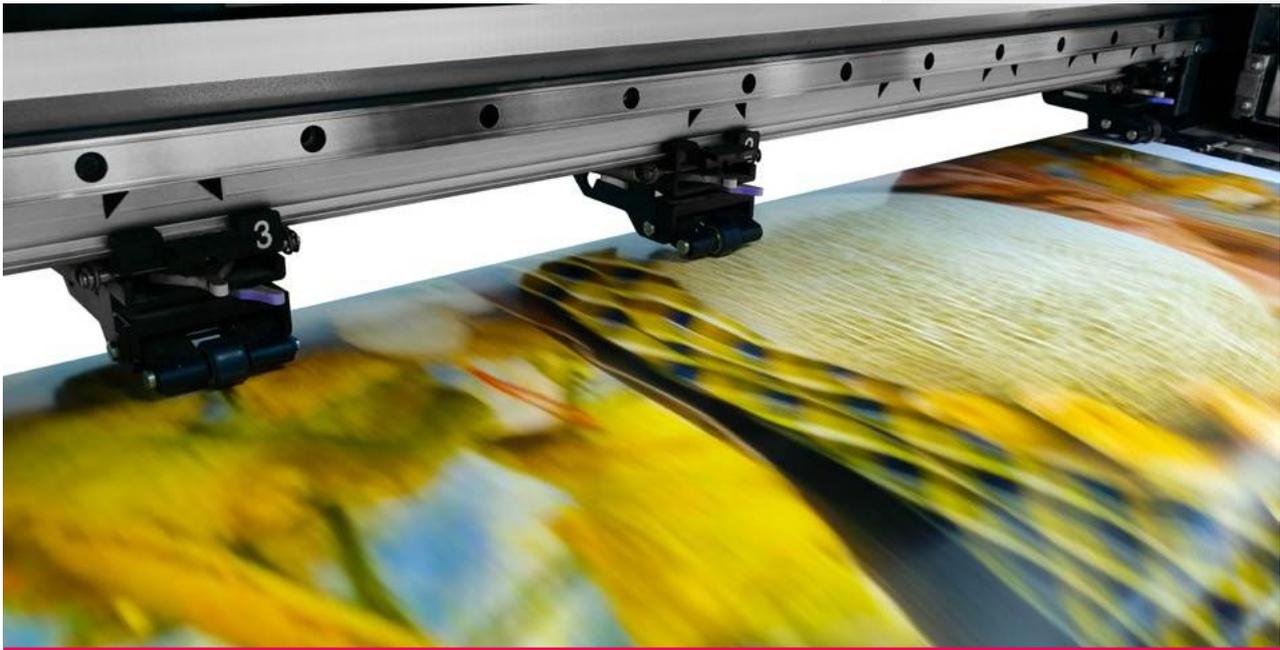


PREPARED FOR HP



WHITE PAPER

The wide format market:
trends, opportunities,
and challenges

April 2018





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Introduction

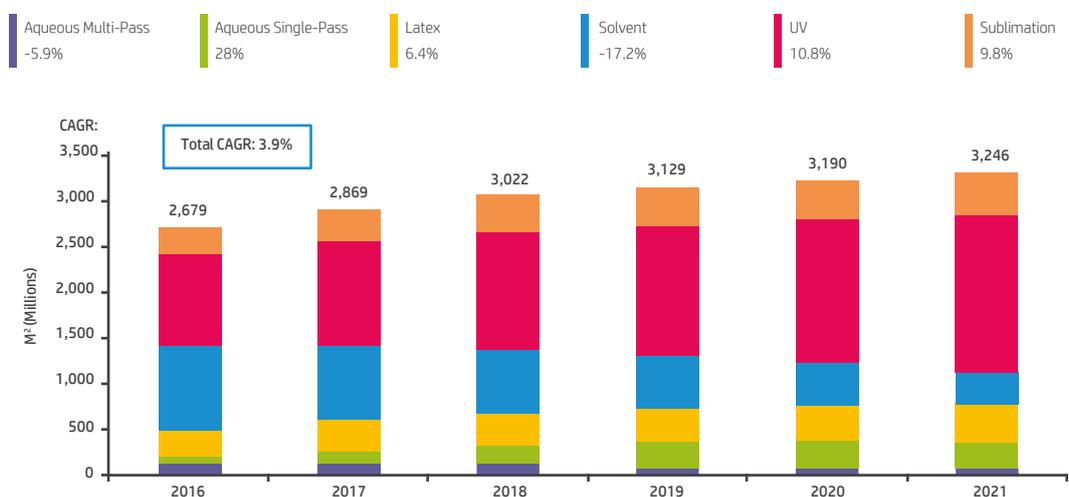
Today's printers are exploring avenues that enable them to broaden their portfolios, increase revenues, and improve customer satisfaction. An extensive wide format product line can enable sign, graphics, and visual communications companies to capitalize on new and emerging market segments. This white paper cites recent data from Keypoint Intelligence – InfoTrends (InfoTrends) to highlight areas of untapped potential in the wide format printing market.

