TOP 100 PRINT BUYERS

Where to Focus Your Selling Efforts in 2020

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Printing Impressions

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BY VINCENT MALLARDI, C.M.C.

Who would predict that AT&T would become the world's largest printing buyer? The telecom giant is much more than "Ma Bell" as it rings up in 2020 as the world's largest entertainment and communications provider.

The integration of a myriad of bi-coastal cross-media brands through DirecTV, Warner Media, and other acquisitions will add up to nearly $1.5 billion for print imaging subcontracted to more than 800 facilities in the U.S. alone. The global buys could exceed $2.2 billion.

In all, seven entities on the *Printing Impressions* Top 100 Print Buyers forecast for 2020 are billion-dollar-plus buyers, followed by a decline in the number of brands at No. 8 **Procter & Gamble**, and an on-again-cooking up **McDonald's** at No. 10. A newcomer is No. 9 **Uline**, to be the world's largest wholesale and online provider of packaging materials.

TOP 10 BUYERS ACCOUNT FOR 5+% OF PRINTING

Collectively, the Top 10 buyers alone will account for more than 5% of all printing in the coming year. However, the revenues of the Top 10 printing providers are 3.8-times greater, making for a very crowded procurement office "waiting room," and empty and underutilized pressrooms.

Overcapacity is a vague complaint. Printing is a widely distributed industry across urgent time, cultural, and geographical space, with no longer any economies of scale. Ours is a single-batch — not a continuous-process — industry. If our concentration was more efficient, the biggest players would be making money instead of gradually liquidating, and the rest of us would be exiting into unrelated pursuits.

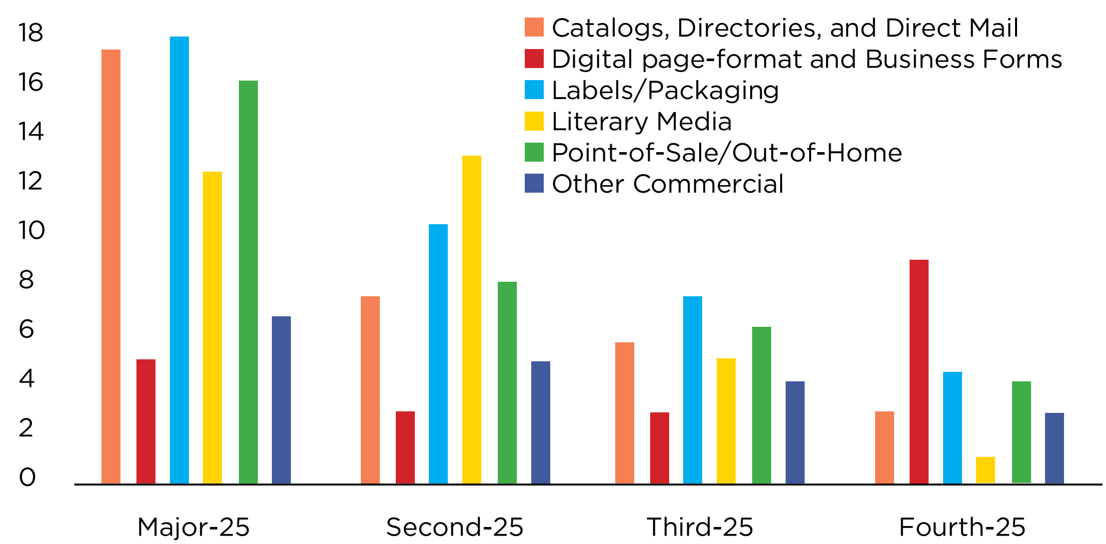
Faulty “thinking” by investment bankers is in “draining supply to corral demand” — the way native Hawaiians use fish ponds in high-tide to gather schools of prey that can’t escape when water levels ebb. It’s lazy in nature, and ignorant in economics, because artificial convergence of any kind destroys natural balance; in theory to 70 demanders in our marketplace.

