Benefits of Web-to-Print Workflows & Online Storefronts

W2P AND ONLINE STOREFRONTS:
Continuing Growth Patterns

To get a sense for how the use of these solutions is evolving, we went back to commercial printers interviewed last year and asked, "What's changed?"

By Heidi Tolliver-Walker

What does print workflow have in common with an automotive production line or a Coca-Cola bottling plant? More than you might think. Just as with any manufactured product, by standardizing and automating as much of the ordering and production workflow as possible, you enable greater throughput, minimize errors, and achieve far greater efficiency. This translates into bottom-line benefits for both printer and client, while still providing creative flexibility within the guidelines established by the brand owner.

It is no wonder that the use of Web-to-print (W2P) and online storefronts is on the rise. According to a study by NAPCO Research on behalf of RadTech ("Why Service Providers Are Migrating to Web-to-Print Solutions"), more than half (55%) of commercial printers have some type of W2P solution. Off-line print shipments are projected to decline by a CAGR of -6.0% by 2021, while W2P is projected to grow by a CAGR of 5.2%, reaching $48 billion by 2021.

In a separate survey on behalf of SGIA ("The Impact of Customer Buying Preferences on the Commercial Printing Industry"), NAPCO Research found that commercial printers, on average, expected the share of their job volume generated by Web-based ordering systems to rise to 26% between 2018-2020.

It's not just the use of W2P solutions that has expanded, it's their functionality, as well. As W2P storefronts have matured, printers and their clients have continued to automate more and more formerly manual functions, including preflight, reporting, mailing and list purchasing, and fulfillment. We are also seeing rapid expansion in functionality, like the ordering and management of wide-format and promotional items.

Because of the investment necessary to set up W2P workflows initially (templates, rules, and assets), once the client has spent the time and resources to do so, they aren't likely to switch easily. Thus, a side benefit of W2P is that it tends to increase customer retention. Indeed, increasing customer retention by just 5% has been shown to boost profits by 25% to 95% (Bain & Co.). That translates into real money.

While the introductory benefits of W2P are well-documented, less often discussed is what's next? Once you have an e-commerce site up and running, what does phase two or phase three look like?

To get a sense for how the use of these solutions is evolving, we went back to several commercial printers interviewed by *Printing Impressions* on this topic last year and asked, "What's changed?"

> **The Kennickell Group encourages clients to reuse the framework of existing sites to save time and money.**
> — AL KENNICKELL

More Standardization = Higher Profits

One high-volume W2P user, DigiCopy, has eight locations in six cities around Milwaukee and has been running its Pressero storefronts for the past 14 years. It has an actively growing customer base for these sites — which it brands DigiXpress — expanding from 200 DigiXpress clients in 2019 to 225 today. DigiCopy has a whopping 99% retention rate for these clients, which is actually even better than it appears since two of these "losses" were not because the customers moved on, but because they closed their businesses.

While DigiCopy used to do more customization of its sites, it has been moving toward standardization as it builds out to more of its customer base. "While each client site has its own branding and personality, we are starting to capitalize on economies of scale," Craig Shuler, president of DigiCopy, notes. "Customers don't care about how their sites work on the back end, but we do. The more we can standardize, the easier and more cost-effective these sites become for us to set up and maintain."

DigiCopy has also been adding new functionalities, such as automated preflight and online fulfillment of promotional products. Automated preflight is in testing, but fulfillment of promotional items is in place and expanding rapidly. "We are trying to fill in the blanks," Shuler explains. "If we don't sell our customers this product or that using DigiXpress, we want to know, 'Why not? Is it reasonable to do? And, if so, what do we have to do in order to make that happen?'"

It's not that ordering promotional products, in itself, is something new. Moving this process to DigiXpress simply brings organization to what is often a haphazard approach. "Our clients might say, 'We need pens,' but they don't realize they have 1,000 pens in the office next door," says Shuler. "Ordering through DigiXpress creates more structure. It also gives them the opportunity to do advanced planning based on real data about what they are really ordering, and what they really need. As a result, they save money."

