



Navigating the New Reality:

Commercial Printing Market Update | October 2025

The commercial printing industry stands at an inflection point. With July 2025 shipments reaching \$7.41 billion—a marginal gain over June—and employment declining by 0.3%, the message is clear: this is not a volume game anymore. The industry is stabilizing, but the path forward diverges sharply based on one critical factor: operational technology adoption.

Companies are bifurcating into two distinct camps—leaders embracing automation, AI, and convergence, and laggards clinging to traditional approaches. The strategic imperative has fundamentally shifted from pursuing volume at all costs to preserving margins through operational excellence.

The strategic imperative has shifted from pure volume acquisition to margin preservation through automation, convergence, and AI.

A Bellwether Moment: The Quad Story

If you want to understand where the industry is headed, look at Quad's Q3 2025 performance. Their financials tell a compelling story of strategic transformation. Net sales declined 13% to \$588 million—a 7% organic decline excluding divestitures. On the surface, this appears troubling. But dig deeper, and you'll find the real story.

Quad swung from a \$25 million net loss in 2024 to \$10 million in net earnings. How? Not through volume growth, but through cost discipline, improved manufacturing productivity, and targeted investments in AI and data intelligence. They shed non-core assets and focused relentlessly on operational efficiency.

KEY INSIGHT: Quad has narrowed its full-year guidance and signaled a multi-year reset targeting sales growth inflection by 2028. The message: short-term sacrifice for long-term operational excellence. Financial health in this climate relies on efficiency, not expansion.

Three Operational Imperatives Define the Winners

First: Artificial Intelligence is No Longer Optional. AI adoption has reached 85% across the industry, but implementation quality varies dramatically. The leaders aren't just experimenting—they're deploying AI for automated estimating, predictive modeling of customer reorders, and workflow optimization. These aren't theoretical use cases; they're unlocking real business opportunities today. Firms that delay risk obsolescence.

Second: The Automation Gap Must Close. Here's the sobering reality: 79% of commercial printers and 67% of wide-format providers report minimal or no automation. In an environment of persistent labor shortages, this gap is no longer sustainable. Automation isn't a luxury for scalability—it's the foundation of resilience.

Third: Convergence is the New Standard. The one-stop-shop model has become table stakes, with 96% of printers now serving multiple segments. This isn't just about diversification—it's about profitability. Among diversified providers, 15.6% report direct revenue increases attributable to their multi-segment approach.

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With labor shortages continuing, automation is no longer
optional—it is essential for survival.***

Navigating Headwinds While Seizing Opportunities

The economic picture isn't simple. Tariffs loom large—93.5% of respondents report impacts, with nearly 70% anticipating continued operating cost increases through 2026. Strategic responses include inventory building and transparent cost pass-through to clients. It's a delicate balance between maintaining margins and preserving relationships.

But amid digital fatigue, a surprising bright spot emerges: direct mail. With a median ROI of 112%—outperforming paid search at 93% and display ads at 89%—direct mail has reclaimed its position as a high-value anchor for omnichannel marketing strategies. Smart operators are capitalizing on this resurgence.

Perhaps most critically, pricing models are evolving. The industry is pushing hard to transition from cost-plus to value-based pricing—pricing based on client outcomes and problem-solving rather than raw production inputs. This shift could increase profitability by 30-45%, though it may trigger some client churn. It's a calculated risk that forward-thinking firms are willing to take.

CRITICAL METRICS SNAPSHOT		
Metric	Value	Significance
AI Adoption	85%	Industry-wide implementation
Automation Gap	79%	Commercial printers with minimal automation
Convergence	96%	Printers serving multiple segments
Tariff Impact	93.5%	Businesses affected by trade policies
Direct Mail ROI	112%	vs. 93% paid search, 89% display ads

The Path Forward

The outlook for late 2025 and 2026 is clear: agile entities that prioritize operational efficiency over volume will thrive. Success depends on three critical actions: closing the automation gap, integrating AI into daily workflows, and adopting value-based pricing to offset tariff-induced cost structures.

The bifurcation is real. The question isn't whether change is coming—it's which camp your organization will join.