

Topic:
Printers &
Suppliers

Reseller Views on the Large Format Printer/Plotter Consumables Market

The relationship between CAD/CAM seat numbers and the number of employees per site.

iCAD is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunications sectors.

iCAD will be taking a regular look at supplier perceptions of the health of various markets linked to the use of computer aided technologies. This month we take a brief look at consumables for large format printers and plotters.

In early August 2001 we asked 15 UK-based resellers of large format machine consumables to assess the prospects for this market, and to identify any particular issues or opportunities for the future.

The Context

Our January issue of *iCAD* revealed that overall 63% of UK CAD/CAM using sites use large format printers/plotters, rising to 84% in the case of AEC sites ([Our Research Tells You... Usage of Large Format Devices](#)).

The Future's Bright

The vast majority of the resellers we spoke to are confident that sales of large format consumables will increase over the next year. Several commented on the growing number of customers who have realised the benefits of having large format machinery in-house rather than out-sourcing work. *"The market is set to explode,"* said one: *"New machines, new materials and new media all to be tapped."* Another reseller commented: *"More people are investing in CAD; it's becoming the norm to need large format consumables."*

"The market is set to explode..."

The Big Issues

There was no consensus on what are the biggest issues impacting on this market. Four resellers said that price was the overriding factor in the market. One mentioned the need for the industry to become more environmentally friendly.

The Big Opportunities

Apart from simply making the most of the high demand for consumables, few resellers identified any particular new market opportunities that could arise. The areas that were identified by individual resellers were:

- solvent technology, and methods of putting ink onto more durable products such as brick;
- providing larger ink capacity - enabling customers to purchase ink less frequently and reduce storage problems;
- the graphics market rather than the CAD market and the potential of the HP5000 to transform the market;
- the potential demand for reliable refills.

The Refill Scene

With three exceptions, there was little enthusiasm for a market for refill cartridges. The quality of these products was viewed as being too poor and unreliable, and some resellers felt there was no market at all because of the risks involved for users. There were polarised views however. One reseller told us, *"Most reputable resellers/distributors would never consider selling refills."* Another however said, *"People only say they wouldn't consider doing it because the right method has not yet been found. If there were a high quality product that proved to be reliable, at a lower cost, suppliers would offer this service. There is a huge market out there for the right products."*

"People only say they wouldn't consider selling refills because the right method has not yet been found."

The majority view of a low demand for refills in the large format market contrasts with that in the mainstream office printer market. Here 're-manufacturers' of refill cartridges are positive about demand, with some estimating the market will double in the next 2-3 years. Here too however, some resellers also have concerns over the quality of these products and the impact of the falling price differential between original and refill cartridges.

Digital Rules

The switch in demand from analogue to digital machines means that sales of consumables to analogue users are dwindling, but may continue for a while yet. *"Smaller firms are the only ones still using analogue machines,"* said one reseller. *"These are sometimes reconditioned, so there will probably always be a small market for consumables from such users."*

Conclusion

Clearly there is a strong feel-good factor among suppliers of consumables for large format printers and plotters, and their comments suggest that demand for these machines is also strong. It would be interesting to examine more closely where the intentions to invest in such machinery exists, and for relevant CAD/CAM using sites, to gauge where this option fits into their purchasing priorities. iCAD will examine further issues in the large format devices markets in future editions.

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