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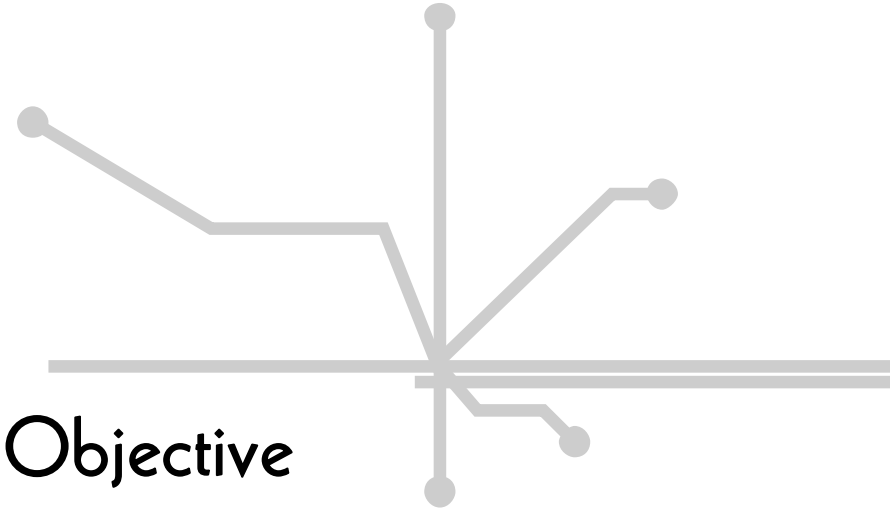
Print as a Channel for Relationship Marketing: - A Study of the Swedish Printing Industry

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Research Objective

The objective of this paper is to analyse the importance for printing firms to provide print and related services to support customers' relationship marketing strategies. Furthermore this paper discusses possible reasons for the relatively low amount of customised printed material today.



Methodology

- Multiple case study during late spring 2009
 - » Commercial printing firms
 - » Interviews with 11 Swedish printing firms
 - » Managing director or equivalent person as respondent
 - » Manufacturers of professional digital printing equipment
 - » Interviews with 4 manufacturers
 - » National/Regional representative as respondent
- The findings were analysed using pattern matching technique
(e.g. Campbell, 1975; Yin, 2003)

Results & Discussion

Print as a Channel for Relationship Marketing

- Printing Firms
 - » Most firms provide variable data printing services
 - » Small amount of customised printed matters intended for relationship marketing
 - » A slow but steady increase in demand
 - » All case firms stress the importance of working within this segment
- Manufacturers
 - » Focus shifted from production issues to providing business support



Print as a Channel for Relationship Marketing

- Problems
 - » Databases in bad condition
 - » Few variable jobs from advertising agencies
- Need to work close to the customer to take care of their problems

“The database is the big Achilles’ heel.”

Respondent at Company P2

“The advertising agencies have not started to think in terms of variable data printing.”

Respondent at Company P5

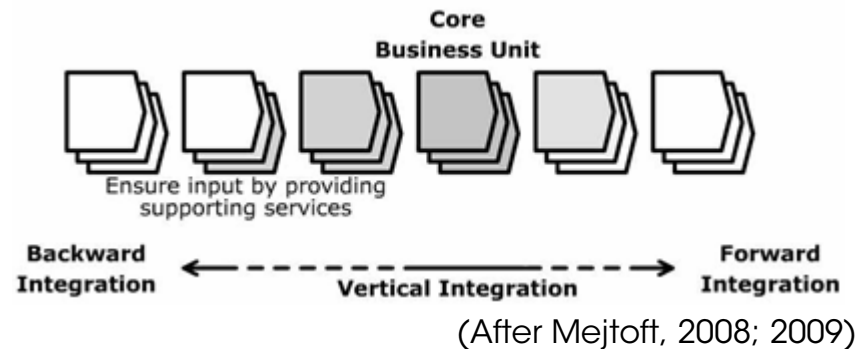


Print as a Channel for Relationship Marketing

- Vertical (backward) integration is important
 - » Helping customers structure their data
 - » Extracting information from databases
 - » Helping customers create documents suitable for variable printing

“We suggest a little more advanced solutions than they had in mind from the beginning.”

Respondent at Company P7



“Working with relationship marketing is a way of tying the customers closer.”

Respondent at Company P7

IT Services and the Printing Industry

- Digital printing leads to an increasing need for a higher level of IT infrastructure and competence within the control of the firm
- Cost for having all services is a big issue for smaller firms
 - » The small amount makes it hard to invest, makes it hard to produce, makes it hard to sell...
- Today many retail software solutions are available for printing firms
- Manufacturers bundle their presses with software to reach for a bigger piece of the pie



IT Services and the Printing Industry

- All this has made the market lack differentiation
 - » It is important to develop and customise systems in order to be different from the competitors

“It’s crucial for survival, otherwise you just get lost in the crowd.”

Respondent at Company P2



Reflections

Print Services Connected to Relationship Marketing

- It is important to offer these services
 - » Customers are less price sensitive
 - » Profitability?
 - » Different opinions concerning the profitability of VDP and other services connected to relationship marketing
 - » An opportunity for the printing firm to strengthen the relationship with their customers
- Printing firms lack competence since it is hard to cope with the costs and investments

“It’s not possible to add a couple of hundred dollars to solve the things with the variables.”

Respondent at Company P3



Print Services Connected to Relationship Marketing

- Primary reasons for the low amount of VDP
 - » Customers' databases are often in bad condition
 - » There is a limited number of potential customers since interested customers are those with a large regular customer base
 - » Printing firms are poor at marketing and selling VDP to support customers' relationship marketing strategies
 - » Customers lack knowledge of how print as a channel in the relationship marketing strategy can benefit their organisations
 - » There is a high entry barrier into the commitment and trust needed for successful relationship marketing



What about the future?

- The demand for print services in connection to relationship marketing will most likely increase
- It will probably be hard for “ordinary” (i.e. smaller) printing firms to benefit from the added value that the customers receive
- Other actors, with knowledge that is “highly valued” have a better opportunity to increase their service offer and consequently benefit from having printing firms “only” as a supplier of the final printed product
- Working close to the end customer and providing print and related services supporting customers’ relationship marketing strategies might be a way to increase printing firms’ relations with their customers





Thank You for Your Attention!

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