



Wide-Format Growth Opportunities

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Wide-format
Impressions

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Wide-Format Growth Opportunities

Predicting growth opportunities for applications printed on wide-format printing devices is tricky. There are many opportunities for organizations looking to add wide-format printing capabilities or to expand current application offerings.

A major benefit of wide-format printing devices is the broad range of applications they can print. Today's wide-format printers can produce an impressive array of applications from sign and display graphics to apparel/garment decoration to functional/industrial applications.

NAPCO Research's surveys on opportunities in wide-format printing typically indicate optimism. For example, in a recent survey, 87% of respondents reported they were optimistic about prospects in wide-format printing.

PROVIDERS WITH WIDE-FORMAT CAPABILITIES DEMONSTRATE RESILIENCE

As the COVID-19 pandemic changed the opportunity landscape, many providers with wide-format printing capabilities used equipment to produce new applications. For example, companies with wide-format printers produced pandemic-related materials, from personal protective equipment (PPE) to social distancing graphics to signage promoting changes in services (e.g., "We're Open for Takeout," "Curbside Pickup," and more).

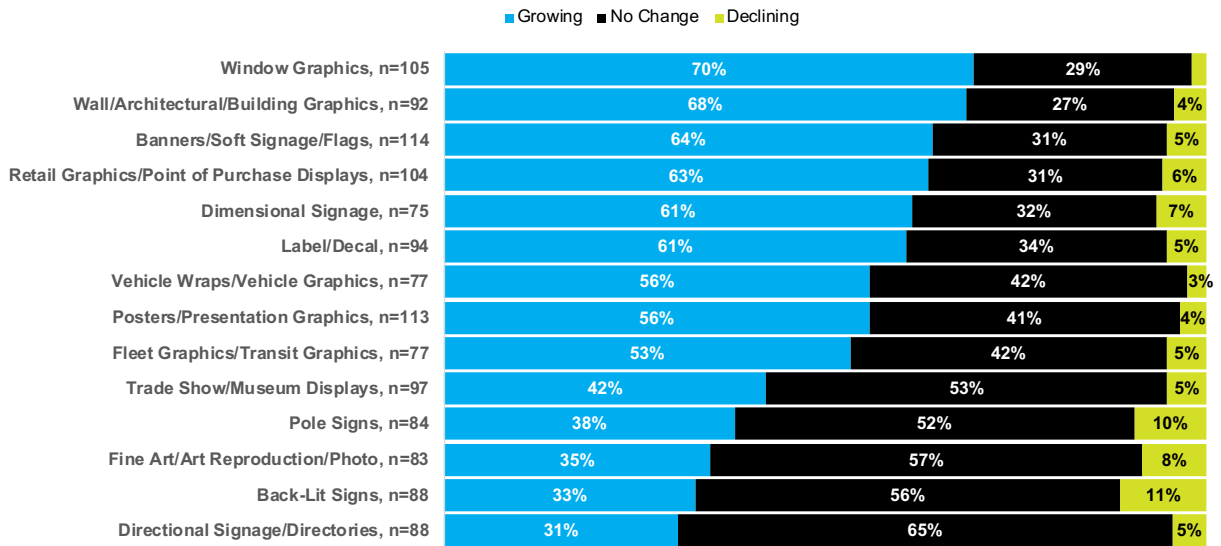
During this time, digital printing and cutting technologies demonstrated their true benefits, allowing providers to create these new products and meet new customer demands.

NAPCO Research tracks business conditions and opportunities across print application segments, including sign and display, apparel decoration, and industrial applications.

SIGN AND DISPLAY GRAPHICS: WIDE OPPORTUNITY FOR ESSENTIAL COMMUNICATIONS

Sign and display graphics are key applications printed on wide-format printing devices. While banners, posters, and signs are the dominant applications in this segment, there are many other unique and interesting wide-format products, with growing demand. A recent NAPCO Research survey of Wide-Format Impressions (WFI) readers highlights the growth opportunities in many graphic and sign applications. As shown in Figure 1, over half of respondents indicated that demand for nine of the 14 applications tested was growing. Overall, respondents reported that all applications listed were growing or holding steady versus declining.

