

WHITE PAPER

Capturing the Next Evolution of Wide Format Print Opportunities

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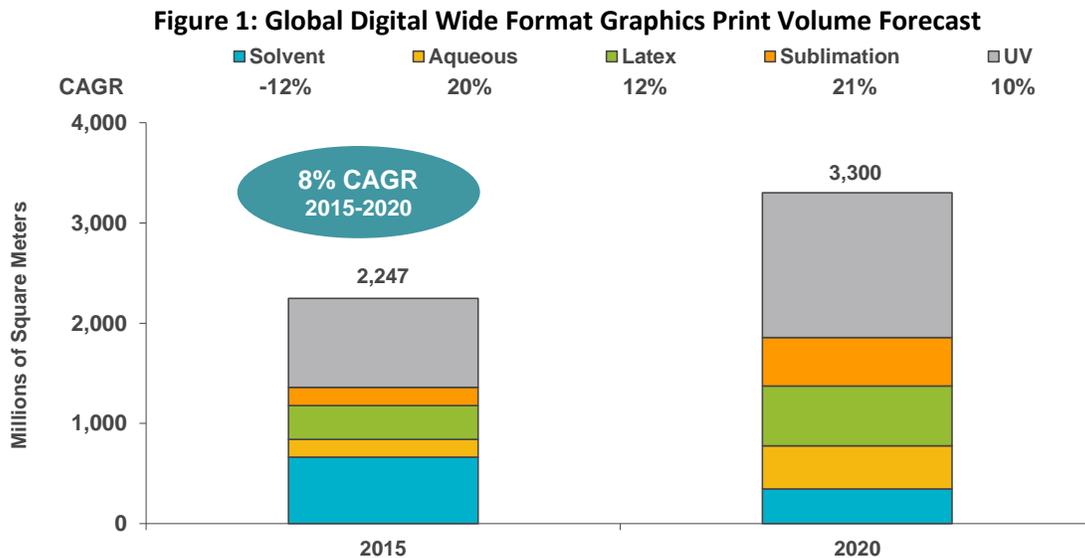


INTRODUCTION

When printers seek to expand their offerings, the wide format printing market is often considered an attractive opportunity. Ongoing technological innovations have blurred the lines that once existed, so the printing industry is much less segmented now than it was just a few years ago. Printers are now exploring avenues that enable them to broaden their service offerings, increase revenues, and improve customer satisfaction. This white paper explores how printers can capitalize on some of the newest wide format print opportunities in today’s evolving industry. An extensive wide format product line can enable sign, graphics, and visual communications companies—including printers—to expand their offerings and penetrate new and emerging market segments.

MARKET OVERVIEW

Digital wide format inkjet printing represents a lucrative opportunity with the potential for significant profit margins. By adding wide format capabilities to current offerings, printers can fulfill requests that might have had to be turned away or outsourced in the past. According to InfoTrends’ most recent forecast data, global digital wide format graphics print volume is expected to demonstrate a compound annual growth rate (CAGR) of 8%, rising from 2,247 million square meters in 2015 to 3,300 square meters in 2020. Aqueous and dye sublimation technologies are driving much of this growth, but all ink types except solvent are contributing to the market expansion.



Source: *Wide Format Forecast 2015-2020 (Creative & Production Segments)*, InfoTrends 2016



OPPORTUNITIES IN THE SIGN, GRAPHICS, AND VISUAL COMMUNICATIONS MARKET

HIGH-END POP/POS

Wide format signs and graphics can be used to direct consumers, capture attention, and generate excitement at the point of sale. In today's digital age, most things can be purchased online without ever visiting a retail location. This is forcing traditional retailers to rethink their tactics for driving traffic into their stores. Fortunately, brick-and-mortar retailers can offer something that online retailers have difficulty replicating—a completely interactive shopping experience. Making an online purchase is a largely visual experience, but a retail purchase can engage all five senses. A consumer that becomes engaged in an experience is more likely to make a purchase. As a result, traditional retailers are focusing on delivering a completely immersive experience to help drive consumers into their stores.

