SCHÄTZL
print e**motion**

Whitepaper

Expand my Print Business

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Introduction
Whitepaper - Expand my Print Business

You are looking to scale up your business by getting your individualized print products to a wider range of customers? These products must be available at all times and delivered to the customer within the shortest possible time. In addition, the customization of the individual products and thus the self-realization of every end customer is the top priority of your company. You are not alone with the need to expand your business.

EVERY SUCCESSFUL COMPANY IS EXPANDING. FOR THE DECISION MAKERS, THE QUESTION IS NOT WHETHER THIS IS POSSIBLE OR NOT, BUT TO WHICH EXTENT AND IN WHICH WAY IT IS POSSIBLE.

Expanding your own business requires a strategy and the right preparation. Only then you can fully exploit your potential and thus guarantee sustainable corporate growth. We would like to show you **five possibilities** with which you can successfully establish your company and your print products in other markets and scale them up while avoiding potential obstacles at the same time.

1. Entering new markets

1.1 Competitors | 1.2 Market potential

Especially a market entry abroad promises additional growth, but also requires a high degree of preparation, planning and controlling. Entering a new market is a classical means of expansion that has proven itself to be successful so far.

1.1 Do you know your competitors or rivals?

You should know the **number and identity** of your competitors as well as their **strengths and weaknesses**. During the competitors' analysis they should be able to answer the **following questions**:

- Who are my competitors?
- Where do they actually stand and what sales channels do they use?
- What are their particular strengths and weaknesses compared to my services?
- Do they differ in price?
- How do my competitors advertise their products and how do they represent themselves to the general public?
- How can I successfully present the differences to my competitors?
- What is the USP of my competitors?
- What is my company's USP?

1.2 Do you know your potential in the respective market of your company?

Dynamical growth regions play an important role during an expansion in two aspects: as a new sales market, where sales can be increased, and as a production location so that costs can be reduced.

Therefore, it is essential to **assess** the **market potential** with concrete inquiries from aboard and a clearly formulated internationalization vision.

1. Entering new markets
1.3 Potential customers

1.3 Do you know your potential customers?

This can be done by asking yourself the following questions:

- Which target groups are especially interesting for you?

- What is the profile of your target group (demographic, geographical, micrographic, sociodemographic and psychographic)?

- Which individual customer segments does the company have?

- Can and do these target groups spend money on my products?

- Which consumption or usage habits do the individual groups have and what changes are there?

- Which special incentive or benefit can my products provide for the target groups?

- How do I reach my target groups?

- What does the target group buy so far and from whom, when and why?

The so-called **Kano diagrams** help to distinguish performance attributes according to their influence on customer satisfaction. In principle, there are **three types of customer requirements**:

Basic Requirements, which are taken for granted (e. g. availability during office hours)

Performance requirements, which are explicitly mentioned as essential requirements for a product or service (e. g. appropriate price / performance ratio)

Enthusiasm requirements include product features which the customer does not expect. Although the non-existence of such features does not lead to dissatisfaction, it does spoil the opportunity to stand out from the competition (e. g. small gifts/attentions, goodwill)
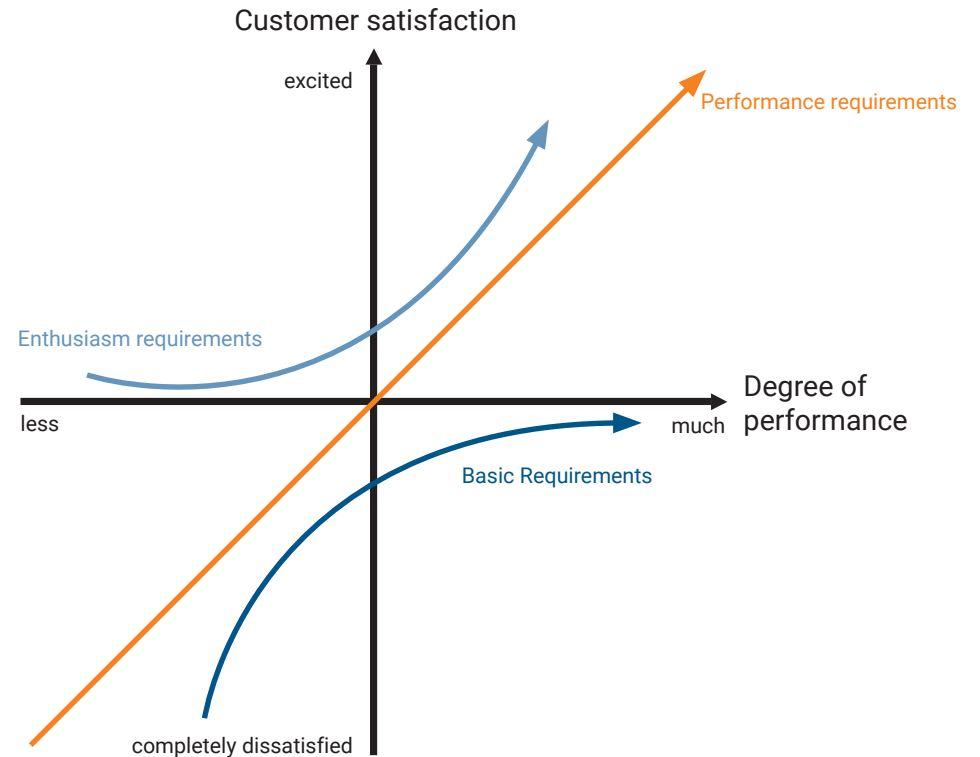
1. Entering new markets
1.4 Target country and market

