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A Look Ahead to 2008 *Signage and Graphics or Disparaging Changes?*

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I was asked to write some industry predictions for 2008, and for weeks I sought inspiration for a distinguishing way to tackle this subject. Then it struck me – hard. Be prepared and willing to change your tune.

Ring!

It was 2:04 in the morning, and I had fallen asleep on the couch after a long day installing a new ceiling and floor in the sunroom. My wife had gone into labor three weeks early. This certainly wasn't on my "To Do" list.

Benjamin Franklin once said, "By failing to prepare, you are preparing to fail." With the constant influx of new printers and printing technology in this industry, it's difficult to feel adequately prepared. This affects every digital printer, sign shop and screen printer. Recent Web Consulting surveys report that around 60 percent of U.S. shops have annual sales less than \$1 million. With the introduction of new lower-cost printers, a larger number of shops can afford entry into the game. But just because the barriers to entry have fallen, does that make it right for your business?

Medium-sized businesses with annual sales between \$1 - \$5 million may have a different set of challenges. There's a good chance they already have a flatbed printer, but might need some post-print equipment or a more productive inkjet press. The challenge for each shop is deciding how to best compete in the future.

I've said for years that the inkjet printing process is a commodity. The real value is in what happens on either end of the printer – file storage and manipulation, and print-finishing. About 15 percent of sign shops' revenue in the U.S. comes from maintenance and installation of signs and graphics. Some 21 percent of U.S. shops either outsource or do not offer print finishing services.

As for the big shops – those over \$5 million in revenue – faster and more productive inkjet systems will continue to edge them closer to successfully competing head to head against traditional analog processes.

BE PREPARED

Regardless of where your business fits in this market, be prepared for just about anything. The year ahead will certainly be full of challenges and print providers will need to be ready. Do I know what 2008 will bring?

It's an election year, and history has shown that this four-year cycle is good for the printing industry. Web Consulting estimates more than 5 percent growth across the entire graphics market, with inkjet commanding upwards of 10 percent.

Web Consulting also believes that solvent inkjet printing will peak in the next year or so. I'm not saying that print volumes will decline, but that overall investment in that technology will experience a downturn.

CREATIVE AND CLEVER

When I started writing about the graphics industry more than ten years ago, I began every article with some futile mention of the Red Sox. With recent team success, this reference has lost its luster. I too am changing my tack on how I observe the industry.

While no one knows exactly what 2008 will bring, I can guarantee that it will bring challenges and adjustments. We will see more shops with inkjet printers, uncertain oil prices, the effects of an election year and changing profiles within the industry. It'll be like a bowl of alphabet soup that makes an anagram from the phrase "signage and graphics" into "disparaging changes." Ironic but true; it just depends on arrangement. Hmmm. Stay tuned. Oh, and it's a boy.

Stay tuned.

572 words

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