

Strategies and Business Models in Digital Printing

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Vertical integration in the value system among digital printing houses has increased the share of direct customers. The direct customer contact has made it possible for the printing houses to introduce their customers into, and make them value the opportunities of digital printing.

Background

Today the printing industry suffers from fragmentation and overcapacity, and printed matters are regarded as commodity products. Since the introduction of digital color printing, this technology has been forecasted to grow significantly but the definite break-through has yet failed to come and the use of digital printing for production at printing houses is still quite low. As the cost of digital printing is higher for larger editions, a strategic approach of differentiation is necessary for digital printing companies to compete successfully.

Purpose

The objective of this paper is to analyze the strategic use of digital printing both from the view of the digital printing house and the view of their customers.

Method

In this qualitative case study focused interviews has been conducted to gain deeper knowledge of the behavior behind the strategy in the studied companies. The studied companies involve both digital printing houses and customers, such as advertising agencies and direct customers.

Results

The results of this case study show that by adopting vertical integration in the value system it is possible for digital printing houses to offer increased value to their customers and support the different business models of digital printing. On the other hand the customers do not believe that digital printing fulfill the demands of their printed matters.

But the use of digital printing has increased through the mutual understanding between the producers and the customers in how to co-create value in the digital printing value system. By gradually introducing the customers into the opportunities of digital printing the printing houses have been able to establish a long-term relation and step by step increase the perceived customer value of more complex applications like variable data printing.

References

- Mejtoft, T. (2006a). *Strategies for Successful Digital Printing*. Journal of Media Business Studies, Vol. 3, No. 1, pp. 65-86.
- Mejtoft, T. (2006b). *Perceived Satisfaction by Customers in the Digital Printing Value System*. Paper accepted for presentation at TAGA's 58th Annual Technical Conference, March 2006, Vancouver, Canada.

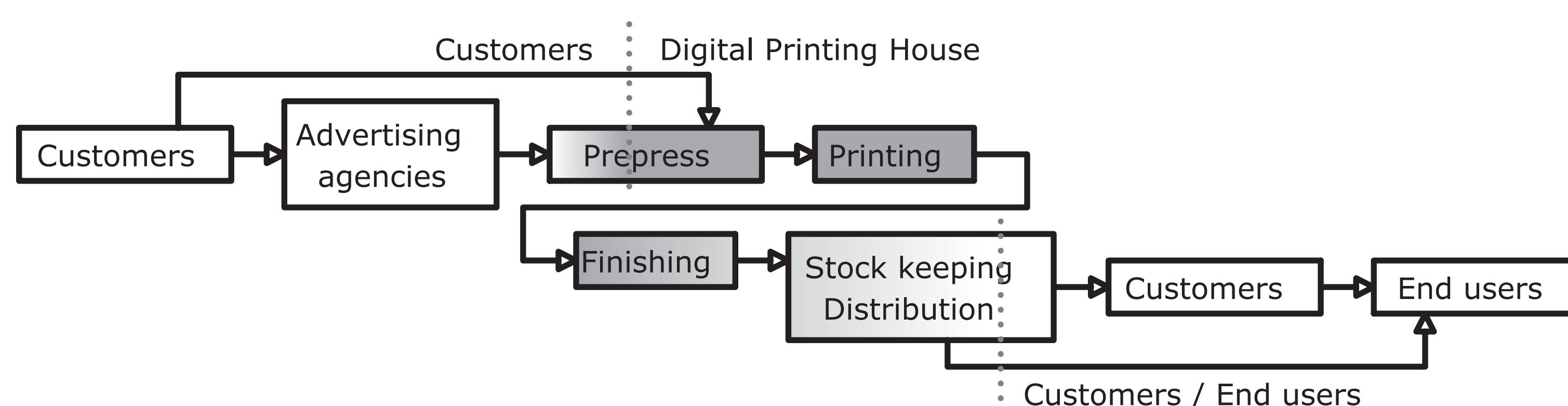
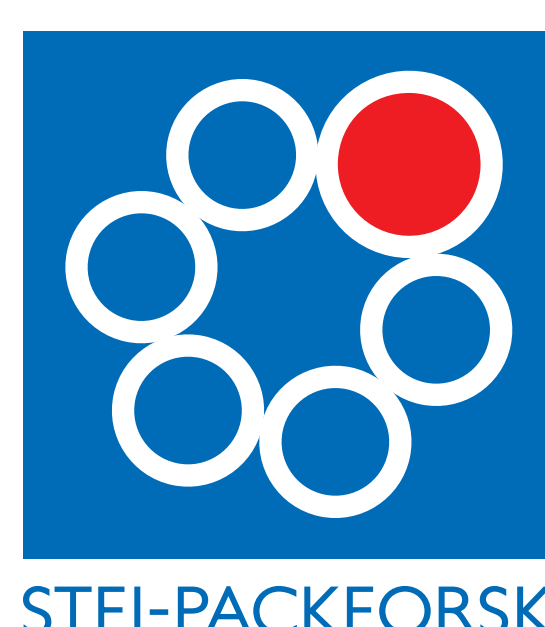


Figure 1. Vertical integration in the value system of digital printing (Mejtoft, 2006a).



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