

# SA's economic slide tugs at print sales too but there's cause for optimism

 By [Chris de Beer](#)

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Regardless of the sector of the print industry you're in, you won't win by engaging in price wars.



Image credit: Bank Phrom on Unsplash.

From multifunction devices to production print, wide format and all the other segments, vendors are doing well by wrapping value around the increasingly commoditised base product in the form of software solutions and services that help SMMEs, large enterprises, commercial printers, print service providers (PSP) and others bring more efficiencies to their businesses and greater value to their customers.



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## Successes

The vendors have also continued to invest heavily in research and development into their primary markets but also the markets closely adjacent to those, thereby extending the opportunities around the same units by simple software extension. It's paying dividends now and, for example, it's one of the reasons why more conventional printers can explore opportunities traditionally reserved for the wide-format market.

In Southern Africa, production devices unit sales have increased from Q1, 2018 to Q1, 2019, rising by 38 units from 222 to 260. Digital presses popped from 26 to 39 for the same periods, the colour representing all but one of the sales in 2019's first quarter.



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We project a small contraction in the annual unit sales of the large wide-format market in Southern Africa but it is too early to tell for certain. The first-quarter comparison of this type between 2018 and 2019 saw unit sales drop from 669 to 584 while wide format copier sales rose from 16 to 20 for the same periods but I expect the general economic contraction in South Africa will also impact this market as customers continue to sweat their assets.

Direct-to-garment (DTG) is still small but growing steadily from four units in 2018's first quarter to 11 units in 2019's first quarter. A total of 28 of the new devices were sold in Southern Africa the whole of last year, so first-quarter growth bodes well for the industry this year and early projections are optimistic.

## Challenges

One of the major challenges for the vendors and the printers is the sales approach. The industry continues to use the traditional broadcast approach and the narrow-cast sales visit. Vendor salespeople routinely focus on their specific solutions rather than casting their net wider to include the base unit with the value-adding extended software solution capabilities and business development opportunities.

It's an understandable approach since the devices are more capable and therefore more complex. But it suffers myopia that leads to margin wars rather than extending the vision of providing value that grows revenues at a time when the South African economy is seen by many to be on the ropes and customers are trying to squeeze returns on their investments.



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There is still opportunity, particularly in solutions that break from the traditional mould, but much of it goes untapped.

Multifunction devices are globally seeing a general uptick in unit sales but not in Southern Africa. Unit sales dipped from the first quarter of 2018 to the first quarter of 2019, dropping by 773 units overall but still achieving a healthy 17,319 unit sales in 2019.

Their popularity hinges on them being connected devices spread throughout enterprises. They are the conduit by which many businesses get a digital image of their physical operations that feeds a range of business imperatives, such as digital transformation, advanced analytics and, in a few cases, even machine learning (ML).

Security, however, is a key concern that the print vendors are focusing a lot of attention on.

## ABOUT CHRIS DE BEER

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