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TOP 25 HOT MARKETS FOR PRINTING IN 2020

The 25 industries and sectors that are forecasted to spend the most on printing in 2020

HOT MARKETS FORECAST FOR PRINT DEMAND IN 2020

2020 should be the best sales year in our industry's history. With 12 of the 25 hottest print markets building demand at 5% to 15%, and only four categories turning negative — versus six last year — there's cause for a robust forecast.

By Vincent Mallardi, CMC

2020 should be the best sales year in printing history. Technology is making most everything possible, thereby raising individual and business confidence and expectations. Consumers — 97.5% employed — have abundant cash, credit, and investment savings for discretionary spending; the highest in real terms since 1979. The U.S. Presidential election is already intensifying print demand for bound books, direct mail, and out-of-home signage by double-digits. Twelve of the 25 hottest markets are building demand at 5-15% — one up from 2019 — and only four categories are turning negative versus six during the previous year.

Overall, prepare to sell US$207.6B (+4%) in an economy that should grow by 3.9% in real GDP growth to US$22.8T. This is a robust forecast compared to those by timid "consensus" economists who have been wrong for three years in a row, some even predicting a recession!

No. 1 in print will be, again but slowing, **Packaged Foods** ▶▲ ($1.433T, +4%; with $19.9B to print, +3%). Scale-economies in food mass-processing dictate that seven-ninths of print and converting production be static. Digitally-imaged label and carton demand, despite a technology flourish coupled with a marketplace fantasy, remain nascent while, oppositely at +15%, is wide-format flexography for imaging polyethylene (PE) stretch wrap. Individual-carton packaged foods are in decline, as are *bottled and canned prepared products* (-3%), and the stacked sheetfed litho labels attached to them.

Fresh, prepared foods (+8%) for drive-up or home delivery is the largest contributor to de-packaging and reduced shelf-space. Point-of-sale (POS) displays, shelf-talkers, channel, and end-aisle print will reverse downward. Many supermarkets and grocery stores will close as consumers increasingly opt for remote pick-up and delivery such as with Amazon and the somewhat displaced *Instacart*.

Big Appetite for Food Delivery Services

Also, as a result, No. 10 **Foodservice** ▲▲ ($1.117T; +>3%; with $9B to print, +5%) will benefit. *Restaurants, take-out, bars, and clubs* (+6%) will out-eat at-home cooking for a second consecutive year, aided by the likes of *GrubHub*, *UberEats*, and *DoorDash*. The soon-to-be largest of the big three serves more

Demand Sector/Category Rankings By Print Potential for 2020

Rank	SECTORS/CATEGORIES	Revenue Forecast in US$Billions	Growth Rate %	Printing Trend 2019-2020	Share to-Print %	Print Potential in US$Billions	Print Change %
1	PACKAGED FOODS	$1,433	4	▲►	1.4	$19.9	3
2	MEDICAL/PHARMA	714	2	▲▲	2.5	18.8	6
3	PUBLISHING/ NON-NEWSPAPER	81	6	▲▲	16.3	12.4	7
4	HEALTH PROVIDERS	4,360	5	▲▲	<0.3	11.7	>5
5	TRAVEL/HOSPITALITY	1,153	6	▲▲	0.9	11.1	13
6	REAL ESTATE	2,555	5	►▲	0.4	10.9	5
7	BEVERAGES	535	5	►►	2.2	10.7	-1
8	BANKING/INSURANCE	5,632	3	►►	0.2	10.5	-2
9	TELECOMMUNICATIONS	1,462	-5	►▼	<0.8	10.2	-2
10	FOODSERVICE	1,117	>3	▲▲	0.8	9.0	5
11	HOME IMPROVEMENT	965	4	▲▲	<0.8	7.7	<6
12	PERSONAL CARE	490	3	▲▲	1.5	7.6	6
13	ENTERTAINMENT	1,071	3	►►	>0.7	7.4	-1
14	AUTOMOTIVE	2,090	-4	▼▼	0.3	7.0	-8
15	DISCOUNT RETAIL	1,898	4	▲▼	>0.3	6.5	-6
16	FASHION	641	3	▼►	1.0	6.4	-1
17	SECURITY/PROTECTION	340	5	▲▲	1.6	5.4	6
18	LOGISTICS/FREIGHT	1,108	11	▲▲	>0.4	5.0	15
19	INVESTMENT/BROKERAGE	1,295	-10	►▼	0.3	3.6	-8
20	LEISURE ACTIVITY	225	4	▲►	>1.6	3.6	-2
21	COMPUTERWARE	840	-6	►►	<0.4	3.2	0
22	GAMING/WAGERING	313	-9	▼▼	1.0	3.0	-9
23	HIGHER EDUCATION	330	5	►►	0.7	2.2	0
24	SOCIETAL ACTIVITY	262	18	►▲	0.8	2.2	10
25	GOVERNMENT, FED./STATE	7,970	7	▲▲	<0.1	2.1	7

