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# Critical shortage of printers hurting the African print industry

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There is a critical shortage of of printers and much print-related equipment.



Source: <u>www.unsplash.com</u>

An unfortunately typical example of challenges print suppliers face is the case of a channel business in East Africa that saw supplies drop from a regular 2,000-unit multifunction printer (MFP) shipment to fewer than 100 units.

However, a major print industry sub-theme is the desire for data to drive decision-making during what are generally perceived to be unreliable global markets.

### **Primary challenges**

Print industry players are asking some probing questions that also demonstrate the primary challenges they face, such as:

- Where should they devote limited resources?
- Which markets represent the best opportunities for them?
- How customer expectations are evolving and how they can tailor offers to suit them?
- How they can cross-sell and simultaneously leverage their existing resources?

There is a lot of demand for devices, parts, and consumables on the MFP side, but supply hampers post lockdown rebound growth.



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Supply is having significantly greater impacts for some original equipment manufacturers (OEM) of digital production equipment so it will be interesting to see how the strategies they are developing in collaboration with their customers unfold

in the long term.

#### Capture

We are also seeing significant interest in capture software-related solutions. The growing global shift toward cloud solutions, particularly accessible to the small to medium enterprise (SME) market across sectors from fintech to retail, healthcare, insurance and others, is driving near double-digit growth.

SaaS-based solutions feature prominently in many sectors worldwide and are creating a lot of pull in the capture market.

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#### Solutions

There is also a trend toward growing sophistication in some emerging African markets, such as the embryonic solution sales approaches that have taken root in Ghana and Kenya.

That implies the transformation of both the suppliers' desire to establish greater relevance with customers as well as evolutionary customer requirements.

But, while solution selling is demonstrating stronger presence in many sub-Sahara Africa markets, product sales still form the bulk of the market.

#### Stock

But stock is the overriding challenge across the board. One of the ways organisations are dealing with it is by branching out to source equipment from multiple vendors.

It enables them to continue serving their customers. One of the problems around that is existing sole agency channel agreements.

However, many OEMs are taking long-term outlooks to working with their channel partners in this way throughout Africa. This is a tight industry across the continent.

Another way African print equipment suppliers are dealing with stock challenges is growing segment diversification within markets. It enables suppliers to leverage their existing skills to grow revenues in adjacent segments, diversify risk, and

maintain or even grow revenue streams.

While we can expect the OEMs and channel to continue to battle supply challenges for the foreseeable future, they demonstrate sector health by keenly investing in data to determine adjacent market growth and expansion opportunities.

#### ABOUT CHRIS DE BEER

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