

# Colorizing the Office: *The Race Is On*

A research report from Blackstone Research Associates



## What's happening to color in the office?

For decades, the color market has been characterized by high product prices, low customer interest, and fierce competition. Now, there are **low** product prices, **high** customer interest (depending on where you look), and fierce competition. In a new research report from Blackstone Research Associates, we learn from end users about the point at which purchasing color printers and copiers becomes arbitrary. We learn how the target market reacts to color equipment, with performance and price levels that make substituting color for monochrome a reasonable proposition.

The market for connected color copiers has never been better. But price alone is not propelling the market forward. The dealer channel has a service model that puts a rep on site at exactly the right time. The offer is compelling to an end-user community with more and more color business applications. If the need is there, it's tough to say no. And some of the **biggest** names in the office document arena find themselves playing catch-up. Readers of ***Colorizing the Office, The Race Is On*** can approach the market guided by the responses of 120 key office decision makers, who tell what role connected color copiers play in their office equipment deployment plans.



## Colorizing the Office: The Race Is On

### It's not just about copiers

**Colorizing the Office: The Race Is On** is about *color* in the office, not just color *copiers* in the office. Don't the same price and performance enhancements that make color copiers so compelling apply to color printers, as well? How much have customer fears about dissemination of color-capable products quelled?

Copier dealers build their businesses around expiring leases. Today, they remove an analog machine and put in a digital MFD, often color. To respond to the "should we connect?" question, some customers undertake a broad examination of document practices—often for the first time. When this happens, a standard re-buy can become a very complicated transaction. Under such scrutiny, vendors often have to re-qualify, often with a wider group of customer contacts, often responding to a more complex set of customer requirements. If you are a copier vendor, you need to know how to defend yourself against printers that cost a lot less but print just as fast. If you are a printer vendor, you have to maximize the number of pages that are printed, and thwart page migration to copiers.

***Demand is far from universal. The opportunity is great, but the basic forces of the market still have to be addressed.***

### Why buy a connected color copier?

Don't you want to know why people would buy a connected copier for many times more than the price of a printer that goes just as fast? Read **Colorizing the Office: The Race Is On**, and glean insight from the responses to this important question.

**Copiers are more economical.** Even if they haven't got the numbers, people know the economics. "Because of the way the leases are on the copiers, the per-page cost is a bunch cheaper than having to buy HP laser cartridges." *CFO at a 4,800-person Health-care Company*

**Copiers can shoulder the volume.** "... they are more of a resource for more people. Plus, the duty cycle on a copier is better than on a printer." *Print and Mail Center Manager at a 4,200-person University*

**People are fond of the copier concept.** That fondness extends to the dealers that supply them. In **Colorizing the Office**, learn five reasons why the indirect dealer channel is in the driver's seat in B2C product sales.

### With Colorizing the Office: The Race Is On you will:

- Learn where customers stand on "color as a feature."
- Understand why cost parity is among the weakest B2C "features."
- Recognize the strength of the target market's fear that widespread access to color will mean widespread abuse of color.
- Learn how technology evolution and customer confidence have increased HP's vulnerability.
- Identify the top three challenges facing those who approach the market from the printer side.
- Learn the three building blocks necessary for black-to-color print migration to occur.
- Learn the effect of color MFD demand on other equipment classes.

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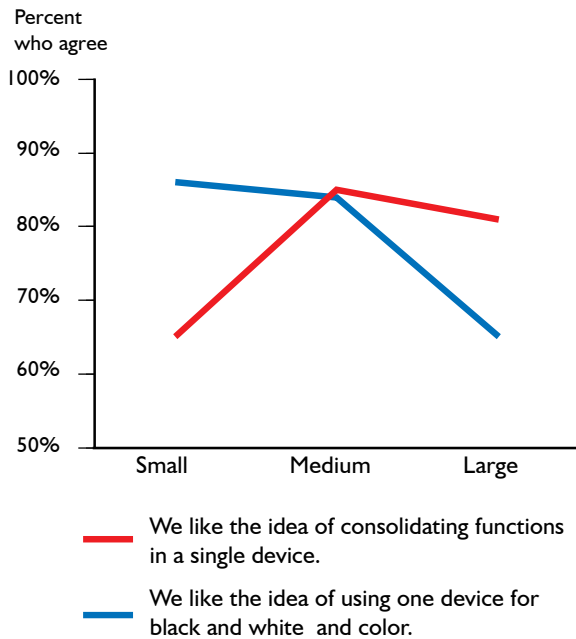
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## Acceptance of New Configuration not a Given

