

# Business Development Strategy: A Case Study at the Largest Commercial Printing Company in Malaysia

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**Abstract:-** This study focused on the greatest challenges facing by a commercial printing company, Company A in providing its services based on current practices and standards. However, to be remains profitable and relevant in the printing industry it must adopt new business development strategies in the future. This study also discussed on strategic repositioning and investment on digital printing technology. Now, the commercial printer thriving to the next level of business growth by partnering with its strategic partners in print on-demand and variable data printing to sustain its business continuity as a prominent commercial printer in Malaysia.

**Keywords:-** *print on demand; business development; strategy; commercial printing; printing technology.*

## I. INTRODUCTION

Printers in global region are facing the rapid changes in the mix of conventional and digital printing and driven by the digital media and the internet. They are experiencing a decline in sales (Messe Düsseldorf, 2014). The printers should become more competitive in a global market and give quick response to the innovative technologies (Davis, R. H., 2011). In the context of Malaysia's printing industry, it is affected by what is happening in the global development. The Malaysia's printing industry continued to grow and become among the top five largest industries in manufacturing sector. In 2017, the Malaysia's printing industry recorded RM2.628 billion gross income (Malaysia Department of Statistics, 2017). The printing industry is categorized into segments such as commercial printing, packaging printing, label printing, specialty printing and others (Romano, F., & Broudy, D., 2010).

Nearly all of Company A's niche print market comes from marketing collateral and publishing. Company A dominates commercial printing activities in the Malaysia printing market for years since 1980. With total annual revenue is about RM200 million, Company A is thriving in providing the quality printing according to the standards. Being a commercial printer in the printing industry, Company A is facing difficulty in securing high volume printing. Since the commercial printing industry has affected by the shrinking volume of printed publications due to the digital transformation (Romano, F., & Broudy, D., 2010). Due to the scenario, there is a question; whether Company A has the capability to sustain its business momentum. To be the preferred printing service provider, Company A's aim is to establish its business development strategy. The key strategic decision is to ensure the Company A's sustainability in the

printing market. This strategy will provide Company A good improvement in promoting its technologies and services. In pursuing the vision to be a preferred printing service provider, there are several issues and challenges faced by Company A. It is crucial to address Company A's sustainable business growth by assessing Company A's business strategies. This is crucial to ensure that Company A can secure its future growth. This leads to the research questions:

1. What are the current business strategies implemented by company A?
2. What will be the best business development strategy for Company A to sustain the printing business?

This study focuses on the Company A's business development strategy in the Malaysia's printing industry, which has many challenges in driving the business. Firstly, this study determines the business development strategy adopted by Company A. During the process, several key personnel from the top management were interviewed.

## II. LITERATURE REVIEW

The business strategy focused on the direction and scope of the company in the long-term basis. Based on the company's resources and capabilities, the business can identify the best strategies and specific model that will align with the business (Peng, M. W., 2017). The business strategy analysis will help in identifying the needs of markets and fulfil the expectations of the customers (Hill, N., & Alexander, J., 2017). In other words, business strategies are vital in setting the direction of where the business trying to invest in and what types of resources that required. Business strategies also help in recognizing the environmental factors affect the business ability and identifying the expectations from the stakeholders (Shimizu, N., & Tamura, A., 2015).

### A. Digitalization Era

Due to the impact of the growth of digital transformation and the wide-ranging distribution models, the commercial printing industry facing the changes in the development of printing technologies. As the result, publications reduced the print runs and chose the print on demand (POD) model (Gallagher, K., 2014). Cherian (2015) had discussed that digital publishing gave a great challenge to the print publications because there are so many choices of reading medium and printed publications is lost easily in it. In a study, it was pointed out that in this digital age, youngsters were identifies as the main users of internet and smartphones who prefer digital media over the printed media (Hviid, M., Izquierdo Sanchez, S., & Jacques, S. (2016). Therefore, printers must have business strategies on how to fulfil the

customers' print on demand requirements to cater the low volume printing (Shao, D., 2016).

### B. Digital Printing Technology Advancement

Digital printing technology have difference processes than the conventional printing. The best solution to fulfil the single print and variable data printing is by using the digital printing technology (Brown, P. J., et. al. (2017). The quantity of printing and the cost of printing production will affect the decision to prefer either the conventional or the digital printing. The digital printing technology advancement could be a good business strategy to improve the printing processing time and fulfill the short run jobs (Bullock, A. 2012). The printing industry is changing throughout the sophisticated workflow and improvement of digital printing technology. Digital printing started its early version of the black and white of Xerox DocuTech to a wide variety of fast color processes that we have now today (Zwang, D. L., 2013). The investment in digital printing is a good business strategy as it has low setup cost and help the printing company to strategize their shorter run printing jobs (Pardiwala, A., 2016).

