2002 Vital Statistics Survey

A New Setting the Tone

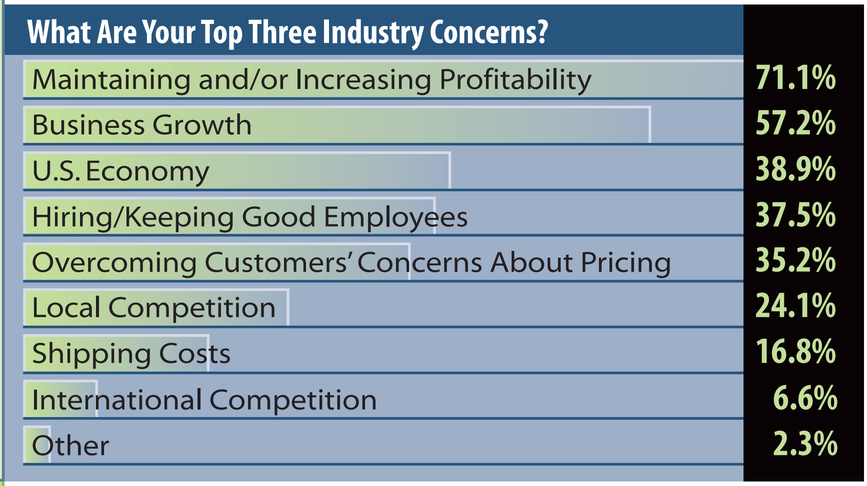
By Shannon Wilder, Senior Editor

Data Compiled by Equation Research

To be honest, it's somewhat surprising to see where the industry stands at the end of 2002. Given all that's gone on this year in terms of corporate failures, recessions, layoffs and general economic malaise, it's safe to say we all felt we'd be presenting a much gloomier picture.

Happily, we were wrong. Perhaps the most telling statistic from this year's survey is one that doesn't leap out at you if you're only seeking the highest numbers. We asked respondents to rate their growth in gross sales volume over the past 18 months. The highest number (20.1%) said their business had grown by 6% to 10%. What stopped us in our tracks is that 17.5% of respondents said their business had grown by 20% or more. In this economy, that's downright astonishing. (For full question results, see page 30).

We also asked respondents to choose their top three overarching concerns for the industry. As good business owners would, 71.1% selected maintaining and/or increasing profitability as the most pressing concern and 57.2% chose ensuring business growth. The U.S. economy (38.9%), hiring and keeping good employees (37.5%) and overcoming customers' concerns about pricing (35.2%) ran a close heat for third place.



A Note from the Editors

IMPRESSIONS' editorial team would like to thank each of the more than 1,000 respondents who participated in this year's online questionnaire. The 2002 Vital Statistics Survey marks the start of what will be an annual effort, and we couldn't have asked for a better turnout to make this a meaningful benchmark year.

In the past, IMPRESSIONS has conducted an annual survey, but we've varied the topics from equipment to pricing to automation. From this year forward, our primary focus will be on asking the same questions (with minor adjustments and variations) each year.

Our goal is to compile a thorough picture of the marketplace every year so we can track changes accurately. As the screen printing industry's leading publication, we want to provide readers with the most useful and up-to-date information possible.

That's not to say that from time to time we won't still conduct short surveys on pricing, equipment, employment practices and other topics. We promise to stay on top of these and other issues that are important to our readers.

We'd also like to thank our partners at Equation Research for their expertise, patience and helpfulness. They turned what was a daunting project into a simple, pleasant experience. There's no question that this effort could not have been half as successful without their involvement.

This survey is easy, quick and—dare we say—even fun to take part in. It's all done online; participants receive an e-mail and click a link that takes them to the survey. In all, it takes about eight minutes to complete.

If you want to add yourself to the list of potential respondents for the 2003 Vital Statistics Survey, let us know via e-mail at shannonwilder@IMPRESSIONSmag.com.

Beginning

A Quick Snapshot

No survey is complete without a fairly detailed picture of the people included. This year's effort turned up some interesting facts about the industry.

