



COVID-19 Print Business Indicators Research

A Path Forward

VOLUME 1, NUMBER 3
EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

Printing companies from across the United States and Canada participated in the third NAPCO Research/PRINTING United Alliance COVID-19 Print Business Indicators Survey. Topics included percent change in sales over the last 30 days (late July through late August), current trends in sales, production, quote activity, and confidence, how 2020 first half sales numbers compared to those in 2019, client closure effects on revenues, COVID-related sales and more. Comparisons with the results from our first two survey periods show the printing industry has taken a first step toward recovery.

Key Findings

2020 First Half Sales Are Well Behind 2019 Levels

Nearly 80.0% of respondents indicated that their first half sales numbers have decreased when compared to the same time period last year. These firms reported that COVID-related shutdowns resulted in the loss of more than a quarter of these sales as the average firm saw a decrease of 28.5%. Those who were more fortunate and saw an increase in sales benefited greatly from the COVID crisis as these firms experienced an increase of 32.2%. The firms pivoted to COVID-related production or serve industries whose demand has been boosted by the pandemic.

Sales Summary: 1st Half 2020 Over 1st Half 2019		
Group	Percent of Sample	Average Change
All Companies Surveyed	100.0%	-16.9%
Sales Increased	18.1%	32.2%
Sales Decreased	79.7%	-28.5%

Q. How did your total sales (all sources) for the first half of 2020 compare with your total sales for the first half of 2019?
n=237

Index of Both Current and Leading Indicators Continue Their Steady Rise

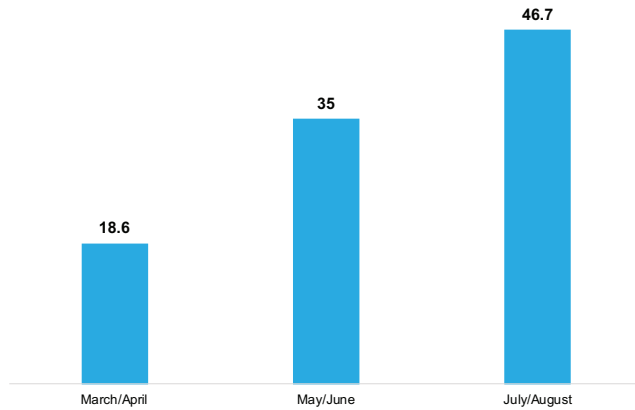
Current Indicators

The index of current indicators has continued to rise since the first volume of this report was released as it is now 2.5x higher than it was in March/April. This index gives a glimpse into how the industry is currently trending as it encompasses sales, production, employment, prices and pre-tax profitability. Although a number below 50.0 means that the industry is still seeing a decline in activity, things are certainly heading in the right direction. At this rate, the index should read over 50.0 before year-end.

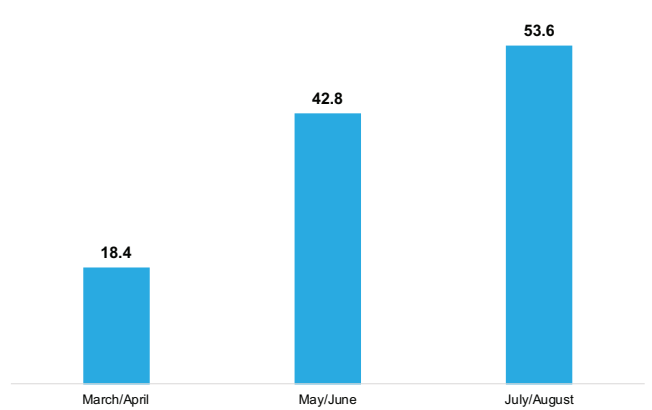
Leading Indicators

For the first time since this research began, the index of leading indicators signaled that business activity is beginning to rise. The leading indicators give a glimpse into the near future as quote activity, work-on-hand, production payroll hours, and business confidence are all trending upward. It appears that printers are beginning to get back to work, but there is still plenty of uncertainty in the air. We expect high confidence and a leading indicator index over 50.0 to translate into a >50.0 index of current indicators in the next iteration of the report

