

Vertical Market Kit

INSIGHTS IN THE HIGHER EDUCATION MARKET

Based on reports by:



Canon

think.



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Introduction

About this Document

This vertical market kit is designed to help print service providers capture more business in the retail market. It offers an analysis of trends, opportunities, key strategies, tips, and tools to target customers of varying types and sizes across a dynamic range of organizations. Successfully targeting a vertical industry involves developing strategies that align internal resources with market needs, educating and training staff, and allocating resources for ongoing market monitoring.

This vertical market kit can be used to:

- Gain a solid understanding of the industry.
- Uncover industry trends.
- Pinpoint sales opportunities.
- Identify key print applications.
- Develop new sales strategies.
- Identify decisionmakers.
- Develop solutions and applications that are aligned with industry needs.

Key Highlights

- Keypoint Intelligence's research confirms that overall spend is shifting to digital. At the same time, however, our most recent research reveals that higher education respondents allocate a higher share of their spending to print than any other vertical (44%).
- Because not all print is produced internally, there is an opportunity for PSPs to get in the door and sell print to financial institutions.
- Customization/personalization is a proven method for improving response rates for digital as well as printed media.
- Like those in other industries, higher education firms are also improving their print campaigns with specialized printing (e.g., metallic/fluorescent colors, augmented reality, or specialty papers).
- Many printed documents are being enhanced with digital components for increased efficacy and to stand apart from the competition.



Defining the Industry

The higher education industry includes many different types of organizations that provide students with degrees, certifications, licenses, and accreditations. Institutions may be publicly or privately funded. Although mandatory or compulsory education (generally Kindergarten through 12th grade) is a subset of the education industry, this document will focus on higher education institutions (which provide instruction beyond the 12th grade level).

The higher education market, also called postsecondary education, is an optional stage of formal learning that is provided by universities, colleges, or vocational schools. Higher education institutions provide instruction that results in students earning a degree that testifies to their competence. Almost all higher educational institutions proceed through an accreditation process, which is developed to promote academic standards. According to the most recent data from the National Center for Education Statistics, about 19 million students are currently attending postsecondary institutions in the United States. Many of these provide room and board for students as well as a variety of other services. Some schools also operate hospitals and/or research facilities.

The Figure below outlines the primary types of institutions that comprise the higher education market.

Figure 1: Types of Higher Education Institutions

Private Universities	Private universities include a wide range of institutions such as highstatus/ivy League universities, religiously affiliated universities, specialized curriculum universities, and ethnicityoriented universities.
Public Universities	Present in every U.S. state, most public universities have multiple campuses throughout the state. Public universities are intended to fulfill the educational requirements of the particular state in which they are located.
Community Colleges	These institutions are primarily targeted toward the residents of a specific community. They typically offer two-year education programs with relatively low tuition costs.
Vocational Schools	Vocational schools primarily feature twoyear programs with comparatively low tuition costs. During their education, student receive handson training for the skills that will be important for future employment.
Online Schools	These institutions offer the ability to earn Associate's, Bachelor's, Master's, or Doctoral degrees via the internet.

Times are changing and the shift to digital is undeniable, but print remains an important part of the higher education industry's communications mix. Education institutions are leveraging print to drive funding, recruit students, power operations, and support learning and extracurricular activities.

Ongoing Industry Trends

For all their benefits, colleges and other higher education institutions have taken a major hit over the past several years. According to an article in [The Associated Press](#), hundreds of thousands of Americans who came of age during the pandemic opted not to go to college. In addition to the COVID19 pandemic, other factors included an uptick in jobs that don't require a college degree, high tuition costs, and the burden of student debt. In fact, the article states that undergraduate college enrolment dropped by 8% between 2019 and 2022. These declines in enrollment persisted even as students returned to in-person learning.



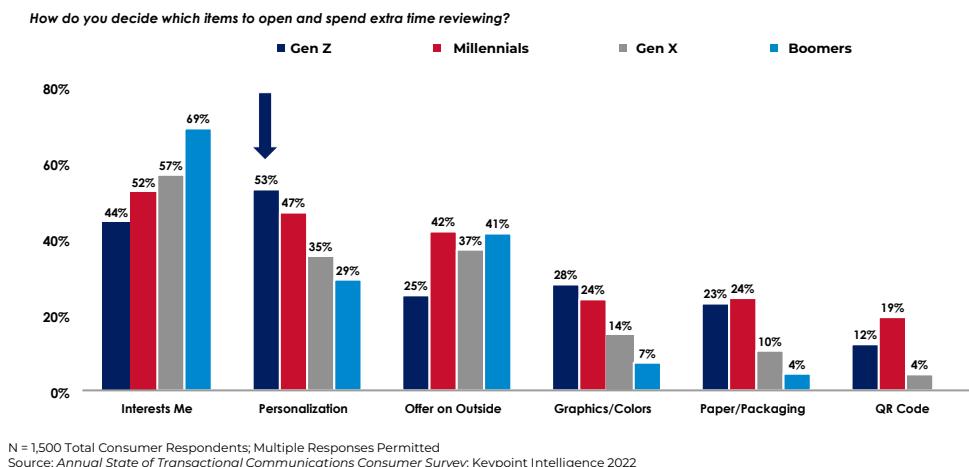
The rising presence of students who question the value of a college degree could have major implications for the industry for years to come. According to the article:

- The U.S. Bureau of Labor Statistics states that the decline in college enrollment since 2018 is the steepest on record.
- Many students who considered postponing college during the height of the pandemic opted out of attending for good rather than simply delaying attendance.
- The rapid shift to remote learning during the height of the pandemic left some students feeling abandoned. Already questioning the value of a college degree, some of these students opted to make their own way by taking hourly jobs or considering careers that did not require a degree.
- Although the number of freshmen enrolled at U.S. colleges rose slightly between 2021 and 2022, the figure is still markedly below prepandemic levels.
- Labor shortages of skilled workers are already pronounced in areas like healthcare and information technology, and the presence of fewer college graduates would only serve to exacerbate these declines.

According to an article from [The Washington Post](#), the total number of college students has declined by 13% over the past decade. A further decline in the number of prospective college students is expected over the next 4 years. Recognizing the changes in the industry, colleges across the U.S. are responding in kind. They are now competing with a smaller pool of prospective students, so they need to find a way to stand out and get noticed. Even before the pandemic, institutions were spending more on marketing. Kantar, a brand consulting company, estimated that colleges had spent \$2.2 billion annually on advertising in 2019. By late 2021, this value had risen to \$870 million for a single quarter.

Even in today's digital age, direct mail is a popular and effective way to reach prospective students and their parents. Keypoint Intelligence's most recent Customer Communications Experience survey confirms that Gen Z consumers are especially receptive to direct mail that is personalized for them. Younger consumers want to work with businesses that take an interest in their specific needs and goals, and this includes a college education.