To help with this planning, DigiCopy does regular account reviews. When moving its promotional items into DigiXpress, for example, one client was surprised to find that it had been ordering more than 200 different products, which it then streamlined down to the 11 items it orders most often. That translated into real cost savings.

Another growing function of these storefronts, Shuler says, is their ability to streamline personalized and customized mailings, particularly among large organizations and nonprofits. "They set up business rules on the front end, then DigiXpress populates the layout with that data automatically once the user exports the data," he explains.

As DigiCopy customers become increasingly comfortable with using the DigiXpress storefronts, they are changing the way they order print. In some organizations, this might translate into needing fewer people to place orders and manage the process. In others, it might mean the opposite — decentralizing print ordering to more users to increase efficiency.

"In a larger organization, the efficiencies gained using DigiXpress are so great that it's like adding an admin person or two," according to Shuler. "But we are seeing clients distributing the responsibility across the organization, as well. We had one client who had maybe three authorized users that now has 17 users. There are real efficiencies to allowing people to manage their ordering within their own departments."

All of this growth has resulted in a remarkably lower level of fear around the use of online storefronts. "Instead of losing control, clients are finding that their control is actually tightened down," Shuler says. "The templates are locked, so you can't order incorrectly, and people not authorized to use the system aren't able to do so. Even if our clients had bad experiences [with other printers' solutions] in the past, once they see how our system works, that fear goes away."

Dominating a Niche Market

The Kennickell Group, in Savannah, Ga., has been building its business on its W2P storefronts for the past 20 years. Simple storefronts are built using EFI's Digital Storefront. More complex storefronts that require pick-and-pack and fulfillment are built in-house.

But like DigiCopy, Kennickell's approach is changing. For nearly two decades, the company built each site from scratch based on each customer's individual needs. During the past year or so, however, it has been encouraging clients to reuse the framework of existing sites to save time and money. Now, this has become the default option.

"Our storefronts used to be massive, complex projects that would often go over budget," Kennickell recalls. "Then we decided, the next time someone wants a storefront, we'll show them one of our existing sites [with the proprietary content stripped out] and ask, 'What if we build the same site and change out the graphics, but the basic framework stays the same? If so, we could do it faster and for less money.' We weren't sure anyone would go for it, but then one client said, 'Sure.' And then several more. This has had a dramatic impact on our ability to roll out these sites."

Today, the Kennickell Group can build even the most complex, highly functional site in 60 days. "Instead of costing the client $60,000, it might cost $20,000," Kennickell says. "Even formerly skeptical salespeople are on board."

This is the case even for the enormously complex sites that drive its international printing services. Kennickell's clients use their storefronts to order materials that are printed at international partner companies close to where the job will be delivered. This saves days or weeks of time, eliminates customs issues, and saves money.

"There is more and more demand for international printing than I've seen in a long time, and the storefronts make it easy for our clients to do," Kennickell explains. "They upload the files, select the printing location, and they're done. We must have good, reliable sources overseas, and our vendors always come through. No longer should you print in the U.S. and ship. That model has changed."

While international printing is not, in itself, a significant profit center for The Kennickell Group, clients needing these services give the company their North American printing business, too. In 2019-2020, Kennickell estimates that 70% of the company's growth will be from clients who initially come to them for international printing.

This business model has given the Georgia print shop the ability to get a seat at the table of nearly any business need-
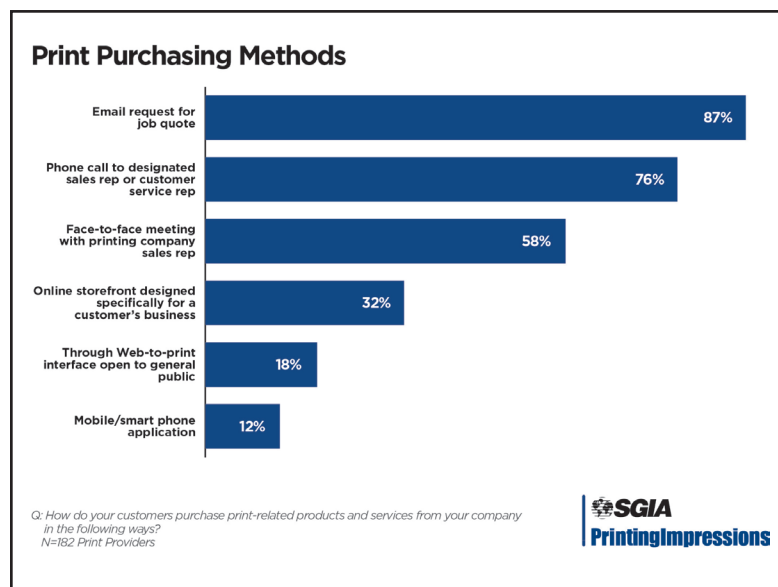
Demand for Printed Products in The Web-to-Print Wheelhouse

