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Coming On Strong *UV-cure printing may become the dominant technology*

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I don't watch movies; I just fall asleep. I can't explain it. It must be a character issue. Except for Nemo. I once watched that clown fish movie six times in one weekend with my three-year old niece.

As much as movies don't do it for me, I do like to watch the Oscars. And one of the commercials I loved during the 79th annual Academy Awards was the "Hello" commercial announcing Apple's iPhone. The use of movie clips of people answering the phone in many different languages reminded me of a recent presentation I gave at the 16th annual IMI Inkjet Conference. The presentation was titled "Inkjet a Foreign Language? Speaking to New (Potential) Customers." So what?

The adoption of wide format inkjet printing over the past 15 years has really been quite remarkable. The retail value in the U.S. for finished graphics is quickly approaching \$9 billion. And certain inkjet technologies are making a serious impact - namely UV-cure.

This doesn't mean that UV printers are the final and absolute "Holy Grail" for all shops serving the graphics market. It won't be the universal language but it will be a dominant one. Today's global common language is English, but what will the influence be of Hindi or of Mandarin or Cantonese?

Aqueous inkjet printers have and still capture the largest piece of the installed base (by active units). But without question UV-curable inkjet printing will be the leading inkjet technology by volume printed. The question is how long it will take for that to happen. Going back, aqueous inkjet printing spoke to the traditional silver-halide photo channel in the mid-1990s. These printers offered an economic alternative to produce run lengths of 10 prints or fewer on photobase materials. And this translated to a rapid adoption of these printers and a dramatic increase in the production levels of inkjet printing. The same can now be said of the graphics screen printing market which is experiencing a similar impact by UV-curable and flatbed inkjet printing. These technologies are not only capturing new incremental print volume but it is interesting to see the impact on traditional screen-printed volumes.

I am not saying that inkjet will replace all analog printing volumes. But it will replace a significant chunk, as inkjet will soon be the provider by value of all imaging technologies. But my apologies to the printer OEMs as I am not suggesting that every shop needs to run out and buy a UV-curable inkjet printer (flatbed or roll-to-roll). This would only increase the over-capacity that we have in the market today which would lead to competition based on price. The real value of inkjet - not only in the graphics market but in other specialty or industrial applications - is about *value* and not about *price*. Of course market saturation will lead to more competitive prices. But I am suggesting that it shouldn't already result in razor-thin margins.

That's what's happened to the traditional analog printing industry. And I know. My family has been involved in newspaper publishing and commercial printing for nearly 150 years. Why do you think I have been following inkjet technology for the past decade?

UV: How Big & for Whom?

We see tremendous opportunity for UV-curable printing. But wait! Let me clarify that statement as well the accompanying chart [PIE CHART]. It would be natural to equate our prediction with sales of UV-curable inkjet printers soaring through the roof. But it is not that simple. There is a huge discrepancy in the prices of these UV-curable and flatbed printers. It requires the sale of more than 37 printers carrying a \$12,000 price tag to equal one \$450,000 UV flatbed machine. And this picture is easily skewed toward the incredible productivity of the high-end flatbed inkjet presses. This does not mean there isn't opportunity for all UV-flatbed printers. There is, as we believe UV-curable printing will have an impact on nearly every aspect of the graphics print market.

We are forecasting growth rates for the UV inkjet market north of 40% per year, a number that is gaining momentum as graphics providers find the real benefits of UV to their operations. So while UV-curable printing is translating to many new and exciting opportunities, it is important to know the nuances of the technology.

For some, this advance might be like learning a new language. Others will just have more movies to sleep through.

Stay tuned.

738 words

Michael Flippin is the president of Web Consulting, Inc a consultancy to the digital printing, traditional signage, screen printing and industrial decoration industries. Founded in 1993, Web Consulting (www.web-na.com) is based in Boston and provides a range of consulting services including primary market research, an annual series of industry reports, market modeling and forecasting as well as strategic analysis and support. Contact Michael Flippin at (617 536 5925) or at michael.flippin@web-na.com.