Market Optimism and Growth

In early 2018, InfoTrends completed its most recent research study via an ongoing partnership with FESPA. This year's survey was completed by over 1,400 respondents from 102 countries around the world. Survey participants represented a broad range of graphic arts and industrial segments whose primary business revolves around printing. Respondents remain quite optimistic about their own businesses as well as the wide format industry overall, and this optimism has persisted since the InfoTrends/FESPA partnership began 11 years ago. The mean value of wide format has demonstrated a compound annual growth rate (CAGR) of 2.3% between 2007 and 2018.

According to InfoTrends' most recent forecast data, certain sectors of the global wide format production printing market continue to experience healthy growth. As shown in the Figure below, the growth in aqueous single-pass, latex, UV, and sublimation volumes is expected to more than offset the decline in solvent and conventional aqueous graphics output volumes. Digital printing technologies continue to exhibit strong growth due to the ongoing development of new business areas. Although this market is maturing, InfoTrends believes that its diversity will help keep it on an upward growth trajectory.

Figure 1: Global Wide Format Production Print Volume



Source: Global Wide Format Printing Forecast: 2016-2021; Keypoint Intelligence - InfoTrends2017



Diversification Continues

The wide format market is large and diverse, and it is expanding all the time. Specialty products like soft signage textile printers and direct-to-garment devices are helping to reenergize the market. Ongoing technological innovations have blurred the lines that once existed, so the wide format industry is much less segmented now than it was a few years ago. Brand owners that once might have had difficulty penetrating the market are now finding ways to broaden their offerings, increase revenues, and improve customer satisfaction. These days, it is not uncommon for sign shops or digital printing businesses to offer ad specialty products or the ability to print on non-standard substrates (e.g., wallpaper, synthetic leather). Meanwhile, some niche/specialty printers are migrating toward more traditional offerings, and other businesses that never offered wide format in the past are entering the market as former barriers to entry continue to come down.

Opportunities Abound!

Although the increased interest and activity in the wide format market is a good thing for the industry overall, it is also fueling stiff competition. In today's increasingly crowded marketplace, it is becoming ever more difficult for brands and their products to stand out. Although the wide format market is not without its challenges, a number of growth opportunities still exist for savvy brand owners.

Point-of-Purchase Applications

In retail stores, wide format signs and graphics can be used to direct shoppers, provide information, and generate interest in products and services. Now that most items can be purchased online without ever visiting a retail location, retailers must develop new ways to attract consumers to their stores. The good news is that brick-and-mortar locations offer something that online retailers can't duplicate—an immersive, interactive experience.

Whereas online shopping is largely visual, a retail purchase can engage all five senses.

Although posters, banners, and signs remain staples for generating foot traffic and creating interest, some marketers are taking fresh and creative approaches to capture customer mindshare, increase engagement, and improve loyalty. For example:

- Window clings can be used to drive nearby pedestrians into a local retail store that they might not normally visit. Once visitors are in the store, floor graphics can be used to direct them to a specific area, where they might be able to receive quotes/consultations, obtain free samples, or view product demonstrations.
- Signs or banners can be printed with QR codes that can be scanned from a distance to direct consumers to informational videos or additional product specifications.



- Decorations can create an atmosphere or a striking visual impact to drive purchases. For example, restaurants can add wallcoverings and other homey touches to increase a patron's comfort level. Furniture stores can do something similar, creating comfortable arrangements that can help customers visualize how certain pieces might look in their own homes. Both of these approaches can create an emotional response that may convert into increased profits.



Decorations in a local restaurant

Textiles and Fabrics (Soft Signage)

Although vinyl, plastic, and paper have historically been used for signage, textiles and fabrics are becoming increasingly popular. Soft signage applications offer a number of benefits, including richer colors, more eye-catching effects, attractive options for backlighting, less curling/discoloration, the option to create displays on curved structures, and the ability to fold or roll without damage. Tensioned fabric displays have become quite common, and tradeshow/exhibition companies have embraced textile printing to create signage and even to construct their booths.



Figure 2: Example of a Tensioned Fabric Display

As an added benefit, the processes involved with producing soft signage are not markedly different from more traditional printing processes, so there's no steep learning curve associated with producing these applications. Although textiles and fabrics require more sophisticated inks, substrates, and printers, new technologies are making it easier than ever to address these requirements. Today's water-based and non-toxic inks address consumer, corporate, and governmental requirements for environmentally-friendly supplies and processes. Latex inks are quite versatile, featuring lower levels of volatile

organic compounds (VOCs) in relation to solvent-based inks. Furthermore, ink curing and adhesion capabilities have improved significantly, making latex-based inks a much better option in terms of efficiency and curing temperature than they were in the past. The industry has also seen a number of fabric innovations over the past several years, including tension fabrics, stretchable materials, a



reduced need for coating, and enhanced backlighting options. In terms of devices, direct-to-textile inkjet printers have opened up countless options for signs, trade show graphics, flags, banners, home furnishings, and apparel. Some devices can also accommodate fabrics as well as paper without changing inks, while others can stabilize flexible materials that may stretch during the printing process.