1.4 Do you know your target market's country and its people?

Before entering any market, you should collect **as much information as possible** about the potential market.

To better assess the cultural framework, Geert Hofstede's model offers a good way of doing this. Based on the **six** following **dimensions** of his thesis, each culture can be clearly described:
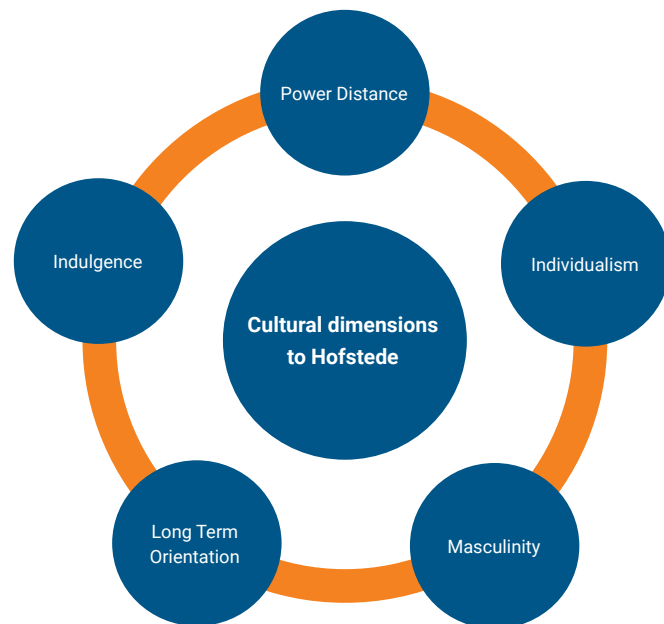
0	←	Hofstede´s Cultural Dimensions	→	100
low		Power Distance		high
Collectivism		Individualism vs. Collectivism		Individualism
feminin		Femininity vs. Masculinity		masculin
Uncertainty is accepted		Avoidance of Uncertainty		high avoidance of Uncertainty
short-term oriented		Long- vs. short-term Orientation		long-term oriented
very controlled		Yielding vs. Restraint		very pliable

The Hofstede Centre in Finland offers a range of **useful Tools** for companies to learn about the cultural differences and similarities between different countries. What you need now is extensive market research. You will learn how to approach them in the next point.

1. Entering new markets

1.5 Primary and secondary research | 1.6 Product market matrix

1.5 Primary and secondary research

Basically there are **two possible forms** of search. You can either access existing information and **available data material** (secondary research or desk research, i. e. research from your desk) or **you** can **research** specific informants directly in the market (primary research or field research).

Primary research (field research)		
Market analysis (one time survey)		Market monitoring (ongoing survey)
Monitoring	Consultation	Panel
• experimental • non-experimental	• experimental • non-experimental	• Consumer panel • Retail panel

Secondary research (desk research)	
Evaluation internal sources	Evaluation external sources
• Sales statistics • Field service reports • Advertising cost statistics • etc.	• Official statistics • Industry statistics • Trade journals • etc.

