The Future of Paper

The 1990s was a turbulent decade categorized by industry consolidation within the paper manufacturer, equipment vendors and print providers. Much of this change was due to the shifting demand for printed documents. This study will provide a comprehensive assessment of the US paper consumption by key grades, end use applications and print environments over the next 20 years.

CAP Ventures is a strategic consulting firm for providers and users of business communication technologies and services. We deliver the key research, analysis, forecasting, benchmarking, and strategy recommendations to make a competitive difference in our clients’ businesses. Additional information about CAP Ventures is available on the Web at: www.capv.com
**INTRODUCTION**

The digital revolution has been beneficial to the paper industry on the whole. With every new technological advance, the amount of information has multiplied, and the volume of paper has risen as well. Paper remains the best, most cost-effective, and most prevalent way to view and store many kinds of information, from novels to transaction records to catalogues.

Nonetheless, many technology advances in the areas of printing, distribution, display and storage have had an enormous effect on the volumes of different grades of paper.

Further, every major paper application is developing along a unique path, affected by core technology developments, economic factors favoring or opposing the use of paper, and cultural issues promoting or inhibiting change. Some applications actually offer opportunities for increased use of paper, and others cause changes in demand for different grades of paper.

These trends include opportunities as well as threats, and total demand for printing and writing papers continues to rise. Nonetheless, the second half of the Nineties saw a dramatic slowdown in annual growth rates for many key grades despite being a period of exceptionally strong economic growth. Nor have the first years of the new century been especially positive (although economic performance may be more responsible than technology-based threats).

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**GROWTH RATE OF U.S. PAPER PRODUCTIONS**

**U.S. PAPER CONSUMPTION, 1966-1999**

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**The Print Customers and Production Printers**
- Macro trends: population, workforce, economics
- Market research findings
- Market size and tonnage forecasts
- Summary and conclusions

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**Forecast Summary and Conclusions**
- Total demand by grade, application and environment
- Paper and printing industry trends
- Strategic implications

**Appendices**
- Survey data tabulations
- Survey questionnaires

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**SCHEDULE & PROJECT FEES**

- **Subscriber**: $29,995
- **Personal Presentation**: $2,500 plus travel expenses

Subscribers will be required to pay an additional fee plus travel expenses for a personal presentation.

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**MORE INFORMATION**

For more information on the study, please contact Scott Phinney at 781.871.9000, ext 123 or by e-mail at scott.phinney@capv.com
WHO SHOULD SUBSCRIBE

This study is designed to help companies with their overall strategic planning, product development, capital investment, mergers/acquisitions/divestitures, and distribution decisions.

- Paper manufacturers, equipment vendors and distributors
- Suppliers of printing equipment
- Suppliers of inks, toner and other consumables
- Large printing and publishing companies

PROJECT OBJECTIVES

The overall objective of this study is to provide you with the trend analysis, forecasts, and findings from primary research that will help you in formulating your strategic plans.

More specifically, the study includes a 20-year forecast for paper demand segmented by major grades, key applications, and environments.

Ten years ago, the impact on paper from many technology advances was hype and speculation. Five years ago, when CAP Ventures published the landmark *Future of Paper* study, most of the trends had actually started to occur. In that study, CAP Ventures predicted dramatic shifts in the growth rates of paper demand, and significant displacement of paper volume over the next 20 years.

- The growth rate for business-related print volume, which has been in decline since the early 1980s, would fall to the level of the GDP by 2000.
- The growth rate for consumer-oriented print volume will fall below GDP growth by 2005.

Today, five years later, there is sufficient history to perform an even more detailed analysis of these changes and develop informed strategies for the future. Now is the time to re-visit those predictions, update the analysis, and extend the forecast another five years into the future.

SUMMARY TABLE OF CONTENTS

Executive Summary

- When emerging electronic technologies will impact demand for specific grades of paper
- What grades of paper will be displaced by paperless technologies
- How large and where the growth opportunities are for paper
- To what degree, or how fast, these impacts will be felt in five years, ten, and twenty years.

Macro Trends

- Demographic
- Economic
- Technology
  - Microprocessors
  - Communications
  - Displays
  - Memory & storage
  - Digital printing

The Consumers

- Macro trends: population, workforce, economics
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KEY TECHNOLOGIES
CAP Ventures studied the core technologies related to how documents and information are captured, printed, displayed, distributed, stored, and managed. The end result is a long-range, quantitative view of the impact of these key technologies on the demand for paper:

- What is the technology? How does it work?
- What is the technology’s penetration into businesses? The general population? How will this penetration grow or change over the forecast period?
- How and why will the technology affect paper demand over the forecast period?

DEMOGRAPHIC AND EXTERNAL MACRO TRENDS
The study also examines the latest key trends in areas such as:

- Population and workforce
- Business size, type and structure
- Use of computers, connectivity and bandwidth
- Long-term expectations for economic growth
- Regulatory issues such as archiving and acceptance of electronic signatures

MARKETS, APPLICATIONS AND ENVIRONMENTS
The report analyzes the demand for paper segmented by key application and by key environment.

- Application attributes identified and rated for potential impact
- Key technologies prioritized for time frame and extent of impact
- Detailed analysis of the applications by technological, economic, regulatory, and cultural factors
- Paper tonnage forecast by application and grade, covering a twenty-year forecast period in five-year increments

CONSULTING APPROACH

DESK RESEARCH
The project team reviewed extensive secondary information to develop a foundation on current market size, key industry segments, and overall industry growth trends.

- Industry trade associations
- Financial reports
- Government data
- Published information

CAP Ventures also leveraged our other services on paper, printing, display, and document management key practice areas:

- Communications Supplies (focus on paper, other media, and marking materials for the full range of digital devices)
- Digital Peripherals Solutions (focus on digital office peripherals, including all input and output devices for general office applications)
- On Demand Printing and Publishing (focus on volume or high-speed digital and hybrid digital printing equipment and solutions)
- Dynamic Content Software Strategies (focus on document software products)
- Network Document Solutions (focus on document management and workflow)
- Visual Communications Technologies (focus on large format digital printing)
- Digital Photography Service (focus on consumer imaging products)

PRIMARY RESEARCH
As a key element of the primary research for this study, CAP Ventures interviewed over 1,000 respondents from the ranks of consumers, print customers, office workers, and print providers. The mix included a range of company sizes and different areas of focus, such as marketing and IT.

- Over 500 consumer/home office users were surveyed to identify or confirm, and quantify how they use paper, how much they use, the types of paper they use, the ways in which their usage has changed in recent years, and how they anticipate it changing in the future.
- Over 150 print providers including commercial, quick print, in-plant, and specialty print services
- 175 office workers from a variety of company sizes, with emphasis on large organizations
- 125 print customers including marketing managers and print buyers from corporate, government, education, and direct marketing
- Personal interviews with leading newspaper and magazine publishers
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Extensive CAP Ventures end-user research among 150 printers and print customers analyzing trends in both the on-demand and the analog or conventional printing markets.

- 250 consumer/home office users will be surveyed to identify or confirm, and quantify how they use paper, how much they use, the types of paper they use, the ways in which their usage has changed in recent years, and how they anticipate it changing in the future.

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