First, this is one experienced group. The number of years respondents have spent in the business were fairly equally divided between 11 to 20 years (25.7%) and 6 to 10 years (23.9%). In fact, all the results were in the same neighborhood with 19.1% working 3 to 5 years, 15.1% less than 2 years and an even 16% more than 20 years. (You'll notice not all our answers add up to 100%. Most questions had a no response rate of about 1%.)

It's also apparent that this industry, as with most others, is working lean. Many shops (73.9%) report no more than five employees, in addition to the owner. Further, when it comes to one-stop shopping, it's also interesting to note that at least a couple of those workers are likely to be dedicated artists. Of the 78.9% of respondents who create in-house art, most of them (68.7%) employ between one and two artists to do the work.

Finally, it's good to know just what size shops we're talking about here. The largest responding group took in a little less than $50,000 annually (36%) and a fairly equal number of you brought in $50,000 to $99,999 (16.7%) and $100,000 to $249,999 (17.8%). Congratulations, by the way, to the 2.9% of you who made more than $5 million in 2001. We'll be calling you up to suss out your secrets.

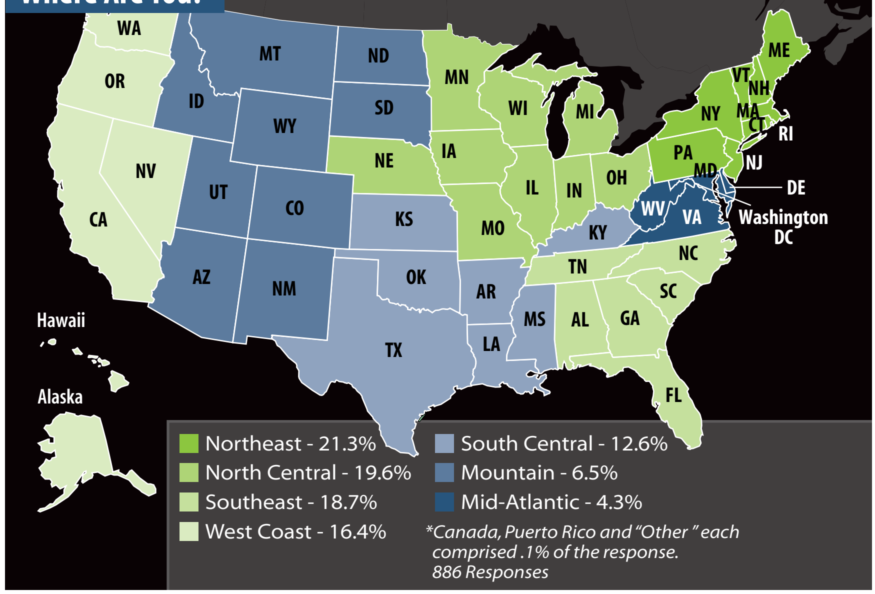
In addition to asking what screen printers are doing, we were also curious about who they were doing it for. We gave respondents a list of possible screen printing customer categories, and asked them to choose the three most commonly served. Local businesses garnered the highest percentage of top three votes, 71%. Clubs/organizations and sports leagues nabbed the second highest amount (64.6%) and events-related came in third (49.4%) although it should be noted this category was practically tied with fourth-highest finisher, elementary and high schools (46.6%).

Full-Time Employees

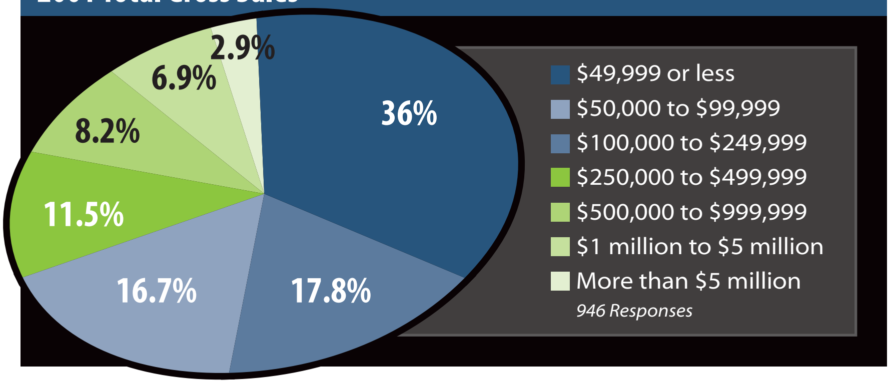
1 to 5	73.9%
6 to 10	10.7%
11 to 24	6.9%
25 to 29	2.7%
50 to 99	1.7%
100 or more	1.7%
Part-timers only	2.4%

1,023 Responses

Where Are You?



