Current Developments for the Graphic and Sign Industry
Findings from SGIA’s Q1 Industry Benchmarking Report

SGIA conducted its 2019 Q1 Industry Survey on markets and products in January. The focus of the survey was on the markets and products companies currently serve, their evaluation and plans for expansion.

Company Profile
Out of 427 total respondents, the graphics and sign community was well represented, accounting for 121 respondents. The majority are U.S. companies (80.2%), 13.2% are Canadian and 6.6% are internationally based. More than half of the respondents (56.2%) serve other businesses, and more than a third (34.3%) serve both consumers and businesses. At least every second printer (56.3%) covers more than two geographic areas, with the majority serving local communities (72.1%), followed by regional (59.6%) and national (52.9%).

Most of the companies (71.5%) are small, with 20 or fewer employees. The median company size is 11 and median sales revenue is $1.4 million. More than half (59.8%) have 20 or more years in business, but every sixth company (15.8%) has been in the industry for 10 years or less.

Technology and Operations
The majority of respondents (80.1%) rely mostly on digital, and half of them (41.3%) are entirely digital. More than two-thirds of the companies (69.2%) use at least 50% of their production capacity. Extensive production and post-production exchange among printers, and providing finishing services to clients, are architecture, interior decorators and designers, and health care.
allow them to maximize their production capacity. Four out of five printers (81.3%) provide finishing services, with the most popular being installation, lamination, grommeting, mounting and die cutting/laser cutting. On average, the respondents offer five finishing services.

**Markets and Products**

The most popular markets served by at least half of the respondents are educational institutions, corporate branding, architecture/construction, food services, retail and nonprofits. The top three markets in terms of growth potential are architecture, interior decorators and designers, and health care. Interior decoration/design and health care were also mentioned as the markets that printers would like to add, along with hospitality services and exhibit manufacturers. On average, the companies serve seven markets and provide eight products.

The most popular products are window graphics, banners/soft signage and labels/decals, followed by posters/presentation graphics, fleet graphics, vehicle wraps, back-lit signs, retail graphics and wall/architectural graphics. This last product was also identified as having the highest growth potential. Also promising, according to three-quarters of respondents, are digital displays, despite being somewhat new in the industry and currently offered by only a quarter of the companies.

Graphic and sign services became very popular among other printing segments. About half of the printers (48.0%) from other industries serve graphic and sign products in addition to their primary products. Commercial printers have demonstrated the highest interest with 53.5% of this segment’s respondents wanting to add at least one graphic and sign product, significantly more than the 44.6% who want to add a commercial printing product. The top targets are digital displays (18.6%), vehicle wraps/graphics (14.0%) and dimensional signs (14.0%).

**Business Outlook**

The respondents’ median sales growth was 7.8%. More than half of the printers (59.0%) saw increased sales during the current year, and the expectations for the future are even higher (78.7%). The rising employment need is expected to double in the upcoming year.

Although the current profits increase
Company Size
- Less than 20 employees: 71.5%
- $1 million - $2,999,999: 29.5%
- Less than $1 million: 43.5%

Company Sales
- 20 years +: 59.8%
- Up to 10 years: 15.8%

Digital Technology Use
- Entirely Digital: 41.3%
- Multi-technology, but Mostly Digital: 38.8%
- Other: 19.9%
Graphic and sign producers are either positive or neutral about their industry and the national economy overall.

is slightly lower than sales (47.4%), and 17.9% had profits decrease, the companies are optimistic about their profits, as 66.7% expect them to increase in the future. Graphic and sign producers are either positive or neutral about their industry and the national economy overall.

Access this full report — available to SGIA members — in the Resources/Research section of SGIA.org, and be on the lookout for the upcoming Q2 Industry Survey reports, which delve further into business strategies for improving profits. Q3 — currently in the data analysis stage — will focus on labor market challenges and opportunities.

Olga Dorokhina, Research Coordinator at SGIA, has extensive experience in research, from survey design to data analysis and reports’ presentation. Olga strongly believes that numbers can tell us interesting stories and that we just need to listen to them while making our everyday business decisions. Her goal is to understand where the companies are located on the industry map compared to other players and provide them with the tools to achieve their potential.

Andrew D. Paparozzi joined SGIA as Chief Economist in 2018. He analyzes and reports on economic, technological, social and demographic trends that will define the printing industry’s future. His most important responsibility, however, is being an observer of the industry by listening to the issues and concerns of company owners, executives and managers. Previously, he worked 31 years at the National Association for Printing Leadership. He has also taught mathematics, statistics and economics at various colleges. Andrew holds a Bachelor’s degree in economics from Boston College and a Master’s degree in economics — with concentrations in econometrics and public finance — from Columbia University.