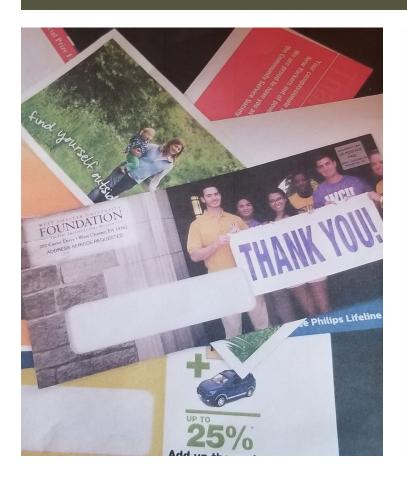
Envelopes – What you need to know in today's world





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Printing Industry Stats – Where are We?

- 25,000 US companies specialize in commercial printing
- Commercial printing generates nearly \$900 billion in annual revenue
- Digital print, including advertising, grows at an average of 10% annually
- B2B statistics show that 23% of "big brands" plan to increase their advertising spend on direct marketing in 2023 18% of B2B marketers' budget is assigned to DM and Print
- 72% of corporations utilize direct mail campaigns - 95% of mailings include Envelopes
- Technological efficiencies have increased the profit margin by more than 20% in the past five years.
- Statistics from USPS show that marketing mail revenue has increased \$681MM, or 4.9%
- The inclusion of digital components have only amplified dm's effectiveness and help bridge gap between print and digital

ENVELOPES AND THEIR ADVANTAGES

Though envelopes may cost more to produce and mail than postcards, and have longer lead times, there are some significant advantages to them, as well. Care is needed in planning and designing for them to get the appropriate results and for them to get noticed.

- 1. More detail and better storytelling. The typical envelope mailing contains an outer envelope, and other components. A letter alone can convey much more information than a postcard, and using multiple elements within the envelope gives recipients an even deeper look.
- 2. Readers are more engaged. Opening the envelope, in itself, creates a level of engagement, not present with postcards. Once they choose to open the envelope, recipients are already more invested in your message.
- 3. The mailing feels more personal. Envelopes inherently seem more personal than postcards, primarily when you use real stamps.
- **4.** You can offer greater privacy and confidentiality. Buyers love their privacy.

Construction: Side Seam vs Diagonal Seam Structure

Diagonal seam envelopes are predie cut and then folded and glued in a separate process and typically when quantities are less than 100,000.

Side seam construction is more typical and common on large runs because they are made on webstyle equipment and have quicker production time. More available.

Standard Sizes and Other Issues

Standard Window Envelope Size:	Envelope Measurements:	Window Size:	Window From Left:	Window From Bottom:
#6 3/4	3-5/8°° × 6-1/2°°	1-1/8° X 4-1/2°	7/8°	1 / 2°
#7	3-3/4°° × 6-3/4°°	1-1/8° X 4-1/2°	7/8°	1 / 2"
#7 3/4	3-7/8° × 7-1/2°	1-1/8° X 4-1/2°	7/8°	1 / 2°
#8 5/8	3-5/8°° × 8-5/8°°	1° X 4°	15	3 / 4"
#9	3-7/8° × 8-7/8°	1-1/8° X 4-1/2°	7/8°	1 / 2°
#10	4-1/8° × 9-1/2°	1-1/8° X 4-1/2°	7/8°	1 / 2°
#11	4-1/2° × 10-3/8°	1-1/8° X 4-1/2°	7/8°	1 / 2"
#12	4-3/4° × 11°	1-1/8° X 4-1/2°	7/8°	1 / 2"
#14	5° × 11-1/2°	1-1/8° X 4-1/2°	7/8°	1 / 2°

- Allotments still incurred
- Demand continues to outpace supply
- Pricing increases affecting lead time
- Plan early and well ahead of time
- Be open to substitution and alternative options in stock and formatting
- Mills consolidating products focusing on most profitable grades/types of paper, may lead to discontinued brands of paper
- Keep options open
- Be aware of delivery timing

Windows vs. Closed Face

Window Envelopes:

- More expensive to manufacture than closed face envelopes, however less expensive and easier to mail (non-match mailing)
- · Die Costs incurred
- Window Material Availability:
 - Cellophane cheapest and not as durable
 - Glassine veggie based recyclable
 - Clarifoil wood pulp recyclable
 - Poly typically used
 - Acetate ... and more
- Size & placement of windows / die-lines affect availability and turn time
- Standard window sizes over special makes not a time to be selective adds time and costs

• Closed Face Envelopes:

- Less expensive to manufacture than window envelopes, however more expensive to mail (match mailing)
- · Greater availability.
- Engage with Printer EARLY timing makes a difference as well as quantities



Common stocks and weights

What is readily available?

What can print partner deliver?

The more commoditized the grade the more allocations are in place.

Allocations and what is in inventory are still big factors to consider!!

Paper increases continue to rise and are not to be ignored.

6 Types of paper grades for envelope production:

Wove – Wove has short fibers, prints well, has a smooth appearance, and is an economical option. It's available in many weights and colors, and in its original form is known as Bright White paper. This is a popular paper for statement mailers and direct mail alike.

Surfaced Enhanced White Wove – this paper is often referred to as calendarized paper, which is used with <u>offset lithographic printing</u>. Surfaced enhanced white wove is very smooth and ideal for heavy ink designs.

