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Press Release

Private Mail Centers & Copy Shops Is An \$8.9 Billion “Business Services” Industry

Tampa FL, June 11, 2014: Marketdata Enterprises, Inc., a leading independent market research publisher of “off-the-shelf” studies about service industries since 1979, has released a new 93-page report entitled: **The U.S. Business Services Industry: Mail & Packing Centers & Copy Shops** . This is a new market study about a much needed local service. The study examines the nature and operations and competitors of business service centers in America.

“This fragmented \$8.9 billion industry is vital to the support of small and home-based businesses and start-ups. The business was hurt by the Great Recession and hundreds of private mail centers either closed or were acquired by FedEx or UPS and were re-branded. In-store copy shops at Office Depot and Staples have also hurt independents. However, since these retail stores serve local customers and have diversified and expanded their services, they are well positioned to take advantage of the current increase in new start-ups and wave of entrepreneurship and self-employment (selling via Amazon, Ebay, Etsy) that’s spreading across the U.S.”, according to John LaRosa, Research Director.

Major Findings:

- Marketdata estimates that revenues of the 10,000+ business services “stores” will reach \$8.9 billion this year, and we forecast very moderate 1.9% annual growth to 2018. Private Mail & Packing Centers receipts totaled \$2.0 billion and Copy Shops generated \$6.9 billion.

- Average revenues per private mail center are estimated at \$419,000, and copy shops average \$1.27 million. The industry's two segments combined operated 10,043 establishments in 2011—about 13% less than in 2007.
- Franchising is big in this industry. Fully 68% of all private mail centers are franchises, and 50% of all copy shops. Not much change is expected over the next four years, possibly a slight increase in franchises sold as more laid off workers invest in their own business.
- Diversification is key to survival and revenue growth. In addition to post office box rentals, business centers now provide FedEx, UPS and DHL drop off, faxing, notary, packaging, gift wrap, PC rental, office supplies, shredding, WI-FI, and more. Many of those that didn't diversify the past five years closed shop.
- In-store copy shops operated by big box retailers such as office Depot and Staples have hurt independent copy shops and local printers. However, their low-paid staff often cannot handle the more sophisticated and custom jobs.
- The top 50 companies in the private mail centers segment on the industry only captured 19% of industry receipts, versus 70% for copy shops.
- The industry is ripe for more consolidation and "roll-ups" of mom & pop independents not part of a franchise.
- One major plus for this industry is that it's a local service that can't be outsourced overseas or affected by foreign competition. Small business owners rely on these services for an ongoing, convenient, and reliable support system.
- Marketdata estimates that the average investment capital needed to open a mail center franchise is \$176,768, with a liquid net worth requirement of \$148,000. Investment ranges from \$50,000 to \$420,000 at the extremes. We estimate that the typical copy shop requires start-up capital of \$209,214, with a liquid net worth of \$210,800.

ABOUT THE REPORT

The U.S. Business Services Industry, published in June 2014, is an independently researched “off-the-shelf” study. The study is 93 pages in length, has 55 tables, and costs \$995. It is also sold by individual chapters at lower cost. For the research, Marketdata interviewed market competitors, used extensive Census Bureau national and state data, trade association and industry magazines, combined with original Marketdata research and rankings. This study examines the industry’s structure and history, revenues from 1997-2018 Forecast, key industry trends and issues, effects of the recession, franchising, demand indicators, extensive operating ratios, and competitor profiles.

15 pp. Executive Overview available for \$99.

ABOUT MARKETDATA

Marketdata Enterprises, Inc., is a 35-year old independent market research and consulting firm that publishes market and industry studies covering a wide range of service businesses. John LaRosa is available for interviews (813-907-9090). A free report table of contents is available by mail, fax., email or the Web. Contact: Marketdata Enterprises, Inc., 8903 Regents Park Drive, Suite 120, Tampa, FL 33647, or see www.marketdataenterprises.com.