Despite all of the automation in this industry, there are still plenty of opportunities to mine out inefficiencies and become more profitable. One of the primary places to find these efficiencies is on the very front end of the process — ordering — which is still overwhelmingly manual.

According to "The Impact of Customer Buying Preferences on the Commercial Printing Industry" (NAPCO Research, 2019), the top three ways that customers are ordering jobs are email requests for a job quote (87%); phone calls to sales representatives or CSRs (76%); and face-to-face meetings with sales representatives (58%).) Only 32% cited using W2P storefronts specifically for a customer's business and 18% cited W2P storefronts open to the public.

That is a tremendous amount of inefficiency remaining in the process, and if printers want to grow and be more profitable, automation is no longer an option. Especially with 73% of printers saying pressure on turnarounds is increasing and nearly two-thirds (62%) indicating their customers expect a turnaround of three days or less.

In this environment, internal inefficiencies are a luxury that printers no longer have.

Print Purchasing Methods

Method	Percentage
Email request for job quote	87%
Phone call to designated sales rep or customer service rep	76%
Face-to-face meeting with printing company sales rep	58%
Online storefront designed specifically for a customer's business	32%
Through Web-to-print interface open to general public	18%
Mobile/smart phone application	12%

Q: How do your customers purchase print-related products and services from your company in the following ways?
N=182 Print Providers

SGIA PrintingImpressions

"With our W2P capabilities, we can do business anywhere in the country, primarily with companies that do international work. If we weren't doing that, we'd be shrinking every year. Instead, we are growing at greater than 10%."

'More Requests Now Than in the Past Year'

Kramer Madison, a Waunakee, Wis., commercial printer with a design/agency function, is seeing a surge in requests for its RedTie-based storefronts, as well. According to Tracy Mueller, VP of sales, the company has had more requests for online storefronts in the past three months than it has had in the past year.

"Our customers are realizing the ease of it," she says. "They are starting to understand that it doesn't need to be difficult and, at the end of the day, it will save them time and money." Mueller adds that the younger generation now taking over print ordering grew up in a digital world, so they see the value of this model and likely feel less threatened by it.

Another reason Mueller sees growth in online storefronts is the resurging interest in direct mail. "We are hearing more and more that Millennials like to touch things," she notes. "Having both touchpoints — a digital and a print component — is very important in this generation. They recognize that, with their ability to pull common assets for digital and print communications from the same database, their RedTie storefronts give them the best of both worlds."

Like other printers, Kramer Madison is seeing the number of users on these sites grow. In part, Mueller says, it's thanks to new co-op and credit functions. "If they have a dealer network, they may want to offer dealers a credit of, say, $500 toward literature, direct mail, or apparel," she says. "After that credit is used, if they want to produce more

materials, they can pay by credit card. It's encouraging dealers and other users to invest more heavily in their marketing. Plus, it drives volume for us."

Kramer Madison provides clients using this function with weekly or monthly reports on who is purchasing what, who is using the credit, and how much they have used, in total, at any given time. "Our clients know the goals they have each year, so they can use this information from their storefronts to remind their users how much of the credit they have left available to encourage them to spend it," she adds.

Another driver of usage of Kramer Madison's RedTie sites is promotional products. Currently, its promotional products business is up 30%. Of that work, approximately one-third is generated through the storefronts.

ing international printing in the country. In fact, Kennickell is building three international storefronts right now. "Now, I have companies calling me," he says. "Currently, I'm doing a storefront that I didn't even have to be on an RFP for. I just gave them a price."