Figure 1: Solid Opportunity in Graphics and Sign Applications



Q. Which of the following GRAPHIC/SIGN applications are growing and which are declining as a percentage of your current volume over the last 12 months?

Source: NAPCO Research 2018



When asked in an open-ended question to identify their reasons for optimism, producers of graphics and sign applications said:

- “The combination of more media choices, better inks, and various printing technologies (aqueous, latex, solvent) is allowing us to produce a greater number of applications.”
- “This is clearly a growing area. Consumers are realizing all that they can do with wide-format and adopting it as a great form of advertising.”
- “Everywhere you go you see wide-format graphics ... hospitals, airports, retail ... they surround us and there is still a lot of application growth possible for technology.”
- “It seems like the manufacturers are always coming up with devices that offer faster throughput and higher quality.”
- “Technology keeps improving the market.”
- “It has been our fastest growing department over the past three years, and it has been growing 30%+ year-over-year.”

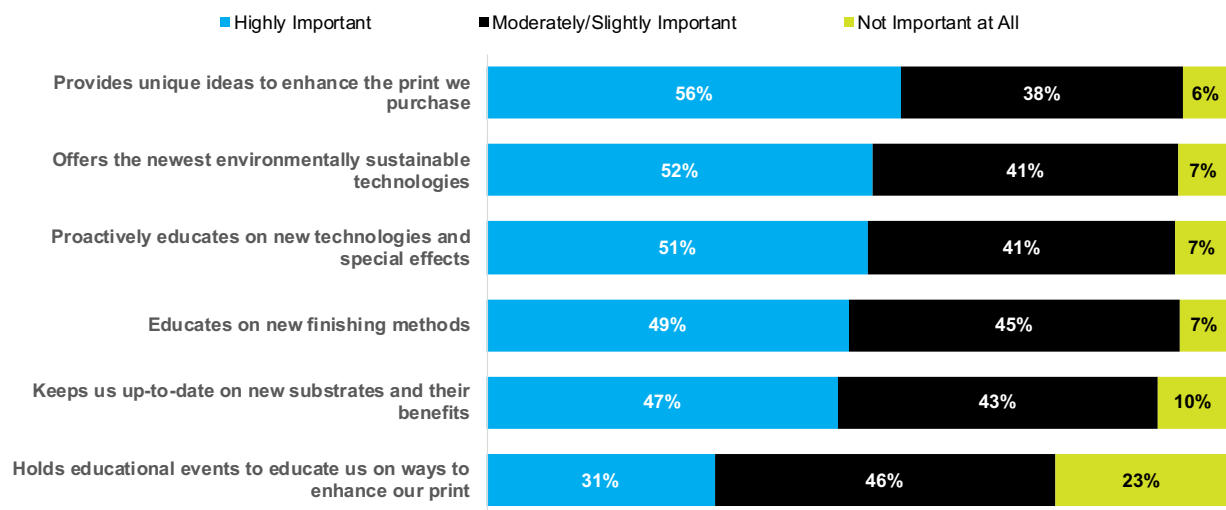
In addition, NAPCO Research expects the following few broad trends to continue to drive demand in this segment:

- The ability to print a wide variety of substrates enables nearly every surface the opportunity to carry a printed message or image.
- Organizations are looking for a mix of media, including signage, to communicate more effectively with customers and employees.
- The “Amazon Effect” is driving consumers to want quick turnarounds, including curbside pickup and delivery, which in turn requires the right signage to direct them through the process.

Signs and graphics will continue to play critical marketing, communication, and functional roles. Demand for graphic and sign products born from COVID-19 will continue, as health and safety messaging and instructions will be required as the vaccine process continues. Banners, exterior flags, window graphics, floor graphics, and others will still be necessary to communicate health and safety rules, hours of operation, occupancy levels, mask requirements, and social distancing requirements.