Figure 2: Factors for Reviewing Direct Mail



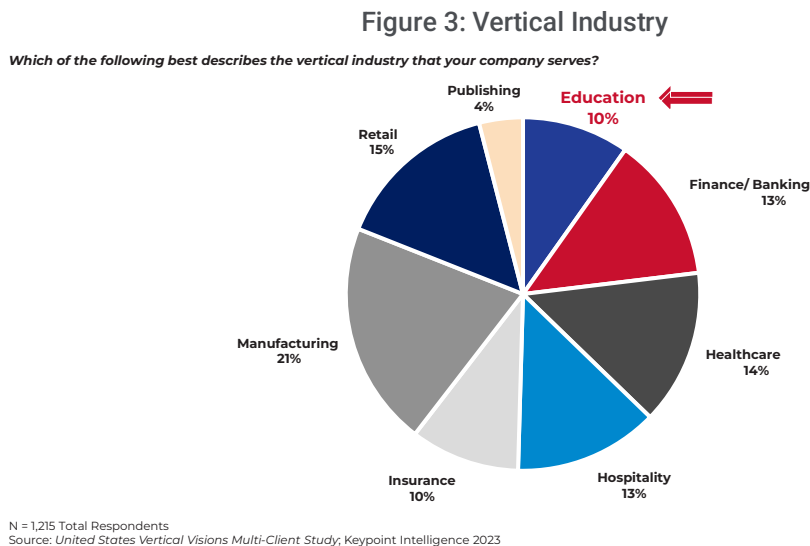


Whereas the greatest percentage of respondents in the older age groups favored direct mail communications that interested them, personalization was king for Gen Z. These consumers are currently between the ages of 11 and 27, so some are prime college age or soon will be. The good news is that college admissions offices often have access to a great deal of demographic information about their applicants, which makes it easier to create targeted, impactful mail that stands apart from the rest. In addition, direct mail can be even more effective when used in conjunction with digital media to create seamless crossmedia campaigns.

Survey Findings

In late 2023, Keypoint Intelligence completed a comprehensive multiclient study to gain a better understanding of how print demand is changing in key vertical industries. This survey serves as an update to similar vertical market research that was conducted in 2020. The vertical industries that we covered in depth include higher education, finance/banking, healthcare, hospitality, insurance, retail, and publishing.

Over 1,200 total respondents from businesses with 200+ employees participated in this study. Of these respondents, 119 (about 10% of the total) were from the higher education industry. This document will focus specifically on these higher education respondents.



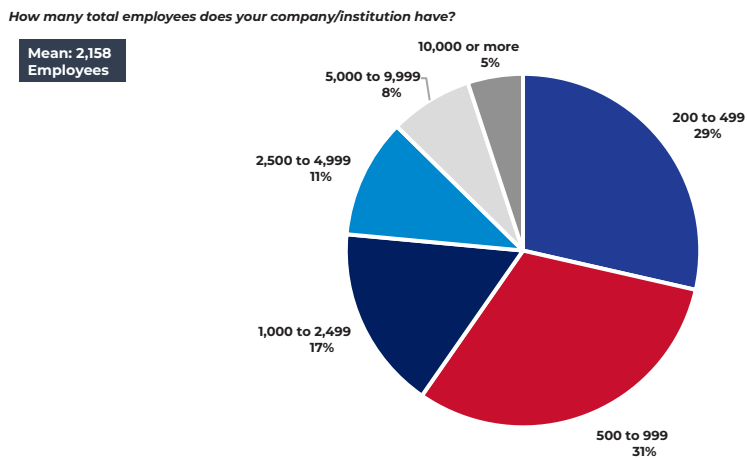
Although the number of total respondents within the higher education industry (N=119) is statistically significant, there are times when questions are posed to a subset of higher education respondents. Please refer to the N values at the bottom of each chart. A value of 30 (N=30) or lower should not be considered statistically significant and is only intended

General Demographics

As noted earlier, this survey was open to respondents with at least 200 employees. Higher education respondents reported working for institutions with an average of 2,158 employees. This average was very close to the mean for respondents



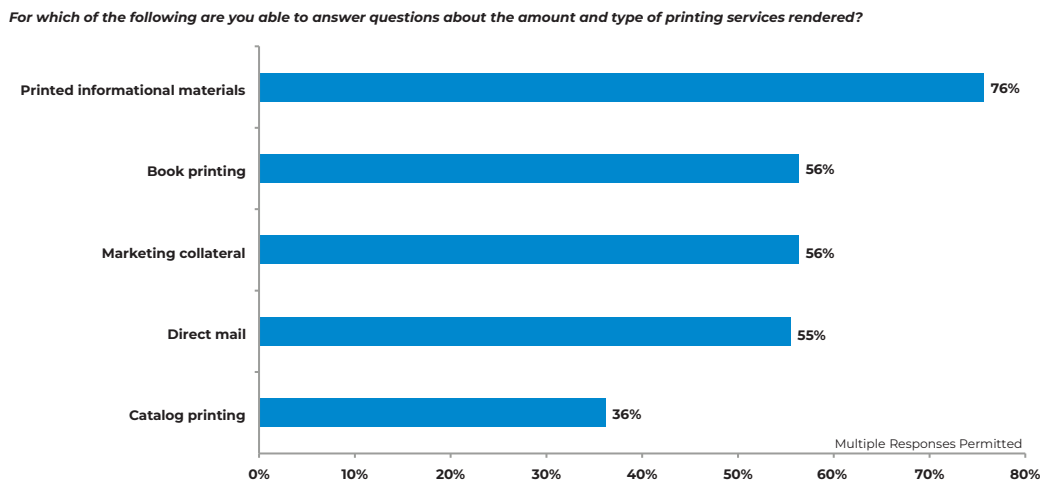
Figure 4: Number of Employees



N=119 Total Higher Education Respondents
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

To qualify for participation in this survey, respondents were required to be able to answer questions about their companies' printing services. Within the higher education sector, the greatest percentage of respondents were able to answer questions about printed informational materials (e.g., booklets, manuals, training materials) and marketing collateral (e.g., brochures, flyers, signage).

Figure 5: Knowledge of Printing Services



N=119 Total Higher Education Respondents
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

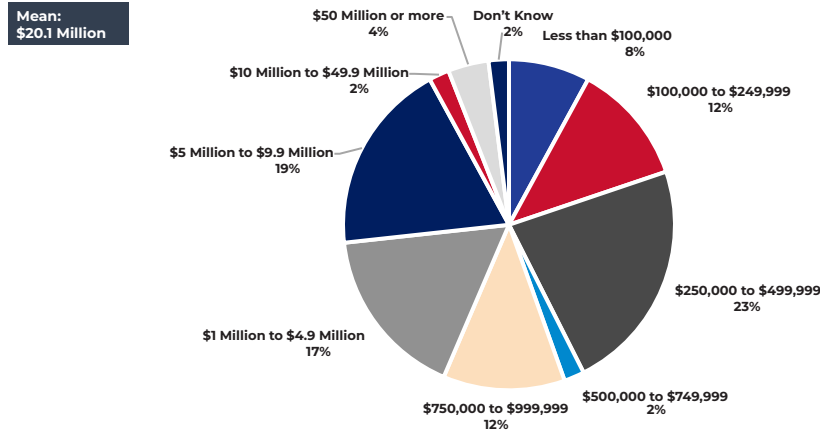
Spending and Media Split

On average, higher education firms reported spending about \$20.1 million on marketing and advertising in 2022. This compares to \$24.3 million for total respondents across all verticals.



Figure 6: Marketing and Advertising Spend

Approximately what was your company's total marketing and advertising spend in 2022?

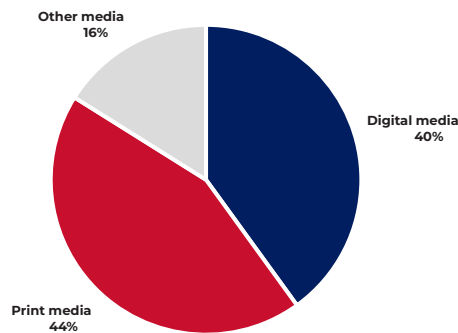


N = 52 Higher Education Respondents in Sr. Leadership, Marketing, or Sales Roles
Source: United States Vertical Visions MultiClient Study; Keypoint Intelligence 2023

When higher education respondents were asked about the media split for marketing and advertising spend, printed media accounted for 44% whereas digital represented 40%. It should be noted that higher education respondents assigned a lower share to digital media and a higher share to print than any other vertical. These respondents indicated that the share of spending allocated to digital increased by an average of 3.8% between 2021 and 2022.

