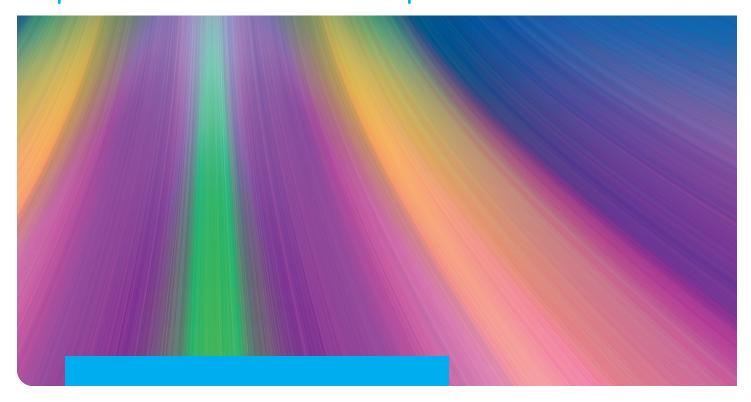


Who Buys Wide-format Display Graphics: How, from Whom, and Why







# Who Buys Wide-format Display Graphics: How, from Whom, and Why

#### INTRODUCTION

No printing segment can function without a close alignment between what buyers expect and what providers are prepared to deliver. The market for sign and display graphics produced on wide-format equipment has evolved its own set of understandings about how business should be conducted.

To clarify the ground rules, NAPCO Research surveyed signand-display graphic buyers and providers to understand investment, purchasing, and demand trends. A major aim was to identify buyers' purchasing needs and preferences so that print providers can gauge if their service offerings are aligned with their customers' desires. The research also addressed COVID-19's impact on sign and display graphic spending; buyers' criteria for selecting providers; technology issues, including ordering through online portals; and general market trends.

#### **Key Findings**

The research study yielded the following especially key insights:

- Sign and display graphic buyers report that most of their current spending on wide-format printed applications is growing or staying the same.
- Nearly all of the sign and display graphic provider respondents (91%) expect sales to grow over the next 12 months.
- Buyer respondents report print quality and customer care were the most important criterion — higher than price — when selecting providers.
- Three-quarters of provider respondents cited the difficulty of finding and hiring employees as a major issue.
- More than two-thirds of providers said their work needed to be produced in time frames ranging from less than 24 hours to three days.

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- Over half of sign and display graphic buyers report turnaround time is a very important consideration in provider selection.
- Most respondents who purchase and influence sign and display graphics report their organizations are using a mix of print and digital signage.
- Eighty-five percent of buyers say eco-friendly production is an important consideration in their choice of a provider.
- Top reasons buyers accept sales meetings with a sign and display graphics provider center on referrals: from friends or colleagues, from someone the buyer does business with, or from someone within the buyer's organization.
- Buyers look to a variety of sources to learn about trends and advances in technologies for printing signs and graphic displays.

#### **Respondent Profiles**

Nearly 90% of respondents to the buyer survey are senior marketing personnel or members of top management (Figure 1). Most of the respondents are veteran buyers of signs and display graphics. Eighty percent report having purchased or influenced the purchasing of these products for six years or more.

Commercial printers were the largest segment of this survey base, with 33% of respondents identifying themselves as such. Represented to lesser extents were wide-format print specialists (21%) and sign shops (16%). The scattering of smaller categories — all the way down to textile and soft signage printers at 2% — gives an indication of the variety of sources from which signs and display graphics now can be purchased.

## Figure 1: Respondent Profiles

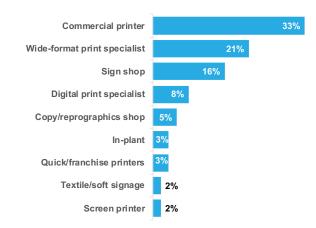


Q. Which of the following describes your role in your organization?

n=71 Purchasers or purchase influencers of sign and display graphics

Source: Who Buys Wide-format? NAPCO Research 2022

#### Providers



Q. Which category best describes your company's PRIMARY business?

n=115 Sign and display graphic providers Source: Who Buys Wide-format? NAPCO Research 2022