1.6 The Ansoff product-market-matrix as a tool to help you

If you want to scale up your print business, the Ansoff Matrix provides important **decision-making guidelines and impulses**. The Product Market Matrix distinguishes between existing and new products as well as existing and new markets. **Four growth strategies** result from this:

		Market	
		Existing	New
Product	Existing	Market Penetration	Market Development
	New	Product Development	Diversification

1. Entering new markets
1.6 Product market matrix

Market penetration

This growth strategy attempts to increase sales of an **existing product in an existing market**. In the business world, this strategy is very common because it can be implemented with comparatively little effort and for a low budget.

Product development

It is a little bit more difficult to expand **on an old market with new and advanced products**. In this case it is important to always be one step ahead of the competition. The risk here is that the good developments cannot be simply accepted. Moreover, The high development expenses for new products increase the risk of this growth strategy even further.

Market development or market expansion

If you want to enter a **new market with an existing product**, the Ansoff matrix describes the market development strategy. The expenses for market development are regularly higher than the costs for market penetration. As a rule, the opportunities for market expansion also show significantly higher potential, though.

Diversification / Innovation

Here you are not only approaching a **completely new market**, but also offering **a newly developed product**. This is where the greatest potential for danger lurks as well. If, for example, your newly developed product is not sufficiently demanded and accepted by their target market, this can have an impact on the entire corporate image. Moreover, diversification is no longer the same as concentrating on your core competencies.

2. Exceed the expectations of your customers

2.1 Analysing purchasing behaviour | SOR model

Searching for an orientation in a world in which service providers are becoming more and more unmanageable and interchangeable, customers and interested partners are fearing wrong decisions in buying new products. When the performance does not satisfy the customers' expectations, they will be dissatisfied. But if you exceed these expectations, you can count on enthusiastic customers who, ideally, will turn into further regular customers. So how do you manage to exceed the expectations of your customers?

2.1 Analyzing the purchasing behavior of your customers using the SOR model

Stimulus Organism Response (SOR) model is a model that explains **human behavior patterns**. In marketing, it can be used to explain the **purchasing behavior** or the **purchasing decision process of customers**. This knowledge is becoming more and more important, because an average of between 60 and 80 % of all new products are no longer available in stores within a year of their release. The reason for this is often a lack of customer orientation.
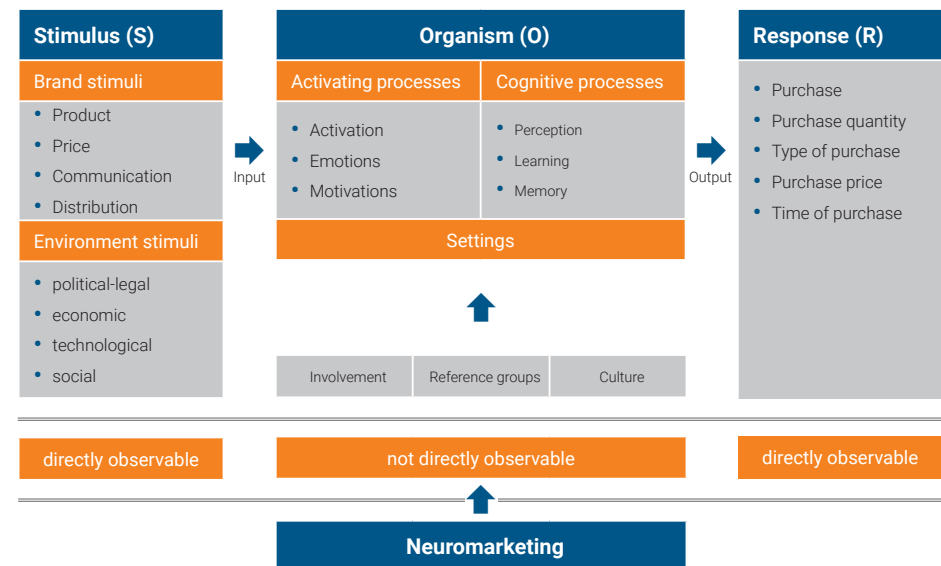
2. Exceed the expectations of your customers

2.2 Understanding customer expectations

2.2 Understanding the expectations of the customer

Get an overview of what your **customers expect** when it comes to your services or print products. You can get this information, for example, through **surveys** and questionnaires that you conduct via social media, telephone or by e-mail. It is also essential to integrate the **customer contact of your employees** into the evaluation process of your company.