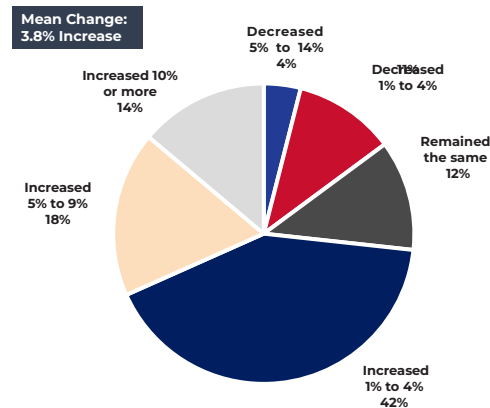
Figure 7: Media Split

In your best estimate, what was the percentage split of marketing and advertising spend for digital, print, and other media in 2022?



N = 52 Higher Education Respondents in Sr. Leadership, Marketing, or Sales Roles
Source: United States Vertical Visions MultiClient Study; Keypoint Intelligence 2023

How did the percentage of spending allocated to DIGITAL media change between 2021 and 2022?

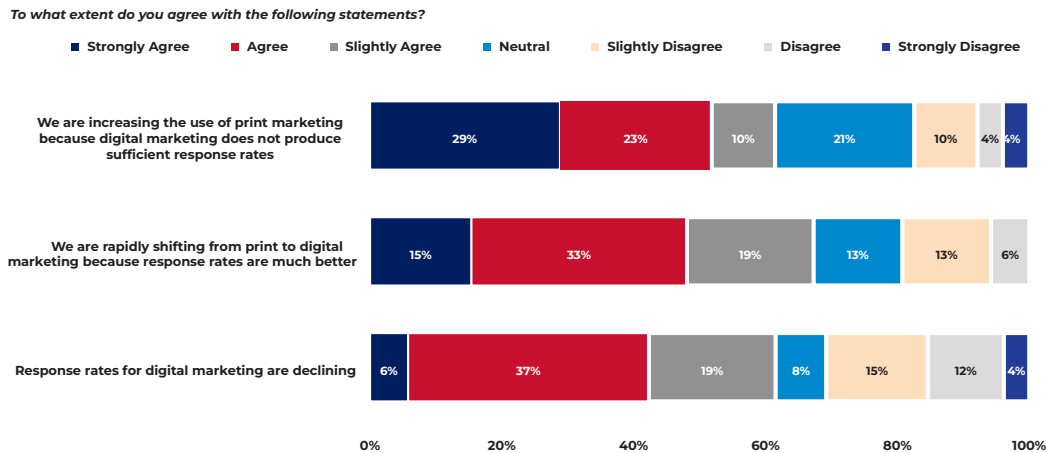


It should come as little surprise that overall spend is shifting to digital channels, with nearly half of higher education respondents agreeing or strongly agreeing with this statement.



At the same time, however, 52% of respondents agreed that they were increasing the use of printed marketing collateral because digital did not deliver sufficient response rates. In addition, 43% agreed that the response rates for digital marketing were declining.

Figure 8: Agreement with Statements about Media Split



N = 52 Higher Education Respondents in Sr. Leadership, Marketing, or Sales Roles
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

The shift toward digital spending is undeniable, but print remains a core area of investment.

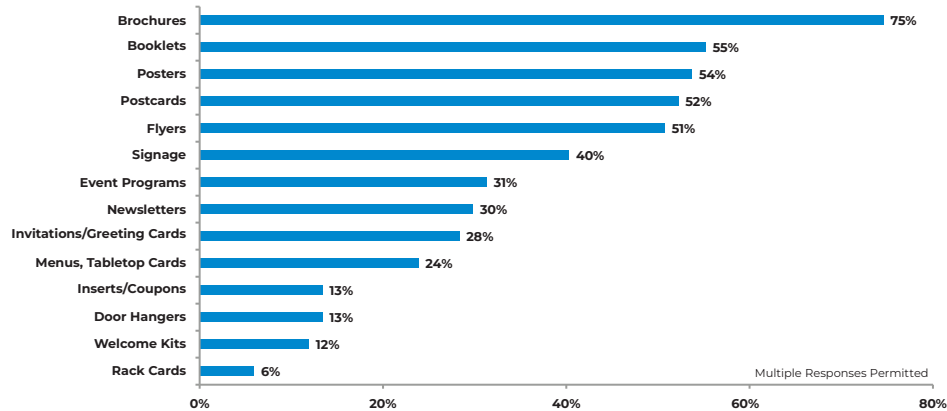


Printed Marketing Collateral

Over half of higher education respondents (56%) use marketing collateral to reach their customers and prospects. The most common types of materials that were produced internally or purchased from others are brochures, flyers, booklets, and posters.

Figure 9: Types of Printed Marketing Materials

Which of the following types of printed marketing materials does your company purchase from others or produce internally?

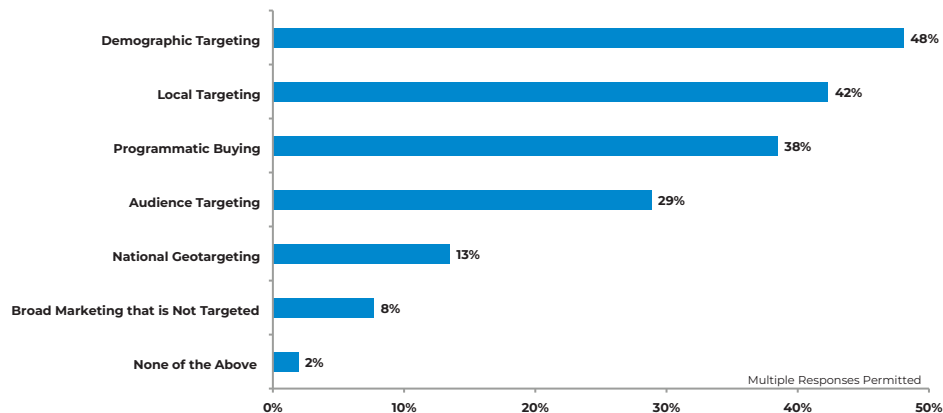


N = 67 Higher Ed Respondents that use printed marketing collateral
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

Personalization has become an important staple within the higher education industry. Students, prospects, parents, and alumni want to receive communications that cater to their specific needs and interests. In fact, nearly 44% of higher education respondents perform audience targeting for printed marketing collateral. Of these, the most common methods for personalization include demographic targeting (targeting subsegments of specific demographics) and local targeting (targeting audiences in specific locations).

Figure 10: Types of Advertising Spending

Which of the following types of advertising spending does your company/establishment purchase?



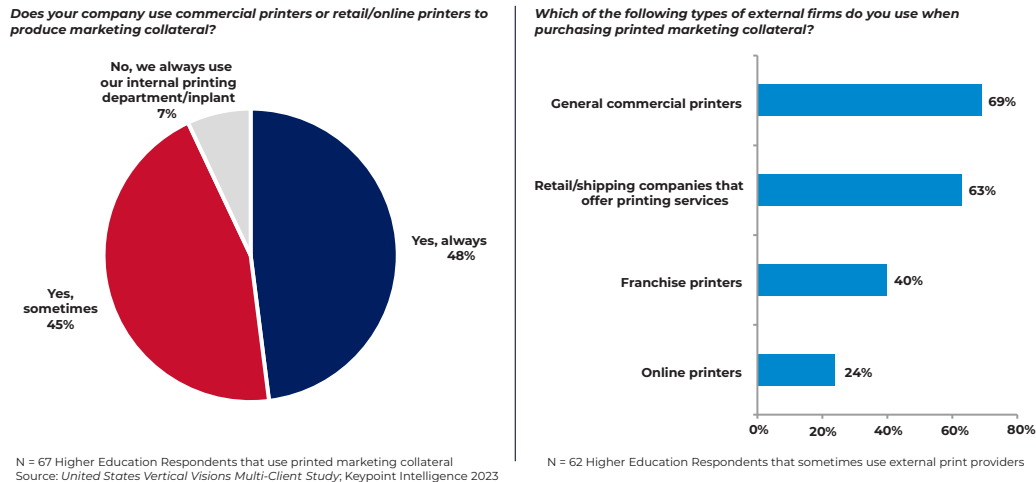
N = 52 Higher Education Respondents in Sr. Leadership, Marketing, or Sales Roles that perform audience targeting
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

Customization/personalization is a proven method for improving response rates for digital as well as printed media, so it is unsurprising that audience targeting is popular. Because higher education institutions have access to a wealth of data about their students and prospects, they can easily create personalized materials that attract attention and stand out from the competition.



