



State of the Industry Update  
First Quarter 2024  
**EXECUTIVE SUMMARY**



Sponsored by Canon U.S.A., Inc. **Canon**

Produced by the PRINTING United Alliance and NAPCO Research for its members.

**JULY 2024**

# Staying on top of industry trends is essential to your success.

Throughout the year, PRINTING United Alliance's research team creates top-notch reports for the industry and works with consultancies to conduct commissioned research.

PRINTING United Alliance members get unlimited access to the resulting reports that reflect the scope of the printing industry.

Visit: [printing.org/library/business-excellence/economics-forecasting](https://printing.org/library/business-excellence/economics-forecasting)

If you have any questions, please contact [researchteam@printing.org](mailto:researchteam@printing.org).

## Executive Summary

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The PRINTING United Alliance State of the Industry Update, First Quarter 2024 is based on a survey of 163 companies from across the printing industry. Participants include commercial printers, graphic and sign (wide-format) producers, and package printers/converters, are located across the United States and Canada, and have annual sales ranging from less than \$500,000 to more than \$200 million.

Topics include how sales, cost inflation, and pre-tax profitability are trending, factors having the biggest effect on profitability, what concerns printers most, preparing for the AI/big data revolution, and eight techniques for affordable, effective market research.

PRINTING United Alliance members can download the *State of the Industry Update, First Quarter 2024* [here](#).

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The Canon logo is displayed in a bold, red, sans-serif font. The letters are thick and closely spaced, with a slight shadow effect behind them, giving it a three-dimensional appearance. The logo is centered horizontally within a white rectangular area.

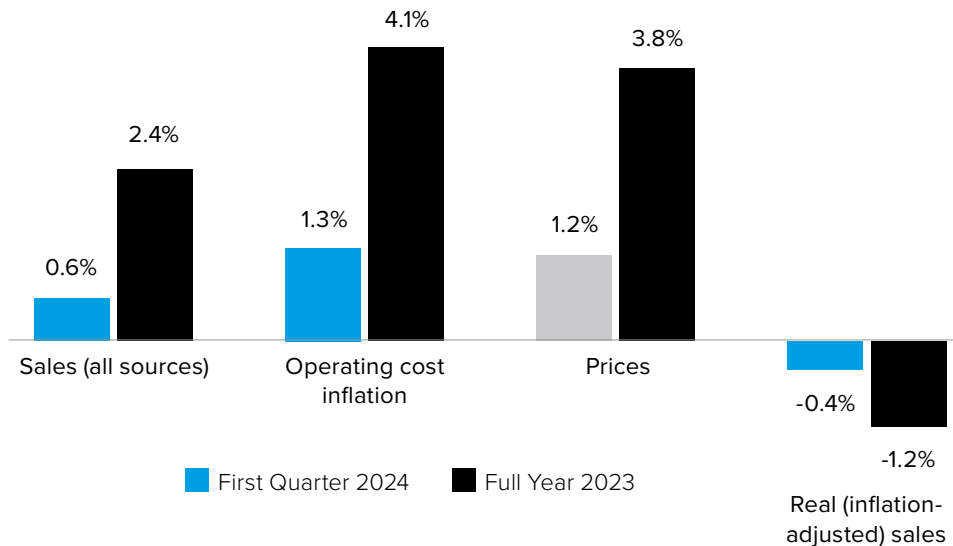
*Canon U.S.A., Inc. is a leader in digital imaging and printing solutions with one of the broadest portfolios in the industry, offering solutions such as digital presses, production ink-jet presses, wide-format printers, workflow solutions and professional services. With approximately \$30.6 billion in global revenue, its parent company, Canon Inc. (NYSE:CAJ), as of 2021 has ranked in the top-five overall in U.S. patents granted for 36 consecutive years and was one of Fortune Magazine's World's Most Admired Companies in 2022. Canon U.S.A. is dedicated to its Kyosei philosophy of social and environmental responsibility.*

## SAMPLE FINDINGS

Sales growth slowed and operating cost inflation continued to moderate during the first quarter of 2024. Among all SOI participants surveyed, sales increased by 0.6% in the first quarter of 2024, compared to the 2.4% growth seen in the full year of 2023. Simultaneously, operating cost inflation moderated to 1.3%, down from 4.1% for the entire year of 2023. While prices rose by 3.8% last year, they only increased by 1.2% in the first quarter of 2024. Real (inflation-adjusted) sales, which measure production trends after accounting for price increases, decreased by 0.4% through March. This is an improvement from the full year 2023's 1.2% decline (Figure 1).