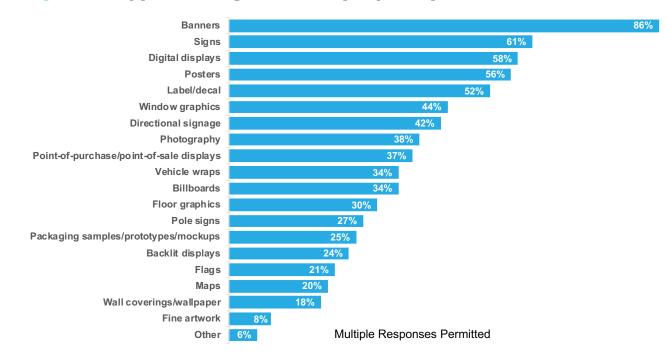




#### **Applications Purchased**

Buyer respondents reported purchasing a variety of applications, but the most common were banners (86%), signs (61%), digital displays (58%), posters (56%), and labels and decals (52%). (Figure 2). These top applications are those most commonly used by organizations to promote products and services, call attention to events, or to educate and instruct customers.

Figure 2: Types of Sign and Display Graphics Purchased



Q. What types of sign and display graphics does your company purchase? n=71 Purchasers or purchase influencers of sign and display graphics Source: Who Buys Wide-format? NAPCO Research 2022



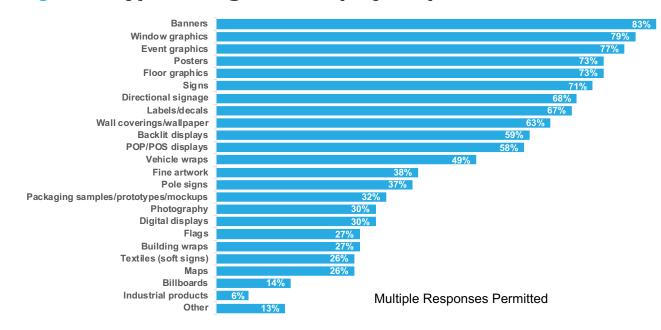




#### **Applications Produced**

Provider respondents offered a variety of wide-format printed applications, with over half providing banners, window graphics, event graphics, posters, floor graphics, signs, labels/decals, directional signage, labels/decals, wall coverings, backlit displays, and POP displays (Figure 3).

Figure 3: Types of Sign and Display Graphics Produced



Q. What types of wide-format graphics does your company produce or outsource? n=115 Sign and display graphic providers Source: Who Buys Wide-format? NAPCO Research 2022





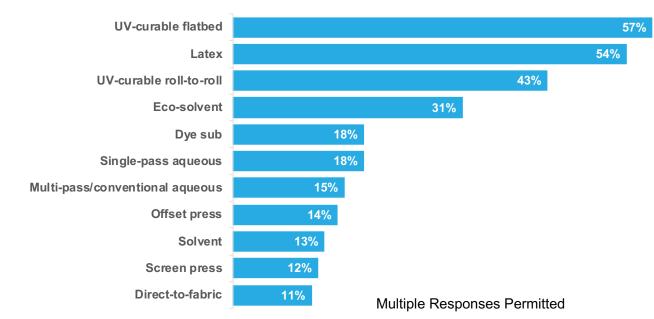


#### **Wide-format Equipment Operated**

Sign and display graphic providers use a full gamut of wide-format printing equipment, defined as devices that can print wider than 36". Nearly all respondents (91%) report printing the majority of their wide-format work on digital devices.

UV-curable flatbed systems were operated by 57% of respondents, followed by latex device (54%), UV-curable roll-to-roll systems (43%), eco-solvent printers (29%), and dye sublimation systems (19%) in order of those most utilized (Figure 4).

Figure 4: Wide-format Printing Equipment Operated



Q. Which of the following types of wide-format printing equipment do you operate?



By wide-format printing, we mean printing on presses or devices greater than 36" wide. n=112 Sign and display graphic providers

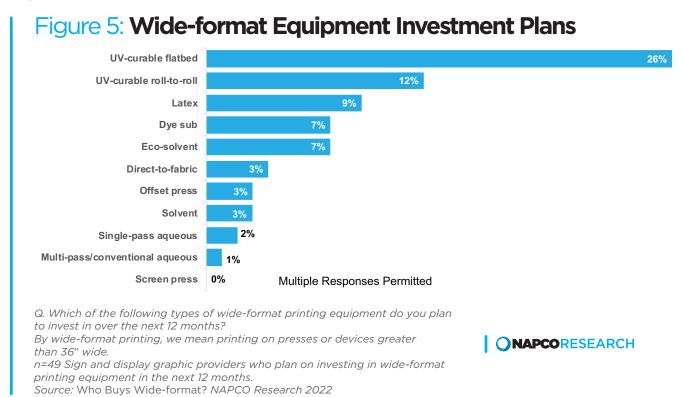
Source: Who Buys Wide-format? NAPCO Research 2022