Sign, graphics, and visual communications companies can support retailers in their efforts to improve the shopping experience by offering applications that help generate customer excitement at the point of purchase. Although posters, banners, and signs remain staples for prompting purchases at retail locations, today's retailers are using a variety of fresh and creative techniques to drive traffic and increase sales. Here are just a few examples:

- Backlit displays offer a luminous quality and the appearance of depth, making a graphic dynamic, interactive, and more memorable. In addition to creating an eye-catching focal point, backlit signage delivers an unmistakable pop of color.
- Full-color window graphics can create a head-turning, enticing effect that will prompt passersby to enter a retail location.
- White ink is becoming increasingly popular, largely due to technological improvements related to opacity and printer productivity. By first printing an opaque white layer, printers can produce stunning images on an array of non-traditional substrates. White ink can also create a strong impact when printing on clear adhesives or dark substrates.
- Floor graphics outside of physical store locations can be used for wayfinding, and they are also good for in-store branding and product promotions. Over-laminates can bring outdoor durability to self-adhesive printed media.
- Layering techniques can be used to create textured signs and displays, lending a level of sophistication that flat, two-dimensional graphics can't replicate.
- Wall décor, decorated panels, wallpaper, printed acrylics, and glass can entertain customers in a number of ways.

The variety of inks and substrates that can be used to engage retail consumers is also broader than ever. A number of printer manufacturers have introduced LED devices with UV-curable inks. In addition

to being more environmentally friendly, these devices can print on a broader range of materials, including lightweight and heat-sensitive substrates.

The EFI™ VUTEk® LX3 Pro LED printer is a great choice for sign, graphics, and visual communications companies that need to produce high-end POP/POS communications for their customers. This 3.2-meter hybrid flatbed/roll-fed printer accommodates higher volumes, shorter lead times, and a wide range of rigid and flexible substrates up to 2 inches thick. By printing directly to rigid media, brand owners can save time and money by eliminating many of the post-processing requirements of mounting and laminating materials. The ability to accommodate high-value specialty substrates (e.g., acrylic, PVCs, foam) opens the door for a number of unique and creative new opportunities.

SHORT-RUN PACKAGING AND PROTOTYPING

Almost all items are sold with some form of packaging, and this is an application that cannot be displaced by digital media. The competition on retail shelves is fierce, and savvy marketers are using packaging to capture shoppers' attention and share of wallet. In many cases, brand owners will change their packaging designs more often than they change their actual products. Demand is also increasing for prototypes, versioning, specialization, short-run printing, and customized printing/cutting.

Digital printing or print on demand (POD) for packaging builds on the same techniques that commercial printers, in-plant shops, and corporate offices have been using for quite some time in document-oriented applications. Using variable data, digital printing enables versioning so brand owners can rapidly respond to changing design, brand management, and regulatory requirements. Digitally printed packaging and labels offer brand managers the flexibility to run smaller quantities for test markets, regional/ethnic products, and seasonal offerings. Digital production eliminates expensive setup costs as well as long lead times for short-run specialized versions or one-to-one personalized packages. Furthermore, today's marketers are now using packaging to structure interactive dialogues with consumers. Packages with QR codes, augmented reality, and near-field communication (NFC) tags can increase brand recognition, customer engagement, and loyalty.

Packaging prototyping is also gaining popularity in the wide format arena. By combining digital wide format printing with digital cutting, the production of samples and small lots can be faster and more cost-effective. As an added bonus, brand owners can quickly and economically explore a number of different options to determine the go-to-market solution that will work best without inhibiting their own creativity.

EFI offers a number of solutions for printers to choose from based on their unique needs:

- The EFI Pro 16h wide format hybrid LED printer can be used for short-run prototyping applications.
- EFI's VUTEk LX3 Pro device is best for mid-volume on-demand packaging.
- For those with production volume on-demand packaging needs, the VUTEk HS125 Pro high-speed press is a good option.
- EFI's Nozomi C18000 is designed for high-volume on-demand packaging and display applications in the corrugated market.

