

Being a Data Driven Dealership -

Data Marketing & Analytics to Drive Strategic Revenue Growth

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September 2018



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INTELLIGENCE

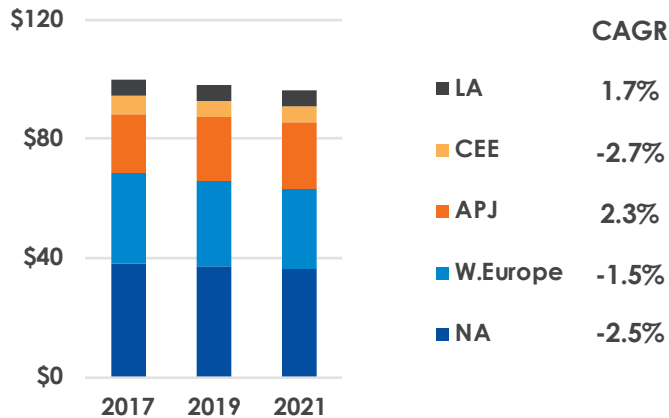


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Worldwide Office Technology & Services by Region (\$B)

CAGR -0.9%

Key Trends



- Office Technology key growth areas are in Latin America and Asia Pacific with the highest growth rate
- Many vendor's initiatives are focused on global markets with a key focus on Asia

Note: Excludes

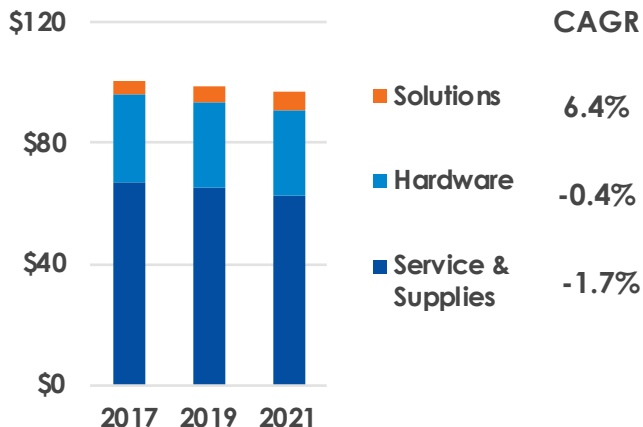


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Worldwide Office Technology & Services by Product (\$B)

CAGR -0.9%

Key Trends



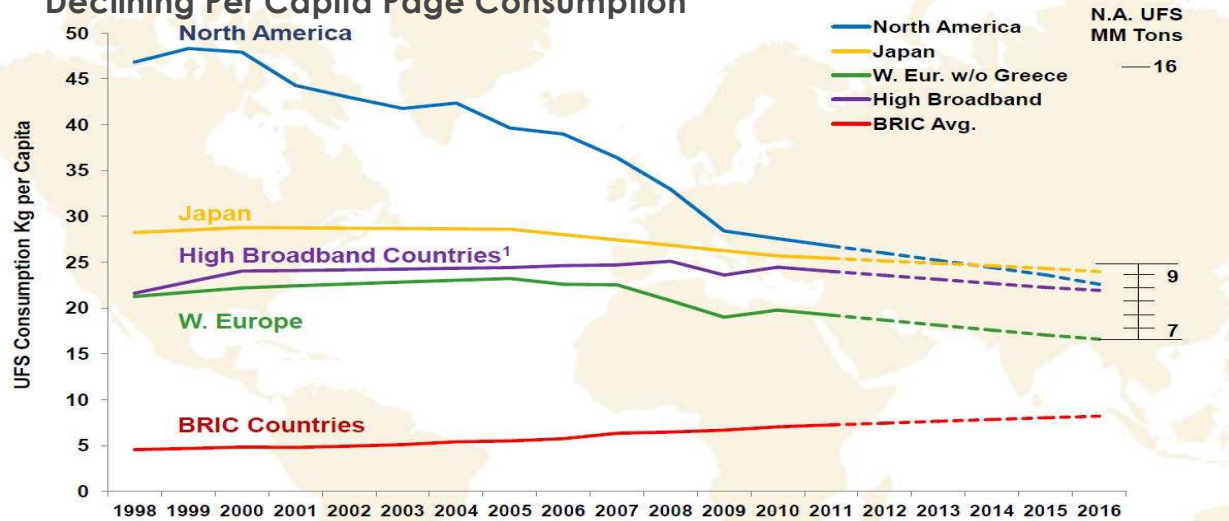
- Overall Office Technology Market has plateaued globally
- Vendors are rationalizing hardware strategies however in some cases investing in new key areas where they see new opportunities
- Vendors have rationalized SW strategies – high CAGR, low revenue but drives HW
 - Owning software is no longer a trend, owning the platform has been a key focus