#### **Provider Wide-format Investment Plans**

Providers of sign and display graphics were asked what wide-format equipment they planned to purchase in the next 12 months. The top wide-format devices that respondents plan to invest in (Figure 5) are UV-curable flatbed (26%), UV-curable roll-to-roll (12%), and latex (9%).



#### RESPONDENTS EXPECT POSITIVE BUSINESS OUTLOOK

Sign, display, and specialty graphics are powerful communication tools, compelling marketing vehicles, and effective décor enhancers for marketers. These applications, typically printed on digital wide-format printing devices, often dominate the visual landscape. Banners, posters, billboards, soft signs, window graphics, wall coverings, floor graphics, and others all help organizations communicate with people. With today's technologies, nearly every surface can carry a message or image that was printed on a digital wide-format device.



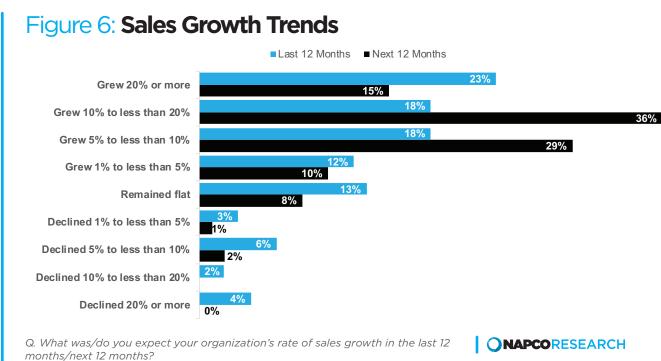


#### **Providers Report Sales Growth**

n=115 Sign and display graphic providers

Source: Who Buys Wide-format? NAPCO Research 2022

According to sign and display graphic provider respondents, business in the 12 months preceding the survey was generally good: 71% reported sales growth with 41% reporting double-digital sales growth (Figure 6). Nearly all of the respondents (89%) expected sales to grow over the next 12 months, including 15% who expected increases could be 20% or more. Assuming the further waning of COVID-19, and absent any additional shocks to the general economy, providers' near-term outlook for the signs and display graphics segment looks encouraging.



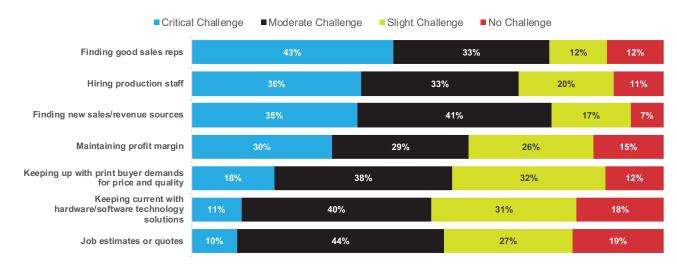




#### Staffing is a Key Business Challenge

The survey asked sign and display graphic providers to rate the level of challenge of various factors that influence the success of their operations. Overall, three-quarters (75%) of respondents cited the difficulty of finding and hiring employees as a major issue. More specifically, respondents cited difficulty in finding and hiring sales and production employees as major issues (Figure 7). Other critical or moderate challenges noted by respondents were the familiar priorities of finding new sources of sales and revenue, maintaining profit margins, and keeping up with customers' demands for price and quality.

# Figure 7: Providers' Key Challenges



Q. Rate the level of challenge each of the following factors presents to your business.

n=115 Sign and display graphic providers Source: Who Buys Wide-format? NAPCO Research 2022