Our research on the higher education market found that most print is purchased externally rather than being produced by an internal inplant. Because not all print is produced internally, there is an opportunity for print service providers (PSPs) to get in the door and sell print. The most popular types of external printing companies included general commercial printers and retail/shipping firms (e.g., Staples, FedEx Office).

Figure 11: Internal vs. External Printing (Marketing Collateral)



Competition is stiff for external PSPs when it comes to purchasing marketing collateral within the higher education industry.

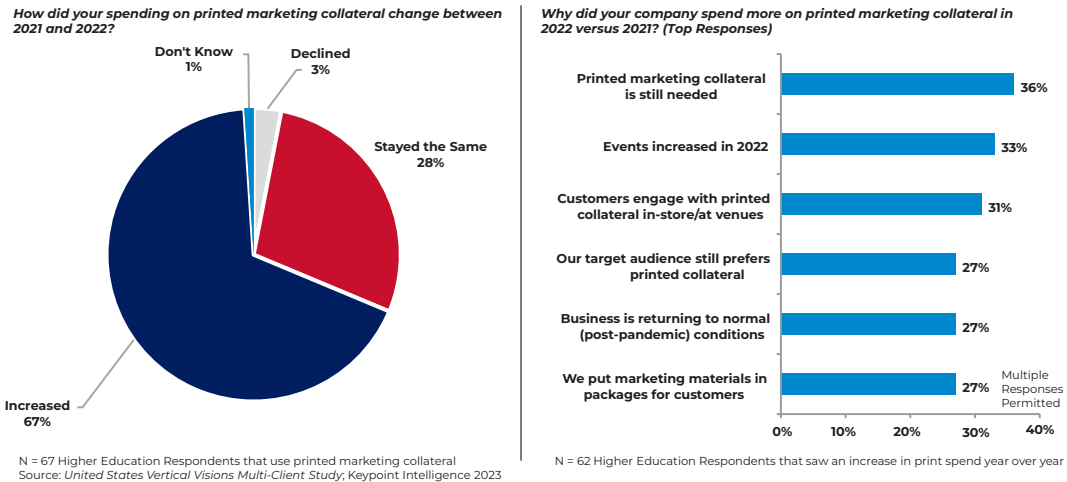
Consider the following statistics:

- A heavy majority of higher education institutions (87%) always or sometimes shop around for sales/promotions when they need to purchase printed marketing collateral.
- Nearly threequarters of higher ed firms frequently or sometimes compare prices for services before selecting a print provider.
- Over 80% of higher education respondents agreed that a sale would influence them to purchase printed marketing collateral from a particular provider.

Even though print is viewed as a declining channel, roughly threequarters of higher education respondents reported that their spending on printed marketing materials increased between 2021 and 2022. Only 3% reported a decline in print spend during this same timeframe. Among those respondents whose spending increased year over year, the most common reasons for this increase included a continued need for printed marketing collateral and an increase in events.



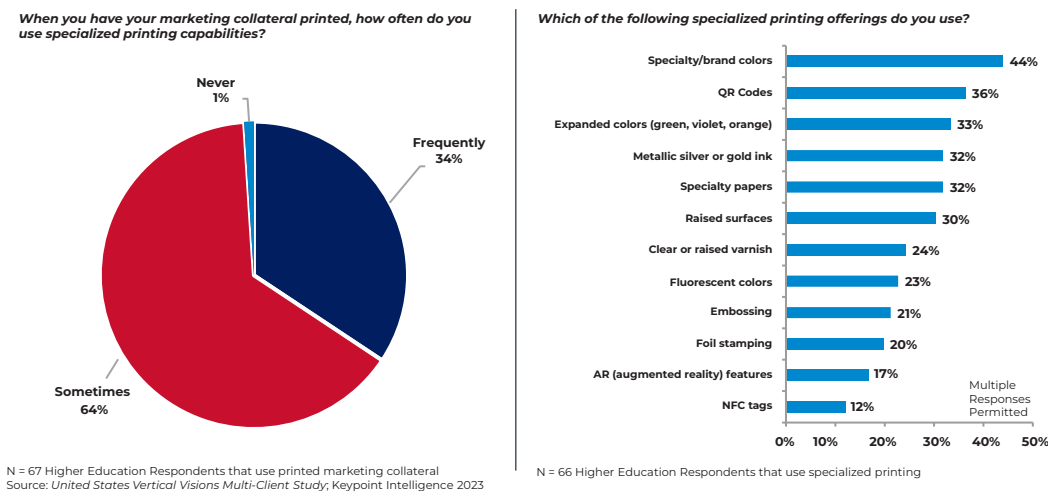
Figure 12: Spending on Printed Marketing Collateral



This increase in print spend is expected to continue too. The share of higher education respondents that expected their spending on printed marketing collateral to increase between 2022 and 2023 exceeded those that expected a decrease in nearly all categories.

Like customization/personalization, the use of specialized printing capabilities (e.g., metallics, embellishments, QR codes, NFC tags, augmented reality) is common with printed marketing collateral. In fact, nearly all higher education respondents reported using specialized capabilities with their printed marketing materials at least sometimes. The most commonly used capabilities included specialty/brand colors and quick response (QR) codes.

Figure 13: Use of Specialized Printing (Marketing Collateral)



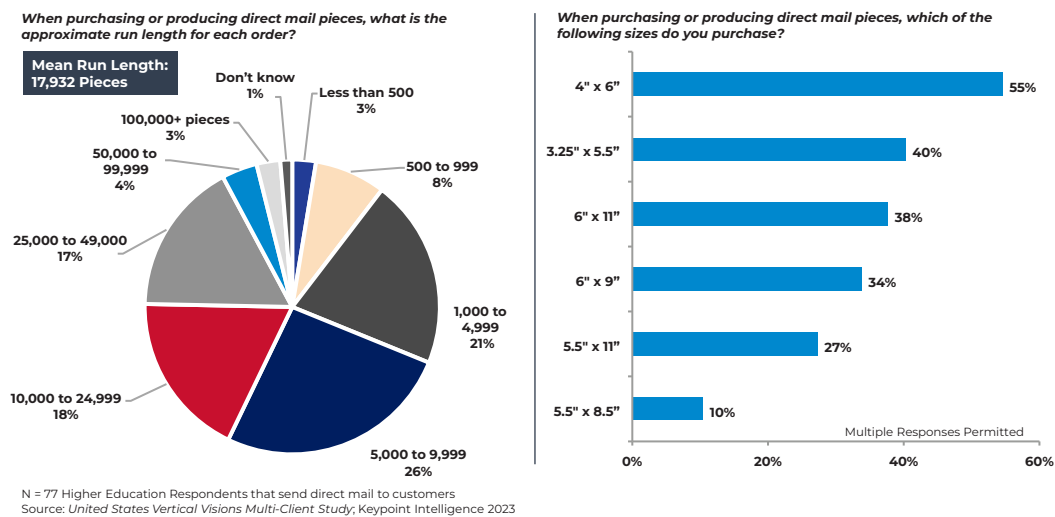


Direct Mail

Of our 119 total higher education respondents, about 65% were sending direct mail to their customers. As might be expected, larger institutions sent more direct mail pieces than their smaller counterparts. Whereas firms with under 500 employees sent an average of 11,115 direct mail pieces in a typical month, the average was 70,049 for firms

Among all higher education respondents that sent direct mail to their customers, the average run length per order was 17,932 pieces. At the same time, however, nearly onethird of respondents reported run lengths of under 5,000 pieces per order. The most popular sizes for direct mail were 4" x 6" and 3.25" x 5.5".