TOTALS/AVERAGES – HOT MARKETS	$38,880	—	—	<0.6	$198.1	<3
OTHER DEMANDERS	16,875	—	▲▼	<0.1	9.5	-10
LESS: OVERLAP (CHAINED)	-32,927	—	—	—	—	—
TOTALS/AVERAGES – ALL	$22,828	7	►▲	<1.0	$207.6	4

All data are rounded.
Green = 5% or more gain in print.
Red = 5% or more loss to print.

than 15 million active diners at least once every 68 days. Expect the aggregate food-fest to triple in 2020.

Fast-growing subscription meal kit kitchen Home Chef (+166%) — *Inc. Magazine*'s third fastest growing firm in the U.S. — is now part of Kroger, which paid nearly $1 billion for the five-year-old Chicago suburbs start-up.

For food packaging, single-service is the new normal. Consumers, according to one study, want their eating choices to "reflect their values," and for marketers to "establish corporate sustainability objectives."

As more compostable, recyclable, and post-consumer products become price competitive, an economical alternative to traditional single-use foodservice product materials will be bio-based, renewable, and biodegradable materials derived from sugarcane (bagasse), corn (polylactic acid or PLA), and recycled newsprint (molded pulp) as alternatives to traditional cups, clamshells, dinnerware, and cutlery. We will have to digest the tricky imaging on some of these irregular substrates.

Paper Price Hikes, On-Shoring Fuel Growth

At No. 3, **Publishing/Non-Newspaper ▲▲** ($81B, +6%; with $12.4B to print, +7%) will be up marginally for the second straight year. Before getting too excited, though, consider the reasons; paper price hikes and more on-shoring — especially in *books* (+6%) — because of offshore freight, content cannibalization, and tariff issues. The average cover price for professional, trades, and young readers titles will likely increase to more than seven-times production cost, which, on 730 million copies, could top $42/copy.

If Quad, among the very largest book manufacturers, follows through with its announced withdrawal from the category, demand will be even more inelastic. E-books and audiobooks, though one-quarter of all "reads," constitute less than one-20th of publishers' revenues and, if anything, excite subsequent sales for the "real-thing."

Consumer/trade periodicals, and inserts (+6%) are, counter to popular perception, adding pages of content, but not at the newsstand or check-out counter. Academic journals in the English language are proliferating and sub-dividing outward at the exponential rates of socio-technologic advances in their respective disciplines. Current estimates are upward of 300,000 titles, or 38-times the number of magazines. Of the latter, 9:1 more popular periodicals are being introduced on a regional or vertical platform as compared to national general-interest titles.

Also growing are inserts, usually topical around an event or commemoration, set in a "magalog" or native content format. *Greetings, wraps, and custom social expressions* (+2%) are increasing in price, in line with inflation, but with lower unit sales, and fewer imports. Retail do-it-yourself social expression will be largely displaced by online automated subscription greetings, gifting, and wrapping.