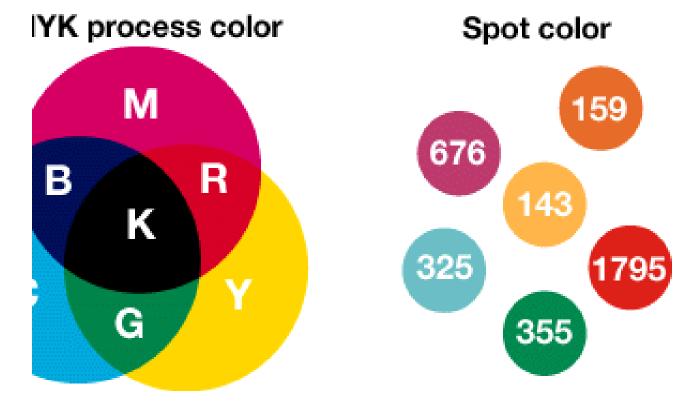
Kraft – Kraft paper is strong, has longer fibers than wove and is commonly seen in brown stock. However, kraft paper doesn't print well due to its long fibers and would not be ideal for complex graphics or 4-color ink processes.

Recycled – looking to create a <u>green envelope</u>? Using recycled papers for your envelopes is a great way to improve your sustainability. Most commonly, recycled papers used in envelope production are made up of 10 percent to 30 percent post-consumer content.

Specialty – specialty papers are available in many colors, finishes, textures, and weights. They are ideal for direct mail envelopes due to their intriguing features, yet can come at a higher price tag.

Tear-resistant – this paper is almost indestructible and won't tear under typical applications. It is also often water and moisture resistant. <u>Tyvek</u> and <u>Protec envelopes</u> are made from tear-resistant paper.

Inks - Printing 4 color process vs. PMS (Pantone)



- 4 Color Process or CMYK is simulating or building colors by layering multiple ink colors
 - Cyan, Magenta, Yellow and Black
 - Greater flexibility on press in attaining desired look and change
 - more cost effective and works well for jobs that don't require exact colors
- PMS ink colors are pre-mixed from existing color formulas and assigned a standardized number
 - Guarantees consistent color all the time for branding
 - Produces more accurate colors, but usually costs more

ENVELOPE PRINTING PROCESSES

Jet Press Lithography

Short to Medium Run (500 to up to 750M)

High image resolution. Higher attention to detail.

Quicker speed - has the ability to print up to 30,000 envelopes per hour.

Quick transitions between jobs, reducing down times.

Print coverage is where jet presses have their limitations.

Not for designs that need either full coverage on the front and back or heavy coverage on either side of an envelope, they will most likely need to be printed on flat sheet litho.

<u>Flat Sheet Lithography –</u> Flat Sheet and Converting

Perfect for custom printed envelopes.

High ink coverage on all sides, or just heavy coverage on one side.

Special sizes, special windows, embossing and security tints are also best for this application.

Perfect for larger size and higher quality printing needs.

better option for larger printing as regular jet presses have trouble printing heavy solids onto a made envelope. clusters of ink applied to an envelope.

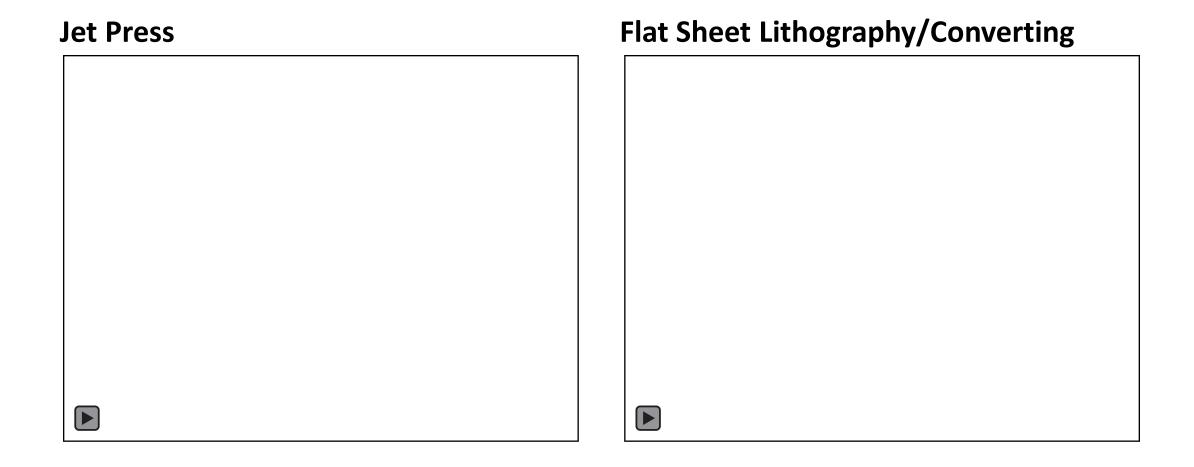
Flexo (flexography)

Ability to integrate it into the process of creating the envelopes themselves. Instead of relying on a separate offset printing process, flexo often combines envelope folding machines with built-in printing stations to customize the envelopes both inside and out.

Popular solution for jobs like mail campaigns and monthly billing.

Quantities of 250,000 or more. long-run envelope jobs, few techniques beat flexo.

Envelope printing Processes



Overall Recap:

- Costs are not going down, schedules fluctuating up and down.
- Paper situation not fixing itself anytime soon, with "Normalcy" being an evolving definition.
- Paper and Postage ultimately finding an equilibrium, just not predictable as to timing.
- USPS encouraging the engagement various offerings and discounts for tactile promotions however availability of stock needs to be in the forefront.
- Direct Mail is still performing and producing results:
 - Quantities are thus changing and more targeted.
 - Commercial mail is going multichannel.
 - Costs are not to be ignored and focus remains on getting best availability and price to satisfy budgets that are already in place.

Engage with your print partner early and often, being flexible is key!

Thank you and Contact information:



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