**Figure 1: Key Business Indicators, First Quarter 2024 and Full-Year 2023**

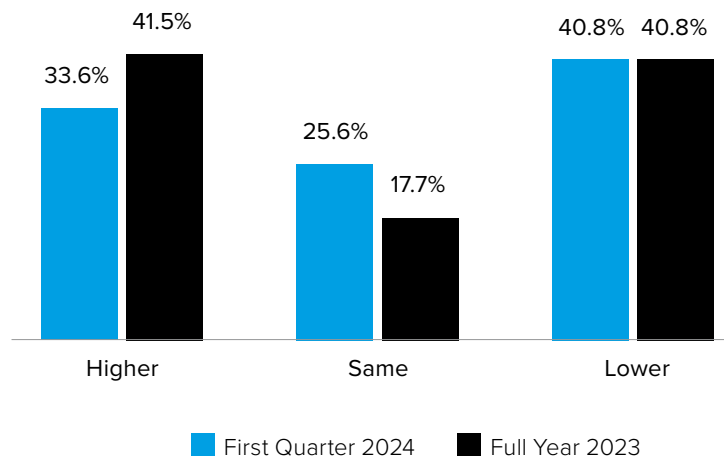
How sales (all sources), operating cost inflation, prices, and real (inflation-adjusted) sales compared with year-earlier levels for SOI participants.



Margins are facing mounting pressure. 33.6% report an increase in pre-tax profitability during the first quarter of 2024, down from 41.5% for the full-year 2023 and significantly less than the 40.8% who report a decline (Figure 2).

**Figure 2: Pre-Tax Profitability Trends**

Q: How did your pre-tax profitability (pre-tax profits as a percent of sales) for the first quarter of 2024 compared to year earlier profitability?



Despite the challenges in 2024, SOI participants remain optimistic, expecting their full-year sales to surpass those of 2023. Key concerns for these businesses include increasing sales, maintaining profitability amidst rising labor costs, navigating current business conditions, and maintaining healthy cash flow (Figure 3). The full report not only outlines the full-year expectations for 2024, but also identifies what company will do better this year than it did last year.

**Figure 3: Biggest Concerns**

Q: How much of a concern do you expect the factors below to be for your company in 2024? (Five most frequent responses)

| Factor  | Major Concerns |
|---|----------------|
| Increasing sales                                  | 59.2%          |
| Maintaining profitability                         | 59.2%          |
| Economy/business conditions                       | 55.2%          |
| Rising labor costs                                | 51.2%          |
| Maintaining healthy cash/working capital balances | 39.5%          |

Interest in artificial intelligence (AI) is growing among participants in our research. As Figure 4 shows, 40.0% have integrated artificial intelligence into their operations, up from 23.4% in September 2023. Looking ahead, 26.4% of respondents plan to incorporate AI within the next year, while 32.8% have no immediate plans to do so. This trend highlights the industry’s shift towards embracing AI technologies to enhance efficiency and innovation. The full report also addresses the biggest challenges for AI implications for SOI participants.

**Figure 4: AI Status**

Which of the following is true for your company?

| AI Status   | Mar-24 | Sep-23 |
|---|--------|--------|
| We are using AI applications                          | 40.0%  | 23.4%  |
| We are not using AI but plan to within the next year. | 26.4%  | 28.2%  |
| We do not expect to be using AI within the next year. | 32.8%  | 48.4%  |

Finally, the full *State of the Industry Update, First Quarter 2024* also extensively analysis analog-digital transition and GDP growth by quarter. Must-do section provides information about how to do market research for small printing businesses to understand customer needs, identify new opportunities, and stay competitive.



# WHO WE ARE

*PRINTING United Alliance is the new entity born of the merger between Specialty Graphic Imaging Association (SGIA) and Printing Industries of America (PIA). Marking a milestone in the printing industry, SGIA and PIA officially combined in 2020 to create the largest, most comprehensive member-based printing and graphic arts association in the United States.*

*Members have unparalleled access to preeminent education, training, workshops, events, research, government and legislative representation, safety and environmental sustainability guidance, as well as resources from the leading media company in the industry – NAPCO Media. For PRINTING United Alliance membership inquiries, visit [printing.org](http://printing.org).*

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