Other areas of growth for Kennickell's storefronts? It's a familiar refrain: promotional items, personalized and customized literature, and digital wide-format projects. All three of the printer's current storefront builds include wide-format projects like banners and pop-up banners.

Kennickell concludes that, without streamlining and simplifying the build process, it would not be possible to maintain the growth his company continues to see. "When you get outside Savannah, there is nothing within 100 miles," he says.

"Moving promotional products to the RedTie sites helps clients better understand and streamline their offerings, which ultimately helps them, as well," Mueller points out. "They get to make decisions like, 'Do we want to offer shirts in 15 colors? Or do we want to see what the history is — what our team is actually ordering? If it's usually just white and gray, do we really need the other colors available?' Having the data at their fingertips is enormously helpful."

One of Kramer Madison's new RedTie clients, for example, used to place all of its promotional products orders by hand. "They would call and say, 'We want 1,000 of this. Then another 350 of that.' It was an individual order each time," Mueller recalls. "Now they are automating that process and using data to make decisions about their inventory based on actual usage. Which products are most cost-effective to run POD (print-on-demand)? Which are most cost-effective to be warehoused? These reports help them find real efficiencies. The first time we showed them how to do it, their eyes got huge. 'OMG! That's so easy.' Now all the data is there, and they are the heroes."

Personalization on the RedTie sites is on the rise, as well, especially around co-branded materials. Clients are using the storefront functionality to move from pre-printed inventory that was warehoused and imprinted as needed to true POD. "It's really popular, especially with the co-branding function, and we are adding it to more and more sites," Mueller says.

While some companies used to have concerns about losing control of branding or messaging, she explains, this fear lessens when they see the power of the sites. "They see that they can do things like assign permissions to different users at different levels of the organization and maintain tight brand and content control.

"You can open these sites up to the comfort level of the customer," Mueller adds. "For example, you can lock users in to only being able to change a 3x3″ space, or certain images, or whatever you want to give them the permission to change. You can give them the option of being able to build a piece with the pre-approved brand assets on the site ... or not."

Ten to 15 years ago, trying to manage such flexibility was painful. Not anymore. "All of our customers and their end users, ranging from high end marketing departments to mom-and-pops, can utilize the site and its functionality without a lot of help," she says.

Going forward, Mueller is looking forward to rolling out a new functionality to the RedTie sites — purchasing mailing lists from a third-party supplier, which she plans to start within the next few weeks. Not only will this give users more marketing and targeting power, but it will be a real time-saver for Kramer Madison, too.

"They select their list, refine it to their specifications, and it's charged right then and there," Mueller says, noting that they used to have to manage all of those steps in-house. "It's a real benefit on both sides, and I'm really excited about that."

Pushing the Envelope on Utilization

At Print Three, based in Concord, Ontario, W2P storefronts have been a way of doing business for two decades. All 50 of Print Three's franchisees use the ePOWER - W2P SHOP powered by Racad Tech. The solution offers four design editors: a PDF editor, an HTML 5 editor, InDesign/XMPie, and a vector-based editor for wide-format and photo editing.

"Our B2B platform works like a dream and is growing nicely," Andrew Hrywnak, president of Print Three, notes. The company's franchisees make use of distributed print, which is facilitated by consistency in the front end via the ePOWER solution.

"It's a real advantage," Hrywnak says. "We can deliver orders across the country quickly and efficiently with the various centers that we have nationwide. The fact that our franchisees use the same system gives all of them the ability to benefit from national accounts. Plus, their customers benefit from the cost-savings in shipping and have the benefit of service centers across the country."