The devil is in the details of skew by product. Among the Major-10 is 10.7% of total point-of-sale/out-of-home (POS- OUT); 8.5% of total labels/packaging (LPACK); and 6.2% of total catalogs, directories, and direct mail (CDDM)!

When the entire *Printing Impressions* Top 100 Print Buyers are tallied, the proportions of product/buyer concentrations are: 40.4% of total labels/packaging; 39.3% of total literary media (LITM), 34.6% of total point-of-sale/out-of-home; and 33.1% of total catalogs, directories, and direct mail.

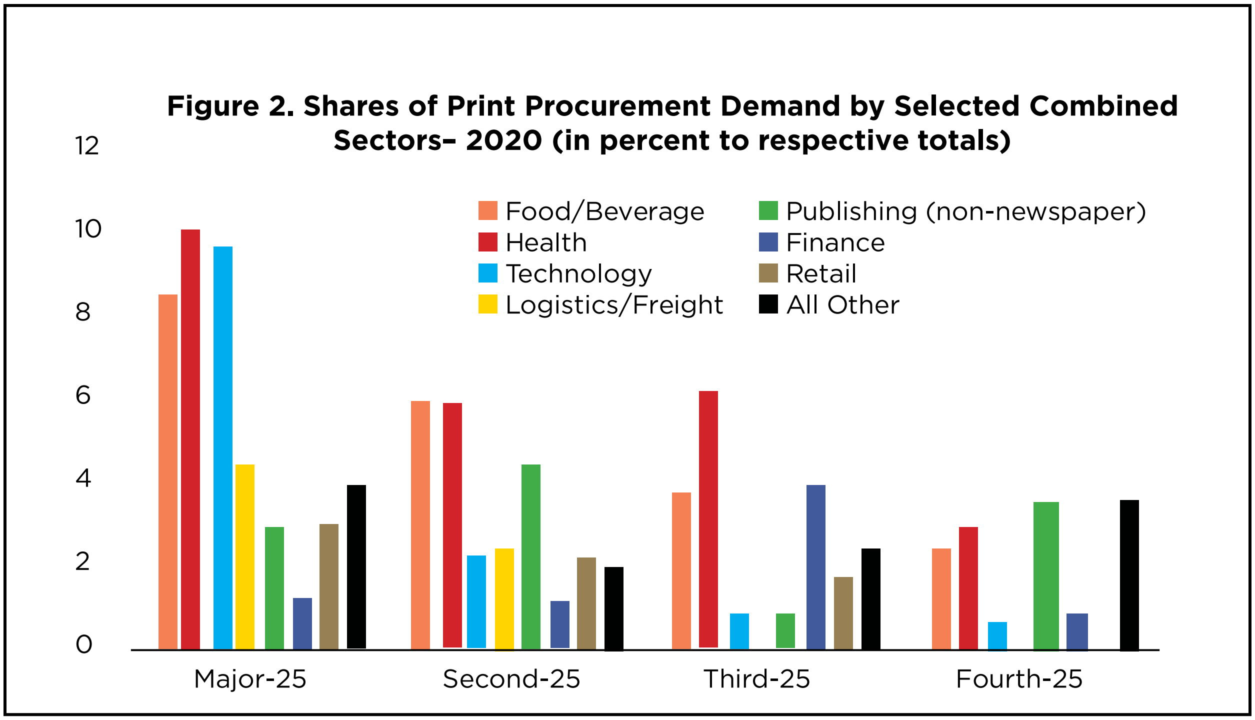
The proportions to supply by product are irrationally and irreconcilably unbalanced, which goes to intergenerational incompetence among family-controlled participants, and institutional indifference at the boardrooms of banking and funding institutions.

Figure 1. Shares of Print Procurement Demand by Print Product Types – 2020 (in percent to respective totals)



Digital page-format and business forms (DIGBF) at 19.0%; and other commercial (OTHC) at 8.1% — understandably, because of smaller order size — account for lesser shares of total print product types among the *Printing Impressions* Top 100 Print Buyers list.