An essential component for success will be identifying and meeting customer requirements. According to a NAPCO Research survey of marketers who influence or purchase sign and display graphics, over half of marketers select providers based on their ability to offer unique ideas to enhance what they purchase, their investment in environmentally sustainable technologies, and their focus on customer education (Figure 2). These are factors to keep in mind when marketing and selling sign and graphic services.

Figure 2: Sign and Graphic Customers Demand Innovation



Q. How important are the following attributes when it comes to selecting your printing providers?

n=492 Brand owners/marketers that purchase or influence sign & display graphics

Source: Adding Value to Digital Printing, NAPCO Research 2020

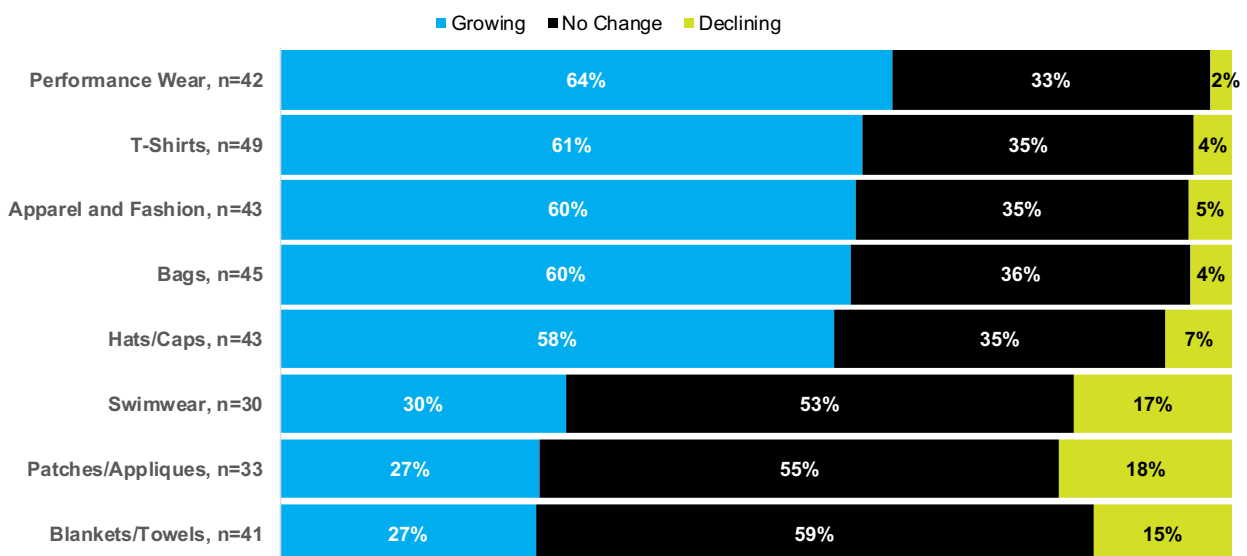


APPAREL AND GARMENT DECORATION: A BIG MARKET WITH MANY OPTIONS

Apparel and garment decorators serve a large and diverse market that includes fashion, nonprofit, education, and any organization with a need for customizing fabric. This application segment offers growing product opportunities for items that can be printed on wide-format printers, as noted in Figure 3. NAPCO Research surveyed WFI readers on opportunities in garment, textile, and industrial printing applications, and more than half of respondents that print performance wear, T-shirts, apparel, bags, and hats/caps report demand for these applications is growing. Few respondents reported declines for any application.

Digital printing of these applications on wide-format printers addresses many key customer requirements. Demand for faster adaptability to design trends, shorter fashion cycles, lower production costs, and reduced waste all are addressed with digital printing. Improved print head design and higher-quality substrates are set to further drive growth in this segment.

**Figure 3: Apparel and Garment Decoration:
Growth Outpaces Decline**



Q. Which of the following GARMENT DECORATION applications are growing and which are declining as a percentage of your current volume over the last 12 months?

