

This section from the book, '14 Ways to Squeeze a Print Budget' contains descriptions of specific strategies that have helped some companies get the most out of their print budgets. These ideas are examples and do not attempt to cover the full range of possibilities that may be available for your company.

If you would like to investigate a new approach for your work, contact us for a free, no pressure consultation.

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1. How is it going to be used, how long, and in what environment?

Cost/Return Case Study for Two Binding Methods

Taking into consideration human behavior, most will keep longer a perfect bound catalog but will discard more quickly a catalog that is saddle bound. A catalog that is going to be used for 6 months or longer should be a 'soft cover book' - adhesive/perfect bound – and with identifying information printed on the spine.

Although this method costs more, it may be a vastly better financial decision if you could weigh the additional cost against the increase in sales. The following is a case study comparing both methods:

Assumptions:

1 – You print and distribute 10,000 catalogs every 6 months to who you feel are existing customers.

2 – One fourth (2,500) of those are active customers.

3 – These 2,500 active customers will buy at the average rate of three products per month if they have a catalog in front of them, but the same customers will only reorder one product per month if they no longer have the catalog.

4 – Average selling price per product is \$35 and your gross margins are 30%.

5 – You're considering whether your catalog will be either:

- 96 pages self cover saddle bound (no cover, all text pages), or
- 96 pages plus cover perfect bound (with a printed cover, soft cover book).

6 – Saddle bound last 2 months on your customers' credenzas as reference while perfect bound lasts 6 months.

7 – Print costs are \$3.00 each for saddle bound catalogs, or \$4.50 each for perfect bound catalogs with a cover, and in either case the distribution costs are 60 cents each for postage and mail production.

Based on this information, the following shows what would happen in each scenario:

Saddle bound self-cover scenario

	Customers with Catalogs	Sold Units	Sales	Gross Profit
Month 1	2,500	7,500	\$ 262,500	\$ 78,750
Month 2	2,500	7,500	\$ 262,500	\$ 78,750
Month 3	0	2,500	\$ 87,500	\$ 26,250
Month 4	0	2,500	\$ 87,500	\$ 26,250
Month 5	0	2,500	\$ 87,500	\$ 26,250
Month 6	0	<u>2,500</u>	<u>\$ 87,500</u>	<u>\$ 26,250</u>
		25,000	\$ 875,000	\$ 262,500

Perfect bound with cover scenario

	Customers with Catalogs	Sold Units	Sales	Gross Profit
Month 1	2,500	7,500	\$ 262,500	\$ 78,750
Month 2	2,500	7,500	\$ 262,500	\$ 78,750
Month 3	2,500	7,500	\$ 262,500	\$ 78,750
Month 4	2,500	7,500	\$ 262,500	\$ 78,750
Month 5	2,500	7,500	\$ 262,500	\$ 78,750
Month 6	2,500	<u>7,500</u>	<u>\$ 262,500</u>	<u>\$ 78,750</u>
		45,000	\$1,575,000	\$ 472,500

Comparison of both methods

	Saddle Bound	Perfect Bound	Difference
Sales – 6 months	\$ 875,000	\$1,575,000	\$ 700,000
Gross Profit @30%	\$ 262,500	\$ 472,500	\$ 210,000
Print Cost	\$ 30,000	\$ 45,000	\$ 15,000
Distribution Cost	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 0</u>
Total Advertising Cost	\$ 36,000	\$ 51,000	\$ 15,000
Net Gross Margins	\$ 226,500	\$ 421,500	\$ 195,000
Return on Advertising	6.29	8.26	13.00

Your return on a \$36,000 advertising investment for the saddle bound version is more than 6 times with gross profits of \$226,500, or, more than 8 times on a \$45,000 investment with the perfect bound version.

You gain additional gross profit of \$195,000 on additional sales of \$700,000 by investing an additional \$15,000. Your return on advertising dollar is 13 times this additional investment - to perfect bind with a cover rather than self cover saddle bind.

Selecting Uncoated Roll Stocks

Many catalog texts can be printed on uncoated stocks – offsets, groundwoods and newsprint. How do you pick?

Offsets have a longer shelf life; do not yellow in less than a year as does newsprint and groundwood, and are brighter white than groundwood and newsprint.

Smooth offset reproduces photos and matches PMS colors better. Yet, as a paper's smoothness goes up, its opacity decreases.

The best of all worlds in uncoated offsets is 'opaque offset' – it's smooth, bright white, reproduces color best and has limited show through.

Generally, offsets are with 90-92 brightness while opaque offsets are up to 96. Smooth offsets have opacities of between 89 for 40# smooth, and up to around 92 for 60# smooth.

Alternative offsets, or groundwood stocks, are processed to a degree to remove some of the agent that yellows that is in newsprint stocks, are off-white, and are a lot less expensive than higher processed offset and opaque, and have a much longer shelf life than newsprint.

Newsprint is the least expensive option, has a high amount of opacity, but yellows in months and therefore has the shortest shelf life of the three.

Paper Descriptive Terms

- Brightness – measurement of a paper’s reflection of a volume of light
- Whiteness – the ability to reflect all colors of light equally
- Holdout – the ability to uniformly hold ink on the paper’s surface; greater holdout means a sharper printed dot and increase in ink gloss
- Opacity – ability to hold an image without it showing through to the other side of the sheet, measured as a percentage (100% is entirely opaque)
- Smoothness – describes the evenness and consistent continuity of the surface of paper
- Finish – final processing of the paper such as gloss coated, dull matte, and texture

For best photo reproduction & accurate color matching

The most important factors are:

- Holdout
- Brightness
- Smoothness

‘Show-Through’

The factors that effect printing showing from the other side of the sheet and from the sheets lying under are:

- Opacity
- Smoothness

Basic Comparison of 4 Uncoated Text Papers

Using 10,000 128 pages of text as an example for costs, here are a few relative factors:

	32# newsprint	35# premium 80 GW	60# smooth offset	50# vellum opaque
Brightness	58	80	92	96
Opacity	94	92	92	92
Text Weight	6,177	6,144	10,533	8,778
Weight/ Book Ounces	7.32	7.28	12.48	10.40
Cost Per Pound	\$ 0.24	\$ 0.28	\$ 0.34	\$ 0.42
Paper Cost	\$ 1,482	\$ 1,720	\$ 3,581	\$ 3,687
Paper Cost per Book	\$ 0.15	\$ 0.17	\$ 0.36	\$ 0.37
Spine Thickness	3/16”	3/16”	1/4”	1/4”