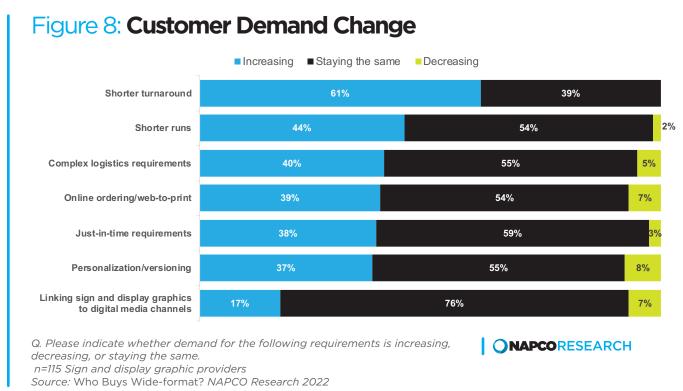




#### **Customer Demand for Speed and Agility Increasing**

Providers were asked if customer demand for various services was increasing, decreasing, or holding steady. Although survey respondents said demand was increasing in all of the categories they were asked to consider (Figure 8), only one category saw a higher share of respondents expecting a demand increase than expecting demand to stay the same. This was the demand for shorter turnaround, a pressure felt continuously by printing businesses of all kinds.

Over half of sign and display graphic buyers (52%) report turnaround is a very important consideration in provider selection. As far as buyers are concerned, producing sign and display graphics is a quick-turnaround business



In addition to turnaround, providers report high demand for shorter runs (cited by 44%) and the ability to order online (39%) meriting special attention from providers.

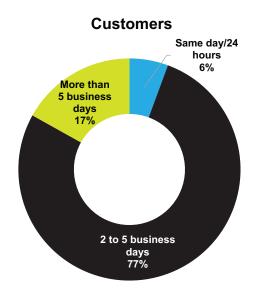




#### **Turnaround Times: Speed Rules!**

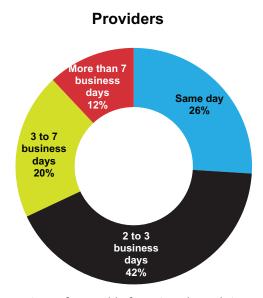
When it comes to turnaround time, a look at responses from both sign and display graphic customers and providers indicates demand for faster speed. More than 80% of customers reported their most common turnaround time demanded was less than five business days (Figure 9), while more than two-thirds of providers (68%) said their work needed to be produced in time frames ranging from 24 hours to three days.

Figure 9: Turnaround Time



Q. What is the most common turnaround time you demand for your sign and display graphics? n=71 Purchasers or purchase influencers of sign and display graphics

Source: Who Buys Wide-format? NAPCO Research 2022



Q. What percentage of your wide-format work needs to be produced in the following time frames? n=115 Sign and display graphic providers







#### **Online Ordering: Room for Growth**

Even though 39% of providers report that customer demand for online ordering is increasing (Figure 8), only 42% report selling sign-and-display graphics through online storefronts (Figure 10). Of those who sell online, 78% derive from less than 5% to 30% of their sales this way. This apparent lack of selling wide-format products through storefronts creates opportunities for competitors who specialize in selling signs and display graphics entirely online. The 58% of providers with no online capability are especially vulnerable to these alternative sources.

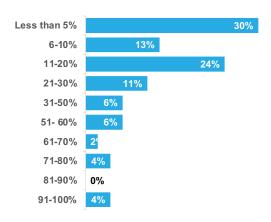
# Figure 10: Selling Sign and Display Graphics via Online Storefronts



Q. Does your company sell wide-format printing services via an "online" storefront/portal? n=115 Sign and display graphic providers

Source: Who Buys Wide-format? NAPCO Research 2022

#### % of Sales from Online Ordering



Q. What percentage of your company sales come via your online storefront? n=47 Respondents who sell sign and display graphics

through an online storefront

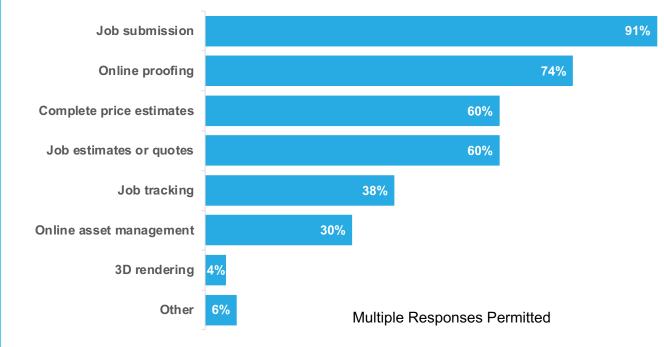
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Nearly all respondents with online portals (Figure 11) use them for job submission (91%). The most widely used applications after that are online proofing (74%), delivering complete price estimates (60%), and job quoting (60%). Less frequently implemented as portal functions are job tracking (38%) and online asset management (30%).

