Supersized Market Opportunities for Commercial Printers

White Paper Series
As the growing number of traditional printers and quick-print shops nears the saturation point, commercial printers are looking for new ways to build revenue and sustain business growth. Many printers are thinking twice about what their businesses are capable of producing. They recognize the growth barriers facing print shops engaged solely in traditional large-run collateral and direct mail offset printing. They’re spending less time balancing quantity, quality and price for slimmer profit margins, and are now complementing their operations with high-profit, high-growth superwide digital printing capability.

**Two Words: Supersize it**

Next time you’re in the car, or at a shopping mall, grocery store or sporting event, look around. Chances are you won’t have to look long and hard to spot them. They’re big and colorful. They’re bold, enticing and utterly unavoidable. You see them on buildings, banners, vehicles, bus stops, store windows, billboards, even airliners. They’re superwide graphics—the product of today’s superwide format digital printers. There’s no doubt; branding graphics are big. And so are the profits of the print shops that produce them.

Currently, much of the superwide graphics we see are being done outside the commercial printing industry—by screen printers, photolabs, sign shops and other fully digital-based print firms. But with industry insiders projecting a $34 billion global market for superwide format printing in 2008¹, the profit and growth potential this market holds for traditional commercial printers is difficult to ignore. Many in the industry agree that of all the value-added services that commercial print shops should be adding to their mix, large and superwide format printing holds the largest potential for major revenue growth.

¹ InfoTrends/CAPVentures
The Next Killer Application

Superwide format digital printing applications continue to expand as advertisers increasingly move away from mass media, and look to reach consumers with fast-changing promotions at the point-of-purchase. A key factor that is enabling commercial printers to implement superwide format printing and take advantage of this expansion, is the technology. The latest developments in superwide format printing are allowing commercial printers to more effectively integrate workflows between offset pre-press, digital document and superwide digital printing jobs. Because of the specialized, limited-run nature of superwide format projects, superwide digital printing offers considerably higher profit margins.

With its lower operating costs for short and medium-run lengths, excellent image quality, faster print and processing speeds, and improved ease of use, superwide printing allows commercial printers to complement offset and digital document production with more short-run projects that would be inefficient and impractical using traditional printing technologies. These print shops do not have to turn away new and existing customers to competitors because they are unable to handle an expanding list of printing needs. In fact, studies have shown that commercial printers who add superwide digital technology to their operation actually experience growth in their traditional offset business.²

² InfoTrends & What They Think.com Tracking Results: Fourth Quarter 2005
Maximizing Superwide Printing Capabilities

Superwide format printing produces graphics that range from 2 to 5 meters in width (anything above 72 inches).

- Solvent printers use inks to print on flexible substrates like vinyl and paper.
- UV printers use inks that work on flexible and rigid materials including glass, metal and wood.
- Dye sublimation printers are used for creating images on fabric.

Superwide format printing lets you produce anything from photo-quality point-of-purchase (POP) graphics, day and night back-lit trade show graphics, and fine art reproductions, to building and vehicle wraps and billboards.

Particularly attractive to commercial printers are UV-curing flatbed superwide printers, which are capable of working with flexible and rigid substrates to produce highly durable graphics using environmentally-friendly and process-friendly inks. They allow fast changeovers to materials of different thicknesses and widths and may nicely integrate with sophisticated finishing equipment.

Printing with UV-curable superwide inkjet technology has many advantages that go above and beyond the initial equipment investment:

- UV-curing flatbed inkjet print dries instantly; the ink curing step takes just 0.2 seconds and is independent from print speed, and results in faster job turnaround and increased production and profitability.
- Extremely durable UV-curing ink eliminates additional processes, such as laminating, which significantly reduces turnaround time.
- UV-curing inks are essentially baked on and are not absorbed into the media, producing more consistent print and color quality.
- High production speeds and resolutions make high-quality, short-run projects more feasible.
The Business Case For Adding Superwide To Your Product Mix

Advances in digital print technology, more affordable equipment pricing, and an ever-expanding selection of print media make a superwide printer a practical investment for commercial printers who are looking for new sources of profitable revenues. Some commercial printers may be outsourcing such projects now. In recent years, costs for superwide format printing have declined even as the print quality has improved.

It is not as difficult as it might seem to see into the future and predict anticipated printing volume in superwide. The best place to start is to ask your customers how they are currently purchasing this work. Once you have a feel for the demand, you can start to build the models.

As the chart below shows, superwide printing offers an extremely quick payback—in some cases, less than one year. This is because of the high average selling price per square foot for superwide format color graphics.

The overall outlook for commercial printers, who realign themselves to take advantage of lucrative superwide printing opportunities, is a bright one. Recent studies indicate that market growth in this segment will continue unabated through at least 2010\(^3\). Superwide format printing is here to stay and offers a viable alternative to commercial printers determined to capture a greater share of the print market as a whole and increase their business profitability—and long-term growth—in the process.

\(^3\) InfoTrends & WhatTheyThink.com: January 2006
Your Business is

More than Printing

From a pre- and post-sales perspective, you want a vendor to come to your site and offer training. You want the assurance that the vendor is just a phone call away and is able to provide follow-up services. In other words, you want a partner you can depend on, not just a service ticket number. You might even need a vendor to provide business development services as well as workflow consulting services. Both of these naturally require a relationship where your vendor becomes your business partner, not just a technology supplier.

