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Read At Your Own Risk

As wide-format graphics markets mature, shops should proceed with caution.

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Okay, so my tricky headline got your attention. I know what you're wondering, "What the heck is this guy talking about?"

As a new father, I have been thinking about lessons that I will teach my son. I'm pretty sure at some point I'll probably be guilty of saying things like, "If I told you once I've told you a million times not to exaggerate." Or, "Be sure to under-estimate the size of the striped bass that got away -- especially since no one else was around to see it." Or that "Fenway Park is heaven on Earth, and that Opening Day is a legal holiday. Just don't tell your mother where we were this afternoon."

Or that, "everyone should run out and buy a new wide-format inkjet printer to produce wraps and other applications because the opportunities are boundless. We are all intoxicated from drinking from the endless digital-printing fountain of youth..."

Stop! Okay, I can't let that last one slide, and here's why. Now I realize that I may not win any popularity contests here, but it pays to be honest. Plus we market researchers can usually make numbers fit any argument anyway, so change is good.

DON'T BUY IF YOU DON'T HAVE

Yes, don't buy (a printer) if you don't have (the work). We don't all live in Dyersville, Iowa - the setting for the magical 1989 movie *Field of Dreams*. So we can't assume that "if you buy it, they will come." That stuff only happens in Hollywood -- baseball-playing ghosts, bicycle-riding aliens, talking clownfish, flying newspaper men and marshmallow-filled monsters. But this is *reality*, folks. Simply buying a new printer will not unlock the floodgates of new business.

Simply put: the U.S. installed base of wide-format inkjet printers already has enough capacity to meet 400 percent more demand without adding another machine. Our research estimates that the current capacity utilization of inkjet printers is sitting at about 20 percent. Put another way, the average wide-format machine sits idle for four hours for every hour that it's actually printing. These are averages, mind you. Some printers are running 24/7 and others are barely printing at all.

In general, however, inkjet printing for wide-format graphics is starting to mature. Sure, there are new niche markets here and there; and newer, faster printer models, platforms and players are introduced to the market on a regular basis. But the market is beginning to fragment, some say even commoditize. The signs are there. For new entrants, what took you so long? If you waited for the market to get big enough; it's here. But it's also a heck of a lot more competitive. It's supply and demand.

Don't believe me? Find someone who did vehicle wraps on an E-stat printer ten years ago and ask what he could charge for a print and wrap job then – and what he's forced to charge today...

Bottom line, there are more choices than ever: there's aqueous inkjet -- and soon perhaps aqueous *latex* inkjet for printing onto uncoated vinyl and other outdoor media -- there are many sizes and flavors of solvent-based inkjet printers; and of course there is UV-cure inkjet printing. My advice (remembering that this isn't my job) would be to buy whatever printer best matches the objectives, structure and the work *already in the pipeline* of your business.

Be smart and be sure the demand supports your printer-purchasing decisions. Because, unlike *Field of Dreams*; "If you buy it, they may not come."

I have seen far too often that yes, the work does come, but it's only a fraction of what was *expected* to come. But don't get me wrong. There are many real opportunities for success, but they're likely not going to knock down your door as soon as your new printer arrives. We need to be realistic, and we need to be very creative in generating business for ourselves.

Stay tuned.

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