

The Digital Press Market: 2000, 2004 and Beyond

Hindsight can be enlightening and humbling: enlightening because it allows us to connect the dots between trends and events that were not apparent in real time; humbling because it usually reveals flaws in our assumptions and expectations. This is a good year to be enlightened and humbled because Drupa 2004 is just around the corner. There was a great deal of digital press activity at Drupa 2000, so we can look back at those events, remember what we thought they foretold, and then (the humbling part), compare it to what really happened. Analysts always seek higher ground to avoid reality's ever-rising waters and cover their hindsight, but I'll even make a few predictions.

(Still) waiting for that wave

One strong and lasting impression many people, including myself, took from Drupa 2000 was that inkjet technology was the wave of the future for high-volume digital color printing. High-volume, industrial-strength inkjet was everywhere. It was fast and versatile, and it seemed ready to muscle aside dry toner and wet ink systems alike. Scitex Digital Printing rolled out a full-color version of the VersaMark for the show. Barco Graphics showed a walk-up book kiosk that would spit out books on demand from files downloaded via the Internet. Aprion showed the .factory (pronounced "dot factory"), a drop-on-demand inkjet press developed for industrial applications such as wall coverings and laminates. All in all, it looked like inkjet was a cresting wave ready to break onto the shores



by DAVID DAVIS

of production printing.

Unless I missed a resounding crash, that inkjet wave hasn't hit quite as hard or as soon as many thought — in fact, I still would characterize it as a swell. Scitex Digital Printing was purchased by Kodak and renamed Kodak Versamark. The VersaMark inkjet press now is called the Ultra. Although a lot of music is being downloaded from the Internet, I haven't seen any online book vending machines lately. In 2001, dotrix was formed as the result of a management buyout by a team of employees from the former industrial printing business unit of Barco Graphics. In January of this year, Agfa bought dotrix.

Scitex's concept of "business color," sort of like Maaco's approach to painting your car, just has not gone over that well. A lot of people would rather have a high-quality black-and-white piece than a "business color" piece, even if it costs the same. Here's the catch: People who buy print want quality and a low price. Print producers want quality, speed and a low price. Can continuous inkjet deliver all three? I think it can. Kodak Versamark probably will show a much improved process at

Drupa 2004, so don't pitch a tent too close to the waterline yet. Oh, and I forgot to mention that Agfa paid more than \$5 million for dotrix. That's a whole lot more than many a music download site is worth. Don't be surprised if some well-known toner-based equipment vendors pull the wraps off of inkjet systems in Germany this year. Inkjet hasn't gone away — it's just been in training.

Intruder alert

With all the talk about digital convergence, it seemed as though a lot of vendors were fixated on getting into other companies' businesses at Drupa 2000. If you walked through Xerox's exhibit hall, you could smell offset ink wafting from a direct-imaging press Xerox eventually included in its product line. Heidelberg, of course, unveiled the NexPress 2100 full-color digital press, hard upon the heels of rolling out the black-and-white Digimaster 9110. At the time, Heidelberg said it aimed to take 30 percent of the DocuTech market with the 9110. It also had high expectations for the NexPress 2100.

MAN Roland, in association with Xeikon, was another press manufacturer testing the waters with toner-based systems. Indigo, for its part, was taking attendees on a virtual plane ride through the New Millennium of digital printing and had more future products than you could shake a stick at.

Four years later, the market looks quite a bit different. Several vendors, including Agfa, IBM, MAN Roland, Xeikon itself and Xerox, have sold Xeikon-based systems for a number

ONE BYTE AT A TIME

of years. Xeikon stumbled badly after Xerox introduced the DocuColor 2000 series color production printers and began backing off from selling the Xeikon-based systems. Xeikon experienced serious financial problems and was eventually purchased by Punch Intl. The installed base of Xeikon machines is currently receding.

Indigo, of course, was eventually purchased by Hewlett-Packard. Many of Indigo's Drupa 2000 products never made it to the market. Even so, HP now probably has the largest number of high-speed digital color devices in the field (excluding Xerox 2000 series machines). MAN Roland has backed away from toner-based systems altogether to concentrate on the DICOweb, an unconventional offset press that uses a reimageable

cylinder. Even though the original DocuTech platform, which was based on the 5090 copier, was getting quite long in the tooth having celebrated its 10th birthday at Drupa 2000, Heidelberg failed to build on all of the momentum it initially gained in the DocuTech market.

In the meantime, Xerox, which was dealing with its own financial demons in 2000, has regained its financial footing and focus, and recently introduced a new DocuTech platform that incorporates some of the technical innovations found inside the iGen3 digital color press. The new DocuTech 100 and 120 could steal much of the thunder the Digimaster 9100 and derivative products could claim. Now, Heidelberg has sold its digital print-

ing organization to Kodak, its NexPress partner.

I doubt many of these companies are congratulating themselves and saying to their competitors, "I told you so. Now, get back on the horse you rode in on." In reality, times have been tough for all of them. The economy hasn't helped. Heidelberg probably will continue to participate in the digital market through partnership arrangements with others. Xerox never was serious about going into the offset equipment business. It simply was putting a stake in commercial printing ground until it could roll out the iGen3. It already was giving private showings of the product it was referring to as FutureColor. Last November, Xerox said it had shipped 100 iGen3s, which had printed more

than 100 million pages. Xerox also said it anticipated selling 400 to 500 more in 2004.

As recently as last fall, IBM declared the market wasn't yet ready for high-volume digital color. I wouldn't take that statement too seriously, either. In IBM's segment of the market, the tipping point for color is getting nearer, and Big Blue won't be left out of the running. Neither will Océ. In general, commercial color printing remains a huge opportunity for digital equipment vendors, and the average digital press print volume is increasing. But first and foremost, vendors must offer products that output the appropriate level of quality and reliability at the right price. Most toner-based systems have achieved the necessary quality. I still think there's room for improvement in the areas of reliability and versatility. So far, inkjet has demonstrated it can deliver the right price and throughput, but not the appropriate level of quality. In short, all of these things are beginning to align, and there will be plenty of jockeying for position. We'll see further evidence of that alignment later this year.

Where the attitude went

May 2000 was just before the Internet bubble burst, and there was a dizzying array of e-commerce companies sporting New Age makeovers and startup attitudes, and promising the world on a TI line.

Four years later, I wouldn't exactly characterize electronic commerce as an integral part of the printing industry, but a lot of companies have quietly been building impressive Internet-based solutions that complement the ordering and execution of print jobs. All in all, it's been a sobering interval between the last Drupa and Drupa 2004. Let's hope we're all a little wiser for it, or at least humbler. ▲

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