



MARKET OUTLOOK

While the overall market for printing in the U.S. is expected to grow at an annual rate of 5%, reaching nearly \$370 billion by 2003, certain segments of the market are expected to grow at a much faster rate. Webprint is targeting these key segments of the market:

- On-demand printing: this is the fastest growing segment of the market and is expected to grow at an annual rate of slightly more than 20%, growing from nearly \$13.5 billion in 1998 to about \$35 billion in 2003.
- Web-based printing: this is the newest segment of the market and is expected to grow at an annual rate of over 40%, reaching 80% of the entire U.S. market for printing by 2005.
- Document outsourcing: this segment is expected to grow at an annual rate of almost 20%, going from \$23 billion in 1998 to \$54 billion in 2003.
- Print facilities management: this segment is also expected to grow at an annual rate of 15%, going from nearly \$8 billion in 1999 to \$16 billion in 2004.

What is driving these segments of the market? There are a number of factors:

1. Customers continue to seek ways to get things done more quickly and inexpensively, and they see the Internet as a key means for achieving their goals.
2. The range of customers is moving away from those with expertise in printing to a much wider audience that puts a premium on simplicity and ease of use.
3. More and more large enterprises are turning to document outsourcing and facilities management as a way to bypass the need to buy and maintain expensive printing equipment while still taking advantage of the latest in printing technology.
4. The demand for printed materials of all types continues to grow. In particular, the demand for full-color printed materials increases as new digital printing technologies drive down costs.
5. The demand for customization and personalization of documents continues to grow, and digital printers are uniquely equipped to satisfy this demand.

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