Note: Excludes



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Uncoated Freesheet – Developed World Convergence Declining Per Capita Page Consumption

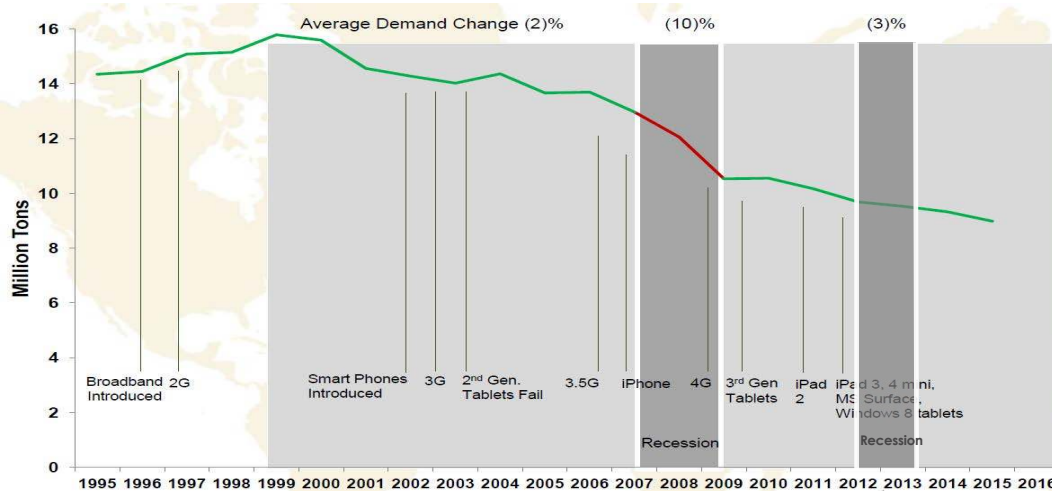


¹ Korea, Singapore, Denmark, The Netherlands & Switzerland
Source: International Paper Investor Roadshow

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Cut Sheet Demand – Electronic Substitution

Digital



Source: International Paper Investor Roadshow & Overlay of European Economic Recessionary Periods

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the GREAT Industry REBOOT



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The Great Industry Reboot

brother - New Enterprise devices and focus, Higher end channels

Canon - Océ acquisition, Software acquisitions, One Canon consolidation

EPSON - Focus on large format and high speed inkjet, Higher end channels

KYOCERA - Acquisition of Databank, Focus on higher end technologies

hp - HP Split, New A3 focus, New Channels, Samsung acquisition



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The Great Industry Reboot



- All Covered acquisition, MGI Investment, Workplace of the future, Muratec



Lexmark™ - Acquisition by Apex group, Software divestment



RICOH - Ricoh Resurgence, Mindshift acquisition, Profit focus, Channel shift



SHARP - Acquisition by Foxconn, Diversification of Screen Technology



TOSHIBA - Focus on retail, Investments & Acquisition on POS & Digital Displays



xerox - Xerox split, renewed focus on Hardware – 29 new models introduced



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the
SMART
WORKPLACE



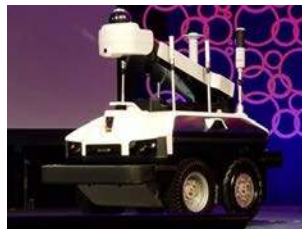
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From the Smart Home....



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....To The Smart Workplace



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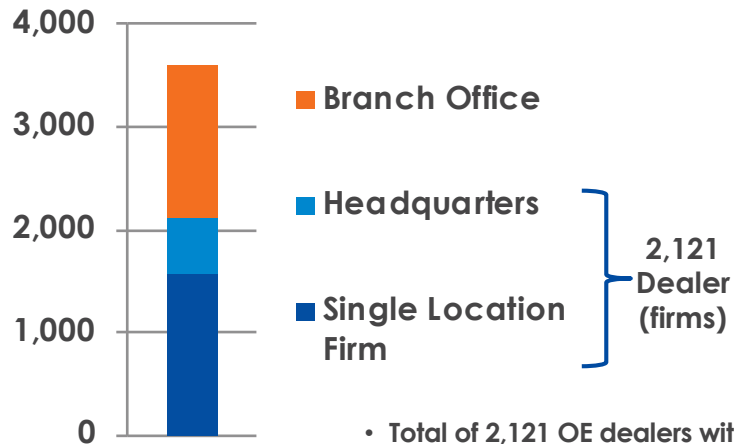
How do we connect?