When the same data are grouped by types of enterprises, Health comprises 22 entities, adding up to 24.5% of the Top 100 Print Buyers demand, followed by 17 participants in Food/Beverages, at 19.9%; Tech, with nine companies, is at 12.9%; and Publishing/non-newspaper, with 13 firms, adds up to 11.3%. Also notable are six in Retail, with 7.0%; three in Logistics, at 6.7%; nine in Finance, at 6.6%; and five in Automotive, with 2.2%.



LARGE COMPANIES MAINTAIN DISPERSED BUYING LOCATIONS

Most all of the Top 100 Print Buyers have multiple buying locations, or maintain their creative, marketing, and in-house production off-site from their headquarters. No. 7 **Pfizer**, for example, is based in New York but has a satellite operation in lower-cost Jersey City, N.J., and at several subsidiaries. No. 40 **Kraft Heinz** has two headquarters (Pittsburgh and Chicago); and No. 14 **Comcast** has five creative and procurement centers (Philadelphia; New York; Orlando, Fla.; Denver; and Los Angeles). There are no excuses for smaller printers to "leave major buyers to major sellers."

There are many more of the former, and in far more places to call on them.

To get started, match up the most efficient product you offer to the best combinations of buyer categories. If one is, say, a flexo/letterpress label printer or litho packaging converter, one-fifth of total U.S. demand comes from the *Printing Impressions* Top 100 Print Buyers; principally from 21 Health pharma/personal care buyers, 17 in Food/Beverages, and nine that should be obvious in three additional combined sectors.

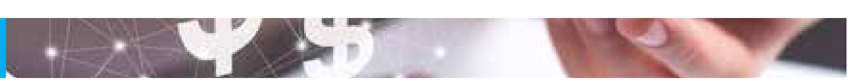
For sellers of catalogs, directories, and direct mail, one-third is bought by seven each in Tech and Retail, plus nine companies in Leisure, Finance, or Automotive. Combinations for other printed products with respective markets are evident.

The key point is that the Top 100 Print Buyers will comprise more than 26% of all print demand and, at the present rate of corporate agglomeration, will be up $1.16 billion from 2019. Foresight in front of the New Year is in order; 2020 hindsight after it's over is no alternative. Good hunting!

PRINTING IMPRESSIONS TOP 100 PRINT BUYERS

BY INDICATIVE PRINT DEMAND AND REVENUES - 2020 Forecast (in U.S.$ Millions)

