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Defining E-Commerce for the Graphic Industry

by Eliot Harper

The term 'e-commerce' sends shivers down the spines of many venture capitalists and investors. It is a concept and technology that has left many wounds and scars on our economy. There is a mountain of e-commerce providers (or "dot coms") that have already fallen out of this rat-race, in many cases they are collapsing even before they have gotten off the ground. 'Online' pet stores, drug stores, toy stores, liquor stores, food stores, movie stores, and many others have disintegrated into cyberspace. These 'e-stores' are not the only players failing in the dot com arena. The graphic arts industry also has its fair share of dot com disasters.

To date, 18 dot coms in the graphic arts have merged or ceased, and this number is increasing every month. So, why are these dot coms failing? The simple answer is that the graphic arts industry is not ready for these online services. The graphic arts industry is, and always has been cautious and conservative in accepting new technology. Computer-to-plate, digital printing, press automation, and other technologies did not leap into this industry overnight. They have taken several years to prove themselves to be profitable and reliable technology resources. We are witnessing a similar adoption trend in online services for the graphic arts.

Despite the lack of industry acceptance, the quantity of providers and service offerings is tremendous. Today, there are over 200 such providers. Although no standard classification system exists for this market, providers can be divided into 11 basic categories:

e-Printers:

Printing companies that enable customers to obtain quotes and submit print jobs directly through their web site. An e-printer may have more than one production facility, however the print selling will be centralized through one channel.

e-Print Shops:

A printing group or franchise organization that operates under the same brand name. e-print shops have a centralized web site that distributes print jobs to the localized printers.

e-Print Providers:

An online service provider for print procurement. These companies often have partnerships with printers. The partnered printers may have a geographical spread, differentiation of services, or both.

Auction/Bid:

The provision of a service for the exchange of printed work between print buyers and suppliers. In most cases, the service provider generates revenue by claiming a percentage from the total cost of the print job.

Book Publishing:

A provider that enables authors to publish books through an online service. An author submits a manuscript, and it is published and printed as a book.

Facilities Management:

A provider of B2B or B2C e-commerce solutions for print production offering such services as job submission, tracking, and file management. Some providers also offer print procurement services.

Online Mailing:

The facilitation of the printing, addressing and distribution of mail. This service can either be controlled from a central location or printed and distributed at remote sites.

Greeting Cards/Novelties:

Similar to an e-printer, greeting cards and novelty providers offer a print service for specialized printed products. In some cases, these providers use an on-demand process to produce customized, one-off products.

e-Stores:

e-Stores offer a product and consumable "shopping" service to printers. Many e-stores base their pricing upon a fixed cost, or through an "e-bay" style auction, where printers can submit a bid price for the product/supply.

Network Solution Providers:

Providers of Wide Area Network (WAN) solutions, either as an Internet Service Provider (ISP) or as a Virtual Private Network (VPN) Provider. These providers offer network file management and transfer solutions specifically for the graphic arts industry.

Other:

All other online services providers for the graphic arts that do not fall under any of the above categories.

This classification system is fairly generic, and each category can be subdivided into many additional categories. To add further confusion, many providers fit into several different categories, making this market quite complex. For a complete listing of all providers for each category, check out the 'Dot Com Watch' at www.printplanet.com.

There is little doubt that online services can offer great potential for the graphic arts. These services bring an opportunity for process automation through instant quotations, inventory control, electronic job submission, job

tracking, online proofing, and much more. Such services are a great source of opportunity not only for the printer, but also for the print buyer, as online services can streamline the print buying and production process, saving time, increasing productivity, and reducing costs.

Unfortunately, it is inevitable that the quantity of e-commerce providers will continue to decline and consolidate in the short term, as the shakeout of this market continues. However, this does not mean that e-commerce is dying. Although e-commerce has not significantly changed the graphic arts industry to date, it will happen. Printers and print buyers should be preparing for this future change. They need to start planning for this evolving and exciting opportunity.



Industry analyst

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