

Executive Summary

SGIA conducted its first quarterly industry benchmarking survey in January 2019. The goal of the survey was to evaluate the current markets and products companies serve and the ones they would like to add; identify industry segments where they work and their revenue contribution; recognize the trends in the industry and share this information with the printing and manufacturing community.

This report is based on the responses of 121 graphic and sign companies. The majority provide services to other businesses (56.2%) or businesses and consumers together (34.3%). Local markets are served by about three-quarters of the companies (72.1%), however at least every second company also serves on the regional (59.6%) or national (52.9%) levels, with more than half covering at least two geographic areas at the same time. The median number of employees is 11, and the majority of the companies (71.5%) are small, with less than 20 employees.

About three out of four respondents (73.3%) have revenue of up to \$3 million, and the median sales revenue is \$1.4 million. More than half of the companies (59.8%) are at least 20 years old, but at the same time there are newcomers to the industry — 15.8% of the companies are 10 years old or younger.

At least four out of five companies (80.1%) rely heavily on digital equipment, and the vast majority (81.3%) also provide finishing services, which allows them to make the best use of their production facilities. There is also a frequent exchange of production and post-production services among the printers.

On average, companies serve seven markets and provide eight products. Among the most popular markets are educational institutions (66.0%), corporate branding (63.8%), architecture/construction (58.5%). The most popular products are window graphics (85.3%), banners/soft

signage (84.3%) and labels/decals (76.5%). Several of those markets and products were also identified as having high growth potential. However, there were products that were not so popular yet, but at the same time were identified as desirable, such as digital displays.

The graphic and sign industry is not the only segment these printers serve. They are also in commercial printing (26.4%), functional/industrial printing (19.0%), apparel decoration (13.2%) and package printing (8.3%). Those segments, on average, contribute up to one-fifth of the companies' revenues.

The majority of the companies (67.5%) experienced positive sales growth during the last year. Other business indicators also look good, and the expectations for the future are even higher, especially for employment, prices and profitability.

Upcoming SGIA surveys will explore how companies plan to achieve their goals. While the second quarter survey will focus on financial health of the companies, third quarter (wage and salary) and fourth quarter (strategies and operations) surveys will focus more on challenges companies face and the approaches they use to improve their profits. Based on the first quarter survey, we can still conclude that overall, printers are optimistic about the future, as they are confident in their industry and the economy.