### C. New Niche Market

The rise of printing technology advancement in printing industry has produced new niche market. Printers can specialize, focused and target specific portion of the market. For a printing business to last, they must adapt to its customers' needs and anticipate them consistently. Web-to-Print (W2P) allow customers to make their printing orders through online. Technologies help the printing business by allowing printing companies to be a service provider by offering the additional value-added services such as data management and data analytics. This kind of services can also impact the demand for some printing services (Bondy, C., Peterson, W., & Webb, J. (2015).

## III. METHODOLOGY

### A. Research Design

The right research approach is vital to determine the success of the research (Creswell, J.W, 2014). This research was exploratory that aimed to examine the subject by providing the description and gathering materials from multiple sources. Throughout the process, data was collected and analyzed, and it helped researcher to provide a picture of the case. The data was collected and triangulated using interviews and company's documents and secondary resources. The data was collected by interviewed the top management, managers and each interview took between 20 – 40 minutes.

### B. Research Instrumentation

The main objective of this study is to identify in which way Company A can stay relevant in the printing industry that facing the changing business environment. Questions to be answered to achieve the objectives of the study are as following:

- What has changed within Company A's business over the past years?
- What are the challenges that Company A's is facing as a commercial printing company in the printing market? How would you overcome the problems?

- What are the major concerns of Company A in terms of being competitive in the printing market?
- What is the main area of problem faced by Company A? Any specific steps taken to overcome the problem?
- What are the current business development strategies that implemented by Company A to stay sustain in the printing market?
- Is Company A fully equipped with the current equipment and technology to secure future business?
- Who are the Company A's competitors within Malaysia or International and how Company A positioning itself in the printing market?
- What are your expectations on the future growth of Company A in the next 5 years?

## IV. FINDING AND ANALYSIS

There are factors which have been the most influential in their sustained business. These factors are the investment in technological advancement, restructuring strategy, strategic repositioning of their target market, and work closely with their customers.

### A. Digital Printing Technology Advancements

Company A made the investment in high technology digital printing machines as a response to print-on-demand (POD) and variable data printing market needs. The technological advancement helped the company to remain profitable by fulfilling the customers' need through shorter production time. Thus, the company can cater more low volume printing jobs at one time. The recent technology also reduced the production overhead, material consumption and wastes. The adoption of technology advancement increased the production efficiency by optimizing the capacity of machine. The new printing workflow become a great business strategy for company A as it reduced the bottlenecks during its production peak hour.

### B. Restructuring Strategy

Company A managed to remain in the business by its restructuring strategies. The restructuring strategy aimed to gain more profit and to give the quick response to a major change in book printing business market. Company A has spent almost RM20 millions for its digital printing division establishment. Company A also restrained the incompetence workers and invested in new high technology machines. The company also restructured their printing plant by locating their digital printing division to place that has more comfortable and friendly environment for walk in customers. Moreover, the company also offers all-in-one stop center to provide the best printing solution services to all the customers. By implement this strategy, Company A can be more efficient and has better focus on its specific niche market.

### C. Strategic Repositioning of Target Market

Company A also considered the strategic repositioning of target market to focus more on the potential customers. The competitors in the printing industry will always attract the customers by offering the best services that they can offer. Among all those competitors only the best will survive. But, the most important is the strategy on how Company A can focus on the right target market. To penetrate the market in the

printing industry, the Company A's strategy is repositioning their focus in print-on-demand and variable data printing. The penetration of the market can be done by utilizing all the technology and fulfil the demand of the customers from single print to high volume printing. Strategic repositioning is one of crucial factor towards capital circulation (Hu, F. Z., 2015).

#### D. Work Closely with Clients

One of the key factors in business development strategy is by improving the relation between the company and the clients. Company A enhanced the customers trust and confidence by keep showing the best performance and fulfilled the delivery date. The clients' need is always being their priority. For instance, Company A will provide the clients with access to the status checking system to monitor the current progress of the job. The clients also have been encouraged by the company to use the server provided to upload their files if the clients not able to walk-in to the office. Furthermore, Company A also offers customer service personnel for the clients to alert any complaints during the process. By working closely with the clients, it ensures that the clients will always feel heard.

### V. CONCLUSION

The business development strategies such as technological advancements, restructuring strategy, strategic repositioning and working closely with the clients are vital to Company A to ensure that their able to sustain in the printing business. In five years' time, the company believes that it will be able sustain in the business by focusing to the certain niche market. The business strategies that have been implemented by Company A will lead them to achieve its vision in becoming the preferred printing service provider in Malaysia.

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