

Inkjet's Impact

Dealers embrace the 'other' print technology

by: Brent Hoskins, Office Technology Magazine

Are you seeking to expand your imaging product line? If so, it may be time to take another look at inkjet printing. The “other” printing technology likely presents a bigger opportunity than you think. Energy efficiency, reliability and, often, a competitive advantage, are the hallmarks of the product category. If you have been giving inkjet printing some thought, perhaps the insight shared in the three dealership profiles below will assist you.

EO Johnson Business Technologies

EO Johnson Business Technologies, based in Wausau, Wisconsin, one of three locations in the state, with additional locations in Michigan, Minnesota and Iowa, has been selling RISO products for 30-plus years. Initially, the focus was on duplicators. “We had a good number of machines in the field on the duplicator side for a long, long time,” says Jeff Reuter, director of production print. “We were selling them like hotcakes ... So, when they came out with their first inkjet printer, we were one of the first to get on board.”

Today, RISO inkjet printers are a key part of the production print lineup at EO Johnson, which also includes Ricoh toner and inkjet products [Ricoh handles the service for the inkjet products; EO Johnson earns revenue from ink sales], and Canon toner and, soon, inkjet [effective later this year with the availability to select dealerships of the inkjet vario-PRINT ix1700] products. “We do between \$8 million and \$10 million a year” in toner and inkjet production print hardware, Reuter says. “When you add in service revenue, that brings the numbers up to \$20 million to \$25 million a year.”

Between 75% and 85% of EO Johnson's production print business comes from toner models, Reuter estimates. “But that's starting to shift, because inkjet products have grown in capabilities in the last five years with new products coming out,” he says. “We have replaced some toner devices



with inkjet. That shift is taking place now. They've said for the last 15 years 'inkjet is coming.' We are at the inflection point now where it's here.”

Reuter shares the example of the transition from toner to inkjet at a mortgage company that was using six monochrome Xerox production printers [capable of printing one spot color] to print mortgage origination packets with a yellow highlight where the documents were to be signed; the models were being discontinued. “RISO inkjet production printers were the best [replacement] option for them,” he says. “When we told them

about the RISOs, they liked that they would keep their cost per page low. It also gave them a much more compact footprint than the giant Xerox machines. And since the [low-heat producing] RISOs only require 120-volt power, they didn't need any special power.”

Beyond their low heat, low cost per page and smaller footprint, Reuter emphasizes other benefits provided by RISO inkjet printers. “There are not a lot of components; it's a very simple machine,” he says. “The paper path is basically straight through. So, if you get a jam, it's not difficult to clear ... In addition, if there is enough volume on the machine, the ROI is going to be good ... The customer gets a very high-speed printer at a decent price.”

Reuter cites a few key verticals that are good targets for RISO inkjet printers. “Education is a good one because of the low cost of operation and they work great, with very little down time,” he says. “If you're printing a workbook for students and it will be thrown away at the end the semester, it doesn't have to be a museum-quality piece.”

In addition, RISO inkjet printers are a good fit for both the banking and insurance industries, which print high volumes of statements, Reuter says. He cites the example of a bank using Ricoh inkjet roll-fed printers, noting that on occasion there are errors where a reprint is necessary. They

don't like to "fire up those giant roll-fed printers to print five sheets," he says. "So, we put some sheet-fed RISO printers alongside the Ricoh roll-fed printers to do the re-prints; we are able to color match the output."

Whatever the vertical pursued with inkjet production printers, Reuter says it is very important to be prepared. "You need to understand those verticals and where the inkjet product fits," he says. "If you don't take the time to build that knowledge, you will never sell one."

TDSiT

Now in its 30th year, TDSiT, based in Lowell, Arkansas, with a second location in North Little Rock, Arkansas, offers both Epson and RISO inkjet printers, as well as Xerox imaging equipment. "I'm enjoying everything Xerox has to offer, but we do sometimes find ourselves saying to them things like, 'You know, we went with some Epson A3s into this account,'" says Tim Stanley, owner and founder of the dealership, noting that offering only one imaging line is not a good idea. "For any dealer, having an alternate, like inkjet, is just a smart business decision."

One of the areas of guidance that Stanley has received from his industry peers is product diversification. "They would say, 'Try Epson,'" he says. "So, we did, adding the brand to our lineup four years ago. We've had a lot of success ... Their desktops are solid printers; you can look a customer straight in the eye and honestly say, 'These printers work well.' Every now and then, a customer must have laser, and we can accommodate, but the Epson desktops are phenomenal. Lately, we've put a lot of A3 inkjets into law firms and schools ... I would advise other dealers, 'Before you add another laser line, add inkjet to your offerings.'"

Epson has been helpful in optimizing TDSiT's level of success with inkjet, Stanley says. "One of the things I enjoy about Epson is that it seems like they are always in our office," he says. "They're old school as far as their local teams on the ground. They were just at our leadership team meeting in Little Rock and went out of their way to let us know what's going on with Epson."

As is often pointed out, one of the key values of Epson printers is the low number of components, minimizing the need for repairs and boosting reliability. "For example, Epson offers a 100-page-per-minute machine that has only 13 components," Stanley says. "Compare that to a 100-page-

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EO Johnson Business Technologies

per-minute Kodak I was involved with 38 years ago that had 3,000 parts; they literally called their technicians 'field engineers' because you had to be an engineer to work on it."

