

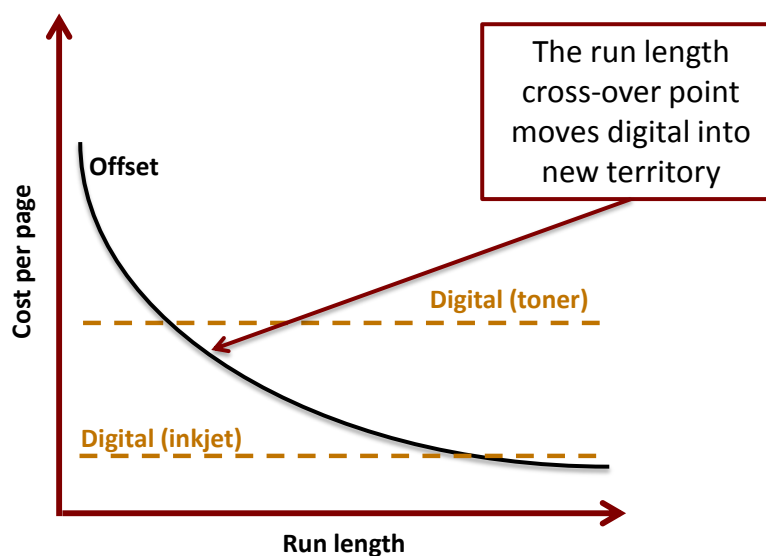
## High-Speed Inkjet: Capitalizing on a Double-Digit Growth Market

Since drupa 2000, there has been an increasing focus on inkjet technology for the print on demand (POD) market. Beginning with technologies from Scitex and Kodak Versamark, the production color inkjet market now contains over 20 different vendors and continues to grow. High-speed production color inkjet technology is closing the productivity gap between offset and digital print.

### Inkjet: Closing the Gap

Today's high-speed inkjet devices offer increased quality and productivity for early-adopter commercial printers, and this is propelling the market forward. Thanks to high productivity and low consumable costs, the run length cross-over point for high-speed inkjet has shifted. The Figure below illustrates a cost versus run length cross-over curve. Offset presses facilitate a very effective long-run manufacturing process that is excellent for making many copies of the same thing. Due to the high cost of plates and make-ready, though, offset is not as effective at short runs. Digital toner devices have a flatter cost structure, making them much more effective for short run and quick turnaround work. And unlike offset devices that reproduce the same image over and over again, digital devices can print a new image on every sheet. As a result, offset presses simply can't compete with digital when it comes to variable data personalized printing. With the entry of production inkjet, the run length cross-over point moves digital print into a new area where it is now suitable for high-volume printing. It also retains all of the advantages of digital print, including electronic collation, just-in-time manufacturing, and workflow automation, while also providing very high speeds and productivity.

**Figure 1: The Evolution of Digital Color Cost**



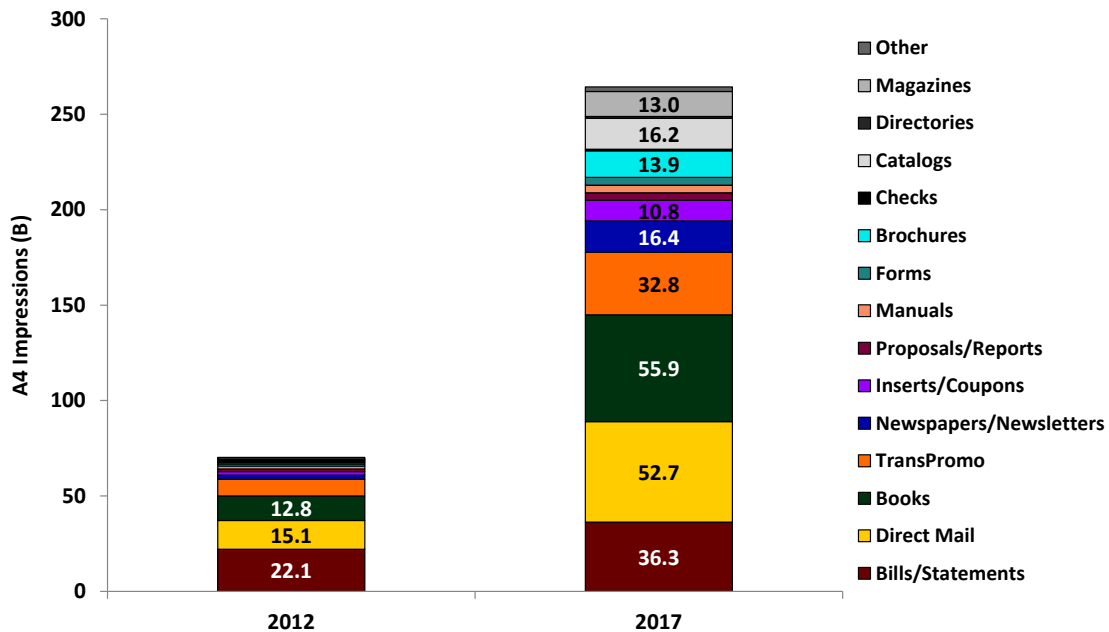
All of this brings about a new value proposition because today's high-speed, continuous-feed inkjet systems enable true business model transformation in terms of customer operations, targeting & personalization, and profitability in addition to very compelling cost-per-page metrics. These factors have huge business implications beyond the typical cost crossover curves.