Figure 11: Storefront Functionality



Q. What types of functionality does your storefront/portal provide? n=47 Respondents who sell sign and display graphics through an online storefront Source: Who Buys Wide-format? NAPCO Research 2022



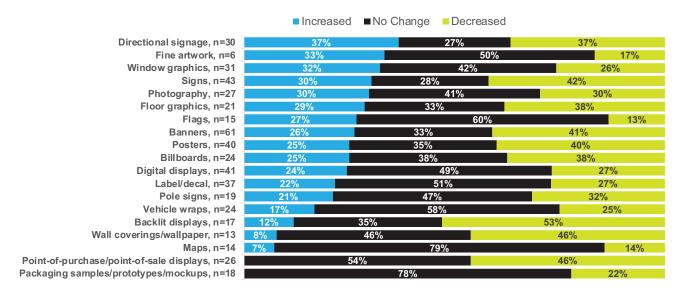




#### **Respondents Report Mixed Results from the Pandemic**

Sign and display graphic purchasers and influencers report the COVID-19 pandemic decreased spending across many applications. Some of the highest decreases were reported (Figure 12) for backlit displays (53%), point-of-purchase displays (46%), signs (42%), banners (41%), and posters (40%) — applications that are typically used for events and venues where people gather.

### Figure 12: The Pandemic Reduced Application Spending



Q. Of the sign and display graphics you purchase, how did the COVID-19 pandemic influence spending?



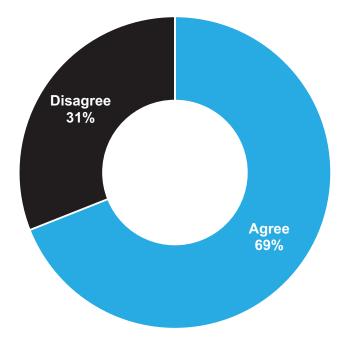
Base = 71 Purchasers or purchase influencers of sign and display graphics. Source: Who Buys Wide-format? NAPCO Research 2022





Despite buyer respondents reporting spending declines, a majority of providers (69%) agreed that the pandemic strengthened their customer relationships by prompting them to pivot to making new products needed during the crisis. For example, many shops with wide-format printing and cutting systems turned to production of face shields and other personal protective gear.

Figure 13: Providers Say Covid-19 Strengthened Customer Relationships



Q. What is your level of agreement with the following statement: The COVID-19 pandemic strengthened our customer relationships because we pivoted to new products that addressed emerging client needs. n=113 Sign and display graphic providers
Source: Who Buys Wide-format? NAPCO Research 2022



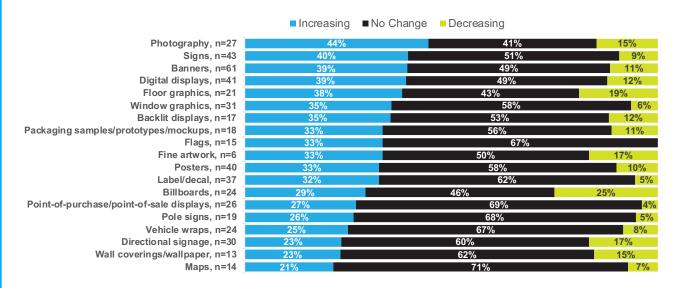




#### **Sign and Display Graphic Spending Returns**

Sign and display graphic buyers report notable rebounds from the pandemic across nearly all applications. Both buyers and providers of sign and display graphics report current spending on applications is mostly growing or holding steady, and decreases are limited in scope (Figure 14).

Figure 14: Wide-format Application Spending



Q. What is the current spending trend for the sign and display graphics you purchase?

n=71 Purchasers or purchase influencers of sign and display graphics. Source: Who Buys Wide-format? NAPCO Research 2022

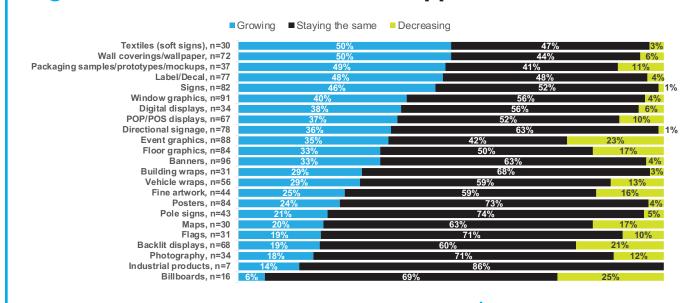






A large majority of sign and display graphics providers also report that demand is growing or staying the same for all applications (Figure 15).