2001 Total Gross Sales



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A Broad Look at Business

In addition to the positive report in our tell-all question on page 29, we're happy to report that screen printers are optimistic about where business is going. Although 11.6% predicted they will see no changes in 2003, a full quarter of respondents expect business to go up 6% to 10% and a fifth expect it to rise 1% to 5%. The numbers of respondents predicting negative changes were all below 3%.

We also discovered there's somewhat of a crowded playing field out there, with a whopping 58.9% of respondents reporting that there are 10 or more fellow screen printers within 50 miles of their shop. That's not surprising, when you consider that the initial investment involved in opening a screen print shop is far lower than the start-up cost for most businesses outside of the industry. Although we don't know the year they opened up shop, 47.3% of respondents shelled out less than $25,000 to start their businesses. The next highest percentage, 19.8% spent between $25,000 and $49,999.

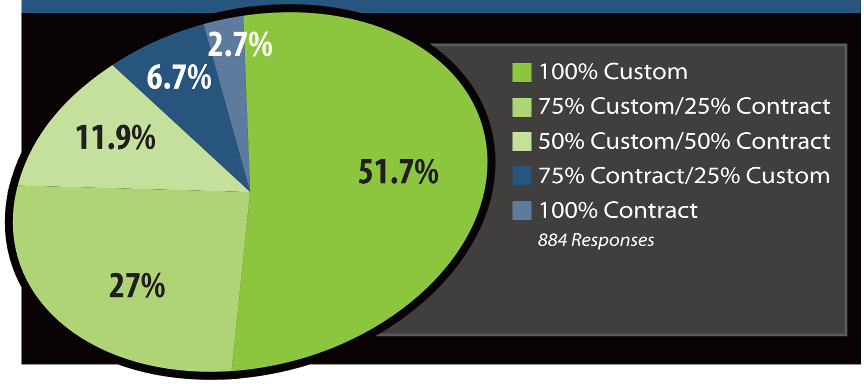
Part of that low cost of entry may be that start-up printers have saved some money by purchasing used equipment. Of those respondents who've bought a used machine, 41.2% say they definitely plan to do so again, and 39.6% say they probably will do so again.

Printers are also fortunate that it doesn't take a huge monthly investment in screen printing supplies to keep the shop running. For example, 26% of respondents reported spending between $100 and $249 a month on supplies such as inks, mesh, emulsions, etc. And the results were fairly evenly divided between the remaining significant responses—25.5% spent less than $100 and 22.5% percent spent between $250 and $499 on supplies each month.

	Change in Gross Sales Past 18 Months	Anticipated Change In Gross Sales for 2002
No Change	14.2%	11.6%
Up less than 1%	4.1%	3.6%
Up 1% to 5%	17.1%	20.4%
Up 6% to 10%	20.1%	25.1%
Up 11% to 19%	14.9%	15.2%
Up 20% or more	17.5%	15.1%
Down less than 1%	0.3%	0.8%
Down 1% to 5%	3.0%	2.5%
Down 6% to 10%	3.1%	2.2%
Down 11% to 19%	2.9%	1.4%
Down 20% or more	2.7%	2.0%

907 Responses

What's Your Division of Labor?



How Do You Plan to Stay Competitive?

Offering high-quality products	78.6%
Increase Customer Service	65.0%
Improve Marketing Efforts	57.5%
Increase Education Through Seminars	23.7%
Cut Operating Costs	22.3%
Offer Additional Decorating Services	18.8%
Hire Additional Sales Staff	11.3%
Raise Prices	8.0%
Lower Prices	6.0%
Reduce Staff	1.6%
Hire a Consultant	1.4%

A Peek Inside the Shops

It should come as no surprise whatsoever that the vast majority of substrates are good, old-fashioned T-shirts. We provided respondents a list of imprintable goods and asked them to choose the three most commonly imprinted items in their shops. As noted, T-shirts came out on top with 95.4% of respondents voting to place them among the top three; fleece was second, garnering 56.7% of voters' approval; and golf/placket shirts rounded out the trio with 44.8% of respondents placing them among the top three.