The lower number of components "means fewer components on the shelf [at the customer location]," Stanley says. "With laser, you've got customer replaceable modules, including drums, toner and waste toner containers,

etc. If you have a fleet of laser devices, you must have a storage cabinet for all the components. Epson printers don't require that much space. So, that's a conversation to have with prospective customers."

Another often-touted benefit of Epson printers is the lack of heat. Stanley notes the practice of many workers placing small laser printers under their desks. "That is terrible for reliability," he says. "You can put an inkjet anywhere you want and it will just keep printing. Plus, it's quiet."

While Stanley emphasizes the reliability of Epson products due, in part, to the lack of heat — and, so, low energy consumption — it is not a primary selling point in his market from a sustainability perspective. "That pitch adds fire to why a prospect wants to go with us, but I don't know that it has ever been the primary reason at TDSiT for an Epson printer placement."

As noted, TDSiT also offers RISO inkjet printers, but only for less than a year and, so, is working toward finding its stride with the product line. "I added RISO because it can do different applications in a print-shop production environment that a laser or an Epson cannot," Stanley says. "[They are great for] statement printing and can handle NCR [forms/paper] at a really high speed, and they handle envelopes."

Everyone in sales at TDSiT can sell inkjet printers — including the owner. "About a year ago, Epson unveiled an A4 at 55 pages per minute," Stanley says. "I'm preparing to submit a quote at a meeting at a school tomorrow for three of those A4s."

Weaver Associates Inc.

Just before the COVID-19 pandemic, Weaver Associates Inc., based in Lancaster, Pennsylvania, with two other locations in the state, began selling Epson inkjet printers. "Today, I would say 95% of my sales are Epson," says Ron Weaver, president of the dealership, noting that while toner-only competitors are quick to characterize inkjet as "no good," he can quickly prove them wrong by way of first providing customers

Five Key Messages for Dealerships Selling Inkjet

Close With Sustainability

1

Hardware purchasing decision makers say sustainability matters most at final decision (65%), with 70% saying its influence is increasing.

Lead With Perception

2

97% of ink-tank users find ink-tank printers to be more sustainable than cartridge-based printers, tied mostly to reduced cartridge waste.

Sell Performance People Can See

3

High image quality is the top purchasing driver for ink-tank users (50%), followed by convenience over cartridge printers (45%).

Ink Tanks Support OEM Revenue

4

Three out of four ink-tank users buy OEM ink over aftermarket ink when their devices run out.

Market Growth Potential Is Real

5

Current users want better device repairability (57%), more cost savings (46%), and longer product life cycles (38%).

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the use of a trial inkjet printer. "Here's a machine; take it and use it for two weeks.' Our success rate is about 99%."

Yes, about 99% of the trial Epson printers lead to sales at Weaver Associates, representing 95% of the dealership's imaging placements overall; the dealership also offers Brother, HP and Lexmark products. The inkjet printing industry may not have a greater fan than Weaver. "You can't imagine how successful we are; we can take out a laser printer in minutes," he says. "I have more than 3,500 units in the marketplace and I don't even have two service calls a week on the Epson product."

Product reliability is only part of the value proposition, Weaver says. "We have 21 fewer parts than in a traditional laser printer," he says, citing, as examples, that Epson inkjet printers have no fusers and drum units — an advantage, but not what he sees as the number-one advantage. "The number-one advantage of inkjet over laser is there is [essentially] no waiting for the first page to print. So, when you put my printer behind the counter of an auto dealership or the front desk at a hotel [as examples], that first page comes out in three to four seconds."

There is also the appeal of the inkjet's environmental sustainability, given that Epson printers do not generate heat, Weaver says. "The entire sustainability package, including power consumption, is important," he says, noting that "laser printers are at 400 to 425 degrees" when printing a page. "We have situations [with high print volumes] where we have been able to show savings of \$300 to \$400 a month [in energy costs]."

From a profitability perspective, Weaver emphasizes the minimal number of service calls required for inkjet. "The first copy speed is important for customers, but for us what is really important is the lack of service calls," he says. "We say to customers, 'The good news is you're not going to know our service people by name.' We have customers that have had machines for two years that have never had a service call."

Weaver says his experience with inkjet is enhanced by

the level of support he receives from Epson. "They're the best company I have ever done business with," he says. "From [Epson] sales, service, customer service and service training all the way up to management, they have done nothing but provided us great information ... They've given us tools to be successful through training and support — and [when you call Epson] you always speak to a human being."

Acknowledging that inkjet printers do not offer graphics color, Weaver says the shortcoming is seldom an issue. "If you want graphics color, we don't talk to you about Epson," he says. "However, I would say 90% of our deals do not need graphics color. A funny story; we have an automobile dealership where we installed around 50 Epson printers. The service manager was not happy, saying the 'red is not red

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enough.' The owner got wind of this and walked over to the printer. He asked, 'Is that red?' The service manager answered 'yes,' but said she wanted it to be brighter. The owner said, 'For what I am saving, the red is perfect.'"

Weaver encourages other dealers to take a look at inkjet, if they have not already done so. "There are very few service calls and oh, by the way, it's cheaper to operate than laser," he says. "If you

want to make money and have a problem-free environment, this is it." ■

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