In second place, again, is **Medical/Pharma ▲▲** ($714B, +2%; with $18.8B to print, +6%). Downward price pressures and expiring patents continue to inflict pain in *prescription/OTC pharmaceuticals and biotech* (-2%). As "bios*imilars*" inject into the market space, more products are being imported at lower costs and to discourage the third scourge of Big Pharma — class-action lawsuits. For reference, imagine a TV commercial: "Have you or someone you know been injured by a printing job?" Hundreds of actions are filed, mostly engaging transpromo direct mail; however, opposite from this plus is exposure to those who produce miniature-folded pharma inserts and expansion labels.

Also brace for a diminishment of pharma ROP inserts in the new year — and decade. This is a mainstay for too many heatset web offset plants. Better for higher value-added print are the remaining two-fifths categories of *medical products* (+5%) and *wellness management* (29%). Both are benefitting from technology, an aging population, and government cost containment efforts. Carton and blister packaging, POP/POS, and out-of-home signage will be prescribed.

The early-stage category of *cannabis* (+33%) is attracting disproportionate attention and investment by printers; some perhaps under the influence. At present, it is a cottage industry with no direction or leadership — yet. Data are smoky and therefore not ready for analysis. Stand by.

Some Segments Are Healthy, Others Not

Related at No. 4 are the **Health Providers ▲▲** ($4.360T, +5%; with $11.7B to print, +>5%). "AI" (artificial intelligence) will begin to check-in at talent-strained *hospitals* (+5%) and *family physician practices* (-6%). Diagnoses, treatments, and outcomes will improve as observations, tests, and monitoring are correlated exponentially to curb over-medication and readmissions. Reduced paperwork and labels will cause suffering in coldset web, flexo, thermal, and in-plant digital printing.

Two major health crises will demand substantial public awareness print: the opioid epidemic and the "superbug" consequence of biologicals-overuse. Every participant in this sector and government will be coordinating these efforts. *Private health insurance* (+11%) will be the most prominent print buyer across all product categories; particularly in direct mail and out-of-home displays and signage, garnering three-fifths of sector demand.

Travel/Hospitality ▲▲ ($1.153T, +6%; with $11.1B to print, +13%) will take off up to No. 5 from a dismal 2019 at No. 9. *Airlines and airports* (+7%) will resurge from aircraft capacity groundings and facility construction inconveniences. For the latter, non-aeronautical revenues will surpass fees related to flight for the first time.

Expanded retail, dining, lodging, and entertainment space means more signage, reading material, specially re-packaged travel amenities in what is regarded as the most underserved of print marketplaces. *FedEx Office* will likely seize on its already sizable footprint at airports, followed by smaller digital imaging providers local to the various hubs. 3D, dye-sub, and gift-print will also find "homes" here.

Cruise lines (+7%) continue to be in ship-shape as the largest print demander in the sector. Travel catalogs, posters, periodicals, onboard amenities, and directional/decorative signage are everywhere including tens of thousands of travel agencies essentially thriving on cruise business. More than 32 million passengers — one-half of them Americans — will embark onto over 300 ships, a third of which are less than five years in service.

Lodging (+3%) is underperforming in revenue per available room (REVPAR). The whys are apparent in the deteriorating average age of hotel and resort properties, and a failure to market among millennials and the so-called Gen-Z who prefer adventurous home-sharing through the likes of Airbnb. Because travel is ubiquitous, any printer can participate anywhere and should seek 6-12% of its business from this sector.

New Roaring Twenties Driven by AI and AR

AI (artificial intelligence) and AR (augmented reality) will define durable goods marketing into the new Roaring Twenties, with print playing a new, essential role. Imagine No. 6 **Real Estate ▶▲** ($2.555T, +5%; with $10.9B to print, +5%) where tenants and buyers review brochures of properties and, with their smart devices, superimpose office or home furniture options and workflow patterns. Once finalized, they may order up a 3D-printed rendering. Decisions can be remote "sight unseen," but insightfully location-spot-on.