Perhaps even more interesting than discovering what kind of garments printers are working on is finding out what kinds of processes are being done to these garments. Despite the well-documented difficulty of printing process color on dark garments, for example, 58% of respondents are out there every day. Another 14.1% plan to start doing it in the next 18 months. The same goes for printing plastisol transfers, something 42.2% of respondents are accomplishing now and another 11.3% plan to bring online.

And proving that today's screen printers are a busy bunch, it's fascinating to note that 58.3% of respondents offer in-house embroidery services and 41.4% provide in-house digitizing services. Over the next year and a half, look for those numbers to grow by 10.7% and 13.5%, respectively.

Printers are fairly steadily entrenched in the digital age as well, with 75.6% of respondents equipped to accept digital or electronic art files. Further, the advances in digital transfer printing technology are not going unnoticed, as 42.2% currently print inkjet transfers, 31.1% offer laser color copier transfers and 30.7% provide thermal digital transfers.

In the rush to offer one-stop shopping, 43% of respondents currently offer folding/tagging/bagging, and 9.2% will add it to the mix. Though only 12.3% are providing bar coding, that number will almost double as 11.2% add such services soon.

Services Offered Now, or to be Offered in the Next 18 Months

	Offer Now	Plan to Offer	Respondents
SCREEN PRINTING			
Process Color on Light Garments	72.3%	8.3%	676
Process Color on Dark Garments	58.7%	14.1%	653
Direct on Lycra Spandex	36.7%	7.5%	559
Plastisol Transfers	42.2%	11.3%	600
Water-Based Inks	37.5%	9.1%	570
DIGITAL			
Accept Digital/Electronic Art Files	75.6%	6.4%	627
Digital Transfer Printing/Thermal	30.7%	12.8%	563
Digital Transfer Printing/Inkjet	42.2%	12.7%	581
Digital Transfer Printing/ Laser Color Copier	31.1%	16.1%	560
FINISHING			
Folding/Tagging/Bagging	43.0%	9.2%	584
Bar-Coding	12.3%	11.2%	529
EMBROIDERY			
In-House Embroidery	58.3%	10.8%	677
In-House Digitizing	41.4%	13.5%	638
Contract Out Digitizing	60.7%	6.5%	629

Percentage of Annual Sales Represented by In-House Services

	None	1 to 24%	25 to 49	50 to 74%	75 to 100%	Respondents
Embroidery	32.1%	19.1%	16.0%	11.9%	20.9%	889
Heat Transfers	39.7%	44.7%	5.8%	3.0%	6.7%	788
Digital Transfers	56.5%	31.8%	4.6%	2.3%	4.9%	742
Pad Printing	80.5%	2.4%	2.2%	2.2%	2.7%	676

Top Three Most Frequently Printed Garments

T-Shirts	95.4%
Fleece	56.7%
Golf Shirts/Placket Shirts	44.8%
Headwear	26.1%
Non-Wearable Promotional Products	14.9%
Jackets/Outerwear	10.9%
Uniforms/Workwear	8.9%
Denim/Wovens	7.8%
Towels/Robes	5.7%

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Tools of the Trade

So now that we know the majority of screen printers are focusing on a diverse array of offerings, we set out to find out what they're working with. Ink-wise, it's safe to say that plastisols are most popular—they account for 83.3% of respondents' combined usage. Water-based inks make up 10.9% of what's used and specialty inks just 5.8%.

Wooden frames account for 60.8% of respondents combined usage. Aluminum retensionable frames are the choice of less than half the respondents (39.2%).

Equipment tallies are also in keeping with the size of revenue and employee pools noted at most of the responding shops. For example, most respondents reported having one to two manual presses (63.1% purchased new and 65.1% purchased used).

Currently, 30.1% of respondents own one to two new automatic presses, and 6.8% own three or more, while 31.5% own one to two used automatic presses, and 6.5% own three or more.

