

**Why Soft Signage
Continually Delivers
High ROI Margins**



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INTRODUCTION

Soft signage has grown from a niche product to a juggernaut sign and graphics opportunity. Driven by the attractive look and vibrant color output of dye-sublimation printers, and the ease-of-use and cost models of silicone edge graphic (SEG) applications, soft-signage products (those printed on fabric) have emerged as engaging messaging platforms across many market segments, including retail, travel, and live events. Further, soft signage continues to grow in other markets, including museum exhibits and theater sets.

This report combines NAPCO Research survey findings and technology trends relative to soft signage to define key benefits, opportunities, and recommendations for offering the print application.

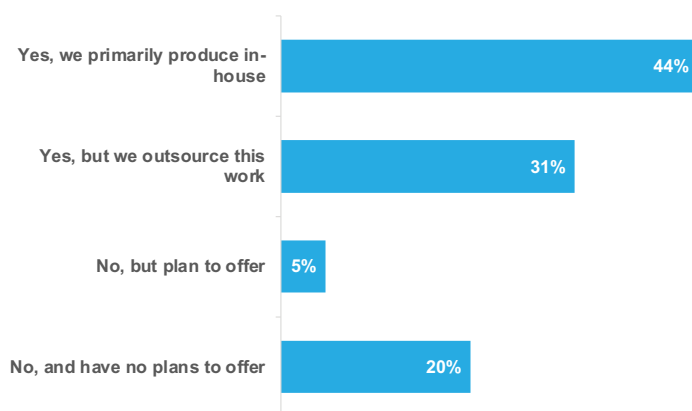
SOFT SIGNAGE: A PROFITABLE OPPORTUNITY

For companies considering adding soft signage production, profitable opportunities are there for the taking. According to annual NAPCO Research surveys of providers and buyers of wide-format printed sign and display graphics, the following survey findings indicate the profitability soft signage offers.

- Three-fourths of sign and display graphic producers participating in a NAPCO Research survey¹ report they currently offer soft signage as a part of their product mix. Of those companies offering soft signage, 44% produce it in house, while the remainder outsources it to other producers. (Figure 1)

Figure 1: Soft Signage A Popular Application

Q. Do you offer soft signage?



n=84 Sign and display graphic providers
Source: Who Buys Wide-format?, NAPCO Research 2022

80% offer or plan to offer soft signage applications

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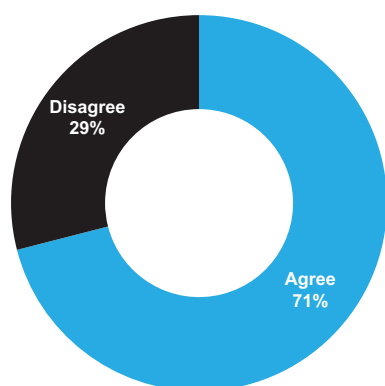
¹NAPCO Research's 2022 Who Buys Wide-format Display Graphics

- Even though many providers offer soft-signage, it continues to be a strong opportunity. Respondents to a 2022 NAPCO Research survey reveal that 71% of wide-format sign and graphics producers (Figure 2) describe soft signage as a “growing and profitable application opportunity.” In addition, 91% of respondents report soft signage is either highly or somewhat profitable.
- Another 2022 survey finding pointing to the profitability of soft signage is how it compares to survey responses on questions on rigid signage. According to the survey, 47% of respondents report that soft signage is either as profitable or more profitable than rigid signage. Expanding on the strength of the soft signage opportunity, 49% of respondents report soft signage is growing either as fast or faster than rigid signage.

Figure 2: The Soft Signage Opportunity

Soft Signage Growing and Profitable

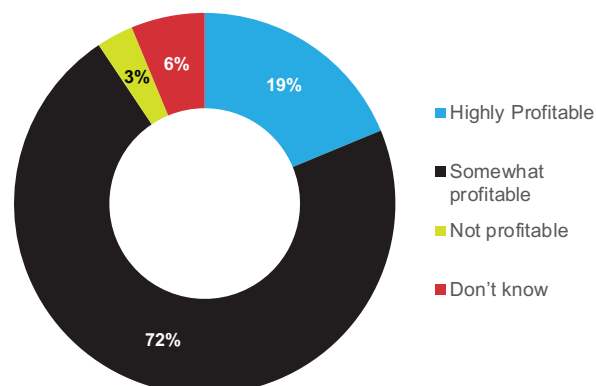
Q. What is your level of agreement with: Soft signage is a growing and profitable application opportunity



n=84 Sign and display graphic providers
Source: Who Buys Wide-format?,
NAPCO Research 2022