Although there are some challenges associated with printing on textiles and fabrics, most can be controlled with knowledge about the best equipment, ink, and materials for the job. By overcoming some small barriers to entry, print shops can set themselves apart from competitors and appeal to a broader customer base by offering soft signage.

Banners

PVC and non-PVC banners are another great way for businesses to improve their visibility and increase awareness. For indoor use, there are several lightweight, cost-effective, and eye-catching options available. Banners for outdoor use feature enhanced durability, weather resistance, and a variety of hanging methods and sizing options. Many banners can be front-lit, backlit, or double-sided, and there are self-adhesive options as well. Some non-PVC banners can be printed with UV-curable technology, enabling a more ecofriendly responsible process without compromising quality.

Specialty Areas/Niche Markets

In addition to the applications discussed above, some specialty areas are also generating quite a bit of interest. Examples of some interesting niche areas that are presenting new opportunities for the wide format market include:

- **Vehicle wraps:** Car wraps have become a popular way for firms to cost-effectively promote themselves, and the options for customization are limitless. Textured laminating films enable a variety of special effects, including wood grain and brushed metal looks. Consumers and businesses can wrap their vehicles with solid colors or virtually any printed image. In addition to creating a personal touch, these wraps also protect the vehicle's original paint job—and by extension its resale value!
- **Home Furnishings:** Home furnishings and interior décor represent an interesting area because they are appealing to businesses and consumers alike. For retailers, interior décor can create a similar look and feel across all store locations to improve brand identity. In addition, “pop-up” stores that are in business for a short time (e.g., during holidays like Halloween and Christmas) often need inexpensive, easily transportable, eco-friendly options for decorating



their spaces. In the consumer market, technological advancements now make it possible to obtain digitally printed wallpaper, window treatments, ceramic tile, and flooring.

- **Hospitality:** Hotels and resorts often want to generate a theme to create a similar look and feel throughout the entire building. This can be achieved by adding curtains, bedspreads, or wallpaper with the same decorative pattern as the furnishings in the main lobby or front desk area. In addition, nationwide or global chains will sometimes want to create a familiar, consistent environment across all locations so visitors always know what to expect when they visit a certain hotel. Décor can help create a predictable “home away from home” environment for frequent travelers or vacationing families.
- **Architectural Elements:** The architecture, engineering, and construction (AEC) industry relies heavily on printed items like illustrations, CAD drawings, and high-resolution renderings. Ongoing advancements in digital printing technology have eliminated many of the barriers that once hindered the decoration of building materials, including wood, asphalt, and metal.

Architects, interior designers, and others that are hoping to address the increased demand for personalization are seeking new materials and applications that will help them customize environments. We are now seeing an influx of digitally printed applications, including wallpapers, upholstery, window blinds, vinyl wraps, and canvas materials.

Providing a Total Solution

More and more wide format businesses are working to become “total solution” providers by offering printing as well as finishing services in-house. Today’s finishing devices offer fast throughput for production users, enabling more efficient and automated workflows. According to Keypoint Intelligence – InfoTrends’ research study entitled [Looking for Big Opportunity in Graphic Communications & Specialty Printing](#), over 66% of respondents offering sign/display/specialty graphics considered it important or highly important to expand their services to become one-stop providers. As is the case for wide format printing techniques, new and improving technologies are easing the transition toward providing a total solution. Even smaller PSPs can now develop the capabilities to handle finishing work in-house, creating more of a one-stop shopping experience for customers.



opinion

InfoTrends' Opinion

The wide format industry provides many opportunities for new market entrants as well as established sign/graphic shops. Technological innovations have blurred the lines in the industry, and crossover is enabling firms to take on a larger array of wide format jobs than ever before. Furthermore, brand owners that might have had difficulty penetrating the wide format market in the past are finding that many barriers to entry are coming down.

While these changes are good for the industry overall, they also mean that standing out and gaining customer mindshare can be a major challenge for today's brands.

Although challenges do exist, the opportunities in this market are promising. No print service provider can be all things to all customers, so it's important to be strategic. Think about the needs of your current customers, then consider some logical next steps. Could you expand into adjacent markets or accommodate more requests with a few new investments? Can you become more of a "one stop" provider by bringing more of your services in-house? The real key to success in today's market is differentiation. If you can set your company apart in the eyes of your customers, you will be better positioned for profitable growth in the ever-changing wide format industry.



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