Source: NAPCO Research 2018

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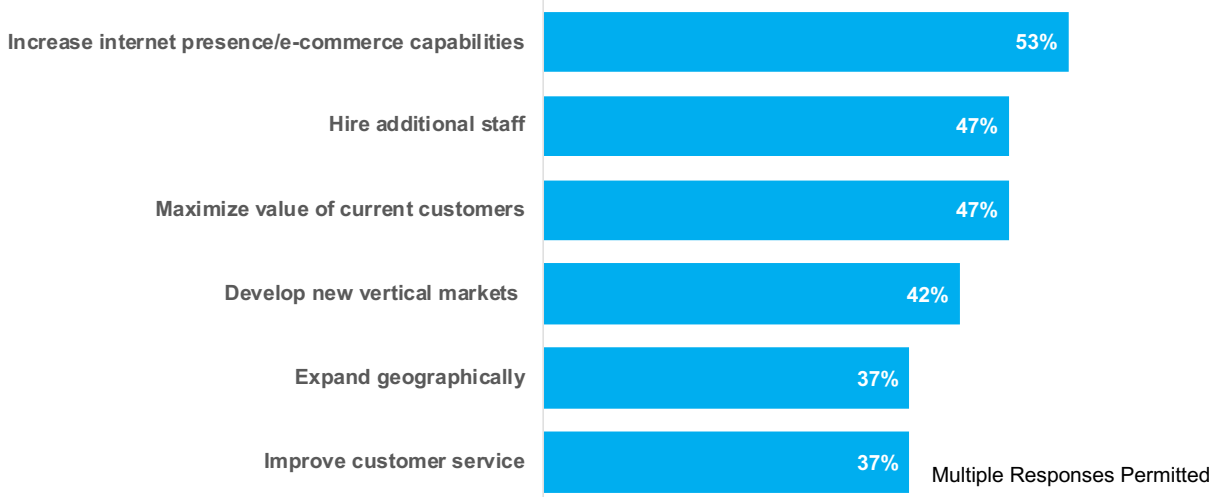
Perhaps the biggest development driving digital printing of apparel is the growth of pigment inks as an alternative to dye sublimation. Pigment inks offer versatility because they are compatible with a wide range of natural and synthetic fabrics and don't require extensive washing, steaming, or other water-intensive pre- or post-treatment processes, making them a more environmentally friendly alternative to other printing methods.

Another potential growth driver is online ordering of decorated apparel and garments. With platforms such as Amazon and Shopify, and the ability to set up custom online storefronts, e-commerce ordering is becoming more popular. In addition, the pandemic has increased the overall volume of online product purchasing, as people looked to avoid contact with others. Growth in e-commerce sales will likely continue, as consumers have become accustomed to online ordering and the supply chain has adapted to meeting increased volume.

In a different survey conducted by PRINTING United Alliance, apparel decorators were asked what management and sales steps they planned on taking to build a competitive advantage. The top response was increasing their internet presence and e-commerce capabilities, a recognition of shifting customer ordering requirements (Figure 4). As one survey respondent said, “E-commerce will be bigger than ever. If your company isn’t prepared to compete in [the] e-commerce space, you will get left behind.”

Other planned actions to improve competitive advantage include rehiring additional sales staff, maximizing the value of current customers, and pursuing new vertical markets.