Figure 15: Demand for Wide-format Applications



Q. How is demand for the following wide-format applications changing, if at all? Base = 115 Sign and display graphic providers
Source: Who Buys Wide-format? NAPCO Research 2022

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This is good evidence of solid, stable demand for the kinds of applications that wide-format printing systems produce. Respondents report that growth is occurring in all applications, but not evenly — something for providers of signs and display graphics to take into account when planning the mix of products they intend to offer.

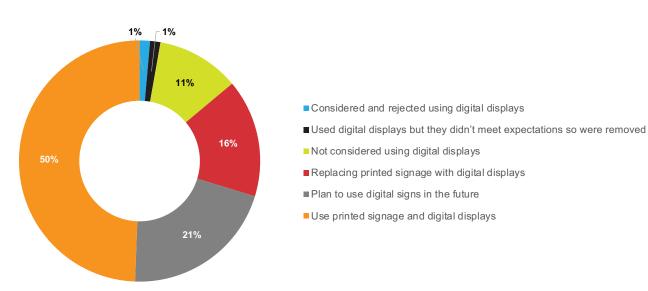




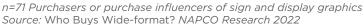
#### **Using Print and Digital Signage**

Respondents who purchase and influence sign and display graphics report their organizations are using a mix of print and digital signage. While 16% indicated replacing printed signs with digital versions, 13% have no plans to use digital signs, and 50% plan to continue to use both print and digital (Figure 16).





Q. Which of the following statements best aligns with your company's use of digital signs/displays?







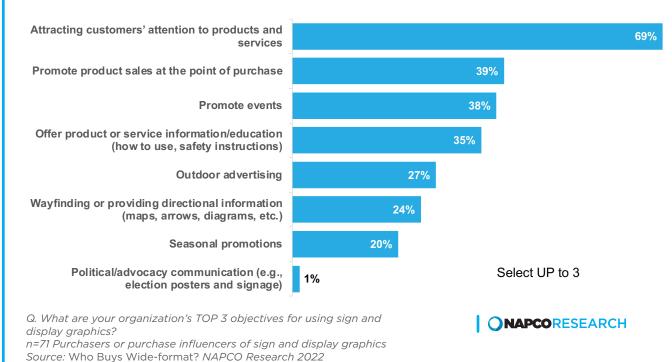


#### **PURCHASING TRENDS**

#### **Uses of Sign and Display Graphics**

Buyers of signs and display graphics use them primarily as a marketing tool. This is seen in what the respondents said were their top three objectives for using these products (Figure 17): attracting customers' attention to products and services, cited by 69%; promoting product sales at point of purchase (39%); and promoting events (38%). The principle utilitarian reasons were offering product or service information (35%) and providing wayfinding or directions (24%).

## Figure 17: Signage Used to Get Attention







#### **Buy from a Wide Variety of Providers**

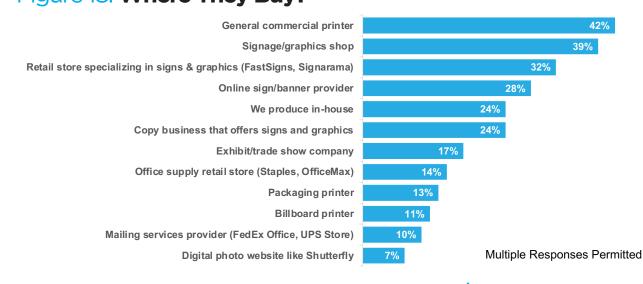
Sign and display graphic providers use a variety of provider types to produce their work (Figure 18). While 42% use general commercial printers, 71% also use businesses dedicated to producing these items, including sign shops and retail stores specializing in signs and graphics.

The high use of commercial printers illustrates the progress that commercial shops have made toward expanding the range of their services beyond conventional print (a trend often referred to as "convergence"). Many have done so by installing wide-format equipment to produce the kinds of sign and graphic display products addressed in this report.