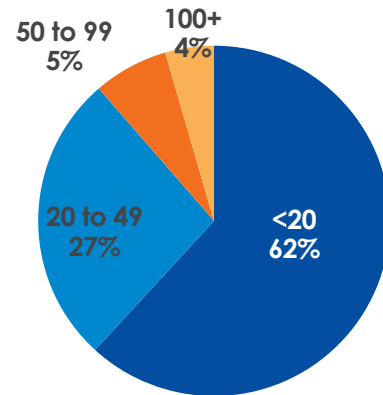
Channel Trends

U.S. IOEDs and Locations

OE Dealer Locations = 3,598



OE Dealer Firms = 2,121
(by employee size)

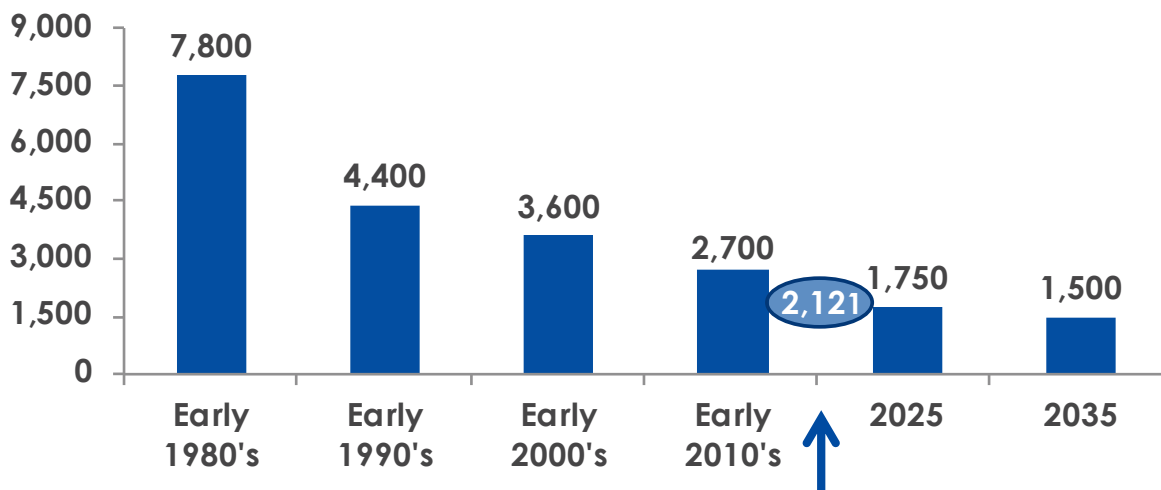


- Total of 2,121 OE dealers with 3,598 locations
- 544 multi-location dealers have a total of 1,477 locations
- Most dealers are small business with under 20 employees