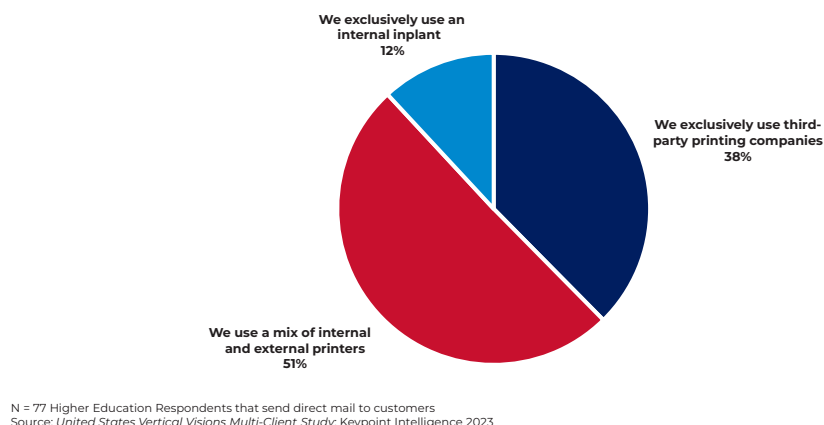
Figure 14: Run Length and Size



As was the case with printed marketing collateral, most higher education firms are using external printers at least

Figure 15: Internal vs. External Printing (Direct Mail)

How is the direct mail typically printed or produced at your company?

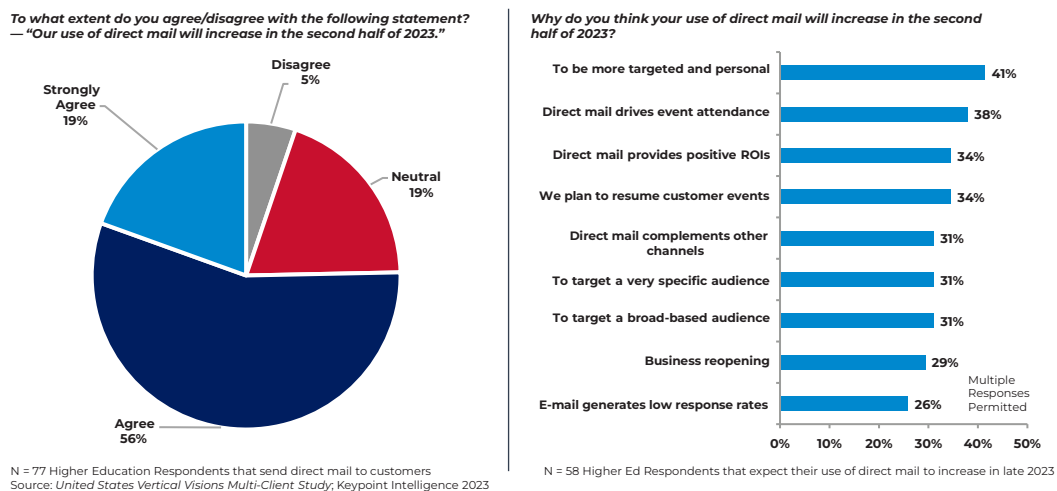




PSPs understand that even in a digital first world, printed direct mail remains relevant. One important benefit of direct mail is that it plays well with digital media types. This might take the form of a QR code on a postcard or a digital link to directions or other information on a college admissions brochure. Of those higher education respondents that sent direct mail to their customers, the vast majority (94%) were sometimes or frequently coordinating their direct mail and digital media campaigns.

Further underscoring the continued importance of traditional direct mail in the higher education sector, threequarters of respondents agreed that their use of direct mail would increase in the second half of 2023 in comparison to the first half. The primary reasons for this expected increase included a desire to be more targeted/personal and to drive attendance at events.

Figure 16: Increased Use of Direct Mail

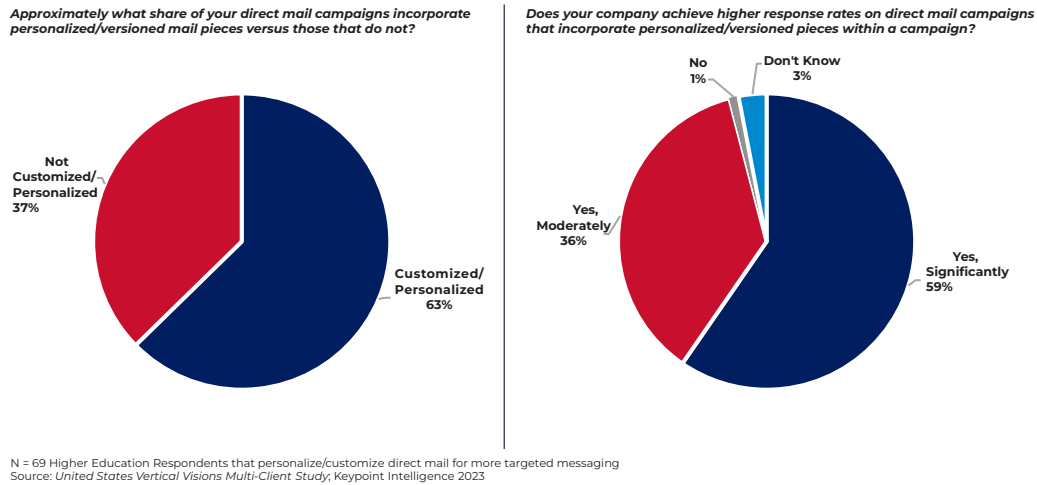


Another means of improving the efficacy of direct mail is personalizing or customizing the content to deliver more targeted messages. This customization might involve changing images or modifying text based on the recipients' interests.

Higher education respondents reported that on average, 63% of their direct mail campaigns were customized or personalized. Although the differences by vertical industry were not substantial, it is interesting to note that higher education respondents reported customizing a higher share of their direct mail campaigns than any other industry. In addition, 95% of campaigns that were personalized achieved significantly or moderately higher response rates.

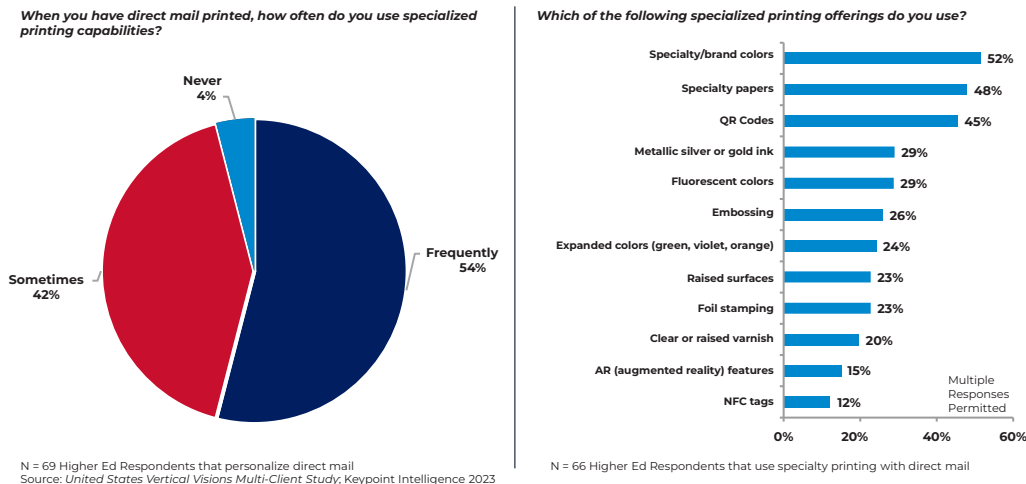


Figure 17: Personalization versus NonPersonalization



Like those in other industries, higher education firms are also improving their direct mail campaigns with specialized printing (e.g., metallic/fluorescent colors, augmented reality, or specialty papers). About 96% of higher education respondents were using specialized printing, and it should be noted that higher education respondents were more likely to report frequently using these capabilities than any other vertical.