End users buy into the concept of combining functions in a single device, but those in large companies don't consider color to be one of those functions



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## Some Still Resist Color

In spite of lower prices for color gear, there are some who still feel they get along fine with their monochrome printers.

**May be cheap to buy, but expensive to operate, difficult to control.** "If the employee has a walk-up copier and can choose color or not, it's not likely that they are going to choose based on cost, because they are not paying for it." *Communication Services Supervisor, 1,400-person Utility*

**Why pay more for color?** "The company doesn't need color. There will always be a cheaper monochrome printer, and we'll buy that. We always look at ways to save money, and paying \$600 more [to get color] for a printer we don't need doesn't make any sense." *Business Services Manager at a Large Financial Services Company*

## It's The Channel...

Feet on the street count a great deal when selling color products. In a straight-speaking discourse on channel issues, learn the strengths and weaknesses of BTA-style multi-tier distribution. The section includes a five-point appraisal of HP's "no-dealer-needed" attempt to defend its share of the office printing business.

**Solid Customer Relationships Are One Key to Success** "Sharp replaced our AR-337 with the AR-C260M." *Director of Purchasing Logistics, Medium-sized Manufacturer.* At this site, **the dealer** made the decision to install the color MFD. That's why the copier dealer channel is so important to B2C color programs, and that's why printer manufacturers have an uphill battle.

## Methodology: Primary Research with Top Influencers

**Colorizing the Office: The Race Is On** is based on 120 in-depth structured interviews with those responsible for managing office printers or office copiers for their companies. Your insight into customer needs is richer because our on-staff industry-savvy interviewers collect an unparalleled degree of verbatim comments. Additional insight is obtained during in-person interviews with a dozen individuals who guide their organizations' document equipment and workflow practices. Interviews were conducted with equal numbers of respondents from small, medium, and large companies, representing a cross-section of industries. To request a copy of the questionnaire or sampling scheme, contact Mike Zeis at (508) 278-3449.

### Report Pricing

**Colorizing the Office: The Race Is On** is available for \$9,950. Additional copies are available for \$1,100. For information about quantity pricing or an Intranet posting license, contact Michael Zeis at (508) 278-3449 or via e-mail at [mike@blackstoneresearch.com](mailto:mike@blackstoneresearch.com).

### Satisfaction is guaranteed.

We offer a simple guarantee: if you are not completely satisfied, return the report within 30 days for a full refund.

## Need to know about monochrome MFDs, too?

**Office-Based MFDs** (published in December 2003) examines the adoption of multifunction devices. Save over \$5,000 by purchasing **Colorizing the Office** and **Office-Based MFDs** at the same time for the special price of \$16,500. Please visit our web site at [www.blackstoneresearch.com](http://www.blackstoneresearch.com) for details about the **Office-Based MFDs** report.

## About Blackstone Research Associates

**Colorizing the Office: The Race Is On** was researched and written by the same team that examined MFD and connected copier adoption dynamics in **Office-Based MFDs** in 2003, and dug into color printers on the desktop in **Price Wars** in 2002.

Since 1991, Blackstone Research has studied document technology adoption issues with proprietary contract studies, published research reports, and monthly newsletters. Research projects have covered color copy quality, color printer and copier cost of ownership, color peripheral product adoption, and the effect of e-techniques on hard-copy printing and publishing. Blackstone Research Associates also publishes the **Color Business Report**, a monthly computer industry newsletter.

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