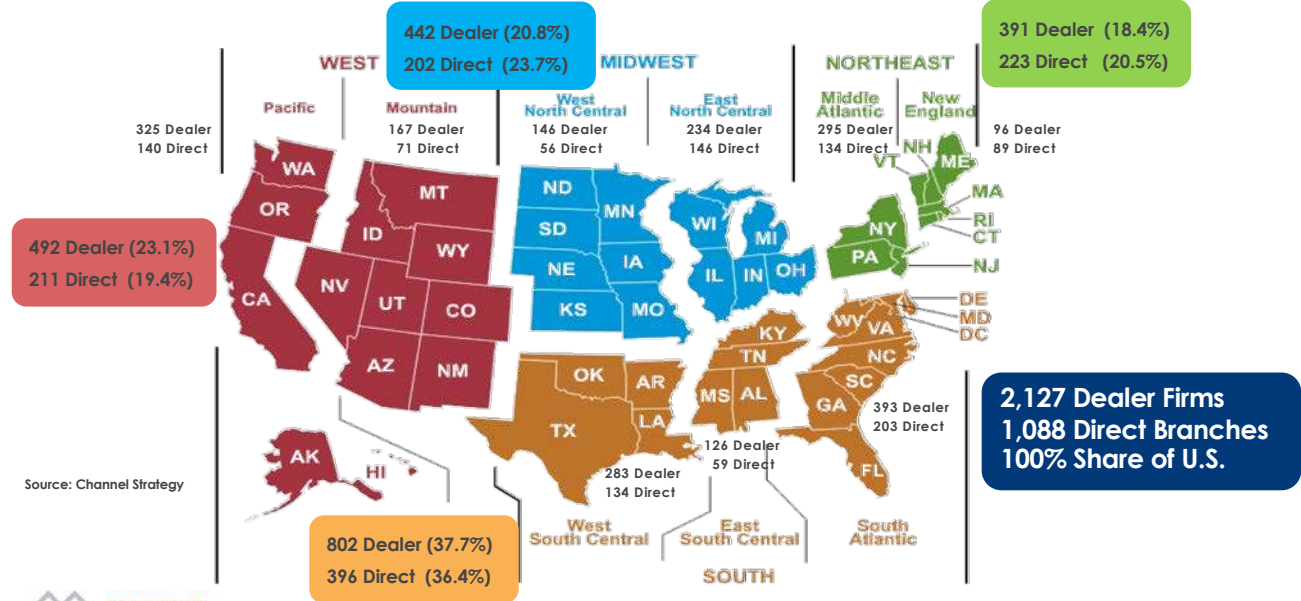
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U.S. Independent Office Equipment Dealer Firms



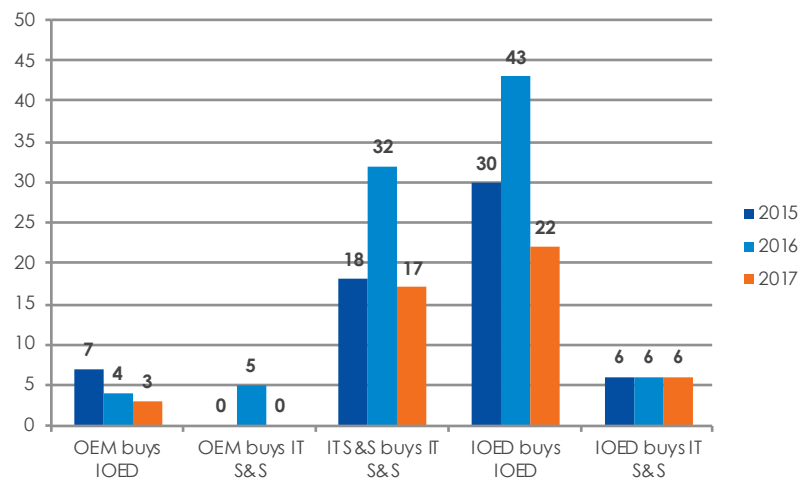
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2017 Office Channels by Region



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Channel Acquisitions 2015-2017*