Rank 2020	Rank 2019	Entity	City	State	Forecast Revenues	Print Demand	Primary Sector
1	3	AT&T	DALLAS	TX	$193,373	$1,492	Telecom
2	1	U.S. POSTAL SERVICE (USPS)	WASHINGTON	DC	67,095	1,445	Logistics
3	4	PEPSICO INTERNATIONAL	PURCHASE	NY	67,188	1,205	Beverages
4	2	THE WALT DISNEY CO.	BURBANK	CA	64,767	1,186	Entertainment
5	5	JOHNSON & JOHNSON	NEW BRUNSWICK	NJ	86,891	1,097	Pharma
MAJOR-5 SUBTOTALS					479,314	6,425	
6	7	APPLE INC.	CUPERTINO	CA	270,105	1,051	Computing
7	8	PFIZER INC.	NEW YORK	NY	55,023	1,000	Pharma
8	6	PROCTER & GAMBLE	CINCINNATI	OH	69,135	989	Personal Care
9	–	ULINE	PLEASANT PRAIRIE	WI	4,645	929	Packaging
10	24	MCDONALD'S CORP.	OAK BROOK	IL	208,227	900	Foodservice
FIRST-10 SUBTOTALS					1,086,449	11,294	
					4.9%	4.7%	
11	53	AMAZON.COM	SEATTLE	WA	317,373	888	Retail
12	18	NESTLÉ USA	ARLINGTON	VA	37,145	883	Foods
13	11	3M CO.	SAINT PAUL	MN	37,667	882	Household
14	19	COMCAST CORP.	PHILADELPHIA	PA	112,399	877	Telecom
15	15	MICROSOFT CORP.	REDMOND	WA	130,156	866	Computing
16	12	CARGILL INC.	MINNETONKA	MN	145,643	856	Foods
17	10	ADVANCE PUBLICATIONS	STATEN ISLAND	NY	6,544	854	Publishing
18	13	VERIZON	NEW YORK	NY	130,222	824	Telecom
19	14	CVS HEALTH	WOONSOCKET	RI	222,034	824	Personal Care
20	17	WALGREENS BOOTS	DEERFIELD	IL	138,080	787	Personal Care
SECOND-10 SUBTOTALS					1,277,263	8,541	-
					5.8%	3.6%	
21	16	KROGER CO.	CINCINNATI	OH	121,162	705	Retail
22	30	SANOFI U.S.	BRIDGEWATER	NJ	16,786	690	Pharma
23	22	ARCHER DANIELS MIDLAND	CHICAGO	IL	69,122	688	Foods
24	24	RELX GROUP U.S.	NEW YORK	NY	6,180	688	Publishing
25	25	STATE FARM GROUP	BLOOMINGTON	IL	101,616	684	Financial
MAJOR-25 TOTALS					$ 2,678,578	$ 23,290	-
					11.9%	11.2%	
26	29	HEARST COMMUNICATIONS	NEW YORK	NY	14,192	680	Publishing
27	26	WALMART INC.	BENTONVILLE	AR	532,086	648	Retail
28	35	MCKESSON CORP.	SAN FRANCISCO	CA	236,040	645	Pharma
29	28	FEDEX CORP.	MEMPHIS	TN	64,820	630	Logistics
30	23	AB INBEV USA	SAINT LOUIS	MO	44,365	628	Beverages
THIRD-10 SUBTOTALS					1,206,369	6,686	
					5.4%	2.8%	
31	31	MACMILLAN HOLTZBRINCK	NEW YORK	NY	7,667	622	Publishing
32	21	BERKSHIRE HATHAWAY	OMAHA	NE	267,240	620	Diversified
33	58	UNITED PARCEL SERVICE	ATLANTA	GA	72,218	616	Logistics
34	20	ALPHABET GOOGLE	MOUNTAIN VIEW	CA	136,320	615	Telecom
35	51	SPRINT T-MOBILE	BELLEVUE	WA	80,070	612	Telecom
36	33	ABBOTT LABORATORIES	ABBOTT PARK	IL	31,304	589	Pharma
37	36	COCA-COLA COMBINED	ATLANTA	GA	57,600	585	Beverages
38	47	KELLOGG CO.	BATTLE CREEK	MI	14,456	560	Foods
39	38	BERTELSMANN U.S.	NEW YORK	NY	4,950	495	Publishing
40	27	KRAFT HEINZ CO.	PITTSBURGH	PA	27,847	494	Foods
FOURTH-10 SUB-TOTALS					699,672	5,808	
					3.2%	2.4%	
PI TOP 40					$4,269,753	$32,330	
					18.9%	15.6%	
41	46	BRISTOL-MYERS SQUIBB	PRINCETON	NJ	21,134	493	Pharma
42	41	BANK OF AMERICA	CHARLOTTE	NC	98,922	490	Financial
43	39	PEARSON PUBLISHING U.S.	NEW YORK	NY	5,256	484	Publishing
44	43	MONDELEZ USA	DEERFIELD	IL	25,896	478	Foods
45	44	UNITEDHEALTH GROUP	MINNETONKA	MN	247,400	476	Health Care
46	57	COSTCO WHOLESALE	ISSAQUAH	WA	162,440	475	Retail
47	40	NOVARTIS U.S.	EAST HANOVER	NJ	26,000	472	Pharma
48	48	HOME DEPOT	ATLANTA	GA	100,972	470	Household
49	42	ASTRAZENECA U.S.	WAYNE	PA	25,612	470	Pharma
50	43	YUM! BRANDS	LOUISVILLE	KY	33,611	468	Foodservice
FIFTH-10 SUBTOTALS					747,243	4,776	-
					3.4%	2.0%	
51	–	SAMSUNG	RIDGEFIELD PARK	NJ	59,090	467	Electronics
52	–	THOMSON REUTERS U.S.	NEW YORK	NY	4,512	465	Multimedia
53	37	WELLS FARGO & CO.	SAN FRANCISCO	CA	106,152	462	Financial
54	52	TARGET CORP.	MINNEAPOLIS	MN	81,321	460	Retail