Figure 18: Use of Specialized Printing (Direct Mail)

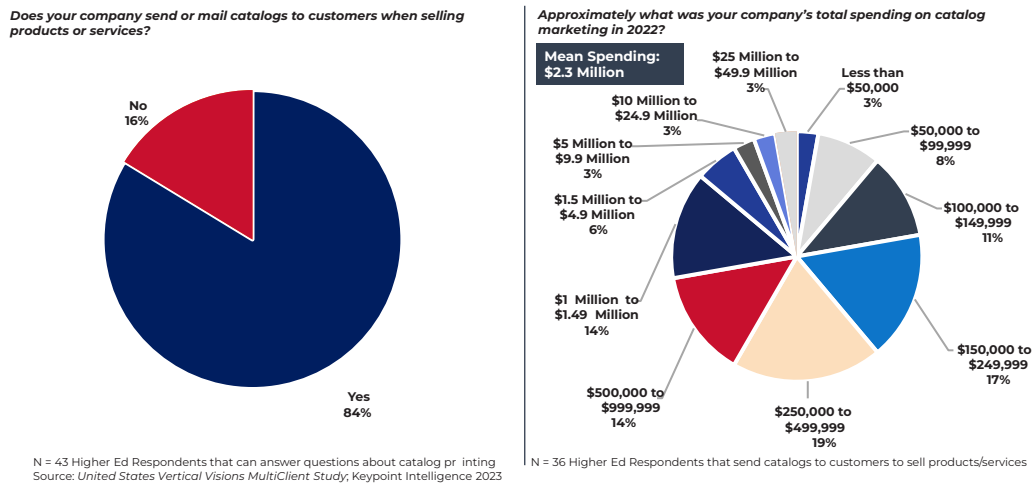


Catalogs

This section of the report focuses on higher education respondents' catalog printing habits. These questions were only posed to a subset of respondents, so it should be noted that the sample sizes were relatively small. Of those higher education respondents who were able to answer questions about catalog printing, 84% sent or mailed catalogs to their customers. On average, annual spending on catalog marketing was about \$2.3 million.

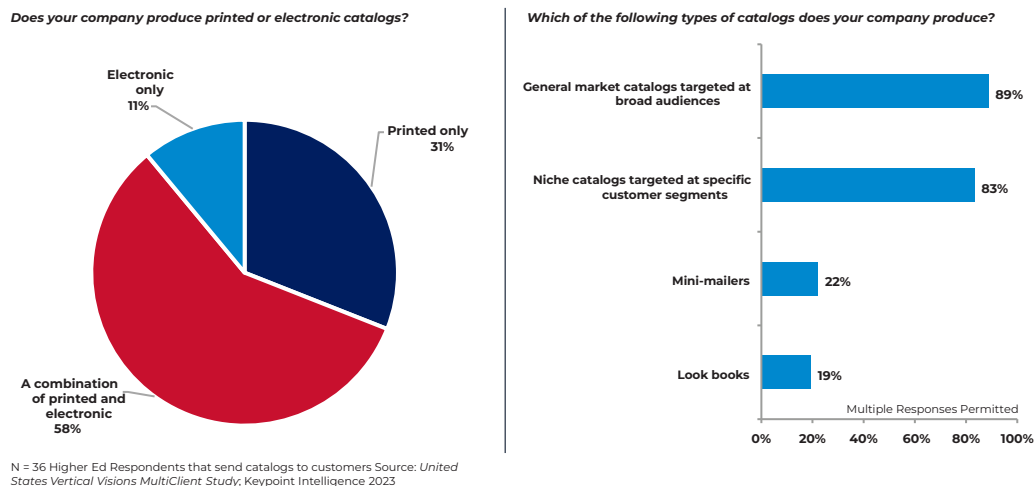


Figure 19: Catalog Use and Annual Spending



Whereas direct mail by its very nature is physical, catalogs can be printed or electronic. As shown below, most higher education firms were producing both printed and electronic catalogs. Only a small percentage of businesses were exclusively producing electronic catalogs. Regardless of format, the most common types were fullsize and niche catalogs.

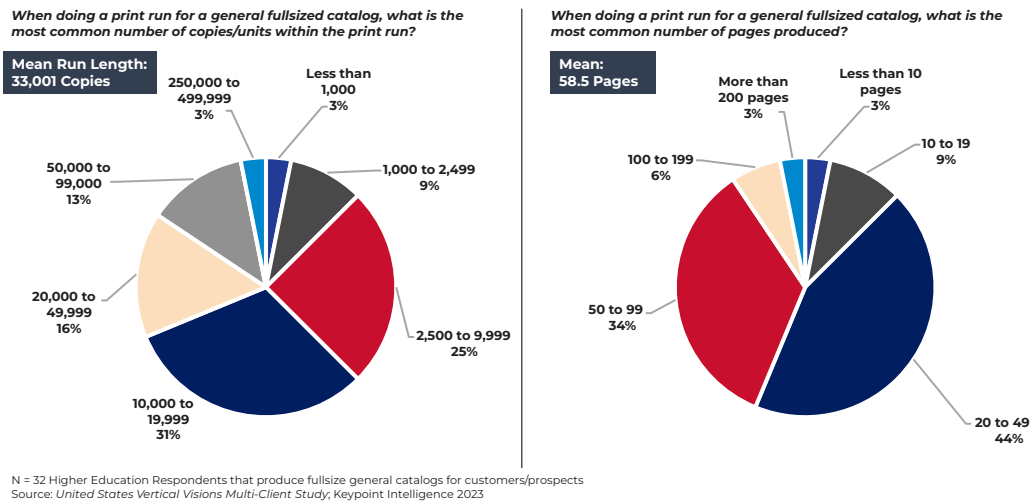
Figure 20: Format and Types of Catalogs



The average run length for catalogs was 33,001 copies. This average was clearly drawn upward by the very large run lengths in the mix since 37% of higher education respondents reported run lengths of under 10,000. On average, a typical catalog had 58.5 pages.

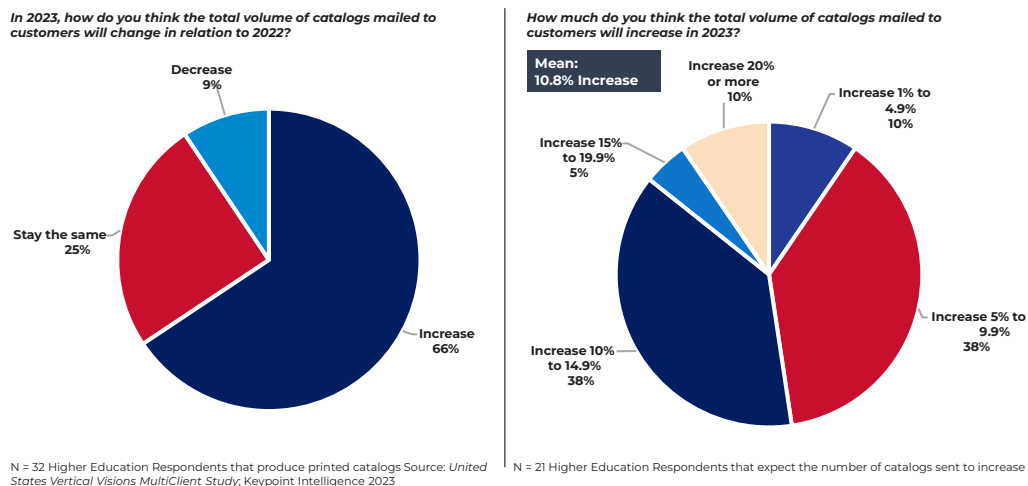


Figure 21: Run Length and Page Count (Catalogs)



During the entirety of 2022, higher education respondents reported sending a mean of 452,093 catalogs to customers. In relation to 2022, 66% of these respondents expect the number of catalogs sent to customers to increase during 2023. By contrast, only 9% of respondents expect their printed catalog volumes to decrease year over year.