During the past year, the biggest changes in Print Three's implementation
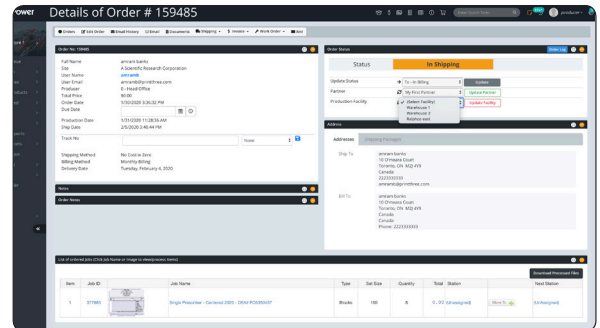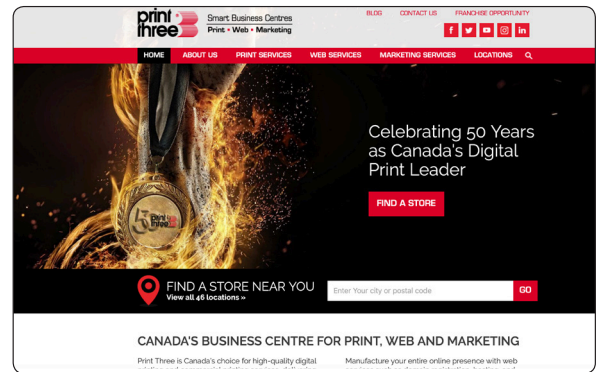
All 50 of the Print Three franchises across Canada use the ePOWER- W2P SHOP powered by Racad Tech solution.

of the ePOWER sites, according to Hrywnak, is the decision to utilize aspects of the solution that they had not utilized before. Among them is the incorporation of promotional items, including the ability to change branding, if necessary. Now, this is an area of strong growth.

For customers who might think that using ePOWER limits their creativity, Hrywnak points to the number of applications developed specifically for ePOWER clients. As just one example, one of its strategic partners wanted to print tickets to an event. Tickets were limited to 800 tickets, each with its own unique identifying number and raffle ticket.

"By using our inventory and variable printing features, we set up the system so that customers could order tickets online, add them to a cart one at a time, and the system would split the orders at checkout and provide them their raffle ticket numbers via email," Hrywnak says. "They were very pleased!"

Print Three continues to grow its network to include stores specializing in segments of the market it previously did not have access to. This includes Prime Data, which specializes in personalized direct mail, and three wide-format sign shops.

Print Three has also created a unique line of packaging and box products for the retail market, and added the Print Panther, a top-of-the-line Canadian foil and varnish specialist. All of these new companies are powered by ePOWER.

"Each new franchisee becomes a sales channel for the rest of the network, and they all feed each other work," Hrywnak says. "The atmosphere is one that is 'aggressively positive' in that all franchisees are working together to help one another succeed. I love that our ePOWER - W2P SHOP technology can adapt very quickly to accommodate our growth."

For these reasons, Hrywnak notes, choosing the right W2P solution at the outset matters. "I see print franchises with which we have relationships still struggling to engage and either adopt a solution (20 years into the W2P space) or switch from a solution that they feel limits them," he says.

"Meanwhile, the solution we decided on long ago is evolving at a pace consistent with our growth," he concludes. "We've been doing direct mailing and cross-media since about 2007. Our four different design editors can handle our wide-format and packaging initiatives, and we are starting to supply personalized specialty items, as well. All these factors are growing our overall business by allowing our stores to offer more without strenuous effort."

With such clear benefits to both printer and client, one might wonder why the percentage of shops with some type of W2P solution, even a simple one, is not higher. We might expect to hear that they are too expensive, that customers aren't asking for them, and that there are too many other important "irons in the fire."

But listening to companies like DigiCopy, The Kennickell Group, Kramer Madison, and Print Three suggests that this is the wrong line of thinking. Often customers don't know what they need or what technology can do for them until you show them and, once you do, the light bulbs go on. Then you become the hero and everyone's bottom line gets a little bit better.

Choosing the right Web-to-print solution at the outset really matters.
— ANDREW HRYWNAK

WHO WE ARE

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Packaging Impressions provides news, analysis and expert insight for printers and converters of labels, folding cartons, flexible packaging and corrugated board. Its monthly magazine, weekly e-newsletter, webinars and the Digital Packaging Summit foster a community for packaging professionals to learn about industry trends.

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