



Trends & Opportunities:

Wide-Format Printing in the In-plant Market

New research shows why the in-plant market may be a gold mine for wide-format printer sales.



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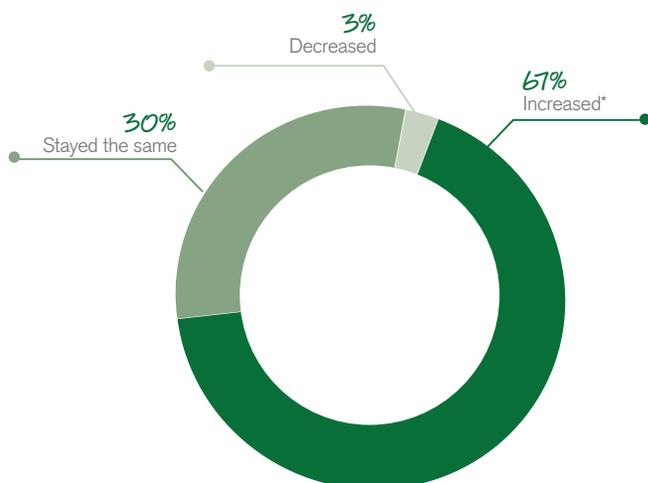
Intense competition and increasing demands from parent organizations are compelling in-plant printers to expand their service offerings. No longer simply quick copy providers, today's in-plants offer scores of value-added services—from scanning and archiving, to garment printing and shredding. Wide-format printing is one of the most successful of these new services.

According to recently published research conducted by InfoTrends and NAPCO, the parent company of *In-plant Graphics*, an impressive 76.8% of in-plants now offer wide-format printing services. (This is up from 50% in 2008 according to *IPG* data.) The majority of these in-plants (95.9%) utilize their own printers, with digital inkjet devices being the technology of choice for 91% of them.

Other findings from the InfoTrends/NAPCO In-plant Wide-format Study:

- 67% say wide-format work has increased over the past 12 months (with volumes up an average of 11%)
- 64% expect their wide-format business to continue to increase
- 23% plan to purchase or lease a new wide-format printer in the next 12 months

VOLUME GROWTH



*By an average of 11%

What In-plants Are Saying About Wide-format Printing

"Color wide-format has been the fastest-growing area in our department the last two years," says Steve Weigel, director of Iowa State University Printing & Copy Services. The in-plant recently installed a 64" Epson Stylus Pro GS6000 roll-to-roll, solvent-based printer and a 64" Epson SureColor S70670 production edition printer to keep up with the demand for posters, banners and other signage at the Ames, Iowa, operation."

—**University In-plant: Iowa State University Printing & Copy Services**

"We're always looking to try to find another service to add, and the more ways we can do that, the more valuable we become to the company," notes Bob Wamsher, manager of The Hershey Company's Printing Services operation, which boasts six wide-format devices, including a new EFI Rastek 10000 flatbed printer and a 60" HP L26500 latex printer.

The in-plant specializes in vehicle wraps, wall wraps, window clings and other signage. Its new latex printer has allowed it to print on fabric, while the EFI flatbed printer can print directly onto boards, glass and metal, opening up new opportunities. The in-plant plans to add a laser cutter next year to produce other types of products. Overall, the in-plant is enjoying a booming wide-format printing business."

—**Corporate In-plant: The Hershey Company Printing Services**

"Wall graphics are going to be huge," remarks Naomi Quiram, director of Print and Mail Services at the St. Peter, Minn.-based college. Her in-plant recently installed a second wide-format printer—a 64" Mutoh Value-Jet 1624 eco-solvent printer—so it could expand into producing outdoor signage. "We were looking to bring all those jobs back to campus," says Quiram. Plus, the new printer will let the in-plant produce wall graphics for sports programs, table runners, window clings, floor graphics and even personalized bumper stickers.

—**University In-plant: Gustavus Adolphus College**

In-plants in the retail market like Fred Meyer Stores Corporate Print Services, in Portland, Ore., use a small arsenal of wide-format printers to pump out a vast array of signage for use in stores. Fred Meyer's in-plant recently added three 61" HP Designjet L26500 latex printers so it can print on a broader range of materials, such as adhesive-backed vinyl, fabrics, paper, perforated window film and polypropylene plastics. "We saved the company almost 40 percent compared to the outside vendor they were going to use," remarks Manager John Payne."