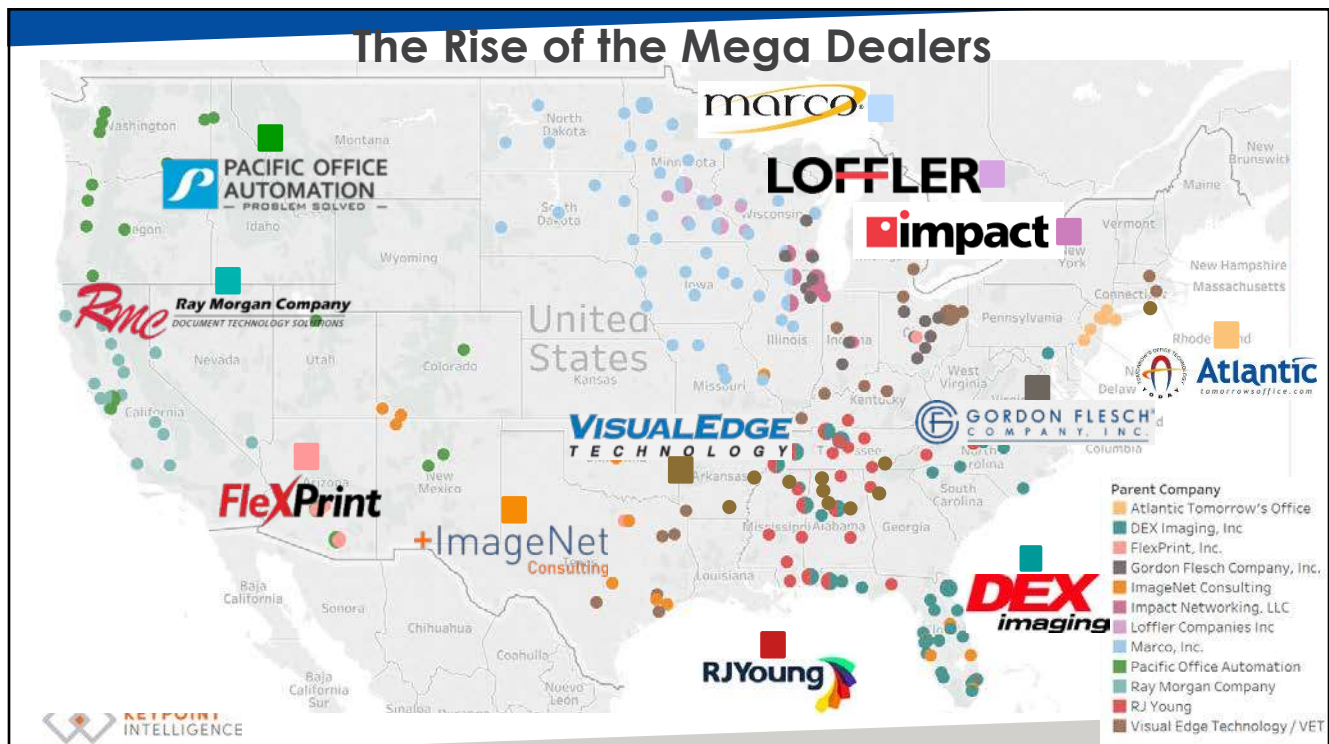
N=199

*As of 7/05/17



Source: Keypoint Intelligence – Channel Strategy Consulting Service

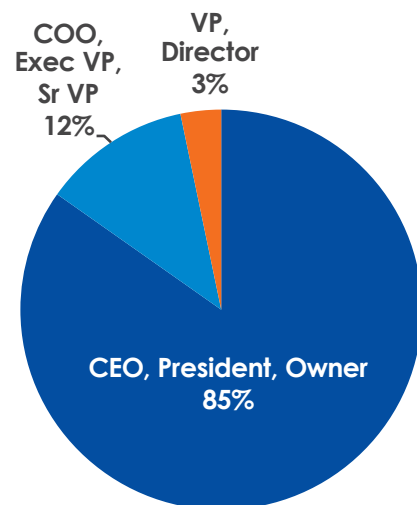