Underscoring the industry's diversity is this fact: 45.8% of respondents own new singlehead embroidery machines, another 18.1% own used models and 29.7% will be buying one soon.

How Many Machines Do You Currently Own?

	Purchased New			Purchased Used		
	1 to 2	3+	Respondents	1 to 2	3+	Respondents
Manual T-shirt Press	63.1%	13.0%	653	65.1%	11.5%	295
Automatic T-shirt Press (Standard Pallet Size)	30.1%	6.8%	532	31.5%	6.5%	232
Cap Printer	54.0%	1.2%	582	42.0%	1.4%	219
Heat Seal Press	57.1%	9.7%	608	56.4%	5.8%	241
Film Output Devices for Screen Making/Toner	60.0%	1.5%	573	32.3%	0%	189
Automatic Screen Cleaning Machine	8.3%	0.6%	532	7.0%	0.5%	185
Screen Exposure Unit	68.5%	2.2%	578	64.6%	1.2%	260
Electric Conveyor Dryer	54.9%	4.3%	565	58.4%	3.9%	257
Gas Conveyor Dryer	17.6%	3.2%	505	16.2%	2.5%	197
Flash Cure Unit/Manual	59.9%	11.0%	601	57.7%	7.1%	239
Flash Cure Unit/Auto.	26.9%	8.6%	521	22.6%	4.1%	195
Pad Transfer Printer	12.6%	0.4%	522	9.3%	1.1%	183
Embossing Machine	5.2%	1.2%	519	4.6%	0.6%	175
Singlehead Embroidery Machine	40.7%	5.1%	605	17.6%	0.5%	188
Multihead Embroidery Machine	23.9%	11.1%	556	24.1%	3.0%	195
Digital Transfer Equipment	49.8%	7.7%	612	19.4%	3.4%	175

In fact, considering the tight leash business owners are keeping on their finances these days, it appears that a surprising number of printers are going to do some serious shopping in the next year. Expect another 30.9% to be in the market for manual press and 28.5% to be on the prowl for automatic models.

When it comes time to purchase those additional machines, most respondents will opt for new ones. The majority, 51.8%, will buy them new from a local or regional distributor, 42.9% will purchase them new from the manufacturer and 17.2% will lease the new machines.

Conversely, 38.1% will buy used machines from the previous owner, 16.2% will buy used machines from a distributor and 3.3% will lease used machines. ■

How Many Machines Do You Plan to Purchase In the Next 12 Months?

	Plan to Purchase New			Plan to Purchased Used		
	1 to 2	3+	Respondents	1 to 2	3+	Respondents
Manual T-shirt Press	14.9%	0.7%	550	14.8%	0.5%	210
Automatic T-shirt Press (Standard Pallet Size)	15.9%	0.4%	540	11.7%	0.5%	206
Cap Printer	10.6%	0.2%	538	7.7%	0%	196
Heat Seal Press	12.2%	1.0%	532	6.7%	0.5%	194
Film Output Devices for Screen Making/Toner	13.0%	0.2%	529	6.3%	0%	190
Automatic Screen Cleaning Machine	4.0%	0%	520	6.7%	0%	195
Screen Exposure Unit	10.5%	0.2%	532	8.2%	0%	195
Electric Conveyor Dryer	9.5%	0%	529	11.0%	0%	200
Gas Conveyor Dryer	4.1%	0.4%	514	4.2%	0%	192
Flash Cure Unit/Manual	9.2%	0.4%	522	6.2%	0%	193
Flash Cure Unit/Auto.	9.2%	1.2%	524	3.7%	0%	190
Pad Transfer Printer	6.3%	0%	521	3.1%	0.5%	194
Embossing Machine	3.1%	0.2%	518	2.7%	0%	188
Singlehead Embroidery Machine	15.7%	0.6%	540	13.4%	0%	201
Multihead Embroidery Machine	18.3%	0.8%	542	10.6%	0.5%	199
Digital Transfer Equipment	20.4%	0.7%	548	9.2%	0.5%	195

Methodology

Equation Research e-mailed an invitation to participate in the Vital Statistics survey to 10,000 IMPRESSIONS readers on Sept. 18. Equation Research compiled a report based on 1,023 completed surveys, a response rate of 11%.