Topic:
Printers & Suppliers

LT printer and imaging market in Europe

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The origins of the large format (LF) printing and imaging market were founded on the requirements of the Architectural, Engineering and Construction (AEC) industry, resulting eventually in the development of powerful black and white printing and imaging devices. The output devices were initially based on pen plotters, which later developed into needle printers and eventually into laser printers.

LF laser printers are still heavily used in the AEC sector, but with the development of inkjet printers, and with it the possibility to produce LF colour prints, a new sector has been opened up – the graphics market. Looking at the installed base of LF printing and imaging devices worldwide, the technical printing market outnumbers the graphical market by an order of magnitude. The graphics market, however, has a huge growth potential as sales figures show. Currently, almost half of the LF printers (larger than A2 format) sold in Western Europe are sold to the graphics market.

Business Advantage has carried out a study in Europe looking at the large format printing and imaging market to understand what is the current market situation, what are the trends in the industry, and who are the big players in this area. Interviews were carried out with analysts, manufacturers, resellers and end-users, leading to a comprehensive overview of the market. Some of the high level findings of the study are being presented in this article.

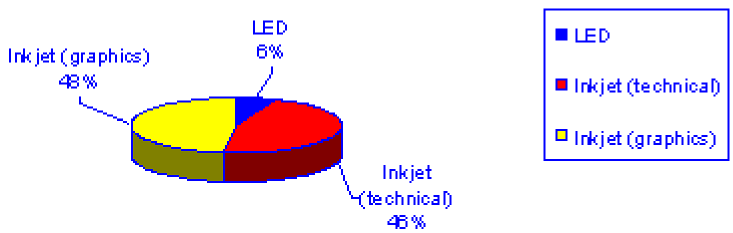
Market Overview

Generally, the LF printing and imaging market is split into two main segments, the technical market (often also referred to as CAD market) and the graphics market. As mentioned above, the technical market includes pre-dominantly the AEC industry, while the graphics market covers all areas producing high quality graphics outputs, including advertisement, photo printing, design industry, etc.

The technical market has historically been dominated by laser printing technology. The reason for this can be found in the high potential printing throughput for this type of printers. Over the last few years, however, inkjet technology has made amazing progress in terms of speed, quality and cost. Inkjet printers are much cheaper to purchase making them especially attractive to small and medium sized companies with lower volume and speed requirements. The predominant formats for the technical markets are A1 and bigger, with laser printers being especially strong in the A0 and larger range.

The main requirement for the graphics market is high print quality and the ability to print in colour. This has disqualified laser technology from this market, as printers of this format based on laser technology would be too expensive to produce. Therefore inkjet technology is the dominant technology in this market. One of the main advantages of ink jet technology is its flexibility in the ink type, offering a solution for every type of application: aqueous ink for indoor applications, solvent ink for outdoor applications and, additionally, flatbed printers have recently increased the flexibility of the substrate type on which the print is being produced.

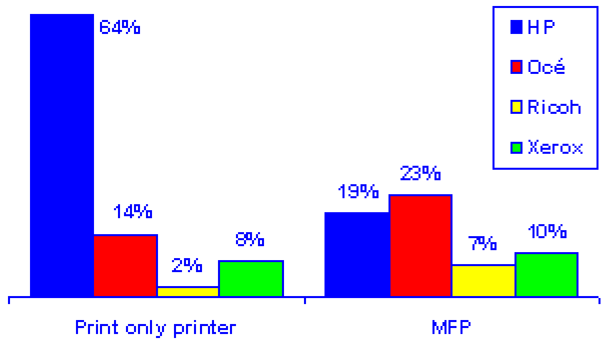
The graphic below shows an estimated market split in Western Europe in 2003 between laser printers, technical inkjet and graphics inkjet, based on units sold for printers of larger than A2 format.



Market status (End-user research)

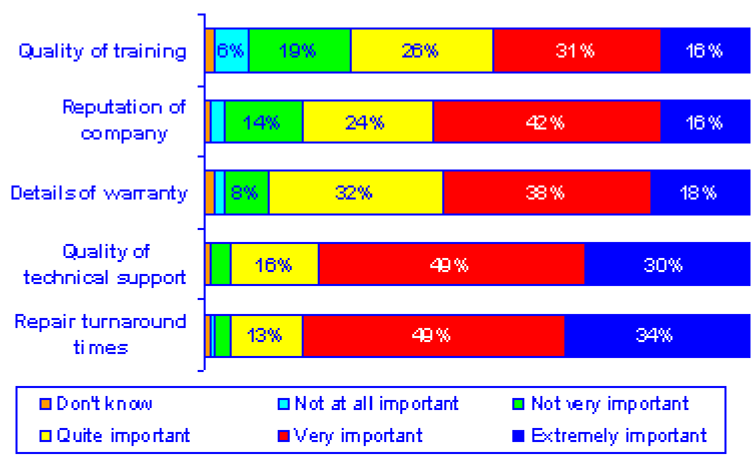
One area Business Advantage was interested in when interviewing 375 end-users in both the technical and the graphics sector was the impact multifunctional LF devices have in the market. It appears that 85% of all respondents own a printer only product, while only 18% use a multifunctional device. Additionally, 15% of the end-users own a digital LF copier, 11% an analogue LF copier, while 14% of the end-users own a LF scanner.

Looking now at some of the main players in the printer market (HP, Océ, Xerox and Ricoh), it becomes visible that HP holds a very strong share in the printer only market with 64% of all respondents owning a HP printer. In the MFP segment, Océ has the larger installed base, with 23% of the respondents owning an Océ MFP printer.



The study also looked at the purchase behaviour of end-users, investigating on one hand the purchase source and on the other some support related purchase criteria. Business Advantage found that 58% of the respondents bought their LF devices from a specialist reseller, 25% directly from the manufacturer, and only 5% from retailers. These results showed some local variations, with Germany, for example, having surprisingly high sales quota via the retailer channel (14%), and comparatively low purchases directly from the manufacturers (18%).

Prompted on a range of purchase criteria, end-users gave their opinion about the importance on some support features provided by the suppliers. The results, which are displayed in the graphic below, show that end-users value strongly fast repair turn around times and high quality technical support from their LF device suppliers.



Market trends

The ultimate task of the study was to gain a better understanding of the LF market: what are the current trends and where do manufacturers, suppliers and analysts see the market going in the near future. One very strong trend has already been discussed above: the growing dominance of inkjet printers in the technical market. This is even more a fact, as colour outputs are of increasing importance in the technical market. In total a third of all end users interviewed believe that the proportion of colour output they produce will increase over the next 12 months by up to 50%. However, only 17% of technical end-users believe that there will be an increase in contrast to 40% of graphics end-users.

Looking at the copier market, digital machines are slowly replacing old analogue ones. Manufacturers are still providing the analogue machines to offer a inexpensive alternative, but within a short time this analogue technology is expected to disappear from the market.

Conclusions

The trends in the printer market will lead to some changes in the manufacturers landscape. Even the classic monochrome printer manufacturers will be looking into developing colour devices if they do not want to lose a large market share to the colour printer manufacturers.

Manufacturers have to pay special attention to the technical support they provide to their customers, as they might lose out to other vendors who have a higher support standard. Multifunctional printers have very little relevance in the LF printer market, which is in strong contrast to trends in the desktop market.

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