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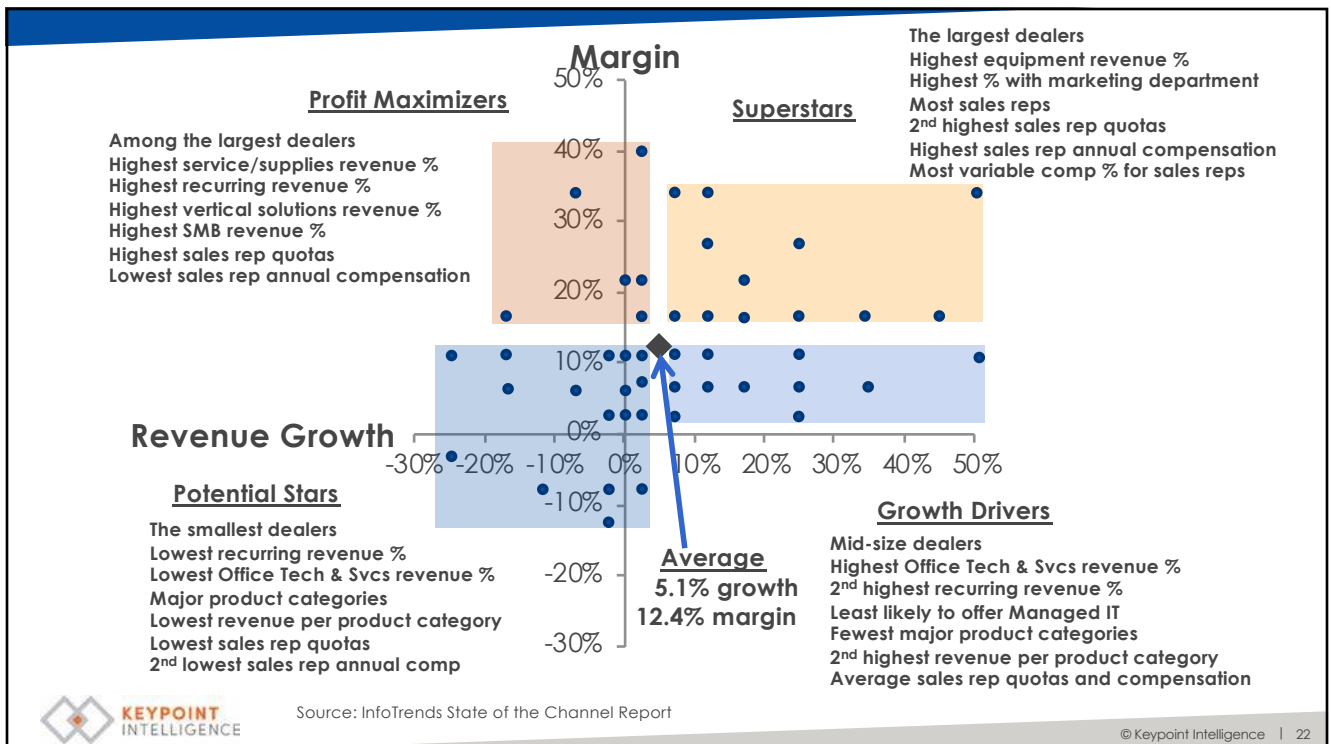
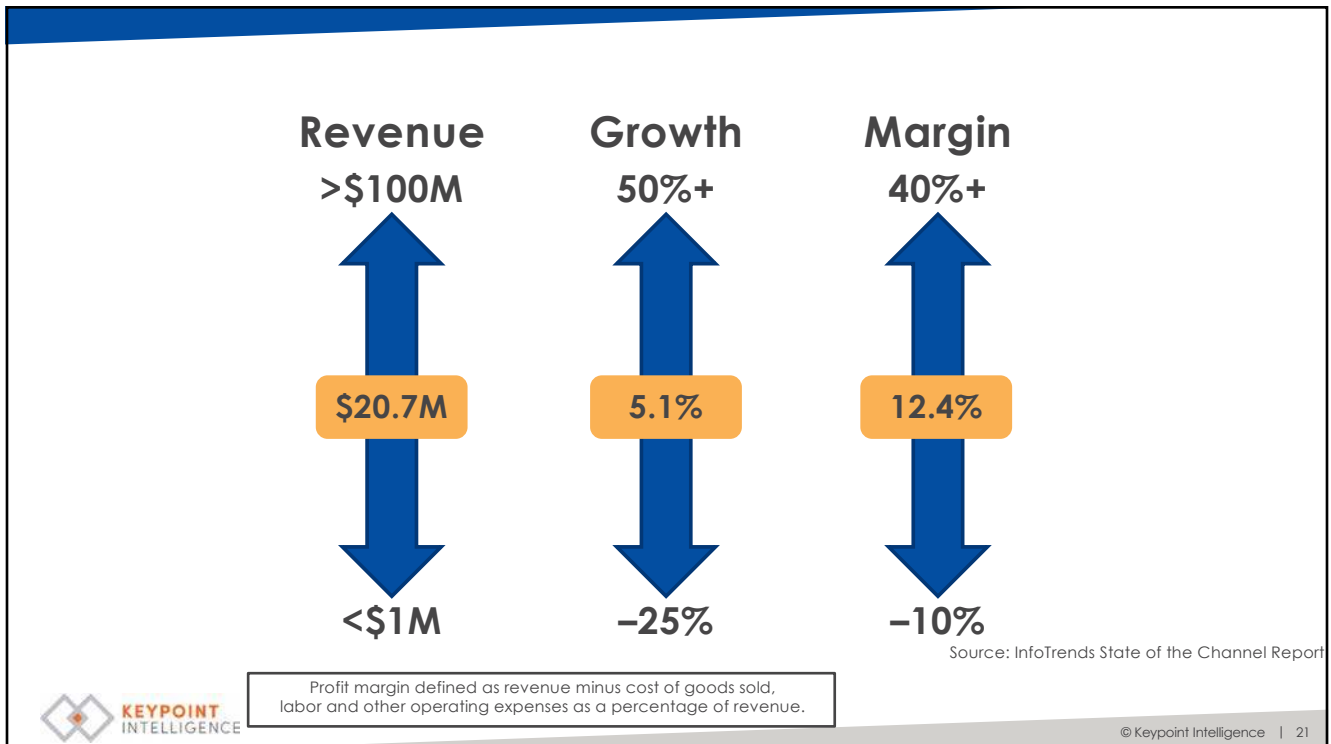
InfoTrends State of the Channel Research