SOFT SIGNAGE (FABRICS)

Although vinyl, plastic, and paper have historically been the substrates of choice for signage, textiles and fabrics are beginning to take over. Soft signage is becoming increasingly appealing for a number of reasons. Specifically:

- Digitally printed textiles generally offer richer colors and are more eye-catching than vinyl, plastic, or paper substrates.
- Printed textiles tend to exhibit less curling and discoloration than paper and vinyl applications.
- Textiles enable more sophisticated and artistically creative graphics, making them especially appealing to premium brand retailers.
- The natural drape of textiles and fabrics makes them particularly well suited for curved structures.
- Because soft signage is lightweight, it costs less to ship. It can also be folded or rolled without damage and re-used.

Unlike the more traditional and rigid media types, soft signage can be backlit for an attractive and dramatic effect. Digitally printed textiles can add a visual punch that helps attract consumer attention and increase foot traffic in a variety of areas. As a result, soft signage is a popular choice at trade shows, festivals, retail establishments, restaurants, and car dealerships.

The demand for soft signage and other fabric-based printing applications is expected to increase as time goes on. This creates a number of new opportunities for print shops—as long as they are willing to incorporate the specialized digital inkjet fabric printers, inks, and substrates that are specifically designed for this growing market.

The processes involved with soft signage are not markedly different from traditional printing processes. Although there is a learning curve associated with the production of soft signage, selecting the right equipment, ink, and material suppliers can accelerate your ramp-up time. By overcoming some small

barriers to entry, print shops can set themselves apart from competitors and appeal to a much broader client base by offering soft signage printing capabilities. This can be a market differentiator that can bring a sign, graphics, and visual communications company to a new level of growth and profitability.

EFI's VUTEk FabriVU series of soft signage printers make it possible to create high-quality images at production-level speeds, all while keeping running costs low and maximizing profit opportunities. Printers in this series include:

- EFI VUTEk FabriVU 180
- EFI VUTEk FabriVU 340
- EFI VUTEk FabriVU 520

For more established soft signage printers looking to grow their businesses with higher image quality and volume capacity, EFI offers the Reggiani ONE 180 and Reggiani PRO 180/340 fabric printers.

DIGITAL LABELS

The benefits of digital printing (e.g., shorter runs, faster turnaround, reduced make-ready, greater versatility in finished products) have been apparent in the label sector for quite some time. Recent advancements in digital technology also enable brand owners to move beyond the traditional CMYK (cyan, yellow, magenta, black) and accommodate white, neon, or metallic substrates and inks. This creates another avenue for creating labels that will really stand out in today's crowded marketplace.

The EFI Jetrion® line of full-color, digital label and narrow web presses profitably produce short run jobs of 100 labels or less while also making economic sense for lengths of up to 50,000 labels and beyond. Different models accommodate web widths of 8.3" to 13" and are available with optional printing and finishing modules for the production of labels in a single process pass.

SPECIALTY AREAS AND NICHE MARKETS

THERMOFORMING

Thermoforming is another specialty area that is generating quite a bit of interest. With thermoforming, a plastic substrate is heated to a pliable temperature, formed to a specific shape using a mold, cooled, and trimmed to create a usable product. Brand owners, retailers, and manufacturers can use thermoforming to create custom-formed 3D signs, packages, POP displays, vending panels, gaming kiosks, and much more.

Printing directly to these materials digitally is much quicker and more cost-effective, as it eliminates costly and time-consuming screen/hand painting processes, or pre-printing and laminating to formable plastics. The process requires inks with good adhesion properties that can withstand heat and elongation. EFI has made some good progress in this area, and its H1625-SD printer and SuperDraw

UV Inks are an attractive way to enter the business with the ability to print directly onto a wide range of thermoformable plastics up to 65 inches wide.

EFI's SuperDraw UV inks are engineered specifically for thermoforming. These inks feature:

- Notable elongation characteristics, strong adhesion, and consistent post-draw opacity for thermoforming applications on various plastics, including PETG, acrylic, polycarbonate, polystyrene, and PVC. These benefits are particularly useful for applications including outdoor signage, POP signs and displays, day/night backlit signs, promotional products, beverage lights and signs, and vending/gaming panels.
- Resistance to heat forming and stringent finishing, such as die-cutting/routing and sawing with no chipping, cracking, or loss of adhesion.
- Easy release from smooth and porous mold materials, including plywood, MDF, and resins used for drape-formed backlit signage applications.
- Compatibility for printing on all brands of corrugated polypropylene with high levels of adhesion and flexibility.