The next step would be to use the newly collected information for your company. Extraordinary **service ideas** or **additional benefits** for example can be:

- An ordered Photobook arrives before the determined shipping time
- Send your customer a voucher code with their tenth order as a gift certificate
- A Personally signed Thank-You Card can be added to each order.
- Offer them the opportunity to have the ordered product refined for free with their next order
- Amaze your customers with products perfectly tailored to their needs

TURN YOUR CUSTOMERS INTO SATISFIED REGULAR CUSTOMERS WHO REGULARLY USE YOUR PRODUCTS AND SERVICES AND WHO ARE GLAD TO RECOMMEND YOU TO OTHER CUSTOMERS. THIS CREATES A STABLE AND SUSTAINABLE BASIS FOR YOUR PRINT BUSINESS ON WHICH TO BUILD.

3. Reduction of variable costs
3.1 Lean production | 3.2 Management | 3.3 Suitable fulfillment partner

Generally, highly scalable business models have a high proportion of variable costs. Depending on the production volume, variable costs increase or decrease in contrast to the fixed costs. It is therefore precisely the variable costs that need to be sensibly reduced.

3.1 „Lean production" as a source of ideas

The main idea is to **avoid any kind of unnecessary waste of resources**. The whole value chain - from the supplier to the customer - will be optimized.

Example: As part of a continuous improvement project (CIP), the production team at an automobile supplier succeeded in **reducing** the number of work steps for the manufacture of a mechanical component **from 47 to 36**. This led to time and cost savings of 15 %, without any loss of quality or any increase in the defect rate.

3.2 Reducing variable costs in management

Further developments and improvements in the company are only possible if it is clear **which business units cause which costs**. Accordingly, management changes the variable costs in order to make products less expensive, either by increasing the number of units produced or by decreasing them due to economic problems, so that fewer products can be manufactured, but then they will usually be more expensive than before.

3.3 Reducing variable costs by choosing a qualified fulfillment partner

The fulfillment provider is responsible **for storing the goods of his customers, packaging** them upon receipt of the order and **delivering** them to the end customer in compliance with all legal and customs requirements. What is really important here is to find the right fulfillment partner who offers the perfect solution tailor-made for your company.

4. Managing states of emergency in the best possible way

4.1 Bridging times of crisis with suitable marketing strategies / measures

The Corona virus currently rampant worldwide and its effects on the world economy are an example of such a crisis situation. This confronts us all, not only privately but also professionally, with a big responsibility, the emergency situation needs to be managed in the best way possible. The following points will explain how you can master such exceptional circumstances like winners.

4.1 Overcoming difficult times through suitable marketing strategies/measures

Especially companies expecting a large drop in sales need to take **fast, strategic decisions** and implement them consistently.

4.1.1 Building confidence

One of the most important success factors, especially in times of crisis, is the **trust** of your customers in your company, your brand and your products. The visibility of your products is indispensable, especially in times of declining sales.

CUSTOMERS TRUST COM-PANIES THAT APPEAR BOTH RESILIENT AND STRONG, ESPECIALLY IN DIFFICULT TIMES SUCH AS THESE.

4.1.2 Crisis-Branding

In order to avoid an unintended connection of fire and disaster, it is important that your **ads do not appear next to crisis reports**. It is also important to ensure that when countermeasures are implemented, you do not give the impression that you are trying to capitalize on the current emergency. The social component has an enormous significance in crisis situations.

4.1.3 Google Ads schalten

Invest more in Google Ads, especially in crisis situations, in order to avoid loss of revenue. Use the **opportunity of increased online shopping** during home office hours. Get a step ahead of your competitors and have your ads already done in the first place!

4. Managing states of emergency in the best possible way

4.1 Bridging times of crisis | 4.2 Managing above average demand

4.1.4 Expand and improve SEO services and content marketing

Do not forget your search requests, especially in the exceptional situation. Not only after the crisis, but **already during** it, you should be as present as possible in the Google search engine for your target audience, in order to strengthen your sales.