Residential/resale (+3%) home prices are recovering from the lowest level in constant-dollar terms since 2006. Refinancing at the lowest real interest rates in history are prompting direct mail demand from banks and mortgage brokers. *Residential/new* (+8%) will remain robust in front of anticipated cost increases and a diminished amount of buildable land due to flooding, fires, and other natural and man-made calamities. *Residential/rental* (+6%) housing growth will moderate as a result of home buying, but vacancy rates will continue to be tight at 1:25.

Screen-printed lawn signs, open-web pasted housing guides, and ROP advertising will keep pace with the sector, as will short-run color digital of which real estate is its largest and least concentrated market. Oppositely, it's move-out time in *commercial real estate* (-9%). Retail, convention, and professional/office space are overbuilt and emptying. Indicative that for the first time, online sales are exceeding those at retail locations.

Home Improvement ▲▲ ($965B, +4%; with $7.7B to print, +<6%) will rise to No. 11 as the second durable sector. *Professional remodeling* (+10%) is two-fifths of sector revenues and the fastest growing segment — except for print, which is confined to vehicle wraps, business forms, and local advertising. *Home furnishings/décor* (+10%) will be in the replacement cycle; new furniture and fixtures purchased with funds from refinancing existing homes.

Look to sell more FSIs and ROP print and wide-format out-of-home promotions and directions. Print materials for *appliances* (-6%) are proportionately declining with foreign manufacture.

The third durable goods demander is No. 14 **Automotive** ▼▼ ($2.090T, -4%; with $7B to print, -8%). The sell-down of year-end vehicles (-12%) and flat demand for 2020 *passenger cars* (-3%) will rev up incentives and novelty. Ford sees 3P revenue from connected vehicles: subscriptions, user-based insurance, and pre-installed APIs. Such gimmicks will not offset overall ad spending in ROP and insert retail advertising.

Electric/hybrid vehicles (+19%), which the industry continues to plug, could exceed one-fifth of all unit sales by 2025, but in a decline overall of one-fifth to 12 million total vehicles. Autonomous transport of various forms, most imported into the U.S., will supersede the automobile — and many roads and roadsides on which it once traveled — by mid-century. OEM/aftermarket *vehicle parts/décor* (+4%) and *auto finance and insurance* (+5%) are the only two forward-driven print demanders across this sector.

At No. 7 will be **Beverages** ▶▶ ($535B, +5%; with $10.7B to print, -1%), a market mix of seven "liquid" categories, only one of which is in "high" growth. *Cannabis-infused drinks* (+>166%) is also a high-risk packaging proposition since no standard exists for those infused with THC. One gram in a single-serving is roughly equivalent to 14g of alcohol: a 12-oz. (340g) bottle or can of beer; a 5-oz. pour of wine; or a 1.5-oz. shot of 80-proof liquor. CBD varieties are from hemp and provide no "high."

Even (or uneven) so, paperboard carriers, metal-decorated cans, aseptic packs, stretch-wraps, adhesive labels, bottle closures, floor and wall graphics, window-clings, POP/POS displays, branded apparel, and vehicle wraps will migrate here.

Other *infused drinks, waters, and juices* (+>6%) are 22% of beverage revenues while the two largest categories — *coffees and teas* and *beer, wine, and spirits*, respectively, at 42% and 25% sector shares — are at zero growth. Consumer dampening will be health-and-safety driven and from higher prices of imports. For these reasons, the big producers and the *soft drinks* (-4%) bottlers are pouring billions into infused imbibements.

Segments No Longer 'Green' for Printers

On the subject of money, No. 8 **Banking/Insurance** ▶▶ ($5.632T, +3%; with $10.5B to print, -2%) and No. 19 **Investment/Brokerage** ▶▼($1.295T, -10%; with $3.6B to print, -8%) are leaking billions out of print. Near gone are checks, passbooks, annual reports, offering circulars, stock certificates, and almost every paper-generated document representing value beyond national currencies and bearer bonds.