Figure 4: Building Competitive Advantage in Apparel Decorating



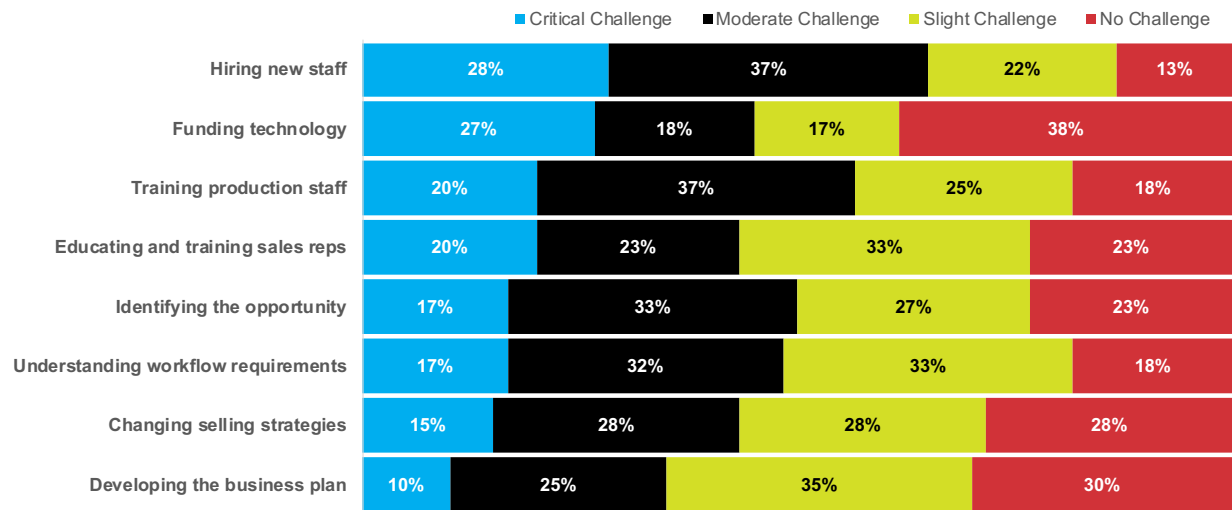
Q. Which steps in management and sales do you plan to take to build competitive advantage?
n=19 Apparel decorators
Source: PRINTING United Alliance Growth Strategies and Capital Investment Report, 4th Quarter 2019



CHALLENGES OF ADDING APPAREL AND GARMENT DECORATION

Adding apparel and garment applications is not without challenges. Respondents to a NAPCO Research survey reported that hiring and training staff, both production and sales, are top challenges. Other key challenges are funding technology, workflow, and defining sales opportunities (Figure 5).

Figure 5: Staff and Technology Investment Key Challenges



Q. Please rate the following challenges you may have encountered or expect to encounter in adding garment/textile applications to your offering?

n=60 wide-format printers that offer or are considering offering garment/textile applications

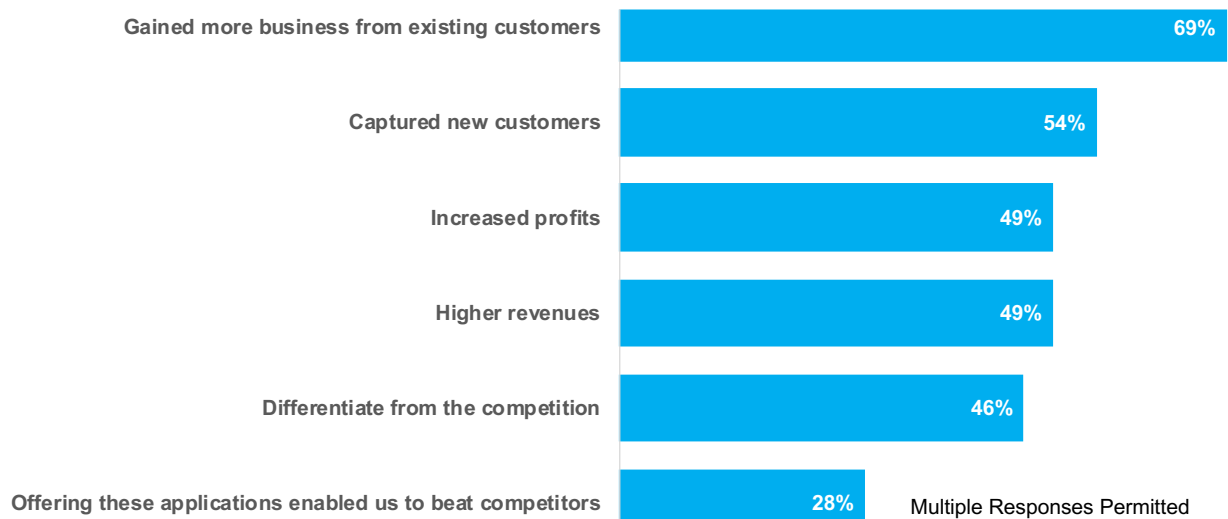
Source: NAPCO Research 2018



GARMENT DECORATION EXPANDED WORK FROM CURRENT CUSTOMERS

Survey respondents offering garment/textile printing reported it has increased work from current customers, led to winning new customers, improved profitability, resulted in higher revenue, and enhanced competitive differentiation (Figure 6).