4.1.5 Discount campaigns and quizzes

Depending on the crisis situation, you should offer your customers **various** buying **incentives**. Reward the sincerity of your customers or others for their honest or social behaviour by offering them free shipping or a discount on their (next) order. In addition, free merchandising products of your company would also be possible, which are already stored on site by a dropshipping partner and can be added immediately on demand.

4.2 Managing above-average demand

Assuming there is an **unexpected peak in orders** that is far beyond the forecast figures and calculations, what are you going to do then?

4.2.1 Missed new customer acquisition

Through your daily, constant production volume of 1,000 books a day, however, you cannot cover the incoming orders with a total of 1,430 books from your previous service provider. This means you **lose enormous scaling potential** and many new customers who switch over to your competitor. So do not miss this opportunity!

4.2.2 Negative customer reviews

If your production volume is too low, you might **upset your customers** because their order will not be delivered on time or even because no further order can be accepted. **Such anger is nowadays very often shared** on social media and can inevitably damage your image if a so-called shitstorm happens to you.

4.2.3 Jump from regular customers

Rely on a print service provider that enables you to have **different production volumes even during the year**, e. g. in times of crisis, such as Corona, or on special promotional days, such as Black Friday. This way you avoid losing your regular customers, because you are able to meet the usual delivery times and continue to deliver the best quality.

Positive example of Schätzl print emotion - customized production volume:

Thanks to an excellent ongoing advertising campaign by one of our valued customers, Hooray Studios, we have produced, packaged and shipped **more than 4,000 books daily over** a long time period. In order to be able to do justice to this fact and send the books to the end customer on time, we took over the printing of the book contents and entrusted the production of the book covers to one of our printing partners. Exceeding the fixed upper **limit of a maximum** of 4,000 books a day meant that there were **no problems** at all.

5. Market leadership based on knowledge and experience

5.1 Scope for development | 5.2 Corporate standards | 5.3 Technological progress | 5.4 Partner network

The most important aspect here is the cooperation with the right printing partner. Nothing is more fatal than putting your trust in someone who does not have the required experience to move your business model forward. You should consider the following factors before choosing your print partner:

5.1 Expanding your scope for design

A good print expert in their field gives a lot of thought about which services are the most suitable for your print products. You are benefiting from their experience and team strength as well as his know-how and equipment.

5.2 Improving your business standards

As already mentioned, your collaboration and participation will not only bring you more revenue for your business but will also help you to **increase your profits**. For example, a Print Fulfillment partner with experience could significantly increase the print quality of your products and the throughput times of the individual equipment, all at affordable prices.

5.3 Continuous technological progress

A reliable Print Partner will of course provide you with the requisite technology to ensure the best possible representation of your product portfolio. **A fully automated workflow, from ordering to shipping, creates both confidence and transparency.** This workflow, for example, can be managed by QR Code supported production alone.

5.4 Worldwide partner network

Your partner has also access to a worldwide network of shipping and printing service providers who enable your print business to expand. In times of crisis or seasonally increased demand, your print partner is able to **absorb production peaks** and possibly pass them on to other print service providers within their network.

5. Market leadership based on knowledge and experience
5.5 Close contact

5.5 Get in close contact

Don't make the mistake of entering into a **hasty partnership** with a print service provider without knowing whether they will **meet all of your requirements or no**t. Get up close and ask yourself the **following questions**:

- Can your shop back-end be connected to the fulfilment system in any case?

- Which merchandise management and e-commerce interfaces are offered?

- Is your fulfillment partner able to produce your product portfolio?

- Can the print products also be enhanced upon request?

- Which papers are offered?

- Are there product supplements/stock items available for your products?

- Which shipping services and which of their additional services are available?

- Which shipping methods are offered generally?

- Who will be responsible for returns management?

- Does your fulfillment service take care of the customs formalities for shipments to non-EU countries?

How can I find the right printing partner for my company?

Companies of all different sizes and industries should choose a **variety of communication channels**. such as social media, product platforms and events (such as DRUPA, for example, **for the search** of the right partners). One of the best-known platforms for business contacts worldwide is the **Xing** network. Less well known, but not less interesting, is the platform **KMU** Innovation. Take the opportunity to use the various communication channels and platforms and **invest your time in the search for the perfect printing partner** who can provide you with the necessary know-how, experience and technology for your print business needs.