—**Corporate In-plant: Fred Meyer Stores Corporate Print Services**

"I can definitely say that our investment [in a wide-format printer] paid for itself quickly and continues to be a money-maker for us," reports Sherry McClain, director of Print Media at Murray State University, in Murray, Ky. Her in-plant uses a 48" Canon imagePROGRAF iPF9000s along with a Xyron Pro 4400 laminator to produce such creative, innovative applications as fatheads (oversized printed likenesses of athletes or public figures) for sports events, as well as more traditional posters and banners."

—**University In-plant: Murray State University Print Media Department**

In-plants: Responsive and Adaptable

In-plants were early adopters of digital printing. An InfoTrends analysis of the market entitled “The Strategic Value of an In-House Printing Operation” notes, “Many graphic arts in-plants have been at the leading edge of the digital print revolution. They thrive in large part because they have been innovative, adaptable, and central to the ongoing mission of the institution in which they operate. . . . Responsiveness to customer needs is the bedrock upon which successful in-house printing operations are built. They have a strong understanding of their customers’ needs and, because they are part of the organization, are able to respond effectively to their clients’ demands for quick turnaround services.” The report adds, “this is very difficult to replicate with outside resources.”



Wide-format: In-plants Responding to the Need

A growing demand for posters, signage, wall wraps and other large graphics has made wide-format printing one of the fastest-growing services and revenue streams at in-plants. In-plant managers know they are competing with commercial printers, so they are bending over backwards to provide the best possible service, and do it faster than the competition. Since their internal customers are demanding wide-format products, they are gearing up to satisfy this demand.



Once they have added a wide-format printer, in-plant managers report that the business quickly grows as departments find new applications. The ever-expanding variety of new substrates is opening up even more opportunities to create new wide-format products, contributing to the explosion of wide-format printing among in-plants. According to the InfoTrends/NAPCO research, in-plants are producing mean volumes of 9,825 square feet/month.

Understanding the In-plant Market

An in-plant is an in-house reproduction department that serves the needs of its parent organization, be it a corporation, a government agency, a university or other entity. In-plants provide a variety of printing and related services. While the primary function is to serve the parent organization, 53% of in-plants also “insource” print jobs from outside to fund equipment purchases (*IPG* data).

U.S. In-plant Market by the Numbers:

- Number of in-plants in U.S.: 47,500 (InfoTrends data, 2011)
- Average Budget: \$2.3 Million (*IPG* data)
- Total Market Value: \$100 billion (roughly 40% of all commercial-grade printing)
- Average employees: 15 (*IPG* data)

Health of the In-plant Market:

Organizations are very aware of the tremendous savings they are receiving by producing their print work in-house. These marketing directors and document creators know once they go to an outside print provider (commercial printer, quick printer, etc.) they are paying an average markup of 35%. With this in mind, organizations are making a concerted effort to produce as much print work as possible in their in-plant printing operations. In fact, many organizations employ “right of first refusal,” where all print jobs must go to the in-plant first, giving the in-plant the opportunity to print, procure or pass on the job.

The pendulum has clearly swung in favor of the savings in-plants offer. Prior to the new millennium some organizations attempted to go without their in-plants but soon discovered any promised savings or service by outside providers was unrealized. In fact, on top of enjoying a stable market, new in-plant operations continue to open across the U.S. (despite record losses of locations and employees by most other print markets).