Figure 6: Benefits from Offering Garment/Textile Print Applications



Q. What benefits has your organization realized or do you expect to realize from offering garment/textile printing applications?

n=61 wide-format printers that offer or are considering offering garment/textile applications

Source: NAPCO Research 2018



For companies looking to add garment/textile print applications, respondents reported using various resources to learn about the opportunity and the best steps for preparing to offer it (Figure 7). The top response was attending trade shows, as these events offer a broad look at the types of equipment necessary to add this application. Another key step was to work with current customers to understand their needs and willingness to purchase this service — recall that the top benefit identified by those respondents offering garment/textile printing was an increase in business from current customers.

Figure 7: Steps for Offering Garment/Textile Print Applications



Q. What steps did your organization take or will take to prepare for offering garment/textile print applications?

n=55 wide-format printers that offer or are considering offering garment/textile applications

Source: NAPCO Research 2018



FUNCTIONAL AND INDUSTRIAL: BROAD SEGMENT, MANY APPLICATIONS

Functional and industrial printing encompasses a broad segment of applications that include printed components that are part of other products (e.g., instrument panels, logos, part numbers) or serve a functional purpose beyond communication (e.g., printed tiles or wallpaper).

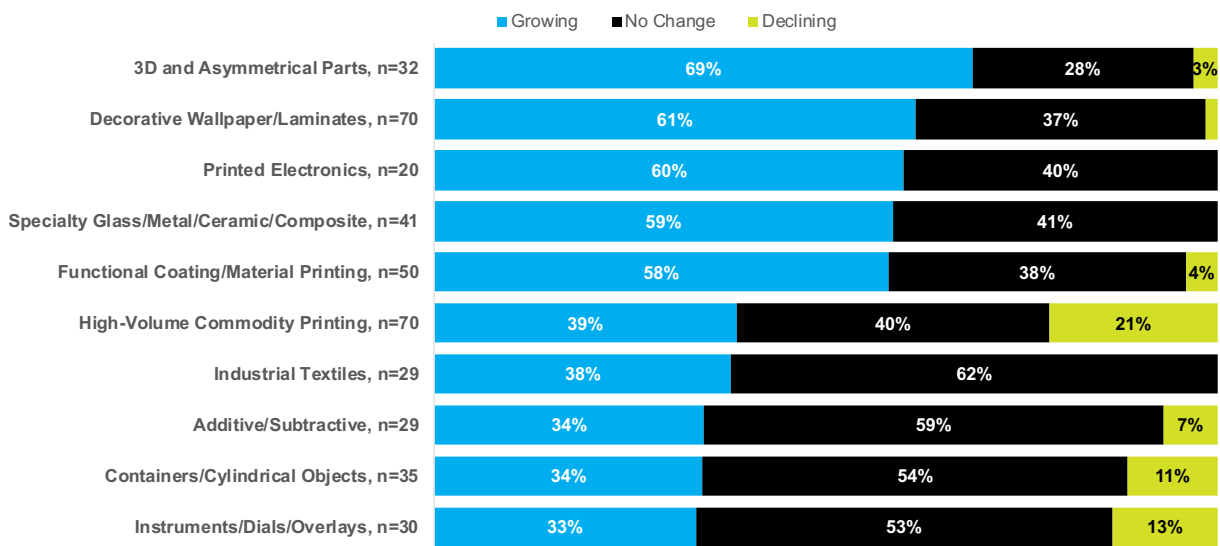
Here are some examples of industrial/functional printed products:

- Wallpaper
- Floor coverings
- Decorative laminates
- Ceramics

- Electronics (including displays, parts, sensors, and controls in products such as cars, boats, trains, medical devices, and many other products)
- Glass
- Wood
- Aerospace and automotive
- 3D printing
- Inkjet printed textiles
- Product decorations

Figure 8 highlights key industrial print applications and growth trends reported in a NAPCO Research survey of wide-format printers offering these applications. Few respondents offering these functional and industrial print applications reported declines in demand, and most reported demand was either growing or holding steady.