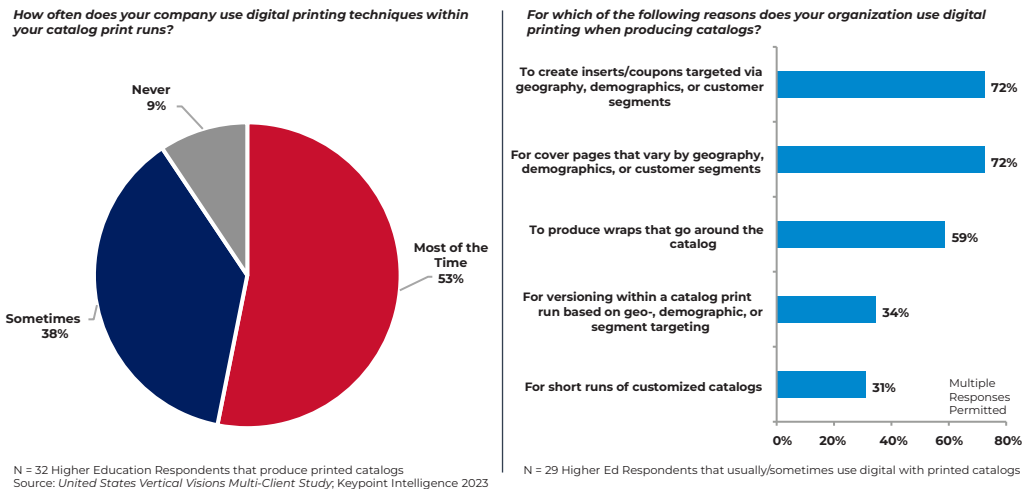
Figure 22: Change in Printed Catalog Volumes



Most higher education respondents are incorporating digital technologies with their printed catalogs at least sometimes. The most common reasons for doing so include creating inserts/coupons for targeted segments or to create varying cover pages.



Figure 23: Use of Digital with Printed Catalogs



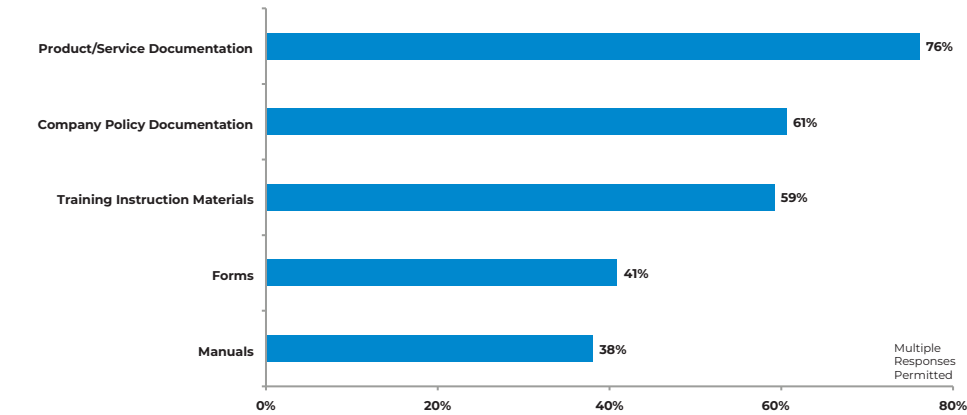


Informational Materials

About 60% of total higher education respondents were purchasing or producing informational materials (e.g., booklets, manuals, training materials) for their offerings. Of these, the most common types included product/service and company policy documentation.

Figure 24: Types of Informational Materials Purchased/Produced

Which of the following types of printed informational materials does your company produce or purchase?

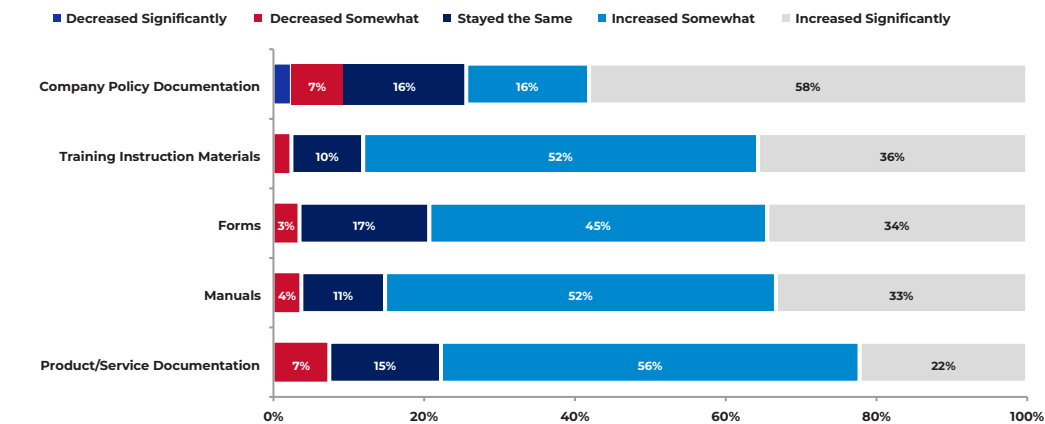


N = 71 Higher Education Respondents that purchase or produce printed informational materials
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

As shown in the Figure below, a majority of higher education respondents reported that their volumes of various informational materials increased year over year.

Figure 25: Change in Volumes of Informational Materials

How have print volumes for the following types of materials changed in the first half of 2023?



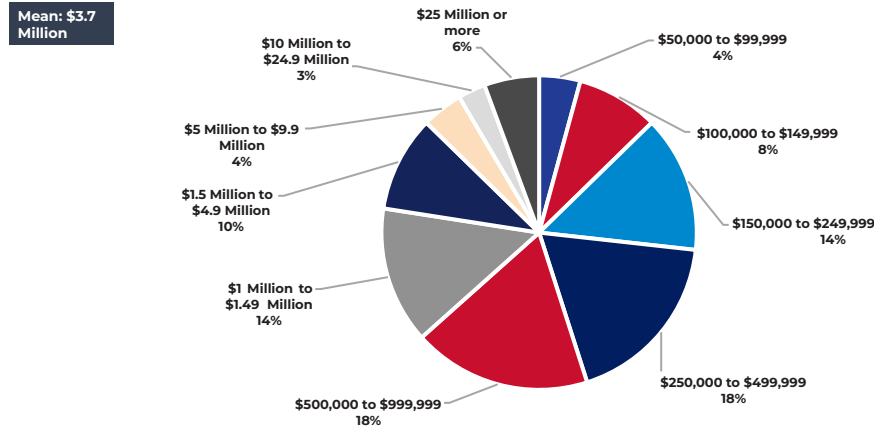
N = Varies; Base: 71 Higher Education Respondents that purchase or produce printed informational materials
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

Higher education firms reported spending an average of nearly \$3.7 million on printed informational materials in 2022. This is considerably higher than the \$2.5 million spent by businesses across all verticals.



