

Making Print-on-Demand Work

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We just finished another series of interviews with more than 100 marketing executives in various industries including automotive, franchise, banking, and travel. The catalyst for this survey was a series of comments we heard from prospective clients about the ineffectiveness of on-demand printing such as "It doesn't work." Had we heard this response just once, we would have dismissed it as a singular bad experience with an inept vendor, but we heard this complaint repeatedly over the past few months. So we explored why.

Confusion. On-demand printing has been a buzzword in the printing industry for at least a decade and, apparently, it means different things for different people. More than half of the executives we interviewed believed they had a print on-demand (POD) program in place. However, we learned they still had printed materials in inventory, which were either imprinted or fulfilled as needed. This means these marketers were not enjoying some of the most valuable benefits of on-demand printing such as the ability to eliminate inventory, decrease waste, and prevent obsolescence. The economic impact of other POD benefits, like the flexibility to change materials when needed, is difficult to measure. Eliminating inventory and all the costs of having a store room or warehouse can be tracked directly. Not experiencing this economic benefit is a clear sign that a real POD solution is not in place.

Cost. Many marketers expected switching to on-demand printing would cost less than traditional printing and were surprised that their expenses actually grew after they implemented POD programs. On a per unit basis, printing on-demand will always cost more than traditional printing for obvious reasons. First, the costs for pre-press services are independent of order size. An art file that requires one and a half hours of pre-flighting, two sets of proofs, and thirty minutes of RIPing will always incur these costs no matter how many pieces are being produced. When you distribute these set-up fees over 100 pieces and then over 10,000 pieces, clearly the 100 pieces will be more expensive per piece. Second, the actual POD process is more expensive. Most of the POD presses use proprietary inks and many require specialty stocks, which always cost significantly more than the inks and paper that are used on conventional presses.

Nevertheless, POD can save the marketer money when it is implemented properly.

Goals. Before implementing a POD program the marketer has to establish new, realistic goals. The goal of POD is not to produce one million pieces cheaper. The goal of POD is to produce fewer, more effective pieces, i.e. to reduce the total print volume and pay only for what is needed. Real POD providers boast about how they can charge a customer 20% more per piece, yet reduce that customer's total expense by 15%. They can do this by producing only what is needed when it is needed, which eliminates inventory and waste.

Application. Not all sales and marketing collateral lends itself to POD. The production process for items that involve letter press or complex bindery services is so time-consuming and expensive that it makes sense to produce large quantities in order to achieve an acceptable cost per unit. The demand for some items is unpredictable. As a result, they need to be printed in larger quantities so that they are available upon request. Moreover, the content of many items never changes, so there is little risk of becoming obsolete when large quantities are printed and stored. Simple sales and marketing collateral that need to be updated frequently are ideal products to produce on-demand.

Process. The same process that is used to print on-demand cannot be used to print large quantities. If you must conduct a press check or expect a color proof every time an order is placed, then POD is not the right tool. Use POD to manage your repetitious collateral instead. The most effective POD programs are recurring. These involve a one-time set-up of printed products that are updated periodically and ordered, usually electronically, in small quantities.

You do not have to choose between POD or conventional printing. POD can be a valuable complement to a conventional procurement strategy. It can help the marketer lower expenses, spread out the marketing budget over a longer period, and produce fewer, more effective pieces. Now that we understand what Print On-Demand really means and when and how to use it, it is time to make POD work and begin enjoying its many benefits.

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