Banking (+6%) in the new decade will reduce to fewer than 4,000 entities from twice that many in 2001. ATMs are replacing branches, and direct mail with transpromo are the "new" forms of engagement. Community banking (S&Ls, state-chartered, and credit unions) will commence a merger spree and adopt new names — and the print that goes with identity change.

Insurance is, thankfully for our medium, print-intensive; in fact, in fine print! The world's largest *property/casualty segment* (+7%) will likely net more than $66B with a return-on-revenues of 1/25th and a rollfed litho, digital document, direct mail, and out-of-home signage spend of $4B. "Dead" will be life insurance (-5%) as there's no more to sell to the aging population, and none wanted by the millennial or Gen Z age groups.

Nonetheless, expect a spike in direct mail and insert offers as the many chase the few, and a spate of renamed and branded survival mergers. Non-resonating qualifiers like "equitable" and "mutual" will be replaced along with everything on which these are printed.

In *investment banking*, print-on-demand (POD) is mandated by regulators such as the SEC and FINRA, but amounts to little. The big brokerages (there are no small ones anymore) are abandoning the consumer retail space and operating online only. No future for print here.

Ringing-in the New Year, but with no live answer at the other end of the non-existent line, are the technology twins of No. 9 **Telecommunications** ▶▼ ($1.462T, -5%; with $10.2B to print, -2%) and No. 21 **Computerware** ▼▶ ($840B, -6%; with $3.2B to print, 0%). The field is too crowded for anyone to make money, let alone invest in the "pipe" dream of 5G.

The U.S. lags so far behind in this technology and the funding of it that a private-public "partnership" will be decided upon before the end of 2020. All of the pent-up advertising will be shelved because the expectations of the claims of meshed networks cannot be met or built-out in the frantic timeframe. Most consumers can't work their 4G devices and will be keeping their old devices longer, trying to spend less, not more, time in mobile engagement.

At No. 12 will be **Personal Care** ▲▲ ($490B, +3%; with $7.6B to print, +6%) as the 8- to 12-year-old "tween-agers" emerge as a defined class in turning around *cosmetics/toiletries* (+6%), while their grandparents drive demand for *hair, skin, and suncare* (+3%).

The drugstore chains will continue as the biggest three retailers in the sector, though expanding in different directions. CVS is adding 100 stores in 2020, while Walgreens Boots is closing 200. The disparities are in store layout based on positioning to both sensation-lingering younger customers and those health-concerned older ones. CVS, notably, will build out 1,550 so-called pop-up stores-within-stores called "HealthHub."

Reviews are mixed for **Entertainment** ▶▶ ($1.071T, +3%; with $7.4B to print, -1%) at No. 13 because of how audiences touch-point and pay for it. Scheduled *TV, radio, cable/satellite* (-9%) is migrating to SVOD (subscription video-on-demand). *In-theater motion pictures/live events* (+5%) will draw larger crowds and higher ticket prices.

Directional signage, posters, displays, programs, stage sets, and souvenir apparel should bill out above $3B. Live Nation (+8%) is the largest participant, with one-ninth of the marketplace, producing nearly 35,000 concerts and shows. *Amusements, arcades, and sound recordings downloads* (-12%) are falling out of favor as the population ages.

Discount Retail ▲▼ ($1.898T, -4%; with $6.5B to print, -6%) will jump to No. 15 if only for Amazon (+29%) which, at this rate of organic growth, will pass Walmart (+2%) in three years. The end of the Sears-Kmart era will be followed by many more Big-Box store closings, all of which are in saturated population areas.

What keeps people in retail mode is speed of pick-up and delivery, which is being addressed by same-day services being tested by Uber and others. The implementation of robotics, drones, augmented reality, and social-shopping apps in the new decade will bring about smaller footprints and a hybrid consumer experience short of purely online shopping. Oppositely, in rural areas, *off-price "dollar" stores* (+8%) will continue to grow in isolation until an inevitable linkage with the big players.

