



The Print Census 2018 Executive Summary



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The FESPA Print Census is a unique worldwide research project which collects and shares market intelligence every few years. It's a central pillar of our industry investment programme, designed to help our global community keep abreast of industry trends, and to be a barometer of the industry's wellbeing.

The Census reflects reality 'on the ground', offering an up-to-date picture of real market conditions as experienced by speciality printers. In the last year, we heard from 1405 businesses in 102 countries, with respondents including sign and display businesses, screen printers, commercial printers, textile and garment printing specialists and packaging printers.

The data is collected with the support of FESPA's Association network and analysed in partnership with InfoTrends, a division of Keypoint Intelligence. Looking at the findings, we can assess how these businesses view the future, which opportunities they are embracing, what challenges they face, and how they are planning for growth and development.

The picture in 2018 is a very positive one. We see a diverse community of thriving businesses enjoying sustained growth, responding to evolving customer expectations, and taking advantage of technology developments to expand and innovate their product and service offerings.

As in 2015, we have distilled six key trends from the data, which the research shows to be shaping the industry over the long-term. Read on to discover these trends and some of the stand-out statistics from the Census. They offer a fascinating insight into the fast-changing world of speciality print in 2018 and beyond.



OPTIMISM

The last FESPA Print Census in 2015 gave a positive view of the mood of the industry, and the same is true in 2018. 83% of respondents say they are optimistic for the future of their business, and they see a bright outlook for the wider industry.

Diving deeper into the business performance behind that optimism, it's well founded. Demand is strong and businesses are showing continuous growth, averaging more than 4% year on year for the last decade.

Digital technology investments have been a driver for that success and digital production is making an increasing contribution to revenues, currently averaging 44% of income. Over the next two years, PSPs expect that contribution to grow to 53% - that's 9% growth in 24 months.

One key driver for growth is product diversification; 55% of respondents say that expanding their applications range is extremely important to their overall business.

With sustained growth comes more consistent investment in staff education and training. Half of the businesses surveyed have invested in training for key areas such as design and colour management.



CUSTOMER DEMANDS

In 2015 the FESPA Print Census revealed an increasingly service-led sector, driven by growing customer expectations for fast turnaround, short runs, just in time delivery and personalisation. This reflects a wider social trend to mass customisation of products, services and experiences to meet individual consumer needs.

With the latest Print Census research, that picture is stronger – in fact it's almost universal. No less than 95% of those surveyed say that these customer expectations are either growing or will stay as high as they are today. If there was any suggestion three years ago that this trend might be reversed, it's now clear that rapid response is the 'new normal'.

Against this backdrop, it's clear why digital wide format technology – optimised as it is for flexible, short runs and quick job turnaround – has been so instrumental in business growth over the last decade, and why it will dominate future revenues.





OPTIMISM

83%

ARE OPTIMISTIC FOR THEIR BUSINESS

DIGITAL PRINT IS EXPECTED TO CONTRIBUTE

53%

OF TOTAL REVENUE WITHIN 2 YEARS

48%

OF BUSINESSES HAVE INVESTED IN TRAINING STAFF IN NEW AREAS SUCH AS COLOUR MANAGEMENT

CUSTOMER DEMANDS

59%

THINK JUST IN TIME DELIVERY WILL INCREASE

72%

SAY CUSTOMER DEMAND FOR FAST TURNAROUND IS INCREASING

61%

SAY THE TREND TOWARDS SHORTER RUNS IS INCREASING

TEXTILE

56%

OF FABRIC PRINT BUSINESSES HAVE INVESTED IN DIGITAL WIDE FORMAT TECHNOLOGY

A further 19% plan to do so in the next 2 years



80%

MORE THAN OF TEXTILE PRINTERS ARE ACTIVE IN SPORTS APPAREL & GARMENT FABRIC



FASTER PRODUCTION SPEEDS DRIVE INVESTMENT FOR

69%

OF TEXTILE PRINT BUSINESSES

DIGITAL TECHNOLOGY INVESTMENT

54%

OF TECHNOLOGY BUYERS SEE INCREASED PRODUCTION CAPACITY AS THE REASON FOR INVESTMENT



EXPECTED INVESTMENT IN DIGITAL OUTPUT TECHNOLOGY IS

43% HIGHER THAN IN 2015

1 in 3 BUSINESSES PLANS TO INVEST IN SOFTWARE TO IMPROVE QUALITY CONTROL



PRODUCT MIX

TOP 3 APPLICATIONS

BANNERS, SIGNS & BILLBOARDS

74%

SAY WALLPAPER & INTERIOR DÉCOR IS A GROWTH AREA FOR THEIR BUSINESS



59%

SEE GROWING DEMAND FOR POP DISPLAYS



ENVIRONMENT

76%

SAY DEMAND FOR ENVIRONMENTALLY SUSTAINABLE PRODUCTS IS INFLUENCING BUSINESS STRATEGY



1 IN 3 PSPPS

HAS INVESTED IN ENERGY EFFICIENT OR ENVIRONMENTALLY CERTIFIED EQUIPMENT TO SATISFY CLIENT DEMAND

72%

OF PSPPS HAVE INVESTED IN SUSTAINABILITY WITHOUT INCREASING PRICES



EVOLVING PRODUCT MIX

The most popular signage and graphics applications remain consistent – banners, signs and billboards – though contemporary options such as backlights are becoming a bigger part of the picture.