But both commercial printers and dedicated signage/display businesses face significant competition from online providers (cited by 28% of buyers as sources) and from organizations that produce their own signs and displays in-house (24%). The rise of e-commerce and the proliferation of affordable wide-format devices in recent years make this kind of competitive pressure inevitable for mainstream graphics businesses.

But, in general, the diversity of sources from which signs and display graphics can be obtained gives buyers plenty of options to choose from.





Q. Where does your organization purchase its sign and display graphics? n=71 Purchasers or purchase influencers of sign and display graphics Source: Who Buys Wide-format? NAPCO Research 2022







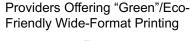
#### **Preferred Buyer Lists Not Widely Used**

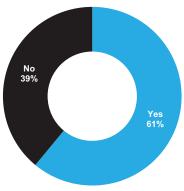
Buyers and influencers report having wide latitude in selecting their sign and display graphic providers as only 24% said their organizations require them to purchase from approved vendor lists. In these cases, providers typically must apply to be added to a prospect's vendor list and be vetted and approved by its purchasing department.

#### **Importance of Eco-Friendly Print**

The 61% of provider respondents who say they offer "green" or eco-friendly wide-format printing are well attuned to the environmental preferences of buyers, 87% of whom call eco-friendly production important in their choice of a provider (Figure 19).

# Figure 19: Importance of "Green" Printing

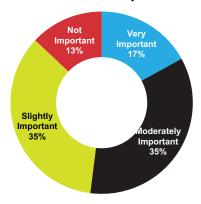




Q. Do you offer "green"/eco-friendly wide-format printing, such as printing recyclable/biodegradable substrates or using more environmentally friendly inks? n=114 Sign and display graphic providers

Source: Who Buys Wide-format? NAPCO Research 2022

#### Importance of Eco-Friendly Processes to Buyers



Q. Rate the importance of green/environmentally sustainable production processes when selecting a sign and display graphics provider?
n=71 Purchasers or purchase influencers of sign and display graphics



Although nearly half (48%) of provider respondents with green printing services reported producing less than 10% of their work in this way, the rest indicated significant shifts of volume toward ecofriendly output.





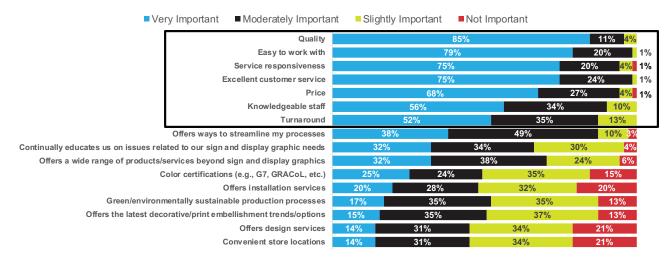
#### **BUYERS SELECTING PROVIDERS**

#### **Customer Experience Key to Provider Selections**

Since the primary purpose of sign and display graphics is to deliver attention-grabbing visual experiences, it is no surprise to see quality rated very important by 85% of respondents to the survey question about factors critical in influencing the choice of a signage and display graphics provider. Their perceptions of the customer experience — ease of working with the provider, responsiveness, and service — also weigh heavily in their decisions about where to send their business. (Figure 20)

Price is rated very important by 68% of respondents, but more cited quality (85%), ease of working with the provider (79%), responsiveness (75%), and customer service (75%) as very important criteria for selection. Coming in behind price were staff knowledge (56%), turnaround (52%), and streamlining processes (38%). To one extent or another, buyers take all of these considerations seriously when evaluating providers of sign and display graphics.

### Figure 20: Criteria for Selecting Providers



Q11. Rate the importance of the following considerations when selecting a sign and display graphics provider?

n=71 Purchasers or purchase influencers of sign and display graphics Source: Who Buys Wide-format? NAPCO Research 2022



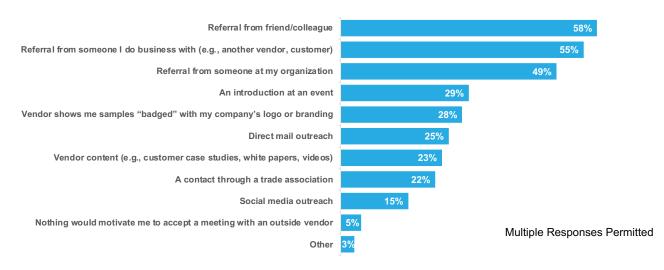




#### **Getting Sales Calls: Referrals Matter**

Getting a prospect to agree to a meeting is a key step in the sales process. The survey asked buyers what would motivate them to accept a meeting with a sign and display graphics provider they had not previously done business with (Figure 21). Respondents indicated that referrals from a variety of sources were key motivators. These sources include colleagues (indicated by 58%); from someone the buyer does business with (55%); or from someone within the buyer's organization (49%). Other important motivators, albeit not as influential as referrals, include an introduction at an event, badged samples, direct mail outreach, and vendor-created content.

