

Business
Development
White Paper



ANALYSIS | 2018

Capturing Big Opportunity in the Wide Format Market

Prepared for RicohBusinessBooster.com



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This material is prepared specifically for clients of InfoTrends, Inc. The opinions expressed represent our interpretation and analysis of information generally available to the public or released by responsible individuals in the subject companies. We believe that the sources of information on which our material is based are reliable and we have applied our best professional judgment to the data obtained.

Introduction

Wide format printing is an attractive opportunity for print providers that are looking to grow their operations. Many providers have already invested in digital wide format printing devices that are capable of producing a wide variety of applications, including sign, display, and specialty graphics. To learn more about print providers' wide format investment plans, business priorities, workflow challenges, media/substrate usage, and application growth, Keypoint Intelligence – InfoTrends (InfoTrends) recently surveyed more than 300 companies, including commercial printers, sign shops, digital print specialists, screen printers, and ad specialty providers. This document highlights some important findings from that research.

Research Methodology

An online survey was sent to commercial printers, digital print shops, screen printers, sign & display shops, and ad specialty providers. To qualify for the survey, respondents' organizations needed to derive some portion of their revenues from sign, display, and specialty graphics. The survey captured 304 responses, distributed as follows:

- Sign & display shops (38%)
- Commercial printers (16%)
- Digital printing specialists (16%)
- Advertising specialty (15%)
- Screen printers (15%)

To obtain additional perspective and insight, InfoTrends' staff conducted 12 in-depth telephone interviews with wide format providers.

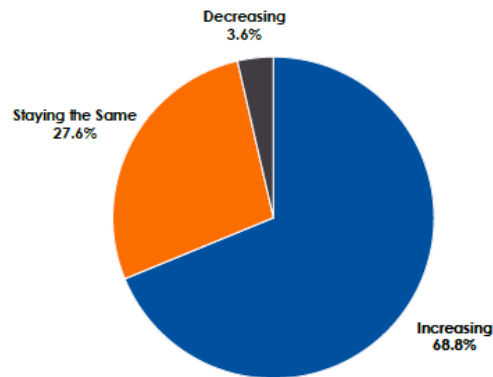
Key Study Takeaways

1. Wide Format is a Growth Market!

One key finding from the research is that wide format print is a growth market. Most respondents reported that their wide format print volume was increasing (Figure 1). In fact, respondents reporting increases in wide format volume outnumbered those reporting decreases by 17 to 1. In addition, survey respondents expect wide format print volume to continue growing.

Figure 1: Wide Format Print Volume is Increasing

How would you describe your overall wide format volume trend?



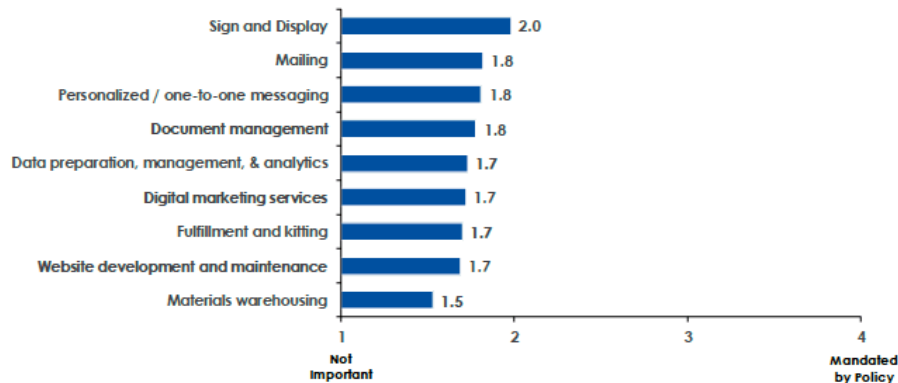
N = 304 Total Respondents

Source: Looking for BIG Opportunity in Graphic Communications & Specialty Printing; Keypoint Intelligence – InfoTrends 2017

Another factor driving growth is buyer demand. According to InfoTrends’ study In Search of Business Opportunities: Finding the Right Prospects, communication decision-makers and buyers indicated that sign and display graphics was an important ancillary service for print providers to offer.