## The Applications

Inkjet represents a major opportunity for service providers. In a short period of time, global inkjet production has grown to a \$1.3 billion market. In the U.S. and Western Europe, >10M duty cycle color devices accounted for 70.2 billion A4 impressions in 2012. Bills/statements and TransPromo combined represented 30.8 billion impressions, or nearly 44% of the volume. Direct mail (22%) and books (18%) also accounted for a substantial share.

By 2017, total volume is expected to reach 264 billion impressions. Although bills/statements and TransPromo will remain major applications, their combined volume share will decline from 44% in 2012 to about 26% in 2017. Meanwhile, applications like direct mail, books/newspapers, brochures, magazines, and catalogs will all show considerable growth. As current inkjet print technology expands to accommodate lightweight coated papers and the required print quality, more and more pages will move from offset to digital. There is a strong trend toward shorter runs in all of these markets, and all of these applications can draw from a very large pool of analog pages.

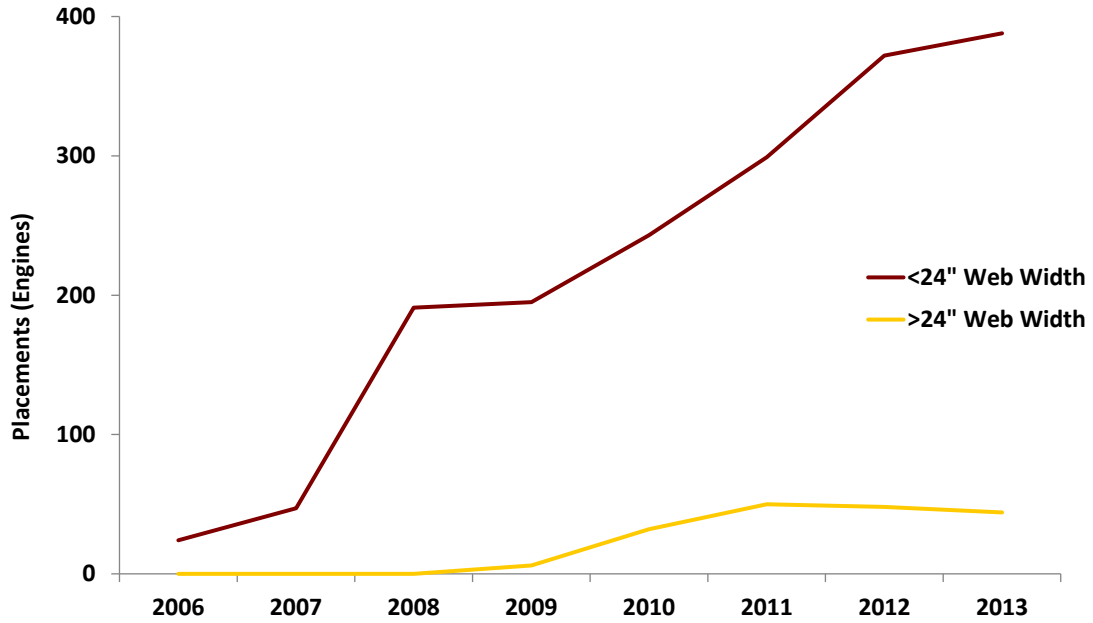
**Figure 2: U.S. and W.E. Application Forecast for >10M Duty Cycle Color Devices**