Promotional print will be substantially down in this sector, with the exceptions of Target (+6%) and Costco (+6%), even as the latter terms the buys as "retention" rather than advertising, which it denies doing. However, a doubling in corrugated packaging and package inserts in automated transactions will at least keep this category of our industry in participation.

Fashion ▼▶ ($641B, +3%; with $6.4B to print, -1%) will dress down to No. 16 as much higher retail prices drag sales in every segment except women's-wear-dominated *apparel* (+4%). This once-great catalog demander is migrated to online sales at 1:4. And, as retail locations close, the lesser print demand spreads across FSIs, store displays, signage, and labels/packaging.

The exception is *luxury accessories* (+13%), most of which are marketed with heavy visual presence at tony boutiques, on pages of ultra-deluxe catalogs, and presented in exquisite packaging as expensive in some accessory categories as the good itself.

Advice for Print Sales Reps: Crossover Events

A suggestion to print salespeople bears repeating: find (or even organize) crossover events where, for fundraising or plain showing-off, complementary luxury brands combine couture fashion with destination travel, high-end real estate, prestige autos, rare art, gourmet foods, wealth management, etc. The targets are Gen Y and Z wannabee consumers — and we have the direct marketing invitations, personalized calligraphy, event programs, wide-format backdrops, data capture for future follow-ups, and whatever else imagination conjures.

Security/Protection ▲▲ ($340B, +5%; with $5.4B to print, +6%) will lock-in at No. 17. Warning! Threats will increase in this election year, especially in *information protection/recovery* (+10%) that spreads across all human endeavor, but is a particular danger in vote validation. Chads aside, there will be an increase in printed paper ballots.

Other segments are *hazard detection* (+12%) and *surveillance/alarms* (+3%) that will be increasingly utilized in both fixed locations and aboard moving "drone" vehicles. Warning signs come with these installations and, in fact, deter violators in places without cameras and sensors. The onset of 5G, AI, machine learning, and AR will bring forth malicious chat-bots in text, voice, and facial mimicry, and hyper-cybercrime affecting personal and product safety. Intelligent IDs, anti-counterfeiting product-proof labels, multi-spectral imaged tamper-resistant packaging, and other sophisticated defenses will be developed.

Automated Purchases, Automated Deliveries

Ranked No. 18 is **Logistics/Freight** ▲▲ ($1.108T, +11%; with $5B to print, +15%). On the move will be more tonnage, units of delivery, and both sources and carriers of packages than in all history. As consumers automate purchases, automated delivery follows. Multimodal robotics, including on-route food preparation vehicles, will share the air, roads, and sidewalks with mere mortals. Screen and digital vehicle wraps, corrugated boxes, and directional docking signage will be seen everywhere.

The exponential rise in internet shopping and order management is five-sixths the story; the other more interesting one is *specialty transport* (+36%), where four of the eight fastest-growing companies in the U.S. are positioned. This is the segment that requires verified sourcing, chain-of-custody, hazard management, and security/protection — all very costly to provide and profitable to deliver. RFID, barcoding, warning, and other intelligent containment, labeling, and detection products will grow segment print demand to more than $1B (2022).

The USPS (+4%) will raise package pricing and continue as the largest buyer of preprinted standard mailers, envelopes, and packages and, yes, postage stamps and forms.

Leisure Activity ▲▶ ($225B, +4%; with $3.6B to print, -2%) is No. 20 and one-half driven by *sporting and wheel goods* (-3%). However, *fitness equipment, gyms, and clubs* (+19%) is in the best shape for print. Packaging, signage, themed interior graphics, club membership cards and publications, direct mail, and custom apparel make up more than half of print demand.

Going "bust" at No. 22 is **Gaming/Wagering** ▼▼($313B, -9%; with $3B to print, -9%) as "boomers" walk away from low-payout slots at commercial and tribal *casinos* (-8%), and hard-core gamers prefer cards to machines. The extra space and rooms are being converted for non-casino meeting and event space; good for local digital printers. *State/provincial lotteries* (-5%) are adding online games to counter reduced ticket and scratch-off sales. POP/POS will fold proportionately. *Charitable, informal gaming* will, "bet-ya," be up +10%. This sector is likely to continue its slide, begun two years ago.