Figure 8: Industrial Print Applications Growing



Q. Which of the following INDUSTRIAL PRINT applications are growing and which are declining as a percentage of your current volume over the last 12 months?
 Source: NAPCO Research 2018



Survey responses highlight the “floor-to-ceiling” opportunity in functional and industrial printing. Floor coverings, floor tiles, printed ceiling tiles, textiles, cut logos, silicone edge graphics, window graphics, and tabletops are all surfaces that can be printed on with a wide-format printer.

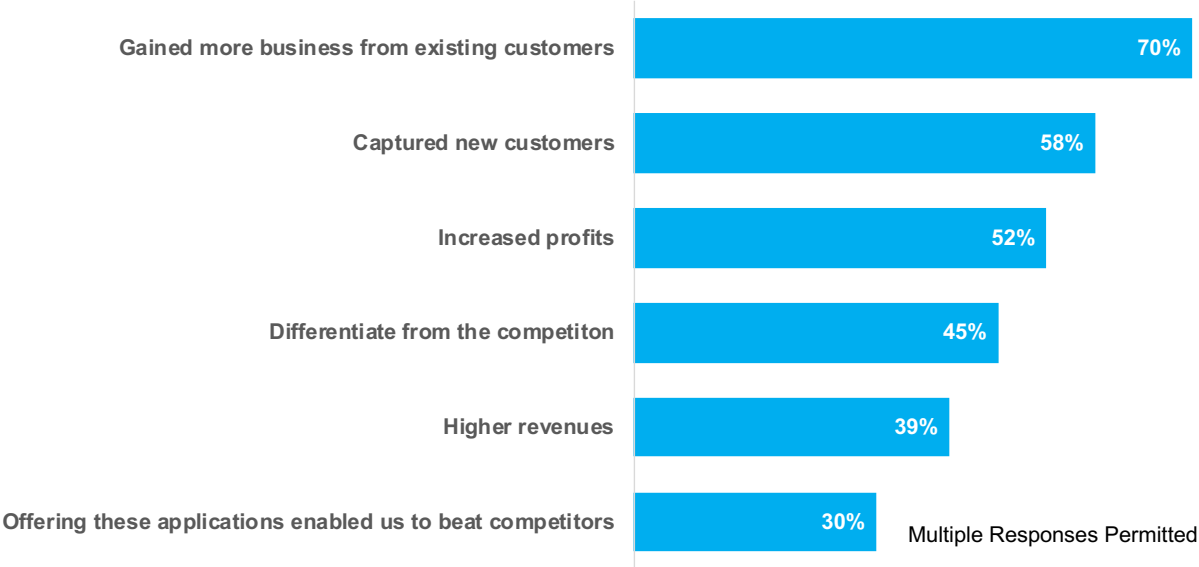
Though screen printing holds the largest share of the industrial print applications, digital wide-format printing is increasing its share. Factors expanding digital printing in the functional and industrial printer segment are:

- Demand for shorter lead times
- The focus on minimizing inventory carrying costs, as digital enables printing quantities as required
- Increased speed and productivity of digital print equipment
- Reduced labor costs resulting from digital printing

BENEFITS AND CHALLENGES IN OFFERING INDUSTRIAL APPLICATIONS

A majority of respondents offering or planning to offer industrial print applications expect adding the product category will enable their businesses to gain more work from current customers, capture new customers, and increase profits (Figure 9).