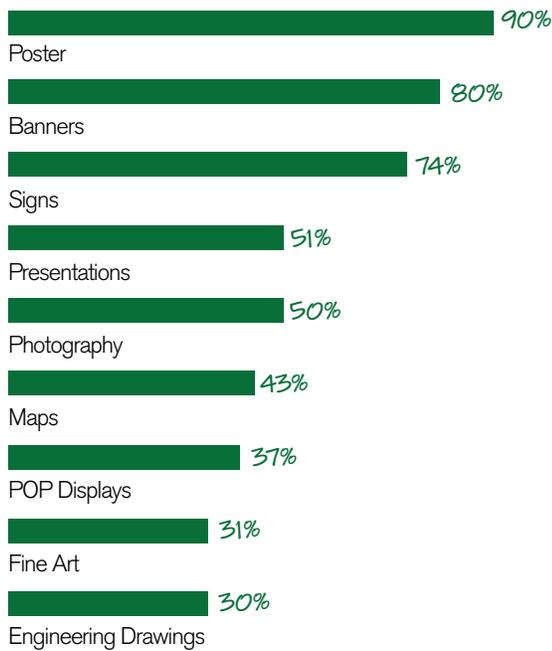




A Pivotal Investment for In-plants

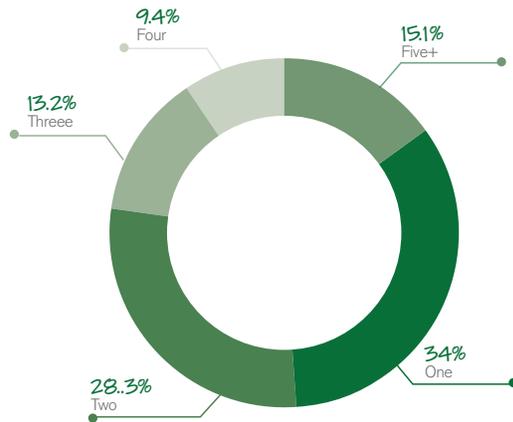
Wide-format digital printing is a growth market within the in-plant segment of the printing industry. Recently, InfoTrends and North American Publishing Co. (IPG's parent) surveyed 167 print service providers—95 of which were in-plants—on their expectations of growth for the wide-format printing market. Here are a few facts and figures we think you will be interested in.

TOP APPLICATIONS



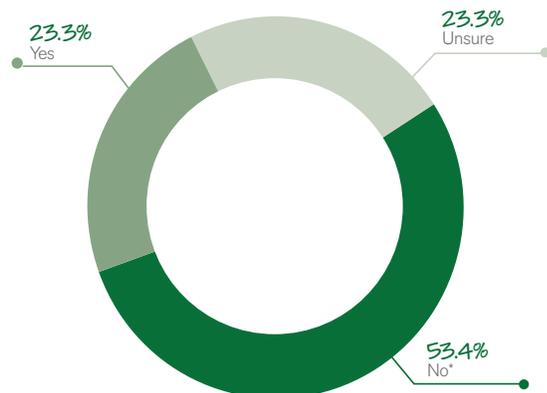
NUMBER OF WIDE-FORMAT PRINTERS

Most in-plants have more than one wide-format printer.



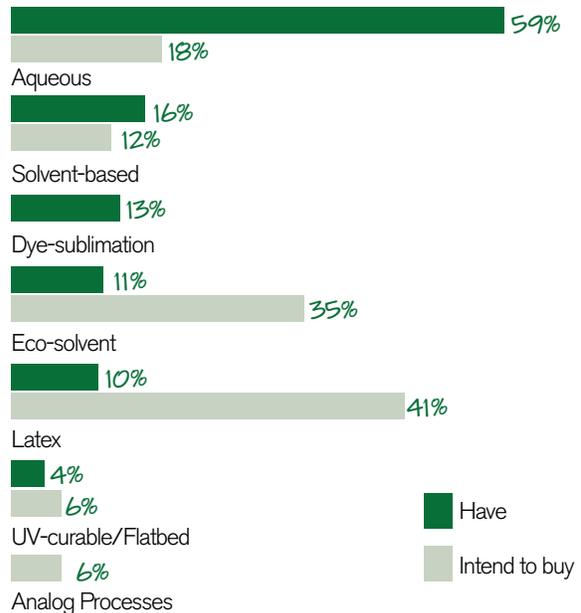
PURCHASE PLANS

Do you plan to purchase/lease a new digital wide-format printer in the next 12 months?



TYPES OF INKJET PRINTERS

These are the types of printers in-plants already have and intend to get.





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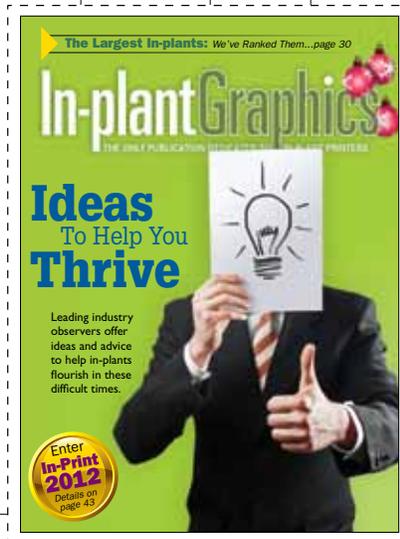
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