Banners in particular increasingly dominate today's signage and graphics applications landscape. 68% of respondents are regularly producing banners and half of respondents see them as an area of continued growth potential.

As signalled by the 2015 Census, printed décor is gaining momentum.



Graphics producers name wallpaper and interior décor as the No. 1 growth application, with three out of four companies confirming this as a blossoming area for their business.

The growing media versatility of the latest digital wide format technologies is creating other areas of opportunity too. POS displays are a source of growth for 59% of businesses, and self-adhesive applications including vehicle wraps, vehicle graphics and decals are all gaining traction.

And while the traditional printed poster may be dropping back from pole position for sign makers and graphics producers, among commercial printers and creative businesses with digital wide format technology, it's still the most popular application.

TEXTILE GROWTH

Textile print applications continue to offer growth potential. Today, 39% of graphics producers are looking for textile printing capability when they invest.

40% of screen printers surveyed identify a textile application as their core business. Top categories are sports apparel (83%), garment fabrics (80%) and fast fashion (66%).

Production is still mostly analogue, with digital mainly used for printing on synthetics, but digital is making strides. 56% of textile print businesses have invested in digital wide format, and a further 19% plan to do so in the next 2 years.

With garments accounting for most output, digital technology has clear benefits for reducing time to market and enabling more creativity with colour and customisation. The same benefits apply to decorative textiles, where technological innovations in areas such as pigment printing are expected to increase demand.

These advantages will drive continued digital adoption, but speed is the key priority in textile as in other segments. Faster production is the driver for investment for 69% of textile print businesses, and more than half want the ability to print directly onto untreated materials.

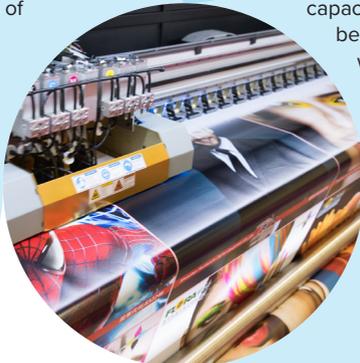


DIGITAL TECHNOLOGY INVESTMENT

Back in 2015, it was already clear that digital was the main enabler of change for print businesses.

Today, the FESPA Print Census tells us that PSPs need to manage growing demand for their products, while meeting customers' challenging 'just in time' delivery expectations.

This is having a direct impact on investment plans. We see a growing emphasis on building production capacity; 54% of respondents say this is their main motivator for investment, up from 34% in 2015. That's reflected in the fact that faster speed still tops the 'wish list' for 63% of PSPs investing in new output technology.



When it comes to investment, respondents now give equal weight to capacity expansion, product diversification and cost reduction, compared with 2015 when most prioritised diversification.

It's clear that sustained business growth relies on satisfied customers, which means that capacity alone is not enough. PSPs must be able to be reliable and consistent when it comes to order fulfilment and product quality. This is fuelling spend on technology and training in quality control, web to print, colour management and cloud-based content management.

PLANET FRIENDLY PRINT

In 2018, we chose to probe a little more on the subject of the environment, to assess how important 'planet-friendly' printing is for PSPs today, following a decade of continuous growth.

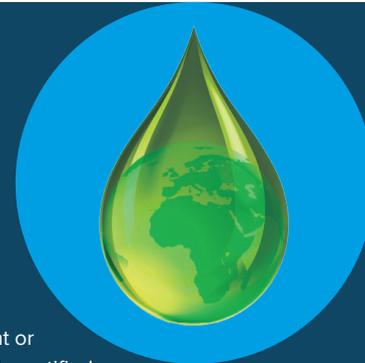
The message is clear, and again it's motivated by evolving client needs. Customer expectations around sustainable print production are impacting strategy for 76% of businesses and, for one in five companies, environment is a major influence.

The response is varied. PSPs are looking for better environmental performance from their hardware and media, but they are also investing in training and education for staff, and in process improvements to reduce waste.

One in three PSPs has invested in energy-efficient or environmentally certified equipment to satisfy client demand.

The good news is that 72% of respondents have been able to make these environmental investments without needing to raise prices, so with no negative impact on sales.

This is an encouraging picture, which shows that PSPs can be confident about investing to build a more sustainable business in a way that is good for the environment and their bottom line.





This is a brief summary of
the headline findings of the
2018 FESPA Print Census.

The full research report is available free of charge
to members of a FESPA national Association or
to FESPA Direct members.



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