Soft Signage Profitability

Q. How would you describe the profitability of offering soft signage?



n=63 Sign and display graphic providers

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DYE-SUBLIMATION A CORE TECHNOLOGY

Dye-sublimation printers are a core technology for printing soft signage and gaining in adoption among producers of wide-format display graphics. Among wide-format producers participating in a 2023 NAPCO Research survey², 19% report they currently have a dye-sublimation inkjet press. An additional 12% indicated plans to acquire one in the next 12 months. Another 2023 study, the NAPCO Research Printing Business Outlook Series: Wide-Format Printing, found a full 37% have the technology on their near-term capital investment wish list.

²NAPCO Research's 2023 Who Buys Wide-format Display Graphics

Many soft signage products are made using the dye sublimation process, in which heat-based curing and pressure are used to transform disperse dye inks from a solid to a gas, which allows the dyes to “sublimate,” bonding directly to the fibers of a polyester-based or coated substrate. Sublimation is accomplished using either a direct-to-textile printing approach, or by printing to a transfer paper and using a heat calendaring device to sublimate the print to the final substrate.

Each of these processes has distinct advantages. For example, direct printing is ideal for applications that require high ink penetration on the backside. Meanwhile, utilizing transfer paper is best for applications in need of high color brightness and fine details. Given each process’s advantages, printers can benefit from installing equipment capable of printing both.

The EFI™ VUTEK® FabriVU®+ series of soft signage printers for example, provides users with the ability to easily transition between direct print and transfer paper, leading to a robust diversity of soft signage applications and maximizing opportunities for new business growth (See sidebar for more).

ADVANTAGES OF DYE-SUB PRINTED SOFT SIGNS

Soft signage printed via dye-sublimation has experienced strong growth in recent years as technology developers have refined the printing process. Today’s digitally printed fabrics feature a permanent, durable image. Due to the strong color performance and a higher perceived value of these products, companies producing soft signage, which can be classified into three common applications — front-lit SEG, backlit SEG, and flags — continue to sell as high-value print. They are products for which marketers are willing to pay a premium.

Other soft sign products commonly printed on dye-sublimation printers include flags, event graphics, point-of-purchase/point-of-sale displays, pole signs, and backlit displays. Within some of those product areas, such as backlit displays and point of purchase/point of sale, printed textile products maintain a higher perceived value than other options and are thus a stronger contributor to profitability. For those who understand these product areas and know how to sell high-value applications, the opportunity is large.

For digital printing producers of all types, including soft signage production, a common goal is to achieve the best results possible at the lowest possible cost. Regarding these costs, dye-sublimated soft signage holds an advantage over both rigid and applied graphics. Shipping rigid graphics can be much more expensive than shipping dye-sublimated fabric, which can usually be shipped in a small box and weighs less. Further, it is not uncommon for rigid graphics to be damaged in shipping. Damaged graphics, in turn, can lead to rework and expensive express shipping to the client. For applied graphics — usually those printed on pressure-sensitive materials — effective installation is a specialized skill requiring an experienced installer. Conversely, SEG installation is relatively easy: successful installation can be performed by a broader range of people, more quickly, and at a lower cost.

Finally, dye-sublimation printing is water-based, and uses less energy and produces less waste than UV and other systems less-suited to success in fabric printing, a positive attribute for those seeking sustainability in production.

DEEPER KNOWLEDGE FOR BETTER DECISIONS

Moving into the dye-sublimated soft signage market requires knowledge and strategy. Key elements to understand are the common applications produced: front-lit SEG, backlit SEG, and flags (single- or double-sided). Each of these applications requires use of the materials, as well as strong, specific finishing for effective production. In each case, the need for effective finishing and sewing is paramount. Finally, dye-sublimation printing is different from UV printing in its color management and file preparation. As with all new product areas, careful preparation to serve the soft signage market will ease the path to success.