Index of Current Indicators



Index of Leading Indicators

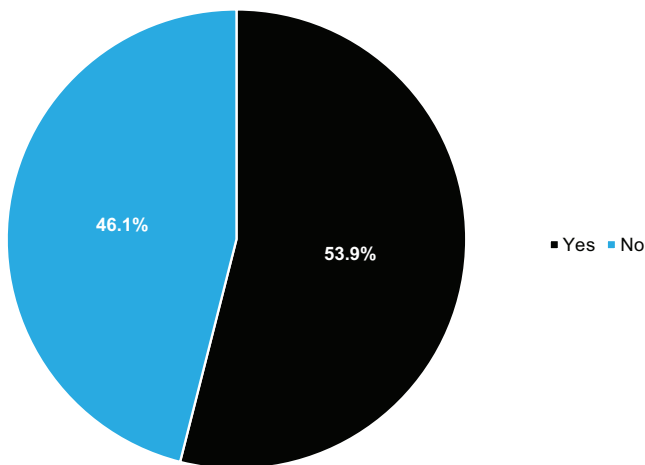


Q. How is business trending? Please indicate whether each indicator is increasing, not changing, or decreasing?
n=233

A Majority of Respondents Indicate Clients are Permanently Closing

It is no secret that difficult economic environments typically result in business closures across a variety of industries. With print being so widespread, these closures will have a direct affect on print service providers. More than half (53.9%) of respondents indicated that they have had clients close permanently because of the pandemic. While most printers indicated that these closures made up less than 10.0% of revenues, others have been hurt much more seriously. The full report provides more detail on how much revenue could be potentially lost from these closures as well as how much printers think that they could recover by the end of the year

Have Any of Your Clients Closed Permanently?

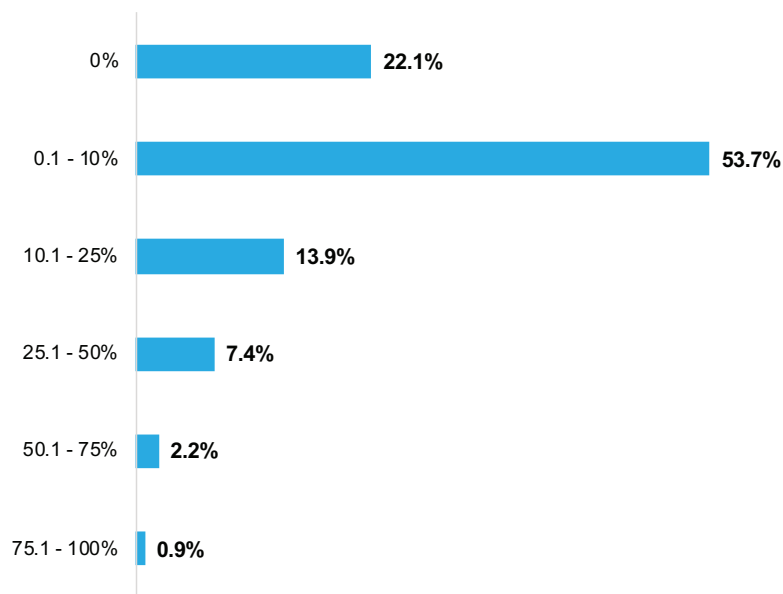


Q. Have any of your clients closed permanently as a result of the COVID-19 pandemic?
n=228

COVID-Related Sales Drive Revenues for Some

Many printers have been forced to look for new types of sales as their typical revenue streams have been harmed by the global pandemic. Many of these firms smartly made the pivot to producing COVID-related products. This could include personal protection equipment, social distancing graphics, updates on health/safety guidelines, or it can mean that the industries or clients that they serve have grown since the onset of the virus. More than half of firms (53.7%) have reported that these products make up at least some portion of their revenues, but no more than 10.0% while others have been relying on these sales to keep their business afloat. These income streams will eventually shut off once we are on the other side of this, so firms must begin strategizing ways to recover these sales once a vaccine is developed and these goods are no longer needed.

% of Sales that are Covid-Related

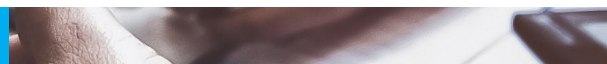


Q. What percent of your business is directly COVID-related (personal protection equipment, social-distancing graphics, updates on health/safety guidelines, industries/clients that have grown as a result of the virus, etc.)?
n=231

Become a member of the PRINTING United Alliance to access the full COVID-19 Business Indicators Research Report and other great member-only content.

<https://www.sgia.org/resources/research/covid19-print-business-indicators>

<https://www.printing.org/covid-19-resources/covid-19-print-business-indicators>



JOIN OUR PANEL!

Members of the COVID-19 Research Panel have access to an enhanced version of the report that covers leadership during a crisis, lessons learned from countries that recovered from the pandemic earlier, how to deal with employees during layoffs, client outreach, and additional information that can better help your business navigate this challenging environment.

Participate in this ongoing research by joining our business panel. Companies that join the panel will receive exclusive in-depth analysis reports (not made available publicly) of our COVID-19 research findings. Participation requires completing a 3-5 minute web-based survey every few weeks.

Follow the link below to
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PRINTING United Alliance is the new entity borne of the merger between Specialty Graphic Imaging Association (SGIA) and Printing Industries of America (PIA). In 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 will soon 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 sgia.org. To learn more about local Affiliate membership, visit printing.org.

WHO WE ARE

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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.

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