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Old Town Embroidery Co

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Pocatello, ID 83204

Embroiderer Gets Higher Margins On Digitally Printed Shirts

By adding a Brother GT3 digital printer, Troy Neu was able to keep more business in-house, and he has found that some digitally printed orders are more profitable than screen printing.

Old Town Embroidery is a family-owned business located in Pocatello, Idaho, offering custom decorated apparel to local businesses. Although focusing on embroidery, the company also provides screen printing, cut vinyl heat applied graphics, and since 2010, digital direct-to-garment printing.

The business was purchased by his parents in 1997 and current owner Troy Neu has run the shop since 2003. With eight embroidery heads, four full-time employees and one part-timer, the 2,500-square-foot shop grossed \$600,000 in 2015.

Because screen printing was always contracted out, in 2005 Neu purchased a digital direct-to-garment printer as a way to keep more business in-house.

Unfortunately, his first digital printer (not a Brother) proved to be frustrating. "The original machine required test print after test print to get the colors right. A customer would send us an image that looked great onscreen and when we printed it, the grass would be brown," says Neu.

"One of the reasons we purchased a digital printer was to do short runs, but when you have to print six test shirts to get the color right on a two-shirt order, you do not make money.

"When we bought the Brother GT3, we immediately saw a huge improvement in productivity simply due to the fact that we could just set up the machine and print. We no longer even do test prints for short-run orders," says Neu.

With his Brother GT3, Neu can keep lower-quantity jobs in-house. "I do up to 100-piece white shirt orders on the digital printer, because if it has multiple colors, it can't be screen printed as cheaply as digitally," he says.

"White shirts are my most profitable item on the digital printer. Depending on the size of the design, I can do close to 50 pieces an hour," Neu notes.

"Dark shirt one- and two-color orders of more than two dozen I'll send to the screen printer. I have to apply pretreatment, and I can output only about 15 an hour so it's more economical to screen print the darks," he adds.

The shop owner also benefits from customers who do not care whether a design is screen printed or digitally decorated, and he makes more money on the digital prints.

"A lot of times people don't know they are buying digitally printed items. It's a budget call whether we do it in-house or send it out for screen printing, and the customer never knows which way we went," says Neu.

"But I price our digital shirts at the same rate as screen printed, and our cost is a lot lower with digital. Especially if it's a six- or eight-color design. Customers are willing to pay the same price regardless of the process, and digital is a better margin for me.

"Designs that have eight colors or are a photograph have a higher perceived value," he continues. "And I can output those in an hour. There is no reason for me to lower the price of digital jobs."

For more information on Brother DTG printers, visit www.BrotherDTG.com or call 1-866-750-2543.