Your business success depends on many factors including the reliability of the products you choose, the quality of your supplies and how dependable your service team is. Work with vendors that anticipate your needs and offer more than just good printing equipment. The sign of a great vendor is one that provides not only superior superwide printers, but business development services and technical support that allow you to sell your new capabilities and capture business, ensuring your investment is successful. The ideal vendor provides solutions that streamline your business processes and workflow. They also offer the tools and roadmap you need to integrate your Management Information System (MIS), prepress, RIP, printing, shipping, billing and other business operations—letting you step confidently into the next phase of your business growth.

Key Purchase Considerations:

• Workflow Integration: Insist on a solution that will allow you to connect every aspect of your print shop operation, from pre-press file preparation and RIP to final output, shipping and even billing. Total process integration and control is the key to minimizing operating costs and driving up profit margins.

• Print Quality: Consistent print quality on a range of substrates, and more color capability coupled with higher resolutions, offer the best print quality available.

• Print speeds: Faster print speeds lead to fast turn around, higher production volumes and quicker profits allowing you to recoup investment costs sooner.

• Material Handling: Ability to handle both rigid and roll-to-roll operations provide a competitive edge in versatility and faster changeover.

• Operation: Quick setup and ease of use allows focusing on production, not preparation. Digital format allows easy customization and regionalization of messages and imagery for each market.

• Reliability: A printer that isn’t running, isn’t profitable. Choose a system from a proven, reputable provider with quality products that can perform in your environment.

• Support: Choose a manufacturer that provides a full array of services and support programs designed to keep printers up and running, and making the most of the investment.

• Training: Consider ongoing training at a variety of levels from the new user to advanced operator. Introductory and refresher courses help users understand everything from file prep to troubleshooting to repair.

• Price: Your return on investment is based on more than just initial cost. The least expensive model doesn’t necessarily translate to the greatest value.
Of course, before moving ahead with any major business investment, there are numerous factors to take under consideration, including acquisition and setup costs, training and customer support. In the specific case of implementing superwide digital printing capabilities in your shop, a key issue is the types of superwide applications you would most likely be engaged in based on market demand. To a significant extent, this will dictate the size and type of printer (flatbed, roll-to-roll, solvent, UV-curing, etc.) you should invest in.

Considerations that are perhaps more fundamental to your overall success are kick-starting and developing your superwide format marketing/sales effort and optimizing your workflow management. Vendors who provide business development services offer a way to ensure that your investment will be successful. These services may include training your sales force, providing marketing collateral, offering on-going consultation, and finding customers.

Workflow optimization relates to the integration of MIS, prepress, digital printing and post-press production. Without an efficient workflow, the usefulness of the equipment itself is diminished. Proper workflow enables you to efficiently process print jobs, leading to increased automation and productivity. Considering that many digital print jobs are shorter run lengths, this type of productivity improvement can help to ensure your profitability long into the future.

Supersize with the Leader – EFI’s VUTEk Solutions

EFI’s line of VUTEk solvent, roll-to-roll and UV-curing flatbed superwide products print on rigid and flexible media up to 16 feet (5 meters) in width. We also manufacture solvent, UV-curing and bio-friendly inks, and offer other material handling systems and proprietary technologies you can use to supersize the number of customers you can serve. Along with EFI’s extensive portfolio of Web-to-Print tools, business management, production RIP and proofing software solutions, you can achieve new levels of efficiency, streamline your business by reducing wasted time and materials, and enter the world of high-profit, growth enhancing superwide printing having already won.
With EFI, You’ll Gain:

**Instant productivity:** VUTEk printers feature industrial-strength design and rugged construction for around-the-clock operation with very little downtime. And VUTEk printer output is flexible and durable, so you can eliminate costly, time-consuming secondary operations like laminating, mounting and chemical mixing.

**High speed and high quality:** VUTEk superwide digital inkjet printers offer you the versatility of both high-speed and high-quality printing, so you don’t have to sacrifice one for the other.

**Workflow Integration:** VUTEk printers work seamlessly with EFI workflow and business management solutions. From pre-press file preparation and RIP, through print cycle automation, billing and shipping—VUTEk superwide printing solutions streamline your entire operation for maximum profitability.

**Industrial-strength quality for greater uptime:** VUTEk printers virtually never stop working. Their rugged build quality and engineering means they work as hard as you do.

**Lower operating costs:** Our printers can print high-quality output at speeds up to four times faster than competitive products. And they do so with up to 80% lower ink running costs than slower, narrower printers.

**Environmentally-Friendly Inks:** VUTEk’s solvent-based BioVu™ ink is made from a renewable resource (corn), yet it delivers solvent-based performance: extreme durability, strong bonding to uncoated surfaces, and great resistance to UV light and mechanical wear. All while requiring no ventilation.

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**EFI – The Proven Authority in Printing Solutions Worldwide:**

- Nearly 10,000 print MIS installations
- 50,000 proofing installations
- Over 2,200 superwide installations

Now is the time to enter the high-profit, high-growth world of superwide format printing. With EFI as your dedicated partner, you can generate significant new business outside your existing sphere of operations. We can provide consulting to help you explore various scenarios as you seek to enter the superwide format market. We provide coaching to help you remain successful and competitive. And our bundled printer and management solutions help carry your print shop to new levels of profitability and business growth.

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