### Figure 21: Sales Meeting Motivators



Q. What would motivate you to accept a meeting with a sign and display graphics provider you had not previously done business with?
n=65 Purchasers or purchase influencers of sign and display graphics
Source: Who Buys Wide-format? NAPCO Research 2022







#### **How Buyers Find Providers**

Similarly, when buyers find providers of signs and display graphics (Figure 22), it is most often either because the buyer's organization already had a long relationship with the provider (cited by 51% of respondents) or the relationship came about through a referral (46%).



Clearly, and especially in light of the fact that most buyer respondents aren't bound to lists of approved providers, providers will have to do everything they can to forge personal connections throughout the marketplaces they serve. High-performance selling will be as crucial to success as high-quality production.

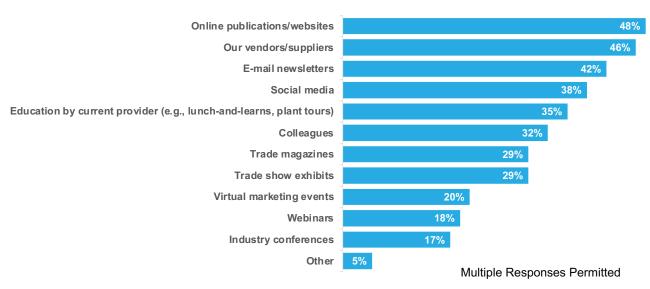




#### **Guiding Buyer Knowledge**

Buyer respondents report using various sources to learn about trends and advances in technologies for printing signs and graphic displays. The most widely used approach, cited by 48% of respondents, is searching for information in online publications and websites (Figure 23). Getting the news from vendors and reading it in e-mail newsletters are mentioned almost as much (46% and 42%, respectively). But the fact that there is no overwhelmingly popular method of research suggests that providers should use all of the communication tools at their disposal to educate buyers.





Q. How do you learn about new trends and advances in sign and display graphics printing technologies?

n=65 Purchasers or purchase influencers of sign and display graphics Source: Who Buys Wide-format? NAPCO Research 2022



#### **Ways to Better Serve Customers**

Providers also should recognize that customers will be eager for their consultation and advice as they plan their spending on wide-format signs and display graphics. When asked to state how their providers could serve them better, buyer respondents offered the following:

- "Offer more education opportunities to learn more about new product offerings."
- "Offer more ideas and/or update us on technology trends within the industry."
- "Suggest new industry-appropriate products that would complement previous orders."
- "I would like to be e-mailed sales and offers that include items that I frequently purchase, with some new items thrown in."

These are golden invitations to gain share of customer and share of market in wide-format signs and display graphics. Providers should take notice — and act accordingly.





#### **CONCLUSION**

One of the most striking characteristics of the market for sign and display graphics is the variety of sources from which these products can be obtained. That enables buyers who are not limited to preferred provider lists — as most are not — to shop around for the combinations of quality, service, and price that they desire. The openness of the market is also an advantage for producers of wideformat products — but only if they can harmonize their manufacturing and selling routines with the buyers' intentions and preferences.

The largely stable patterns of business activity detailed by the survey indicate that, in general, providers are moving in the right direction. The applications that providers produce most regularly are also the ones for which they predict the most solid growth — evidence that they have pinpointed what their customers want and are prepared to keep delivering it.







# WHO WE ARE

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- Sales strategy and tactics
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- Benchmarking
- Industry trends
- Brand awareness

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# WHO WE ARE

# Canon

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Canon Solutions America, Inc. helps companies of all sizes discover ways to improve sustainability, increase efficiency, and control costs in conjunction with high-volume, continuous feed, digital and traditional printing, and document management solutions. A wholly owned subsidiary of Canon U.S.A., Inc., Canon Solutions America, Inc. is headquartered in Melville, NY and has sales and service locations across the U.S. For more information on Canon Solutions America, please visit csa.canon.com.