

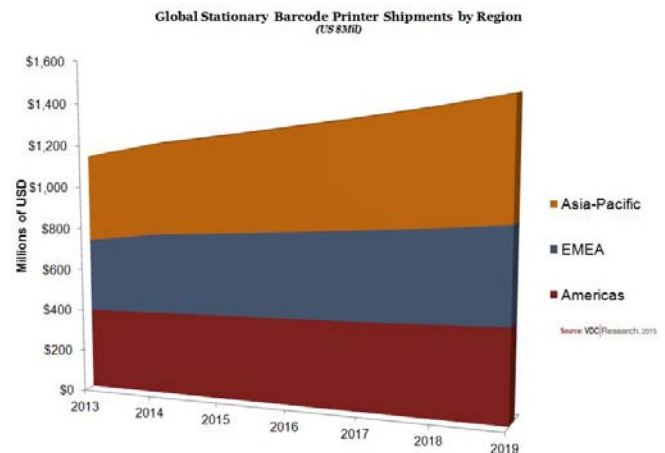
Zebra Technologies' Remarkable Sales Growth Propels Stationary Barcode Printer Market to New Highs in 2014, According to VDC Research

Asia-Pacific continues to be the highest contributor to overall revenues, followed by the Americas.

“Thermal barcode label printer vendors have an opportunity to innovate on the hardware front in order to differentiate their offerings from that of the competition.”

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The global stationary thermal barcode printer market grew 6.3% from 2013 to 2014, as evidenced by VDC's recently-concluded research on the topic. A sharp 9% increase in desktop printer revenues contributed to this overall high single digit sales growth. Industrial printer sales stayed relatively flat in the Americas (1% decline), but showed high single digit growth in both Europe as well as Asia-Pacific. VDC expects the overall stationary barcode printer market to grow to \$1.5 billion by 2019, at a CAGR of 4.4%. Desktop printers will account for 40% of overall barcode printer revenues by 2019, up from 36% in 2014, at the expense of industrial label printing solutions.



Like with handheld scanners, ongoing global exchange rate fluctuations are having an impact on product pricing, especially in the European market. VDC predicts average selling price for barcode printers to show a marginal increase in the region this year with vendors including Honeywell and Zebra having raised prices in Europe to offset the impact of currency fluctuations.

Zebra Technologies experienced a phenomenal 10% growth in barcode printer hardware sales from 2013 to 2014. For the company to have achieved this off a large base in a market that is generally viewed as being stable and relatively saturated is particularly remarkable. Its acquisition of Motorola Solutions' Enterprise business unit did not affect the performance of its legacy business in 2014. Honeywell expanded its presence in the barcode printer market with its acquisition of Datamax-O'Neil. The company now has a sizable printer portfolio with which it is particularly successful in the industrial supply chain (manufacturing and T&L verticals).

While new product development and innovation from leading vendors had taken somewhat of a backseat, renewed R&D efforts will help stave off competition in the long run. Hardware vendors from high-growth markets like China, Germany, and South Korea continue to offer stiff competition to industry behemoths with their price-competitive and/or high performance core product lines. These vendors include cab Produkttechnik, Godex International, Shandong New Beiyang, and TSC Printers.

“Barcode printer hardware commoditization and market maturity have led to an influx of suppliers, largely from Asia-Pacific, manufacturing and selling low-cost alternatives,” said VDC's Senior Analyst, Richa Gupta. “Market leaders are particularly

challenged in high-growth regions where they face severe pricing pressures that have the impact to impact margins and long-term profitability.”

Vendors’ product and market development strategies will need to evolve to meet compliance legislation, pricing, and application-specific requirements of leading end user markets – both from a regional as well as industry standpoint. VDC believes rising interest in and demand for color labeling solutions, in-line verification capabilities, and more comprehensive service offerings will prompt printer vendors to reconsider their R&D investments.

About VDC Research

Founded in 1971, VDC Research provides in-depth insights to technology vendors, end users, and investors across the globe. As a market research and consulting firm, VDC’s coverage of AutoID, enterprise mobility, industrial automation, and IoT and embedded technologies is among the most advanced in the industry, helping our clients make critical decisions with confidence. Offering syndicated reports and custom consultation, our methodologies consistently provide accurate forecasts and unmatched thought leadership for deeply technical markets. Located in Natick, Massachusetts, VDC prides itself on its close personal relationships with clients, delivering an attention to detail and a unique perspective that is second to none.