2018, A Few Clear Trends Emerged

A Message from the ISA Chairman

At this point in the year, we naturally start looking toward the holidays and the year end. In many cases, we’re working on budgets for 2019, so we’re forward focused. It might be easy to forget there is still one-third of 2018 left. And that means there still is time to make a positive impact and to put the year into the history books.

According to ISA’s 2018 Sign, Graphics and Visual Communications Industry Pulse, many of you were anticipating a strong 2018 and all indications are that has been the case. Each year, ISA gathers the “pulse” of the industry, surveying member companies and ISA International Sign Expo attendees. (You can see the full report at www.signs.org/pulse.)

A few clear trends emerged.

Business is Booming

More than half—55 percent—of those surveyed said their company will grow 10 percent or more in 2018. That is on par with the growth that was anticipated in 2017.

They cited a few reasons: Construction is up around the country and cranes dot most city landscapes. Restaurants are opening more locations and new hotels are going up. All of that creates a need for more signage, not only for new buildings and stores, but for old favorites who need to compete. And this may be a reason behind all of that construction: the economy has been boosted by tax code changes, leading to increased consumer confidence, respondents said.

The same positive economic signs continue to show up in the ISA Sign Industry Quarterly Economic Report. In the second quarter—the most recent statistics available—analysts anticipate economic growth at about 3 percent for the second half of 2018. In 2019 and 2020, they expect growth at 2.8 percent and 1.8 percent, respectively.

The ISA Sign Industry Quarterly Economic Report for 3rd Quarter will be released in late September. It will be interesting to see if the outlook remains positive. (ISA and Affiliated Association members can access the current and past reports for free at www.signs.org/quarterlyreport. Nonmember can access the reports for a charge.)

Our industry seems to be rolling along regardless of what happens with the broader economy. Sign, graphics and visual communications companies say one reason for that is new products and services that they can now offer to their customers. And they’ve expanded into new territories and added staff. Isn’t it great how that works? Investments lead to growth which leads to more investment and more growth.

Companies Continue to Invest

Some positive changes out of Washington—particularly the tax reform package—made 2018 an ideal time to purchase new equipment. We saw that ISA International Sign Expo 2018, when attendees bought products that would simplify their lives or allow them to offer new services to their customers. Now, a few months later, that purchased equipment is humming along in a sign, graphics and visual communications company—adding to the bottom line.

Each year, Pulse shows that about two thirds of those surveyed say they will definitely or probably purchase new equipment. That figure has been fairly consistent for almost a decade. So there is no reason to expect that two of every three of your competitors will be looking at new equipment in 2019. Don’t let them get ahead of you.

See the latest that the industry has to offer at ISA International Sign Expo 2019 April 23-26 in Las Vegas. Planning is well underway for 2019, and registration will open soon at www.signexpo.org.

Facing Challenges Head On

Despite all the positive news, some things are bigger than one issue or one industry. ISA has tackled these issues with innovative solutions. The difficulty in finding workers continues to top the biggest workforce issues facing CEOs. This is another trend that we have seen somewhat entrenched in the industry for several years now. Specifically, they cite the need for “soft skills,” such as employees who show up on time and are productive at work. Other CEOs said the increasing costs of healthcare and benefits were frustrating.

Sign codes and regulations continue to test the industry as well. More respondents than in the past cited inconsistencies with how sign codes are applied or interpreted as an issue. And others said lengthy delays in permitting, final approvals and inspections were an issue. This may be an instance where that booming construction has a bit of a downside; inspectors just can’t get around fast enough.

Still, everything points to a great 2018 and as we plan for 2019, there is no reason to expect that to change. It’s a great time to be in the sign, graphics and visual communications industry. |