For higher-volume production, EFI offers the VUTEk GS Pro-TF series of digital inkjet printers in 2- or 3.2-meter models.

INTERIOR DÉCOR AND HOME FURNISHINGS

Interior décor represents another area of opportunity where printers can service business and consumer customers alike. While most consumers won't have a regular need for wide format banners or signage, plenty of them will be interested in décor and other furnishings for their homes.

For retailers, interior décor is a quick and generally inexpensive way to ensure consistency across stores. By using similar décor elements across a chain, retailers can ensure a consistent look and feel at all locations, regardless of whether they are down the street or halfway around the world. Still other retailers will want regional graphics and décor items for subsets of their locations. Meanwhile, "pop-up stores"—which are typically in business for a short period of time (e.g., during holidays like Halloween or Christmas) also represent an opportunity for the décor printing market. These locations will need inexpensive, easily transportable, eco-friendly options for filling their spaces, and décor prints fit that bill.

Digital inkjet technology's ability to create colorful graphics on an ever-expanding array of substrates has also generated interest among consumers, opening the door for new opportunities in the home furnishings market. Although digitally printed wallpaper has been a popular home décor option for well over a decade, technological advancements now make it possible to custom-print on a much wider variety of materials, including window treatments, bedspreads, wall art, ceramic tile, and even flooring.

EFI has a number of options for businesses that are exploring the interior décor and home furnishings market. For example:

- EFI offers an extensive lineup of Reggiani integrated fabric printing solutions for the textile world.
- EFI's Creataprint® inkjet printers are designed for digital ceramic and porcelain tile decorating in industrial ceramic environments. For printers, EFI's wide format and VUTEK superwide format hybrid printers are a more practical solution for custom tile decoration.
- EFI's superwide roll-to-roll inkjet printers are ideal for producing wall coverings, murals, and other similar décor options on a wide variety of flexible substrates.

ARCHITECTURAL ELEMENTS

Wide format printers are now being used extensively within the architecture, engineering, and construction (AEC) industry. Digital printing technology has eliminated the barriers that once existed in terms of decorating printed products, and this includes building materials. Designed for industrial digital inkjet wood decoration printing, EFI's Cubik wood decorating printer provides short runs while also enabling high-speed mass production of decorative surfaces for indoor and outdoor applications on wood.

Based on EFI's single-pass inkjet printing technology, the Cubik provides the wood industry with quality decoration, high performance, and ink savings. The printer, inks, and EFI's Fiery digital front ends all work together as a fully integrated concept solution for manufacturers of building materials. With up to 8 printing bars, the Cubik can apply a wide variety of decorative effects directly to wooden surfaces—not just CMYK.

EFI also markets industrial printers and ink technologies for applications such as flooring, wall cladding, furniture, countertops, shower plates, facades, outdoor paving, and roofing materials.

THE BOTTOM LINE: CAPITALIZING ON THE OPPORTUNITY

Due to ongoing technological advancements, the widespread popularity of digital inkjet printing, and a variety of new inks and substrates, the barriers to entry that once existed in the wide format industry are coming down. Printers that might have had difficulty penetrating the wide format market in the past are now finding ways to broaden their service offerings, increase revenues, and improve customer satisfaction. Although these changes are certainly a good thing for the industry overall, they are also driving fierce competition. In today's increasingly crowded marketplace, standing out and gaining customer mindshare can be a major challenge for brands.

The wide format industry is increasingly diverse and provides many opportunities for new entrants that are hoping to expand their offerings as well as for established sign, graphics, and visual communications companies that want to increase their market share. Although the opportunities do exist, no printer can be all things to all customers, so it makes sense to be strategic in your expansion plans. Think about what you're doing today and where you'd like to go in the future, and then determine the best possible moves for your organization.

The wide format industry is expanding all the time, and it is also becoming less compartmentalized. Traditional commercial printers are expanding into signage, while sign, graphics, and visual communications companies are moving into direct marketing. Wide format printing provides a prime opportunity to expand business while also improving revenues. The key to success in today's market is differentiation. If you can distinguish your offerings in the eyes of your customers, you can better position yourself for ongoing success in today's ever-changing industry.

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