Figure 26: Spending on Informational Materials

Approximately what was your company's total spending on printed informational materials in 2022?

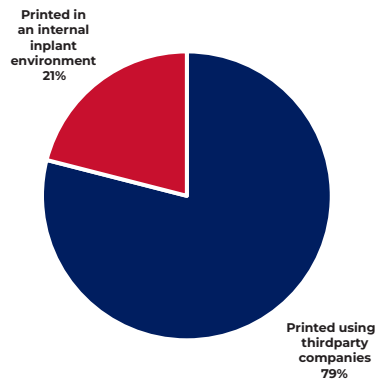


N = 71 Higher Education Respondents that purchase or produce printed informational materials
Source: United States Vertical Visions Multi-Client Study; Keypoint Intelligence 2023

Over threequarters of higher education respondents used thirdparty companies for producing informational materials. The most common types of companies used included retail/shipping firms (e.g., Staples, FedEx Office) and general commercial printers.

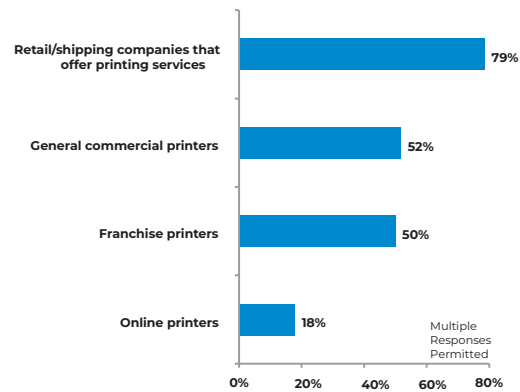
Figure 27: Internal vs. External Printing (Informational Materials)

How are informational materials such as booklets, manuals, and training materials typically printed/produced at your company?



N = 71 Higher Education Respondents that use printed informational materials
Source: United States Vertical Visions MultiClient Study; Keypoint Intelligence 2023

Which of the following types of companies do you use when purchasing informational materials?

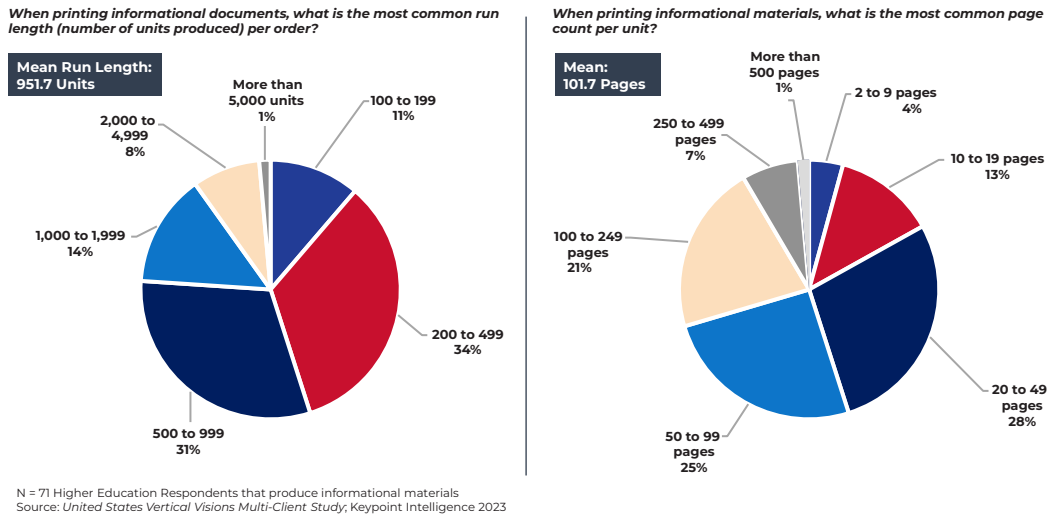


N = 56 Higher Education Respondents that use external providers for informational materials

Within the higher education industry, respondents reported an average run length of almost 952 units for informational materials. Meanwhile, the average page count was 101.7 pages.

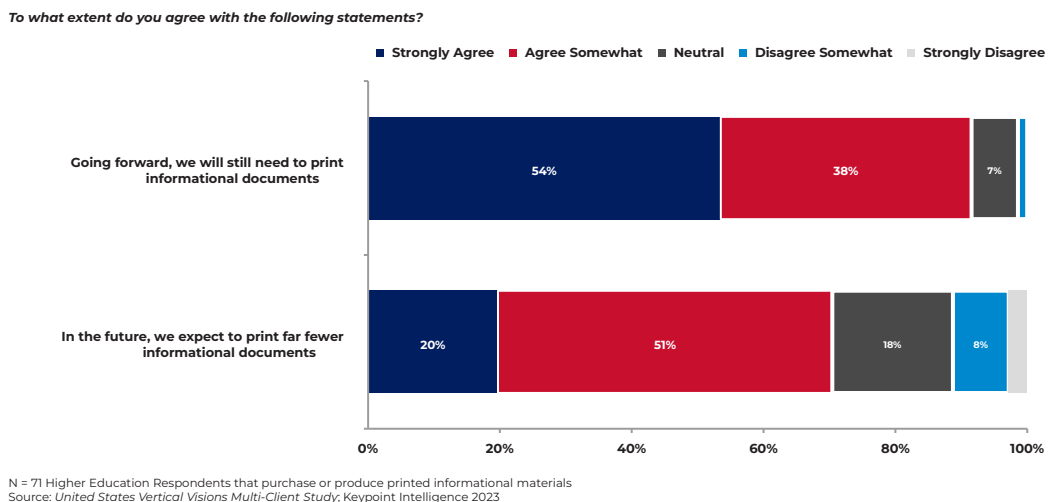


Figure 28: Run Length and Page Count (Informational Materials)



When higher education respondents were asked to specify their agreement with statements about their printing habits for informational materials, over 70% agreed that they would be printing fewer of these materials in the future. At the same time, however, the need for printing at least some of these documents is expected to persist; 92% of respondents expected to continue printing informational documents going forward.

Figure 29: Agreement with Statements about Informational Materials





Opinion

Print is playing a supportive role in today's multichannel world, but so are all media channels. Printed communications offer a unique advantage in that they play well with digital channels as education institutions strive to create compelling campaigns across all channels. Adding ancillary services to offset declines in print revenues and better service to customers is the new equation for success in the education market.

The education market offers solid opportunities for PSPs to grow business and offer improved digital printing capabilities for customization and personalization. Communication buyers in the higher education market want providers that can recommend products and services aligned with their unique needs today and in the future. They are seeking providers that truly understand their market and can leverage this knowledge to deliver the best possible offerings.



About CFC Print & Mail

CFC Print & Mail is a wholesale provider of printed documents and services catering to small businesses through large distributor channels. CFC separates itself from its competition by providing superior customer service, fast production, best pricing and quick turn times. We pride ourselves on being a resource for our loyal customers, fostering both our successes.

About Canon U.S.A., Inc.

Canon U.S.A. Inc. is a leading provider of consumer, business-to-business, and industrial digital imaging solutions to the United States and to Latin America and the Caribbean markets. With approximately \$29.4 billion in global revenue, its parent company, Canon Inc. as of 2023 has ranked in the topfive overall in U.S. patents granted for 38 consecutive years. Canon U.S.A. is dedicated to its Kyosei philosophy of social and environmental responsibility. To learn more about Canon, visit them at www.usa.canon.com.

About thINK

thINK is an independent community of Canon U.S.A. production inkjet customers, thINK Ahead partners, and print industry experts, and Canon U.S.A. is a proud executive sponsor. Led by some of the most successful inkjet service providers in the country, it provides a forum for members to network, gain knowledge, discuss common challenges, and share best practices. Membership is exclusive (and free) to Canon U.S.A. production inkjet customers — visit www.thINKForum.com to learn more.

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