Figure 2: Importance of Ancillary Services

How important is it for a print services vendor to offer the following ancillary services? (Means)



N = 1,010 Total Respondents

Source: In Search of Business Opportunities: Finding the Right Prospects; Keypoint Intelligence – InfoTrends 2017

2. Opportunities Exist Across Industries

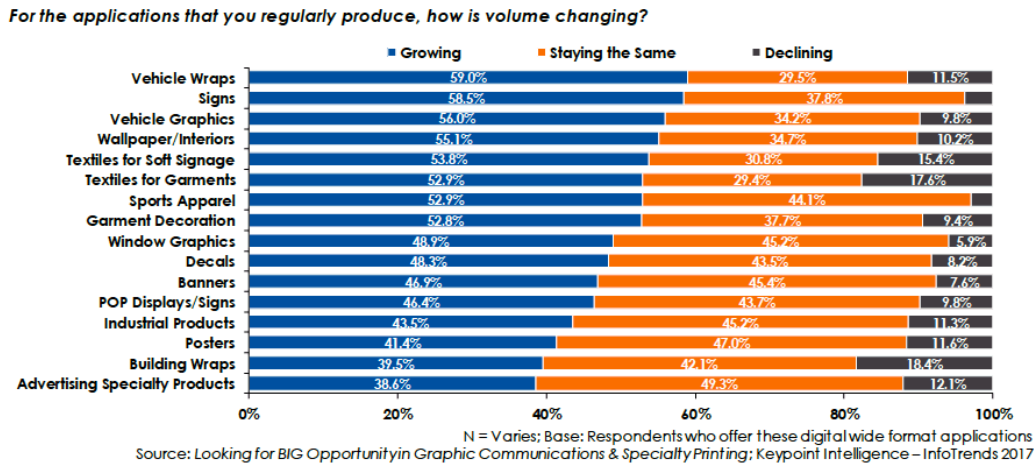
Wide format applications are important to organizations across many Industries. According to InfoTrends’ research, key industries that purchase digital wide format printing include professional services, hospitality, retail, advertising, education, real estate, construction, restaurant/food services, manufacturing, personal services, healthcare, and non-profit. These are important customer markets for wide format applications as they use sign, display, and specialty graphics for many functions, including marketing, sales, promotion, education, décor, regulatory compliance, and safety.

3. Applications Abound!

Wide format devices can print on a variety of media types, so applications continue to expand. According to InfoTrends’ survey of wide format providers, applications are growing more than they are declining. Respondents reported solid volume growth across new and more traditional wide format print

applications. Figure 3 highlights volume changes by wide format applications. Respondents reported that the top-growing applications were more traditional types like vehicle wraps, signs, and vehicle graphics. At the same time, however, many newer applications (e.g., wallpaper, soft signage, and textiles) are experiencing volume growth. Ongoing advancements in technology, inks, and substrates are pushing application growth and innovation.

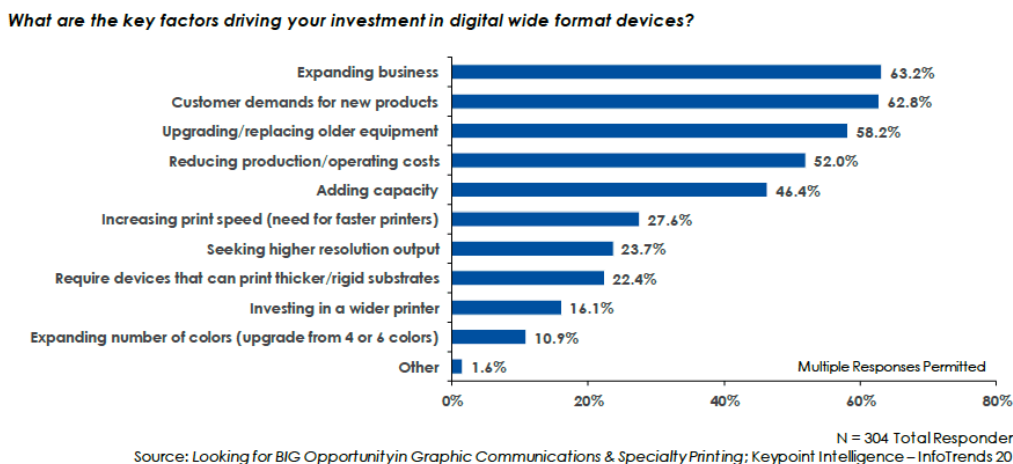
Figure 3: Application Volume Trends



4. Expansion, Efficiency, and Speed Are Driving Investments

When asked about the factors that are driving investments in wide format devices, respondents cited business expansion, customer demands for new products, upgrading/replacing older equipment, cost reduction, and adding capacity (Figure 4) as key reasons for purchasing. Print providers are generally adding or enhancing wide format capabilities to generate additional business with current customers or to expand into adjacent markets. Additional investment considerations focus on market trends and customer requirements. A number of providers reported that their clients are demanding new and engaging print products that can help them improve business results and create a better customer experience. Many wide format applications play a significant role in supporting the overall customer experience.

