

Executive Summary

SGIA conducted its first quarterly industry benchmarking survey in January 2019. The goal of the survey was to evaluate the current markets and products companies serve and the ones they would like to add; identify industry segments where they work and their revenue contribution; recognize the trends in the industry and share this information with the printing and manufacturing community.

This report is based on the responses of 94 apparel decoration companies, with the vast majority being North American companies (91.5%). At least half of the companies (56.5%) provide services to other businesses and consumers (B2B and B2C). The number of B2B only businesses (25.0%) is slightly higher than the number of B2C's (18.5%). The majority are local (75.0%) or regional (60.9%) companies, although half of them are national companies (50.0%).

The median number of employees is eight and at least three out of four companies (78.0%) are small, with less than 20 employees. The sales revenue is \$3 million or less for 78.2% of the respondents. The median age of the responding companies is 19 years.

More than one-quarter of apparel decorators (28.7%) extend their services to the graphic and sign segment. In terms of technology, the majority use a multi-technological approach (75.6%). More than half provide finishing/post-production services to their customers. There is also a frequent exchange of services among the printers themselves. Providing extra services allows companies to use their facilities more efficiently. The majority (67.6%) use at least 50% of their production, with bagging/tagging (58.3%) and fulfillment (45.8%) mentioned most by the respondents.

On average, apparel decorators serve seven markets and produce five products. Business-to-consumer, athletic,

corporate branding, educational institutions and nonprofits were mentioned by about two out of three respondents. The markets with the highest growth potential are interior decoration, architecture and printing for the trade. Government, healthcare and transit are the most desirable markets due to their high margins and repeat business opportunities. On the product offering side, T-shirts, bags, hats/caps and performance wear are produced by the majority of respondents.

Sales (79.4%) and production/amount of work (74.2%) increased the most during the last year, followed by prices for products sold (56.1%) and pre-tax profitability (53.0%), while employment (28.8%) remained mostly steady. The expectations for the future are high. The respondents are also confident about the industry (76.7%), and their confidence in the economy is either positive (51.7%) or neutral (41.4%).

While the second quarter survey will report on the financial health of the companies, the third quarter (wage and salary) and fourth quarter (strategies and operations) surveys will focus on successful approaches in overcoming and capitalizing on the industry's challenges and opportunities.