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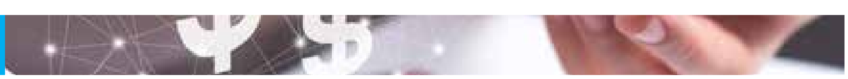
Rank 2020	Rank 2019	Entity	City	State	Forecast Revenues	Print Demand	Primary Sector
55	54	AETNA INC.	HARTFORD	CT	68,073	438	Financial
56	55	ELI LILLY & CO.	NDIANAPOLIS	IN	27,976	437	Pharma
57	45	ROCHE GROUP	BURLINGTON	NC	20,971	436	Pharma
58	59	GLAXO SMITHKLINE U.S.	RALEIGH	NC	20,454	434	Pharma
59	60	U.S. DEPT. OF DEFENSE	PENTAGON CITY	VA	886,000	415	Security
60	71	JAB AMERICAS	SAINT LOUIS	MO	5,857	410	Foods
SIXTH-10 SUBTOTALS					1,280,406	4,424	
					5.8%	1.8%	
61	–	ALBERTSONS SAFEWAY	BOISE	ID	77,855	410	Retail
62	62	AMERISOURCE BERGEN	CHESTERBROOK	PA	153,144	410	Pharma
63	98	HACHETTE USA	NEW YORK	NY	3,048	409	Publishing
64	–	L'OREAL USA	NEW YORK	NY	9,234	408	Personal Care
65	65	METLIFE	NEW YORK	NY	64,180	407	Financial
66	69	GENERAL MOTORS	DETROIT	MI	148,880	405	Automotive
67	68	MARS INC.	MCLEAN	VA	42,120	404	Foods
68	56	STARBUCKS CORP.	SEATTLE	WA	24,060	400	Beverages
69	69	UNILEVER U.S.	NEW YORK	NY	23,385	390	Personal Care
70	73	BAYER MONSANTO	PITTSBURGH	PA	43,225	390	Pharma
SEVENTH-10 SUBTOTALS					589,131	4,033	
					2.6%	1.7%	
71	–	JPMORGAN CHASE & CO.	NEW YORK	NY	108,872	388	Financial
72	74	SC JOHNSON & SON	RACINE	WI	15,319	386	Personal care
73	64	PRUDENTIAL FINANCIAL	NEWARK	NJ	66,511	384	Financial
74	80	CONAGRA BRANDS	OMAHA	NE	11,536	375	Foods
75	76	TOYOTA MOTOR SALES USA	COMMERCE	CA	130,140	336	Automotive
LARGE-50 TOTALS:					$4,540,333	$24,142	
					20.1.%	11.6%	
76	94	CITI	NEW YORK	NY	79,000	334	Financial
77	77	COLGATE-PALMOLIVE CO.	NEW YORK	NY	15,743	334	Personal Care
78	78	MERCK & CO.	WHITE HOUSE	NJ	42,433	333	Pharma
79	83	GENERAL MILLS	MINNEAPOLIS	MN	16,594	333	Foods
80	90	ESTÉE LAUDER COS.	NEW YORK	NY	16,872	330	Personal Care
EIGHTH-10 SUBTOTALS					503,020	3,533	
					2.2%	1.7%	
81	70	FORD MOTOR CO.	DEARBORN	MI	151,030	330	Automotive
82	83	CARDINAL HEALTH	DUBLIN	OH	145,202	330	Health Care
83	74	CAPITAL ONE FINANCIAL	FALLS CHURCH	VA	30,552	328	Financial
84	34	HALLMARK CARDS	KANSAS CITY	MO	4,202	327	Publishing
85	75	E&J GALLO	MODESTO	CA	6,522	326	Beverages
86	72	WALDEN-MOTT ISSA	RAMSEY	NJ	7,352	320	Publishing
87	82	DIAGEO NORTH AMERICA	STAMFORD	CT	7,124	311	Beverages
88	–	AWG ASSOCIATED	KANSAS CITY	KS	7,265	284	Foods
89	91	JOHN WILEY & SONS	HOBOKEN	NJ	1,780	280	Publishing
90	86	VOLKSWAGEN AMERICA	CHATTANOOGA	TN	16,222	280	Automotive
NINTH-10 SUBTOTALS					377,251	3,116	-
					1.7%	1.5%	
91	99	AMERICAN EXPRESS	NEW YORK	NY	49,234	278	Travel
92	88	DOW DUPONT	MIDLAND	MI	90,276	276	Chemicals
93	89	HP INC.	PALO ALTO	CA	63,180	276	Electronics
94	93	SCHOLASTIC CORP.	NEW YORK	NY	2,005	263	Publishing
95	–	ROWMAN & LITTLEFIELD	LANHAM	MD	1,670	257	Publishing
96	84	AMERICAN GREETINGS	CLEVELAND	OH	1,596	243	Publishing
97	99	CRAIN COMMUNICATIONS	DETROIT	MI	1,390	237	Publishing
98	–	JCPENNEY	PLANO	TX	11,170	225	Fashion
99	–	COTY INC.	NEW YORK	NY	5,003	223	Personal Care
100	92	FCA FIAT CHRYSLER AMERICA	DETROIT	MI	88,920	223	Automotive
TENTH-10 SUBTOTALS					314,444	2,501	
					1.5%	1.0%	
		TOP-MEDIUM-25			$862,337	$7,281	
					3.9%	3.5%	
		TOTAL PI TOP 100 PRINT BUYERS			$8,081,248	$54,713	
					35.8%	26.4%	
		TOTAL - ALL			$22,600,000	$207,606	
					100.0%	100.0%	

