with labor shortages but also with the need to foster new skills and mindsets across roles. Approximately 54.6% of SOI respondents seek new competencies, particularly in executive management (70.5%), sales (68.4%), and production (66.3%). The full report delves into the evolving skill landscape and its impact on business.

**Figure 4: How Skill Requirements Are Changing**

Q: Are there positions in your company for which the skills/competencies required have changed?



Q: For which position have skills/competencies changed? (Figure shows three most frequent responses)

Position	Citing
Executive management/company leadership	70.5%
Sales representatives	68.4%
Production	66.3%

The *State of the Industry Update, Third Quarter 2023* also highlights sustainability concerns and essential ‘Must dos’ like implementing 5S and management by objectives to tackle various challenges.

# JOIN OUR PANEL!

Members of the  
State of the Industry Panel  
have access to proprietary reports  
on the printing industry's performance,  
prospects, critical issues and defining trends  
and on how to make those issues and trends an  
opportunity rather than a threat.

Participation in the panel requires completing a  
10-minute State of the Industry Survey four times per  
year. All survey response are strictly confidential.

Follow the link below to  
join our business panel:

**JOIN NOW**

[research.net/r/CV19PREX1](https://research.net/r/CV19PREX1)

# WHO WE ARE



*PRINTING United Alliance is the new entity born of the merger between Specialty Graphic Imaging Association (SGIA) and Printing Industries of America (PIA). Marking a milestone in the printing industry, SGIA and PIA officially combined in 2020 to create the largest, most comprehensive member-based printing and graphic arts association in the United States.*

*Members have unparalleled access to 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. For PRINTING United Alliance membership inquiries, visit [printing.org](http://printing.org).*

## **NAPCO RESEARCH**

*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](mailto:research@napco.com) to talk with our analysts to find out how we can help you with your research needs.*

## 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.

## PRINTING UNITED ALLIANCE RESEARCH DELIVERS...

### INDUSTRY AND ECONOMIC BENCHMARKING

- Benchmarking
- Industry & Economic Trends
- User Research & Analysis

### COMPETITIVE INTELLIGENCE

- Landscape Analysis
- Competitive Assessment
- Analyst Presentations at Events

### INDUSTRY EDUCATION

- White Papers & Thought Leadership
- Lead Generation
- Staff Training
- Research-Based Webinars
- Brand Awareness and Market Positioning
- Printer Growth Strategies & Capital Investment Research

ACCESS PRINTING UNITED ALLIANCE & NAPCO'S AUDIENCES OF MORE THAN

**550K+** FOR:

- Surveys, focus groups
- Distribution of thought leadership for lead-generation

## THE PRINTING UNITED ALLIANCE RESEARCH DIFFERENCE



**ENGAGED MEMBER COMMUNITY**



**INDUSTRY ECONOMIC, RESEARCH & REGULATORY EXPERTISE**



**MARKET REACH & EXPOSURE**

## PRINTING UNITED ALLIANCE/NAPCO RESEARCH CLIENTS

**Avalara**

**Bluecore**

**Canon**

**BLACKHAWK NETWORK**

**FUJIFILM**  
Value from Innovation

**gallus**

**HEIDELBERG**

**MBO AMERICA**

**PHILADELPHIA INSURANCE COMPANIES**  
A Member of the Tokio Marine Group

**UNITED STATES POSTAL SERVICE**

**Radial**

**RICOH**

**Social Solutions**

**synchrony FINANCIAL**

**XEIKON**

## MEET THE RESEARCH TEAM



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



**Lisa Cross**  
Principal Analyst  
NAPCO Research  
lcross@napco.com



**Andy Paparozzi**  
Chief Economist  
PRINTING United Alliance  
apaparozzi@printing.org



**Onamica Dhar**  
Economist  
PRINTING United Alliance  
odhar@printing.org



**Cory Francer**  
Analyst  
NAPCO Research  
cfrancer@napco.com



**Evan West**  
Data Analyst  
NAPCO Research  
ewest@napco.com

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