6. Hooray Studios
The success story of one of our customers

Hooray Studios, a start-up from Slovenia that was founded in 2013 and has been selling **personalized children's books worldwide through mass customization**, shows us how to successfully expand and scale your own business. Hooray Studios has increased its volume by working with Schätzl print emotion by **530%** to almost **400,000 books a year** from 2017 to 2019. This adds up to over 300,000 packages which were packed and shipped by us. Besides offering personalized children's books, they now also offer **merchandising products** (such as coloring calendars or greeting cards) and gift wrapping.

Rado Daradan and Mic Melanšek, CEO's of Hooray Studios, will tell you **why Hooray Studios chose Schätzl print emotion** and **which** criteria were important for their decision:

„In every partnership you have to trust and we have some really ambitious goals. We've had high sales projections and we couldn't be aiming for them unless we knew that there was someone on the other side who could fulfill those projections. We want to be the market leader in every European country and ultimately worldwide, and Schätzl offers us the perfect solutions to archive this."

Mic Melanšek - CEO

„It was very important for us to collaborate with a printing partner in Germany, one of our main markets, so that we can have personalized books produced and delivered as quickly as possible."

Rado Daradan - CEO

7. About us
7.1 Key facts and milestones

1981

Schätzl has been providing comprehensive and successful support to companies in the market, started as a **classic offset** printing company. What distinguishes us is our willingness to listen to our customers, to understand their specific needs and to find the best possible, **individual solutions** for them. We also let our know-how flow into their business processes. With our specialists, we offer **many years of expertise, advice and support in digital printing and print finishing**. We also developed innovative, individual workflows for digital production for a future-oriented handling of your orders at all times.

We have a highly **automated workflow**, printing **100 percent digitally** and we use the **most modern printing machines** without any exception. We count ourselves among the pioneers of Industry 4.0 and know our trade when it comes to finishing as well as highly individual and personalized print products. Our production runs 24 hours a day, 7 days a week.

With our **Print on Demand, Mass Customization, Print Finishing** and **White Label** services, we can offer complete solutions tailored precisely to our customers' needs.

We believe that the digital provision of personalized print products printed in short runs and print on demand is the future of the printing industry.

Due to our international production software „OneFlow", we are connected to more than **180 printing partners worldwide** and have a **highly developed and reliable shipping network**, with competitive production, shipping and delivery costs for all of our 110 successful customers.

We are constantly expanding our network to ensure to our customers more security and transparency.

7. About us

7.2 Our services at a glance

Our product portfolio

We offer our customers personalized, individualized and refined print products. Our product range is being continuously developed and expanded.

We do currently print: personalized gift books, books in small print runs, photo books, children's books, wire O spiral books, personalized and individualized-greeting cards / single sheets, calendars on demand, photo-based products, polaroids, posters, punched products and folders.
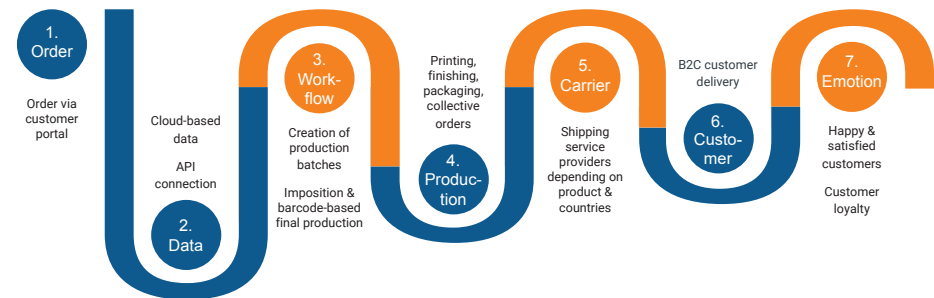
Our technologies

We print with two **HP Indigo 12,000** and one **7,900**, three **Canon** machines (C 10000, C6320, I300), a Scodix Ultra pro 2, a Horizon (BQ 470) and a book binding line from Müller Martini - the first in Germany.

HP Indigo 12.000

In **2020 / 2021** our machines will be expanded by a **SmartStacker** (intelligent cutting), a **Ventura Digital** (thread sewing) and a **Rotary Die Cutting machine**.