Figure 4: Investment Drivers



The survey also asked wide format providers how demand for various capabilities was changing. Respondents said that demand was increasing the most for shorter turnaround, just-in-time delivery, shorter runs, and personalization/versioning. Speed and personalization are key market requirements and must be considered in investment decisions.

5. Turnaround is at the Speed of Now!

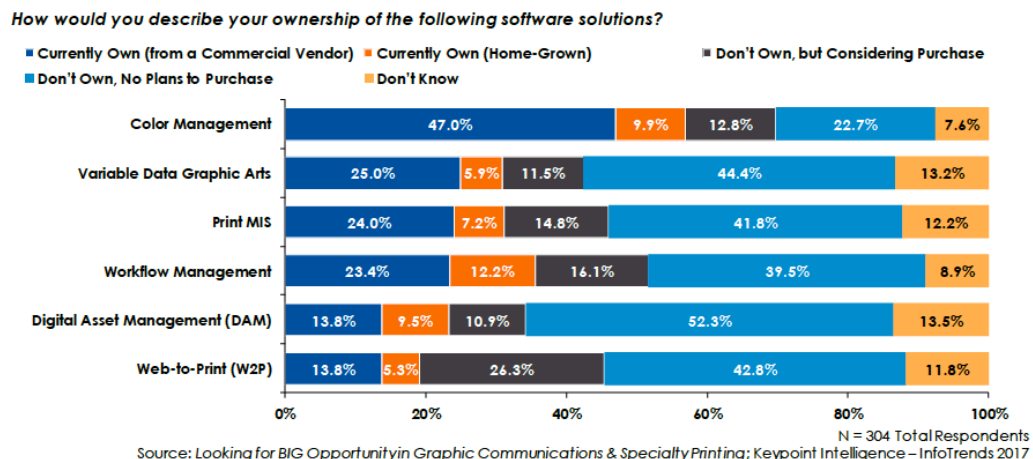
Turnaround requirements for wide format print work are becoming shorter and shorter. For all types of companies surveyed, the majority of wide format work is produced in less than 24 hours. In addition, respondents expected demand for fast turnaround to increase. Many industries that buy wide format applications (e.g., retail, advertising, events, and real estate) require fast turnaround because they are facing staff constraints, compressed communication production cycles, and short delivery windows for finished sign and display graphics.

6. Investments in Workflow Software Are Required

Survey respondents reported high ownership of color management software, likely because color profiling is essential given the wide range of substrates that are used. Workflow represents an untapped opportunity in the wide format production process as many survey respondents have not yet invested in workflow tools to improve inefficiencies and automation (Figure 5). Workflow management software is largely overlooked, but it offers many benefits. In addition to automating production processes and efficiently supporting online ordering, it is needed to process an increasing number of jobs.

Print management information systems (MIS) represented another important software category where investments are lagging. A print MIS is the single system of record used to store and share business-critical information within the print shop as well as to all external constituents in a timely and efficient manner. A properly implemented print MIS solution functions as the pulse and brain of a print shop. An MIS system can offer many benefits, including more accurate estimates, better job tracking, and the ability to identify areas that need improvement.

Figure 5: Software Ownership



InfoTrends' Opinion

Wide format printing applications represent a solid business opportunity for a variety of print service providers. Organizations that add wide format applications to their existing offerings can increase sales with current customers, strengthen customer relationships, and generate additional revenues. In addition, firms that are already offering these applications can achieve business growth by adding new products, improving efficiency, and adding capacity. For existing players and new entrants alike, an investment in wide format devices can deliver big opportunities!

About the Author



Lisa Cross

Associate Director

lisa.cross@keypointintelligence.com

+ 1 781-616-2192



Lisa Cross is the Associate Director for InfoTrends' Business Development Strategies service. She is responsible for conducting market research, advising customers on communication strategy, overseeing content creation, and managing custom consulting projects.