## The Continuous Feed Market

The global continuous feed (CF) market has grown substantially since the turn of the century, rising from a couple dozen units on an annual basis in 2006 to 432 installations in 2013. The majority of print engines sold have widths below 24" (i.e., 2-up webs).

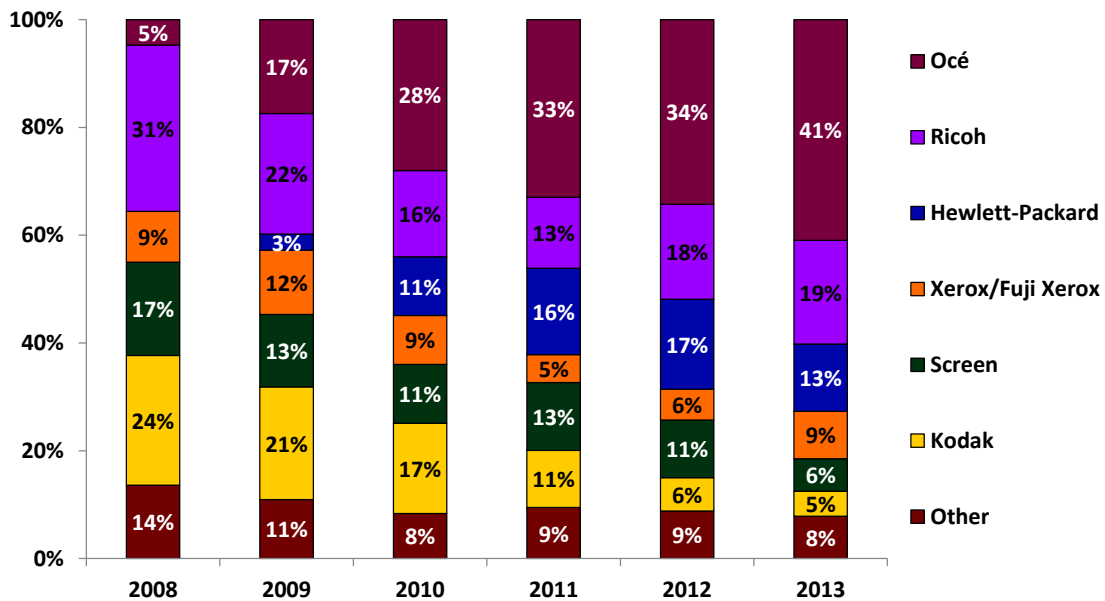
**Figure 3: Global Print Engine Placements for CF Color Inkjet Printers**



Source: InfoTrends' Production Tracking Program

As industry and customer requirements change, printers need a digital, full-color printing system that delivers the right combination of flexibility, productivity, and quality. Canon's inkjet devices fulfill these requirements, and the company's market share is high as a result. According to InfoTrends, the family of high-speed inkjet color printers from Canon Solutions America Production Print Solutions commanded a 41% market share on a global basis during 2013.

**Figure 4: Global Vendor Market Shares for Continuous Feed Color Inkjet Devices**



Source: InfoTrends' Production Tracking Program

Inkjet printing has come a long way and is now firmly established in the digital document printing industry. Short-run applications and the demand for targeted and customized communications are increasing. Therefore, the growth in digital printing is primarily being driven by color inkjet.

### **Canon Solutions America: A Commitment to Customers**

Canon Solutions America wants to be your partner in capitalizing on the inkjet market growth opportunity. We have a long history of understanding and meeting customers' requirements for high-speed production technology. We offer the broadest portfolio of scalable production solutions with industry-leading end-to-end workflow, and we back our offerings with professional services to ensure your successful execution.

*Written By Barb Pellow  
[Barb.Pellow@InfoTrends.com](mailto:Barb.Pellow@InfoTrends.com)*