In a pass/fail No. 23 will be **Higher Education/Non-Public** ▶▶ ($330B, +5%; with $2.2B to print, 0%). Fewer students mean flunking tuition revenues (-8%), and raise the grade of recruitment print in affluent-directed mail and highly personalized offering packages in multiple languages.

More than 100 small, mostly religious-affiliated, colleges will merge or be absorbed into same-sect universities; good for digital and screen signage, and all name-change related print. Inplants will accordingly assume a larger share of net combined printing. Exceptions will be *university presses* (+12%), *athletics* (+7%) and *development* (+6%), the latter two of which will be up against intense mailbox and media competition from election-related events and fundraising.

The political upset of 2020 is No. 24, **Societal Activity** ▼▲ ($262B, +18%; with $2.2B to print, +10%). *Advocacy* (+60%) — directly or indirectly designed to influence election races — will bring close to $0.7B in direct mail, literature handouts, FSIs, promotional imprints, and signage from pillar-to-post and pole-to-poll. Politics aside, *charitable giving* (+6%) will suffer collectively, but with notable exceptions in health, the arts/humanities, and the environment/animal welfare sectors. *Religion* (-3%) is no longer calculated in this category/sector.

At No. 25 is **Government, Federal/State** ▲▲ ($7.970T, +7%; with $2.1B to print, +7%). At the federal level (which is anything but level), total outlays will tip-in to a record $5.8T if accounted honestly. *Health-related programs* (+16%), and *defense and homeland security* (+7%) require extensive screen and litho print, notably wayfaring signage, vehicle decals, manuals, documentation labels, and forms.

Other federal (-30%) are drastically reduced in funding for most of the arts, commerce, the interior, and transportation.

Many historic cultural and arts venues are, and will be, closing. Agencies will increasingly utilize private contractors to circumvent fiscal restraints.

The state governments (0%) — because required by the free-wheeling Feds to balance their budgets, even with diminishing federal transfers — will remain flat in print spending. All have in-plant facilities that limit commercial participation, except in uniform apparel and long-run or high-page-count litho, especially for tourism and economic development.

Categories That Didn't Make the Top 25 List

Missed, again, from the Top 25 in print demand, are **Government/Local** ▶▶($1.9T, +3%; with $2B to print, -5%); **Electronics/Non-Telecom** ▼▶ **(**$272B, -20%; with $1.7B to print, -28%); **Education/Primary-Secondary** ▼▶ ($1T; with $1.7B to print, -7%); and **Energy** ▲▲ ($3.4T, 0%; with $1.4B to print, +5%). The balance of print demand will come from 200 or more **unclassified residuals** in both **business-to-business** and **other consumer activity** ▼▶ ($10.2T; with $4.4B to print).

12 Sectors: Highest Proportion in 40 Years!

Among the Hot Markets-25, **12** sectors (up from 11 in 2019) will increase demand for print by a range of between 5% to 15%, and account for one-half of total buys. This is the highest proportion in at least 40 years! **Nine** (up from six in 2019) will be near level at -2% to +3%; and will tally at 36%. The remaining **four** (down from six in 2019) will decline between -5% to -22%; and will constitute 13% of total demand.

All-in the HM-25 will account for 95% of total print, a 13% increase from 2019. New and evolving demand categories in this new decade, and impending declines in traditional mainstays where we've always sold, are socio-political and techno-economic realities we must address. Managers have the choice between **leading** or **lagging**. Strategic decision-making is proactive and controlled; the opposite is reactive where others determine the outcome. ●

The entire 128-page "Hot Markets" report contains breakouts of sectors/categories by printed product and geographical market. It is available by annual subscription sale by contacting Vince Mallardi at (215) 821-6581 or by emailing vince@pbba.org

WHO WE ARE

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