ALL DATA ARE ROUNDED. **Green** = Increase in Revenues or Print Spend **Red** = Decrease in Revenues or Print Spend



ABOUT THE AUTHOR

Vincent Mallardi, C.M.C. is a contributing editor to *Printing Impressions* and a leading consultant and forecaster in the paper, printing, and converting industries. He is also chairman of one of the nation's largest print buyer/reseller groups and an adjunct professor in economics. The entire 64-page report containing the 1,500 largest buying entities is available for sale by contacting Mallardi at (215) 821-6581 or email vince@pbba.org.

WHO WE ARE

Printing Impressions

For 61 years, *Printng Impressions* has provided authoritative coverage and analysis on industry trends, emerging technologies and graphic arts industry news, with a focus on the commerical printing segment. We connect with our audience via a monthly publication, a daily e-newsletter, videos, webinars, the Inkjet Summit event and “Show Daily” publications for key trade exhibitions.

NAPCO MEDIA

NAPCO Media, *Printing Impressions’* parent company, is a leading B-to-B media company specializing in creating community through content via integrated media programs, video services, marketing services, events and event management, custom content, eLearning and market research. NAPCO Media has rapidly expanded its portfolio to include NAPCO Video Services, NAPCO Events, NAPCO Marketing Services and NAPCO Research.

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