Figure 9: Benefits from Offering Industrial Print Applications

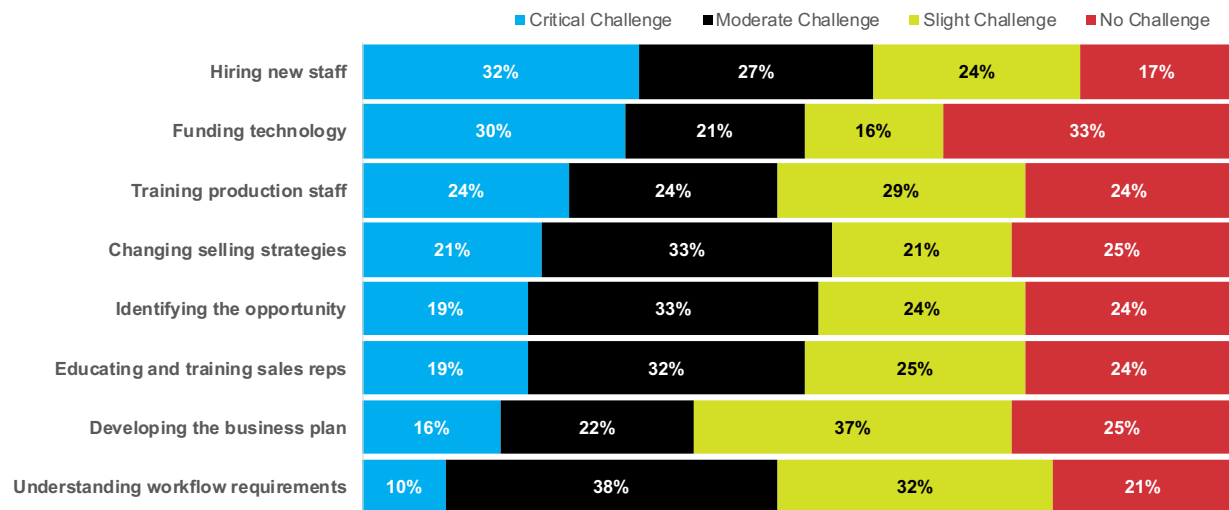


Q. What benefits has your organization realized or do you expect to realize from offering industrial print applications?
n=66 wide-format printers that offer or are considering offering industrial print applications
Source: NAPCO Research 2018



Hiring new staff was the top challenge reported by survey respondents who offer industrial print applications or are planning to add them (Figure 10). Adding these types of wide-format print applications may require higher skill sets.

Figure 10: Staffing, Training, and Selling Key Challenges



Q. Please rate the following challenges you may have encountered or expect to encounter in adding industrial applications to your offering?
 n=63 wide-format printers that offer or are considering offering industrial print applications

Source: NAPCO Research 2018



Over half of respondents offering or considering adding industrial print applications rely mostly on technology vendors and suppliers for readying their operations to add these products (Figure 11). Attending trade shows and visiting vendor websites were the top methods for learning about these services. Other important sources to prepare for adding industrial print applications include speaking with customers, reading trade publications, and watching online videos.

Figure 11: Steps Taken to Offer Industrial Print Applications



Q. What steps did your organization take or will take to prepare for offering industrial print applications?
 n=57 wide-format printers that offer or are considering offering industrial print applications
 Source: NAPCO Research 2018



WIDE-FORMAT OFFERS MANY GROWTH POSSIBILITIES

Wide-format printing is an attractive segment offering print providers many possibilities. The application mix possible on wide-format printers enables providers to expand and diversify their product mix with high-demand applications. Sign and graphic, apparel and garment, and functional/industrial applications all present solid growth opportunities for print providers looking to enter new markets or expand in current ones.

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WHO WE ARE

Wide-format Impressions

Wide-format Impressions serves as a resource for senior-level executives, business owners, and managers of printing and signage companies providing wide-format services. It covers industry trends, emerging technologies, and news in the visual communications industry.

NAPCORESEARCH

NAPCO Research crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision-making.

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