This is how our workflow works

In the first step, an **order** is generated via your customer portal. Using our **API interface**, the data is transferred to us in a cloud-based manner and then collected in **production batches** and imposed via **barcode-based production**. This offers you complete transparency across all production steps. In the fourth step the products are being **printed, finished and packaged**. Depending on the product and country, there are **various shipping service providers** to choose from, with whom we have concluded exclusive contracts. Finally, the **delivery** is made to your B2C customers who can hardly wait for their delivery.

1. Order — Order via customer portal

2. Data — Cloud-based data / API connection

3. Workflow — Creation of production batches / Imposition & barcode-based final production

4. Production — Printing, finishing, packaging, collective orders

5. Carrier — Shipping service providers depending on product & countries

6. Customer — B2C customer delivery

**7. Emotion** — Happy & satisfied customers / Customer loyalty
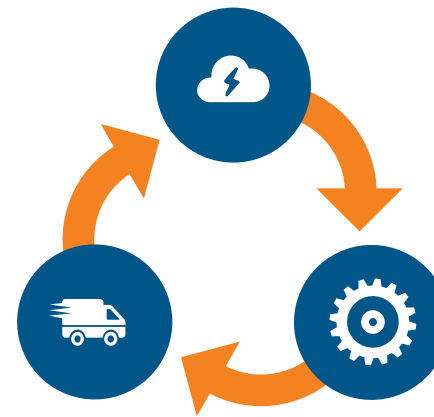
7. About us
7.2 Our services at a glance

Our lucrative partner network

We enable you to **scale** your business **extremely high** by **sending** your products **world-wide**. In order to keep the **delivery times** for your customers **as short as possible** and to be able to offer **attractive delivery conditions**, we rely on our **exclusive partner network**. For you, this means that an order whose delivery is **outside the EU** will be sent to our partner in the respective country. This partner produces and sends the order via **local carrier**. Thus, the delivery time is between **one to three instead of 8 days**.
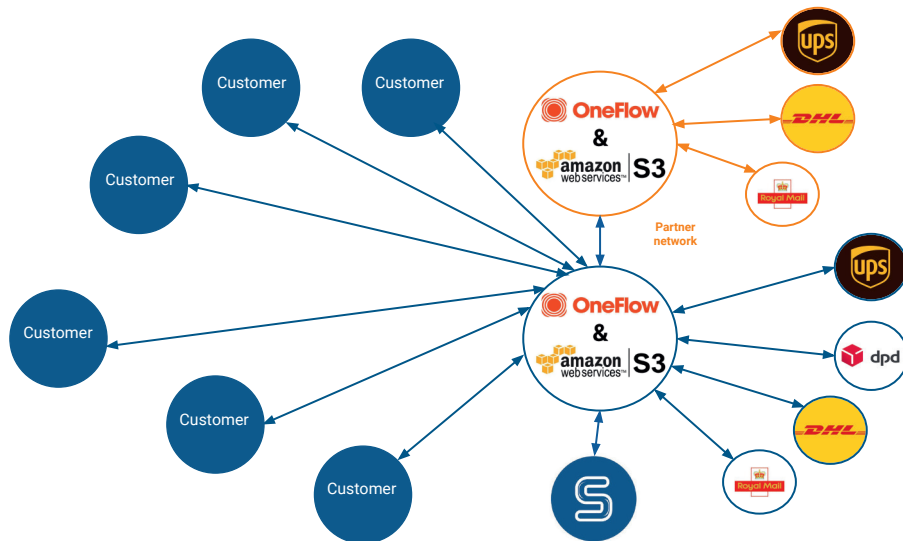
We are Print Fulfillment Partner

Automated production

- Complete transparency across all production steps (barcode)
- Comprehensive product & finishing portfolio
- Mass Customization / Print on Demand

Automated logistics

- Whitelabel dispatch
- Comprehensive return management
- Special conditions as exclusive partner for EU/NON-EU

Automated progresses

- Fully automatic connection
- Inline book binding line with before and after
- Experienced book production partner
- Personal & individual service

8. Contact us
Contact details & contact persons

We are looking forward to hearing from you!

Contact us: For **further information**, an i**ndividual offer** or anything else you would like to **know about Schätzl print emotion** as well.

Your personal contact

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You and the success of your company are our highest priority. In order to ensure your satisfaction in the best possible way and to be able to offer you the complete solution perfectly tailored to your needs, it is important for us to get to know your desires and needs.

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