For those not in the dye-sub game, the time to get in is now.

A COMPELLING PATH TO PROFITABILITY

For those companies seeking continued growth and strong profitability in wide-format printing, pursuing compelling and profitable applications such as soft signage offers a path to success. While dye-sublimated soft signage is not a new application, it is a proven route to profitability, made even more attractive by technologies that provide outstanding results at a minimized production cost. Those seeking to expand into or grow within this area are wise to study the technologies and opportunities, then commit strongly to their own path forward.

Enticing Equipment Option

For graphics producers looking to serve soft signage markets at volume, the EFI VUTEk FabriVU+ line of printers is a compelling choice among available platforms, one that is backed by the history and experience of the EFI Reggiani brand, high-quality, high-volume textile printing solutions. Designed for industrial-grade print production, VUTEk FabriVU printers are installed in more than 350 printing facilities worldwide.

EFI's line of VUTEk FabriVU+ printers brings valuable features to users seeking to operate at a higher, more productive, more profitable level. In recent technology enhancements, EFI has doubled the number of recirculating printheads in the machines. This development brings a stronger product look and feel, with greater color density. And, because the printheads recirculate ink, 99% of it is used in the production of salable products — bringing less waste and lower cost per square foot (or meter) of printing. Another new feature, an enhanced heated platen, works to eliminate print artifacts.

Additionally, EFI's VUTEk FabriVU 340i+ printer is designed with in-line fixation, a purpose-built feature that can bring strong benefits. Because fixation is built into the system, there is no need for producers to make an additional investment — up to \$100,000 in additional cost — to be prepared for high-quality, high-production printing. The fixation comes up to temperature more quickly than the oil-filled drums on many calendaring units, minimizing the wait-time needed before profitable production can commence. One final benefit of integrated fixation is the whole unit — printing and fixation — is operated by one

person. In an industry beset with labor challenges and seeking to minimize production costs and automate processes wherever possible, this eases the path to profitability. According to EFI, 80% of VUTEk FabriVU units in production utilize in-line fixation. The other 20% are working in specialized spaces where traditional calendaring units meet particular production needs.

THREE SOLUTIONS

The EFI VUTEk FabriVU+ series of soft signage printers consists of three solutions: the 3.4-meter VUTEk FabriVU 340i+ and VUTEk FabriVU 340+, and the 1.8-meter VUTEk FabriVU 180+. Each provides printers with a selection of soft signage printing options to meet their needs. Here are feature summaries of each printer:

EFI VUTEk FabriVU 340i+

Features In-Line Fixation

Width: Prints up to 133 in. wide

Speed: Up to 5,171 sq. ft. per hour

Backlit mode: Up to 1,791 sq. ft. per hour

EFI VUTEk FabriVU 340+

Width: Prints up to 133 in. wide

Speed: Up to 5,171 sq. ft. per hour

Backlit mode: Up to 1,791 sq. ft. per hour

EFI VUTEk FabriVU 180+

Width: Prints up to 70 in. wide

Speed: Up to 3,390 sq. ft. per hour

Backlit mode: 1,237 sq. ft. per hour



EFI VUTEk FabriVU 340i+

WHO WE ARE

NAPCORESEARCH

NAPCO Research crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision-making.

NAPCO Research can help with:

- Business goal prioritization
- Opportunity discovery
- Market segmentation
- Landscape insight
- User needs and wants
- Product features and functionality
- Content marketing strategy
- Sales strategy and tactics
- Market conditions
- Benchmarking
- Industry trends
- Brand awareness

Contact research@napco.com to talk with our analysts to find out how we can help you with your research needs.



WHO WE ARE



Let's be brilliant. Together.

EFI™ is a global technology company, leading the worldwide transformation from analog to digital imaging. We understand you want breakthrough technologies to lead you through your digital journey. That's why we're passionate about driving your business growth with a scalable portfolio of products, solutions, services, support, and world-class partnerships for the manufacturing of packaging, sign and display graphics, and textiles with a wide range of printers, inks, digital front ends, and software. Our unwavering commitment is to increase your profits, lower costs, improve productivity, and optimize efficiency — job after job, year after year. We're obsessed with your success. And we definitely believe we have the right people, technology and experience to help your business achieve its goals.