Who we spoke to:

- ◆ 96 Independent Office Equipment Dealers
- ◆ 356 locations
- ◆ \$2B in aggregate sales
- ◆ 97% C-suite respondents
 - › Key operating metrics
 - › Mix of business
 - › Infrastructure
 - › Initiatives & priorities
 - › Challenges



• Source: InfoTrends State of the Channel Report



Trends & Dealer Survey

- Rise of the “Mega” dealer; consolidation accelerating
- Territory rationalization in full swing with select OEMs and mid/large dealerships – All channel eyes focused on Ricoh & HPI
- Primary reasons for “revenue growth”¹
 - Better internal business systems
 - Increased services
- Primary reasons for “revenue decline”¹
 - Loss of sales staff
 - Loss of key customers
- Doing more with less – utilizing technology to drive business decisions and revenue

Source: ¹State of the US Dealer Channel, July-August 2017



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Top Dealer Challenges



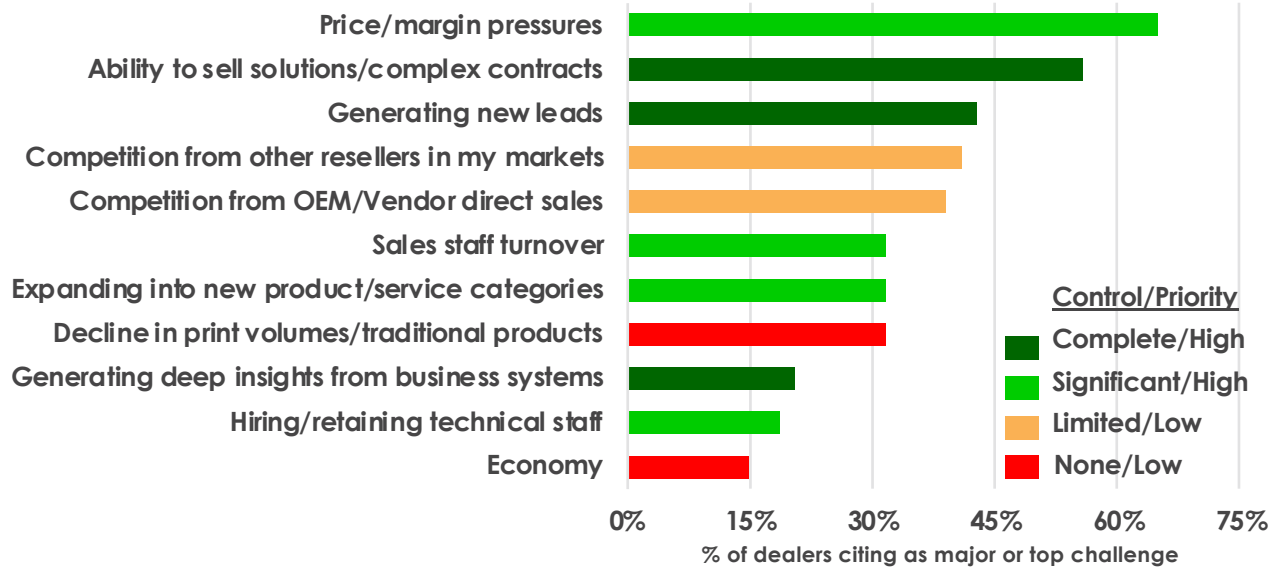
Source: Keypoint Intelligence – Channel Strategy Consulting Service

N = 54 Office Equipment Dealers



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Top Dealer Challenges – Another View



Source: Keypoint Intelligence – Channel Strategy Consulting Service

N = 54 Office Equipment Dealers

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How to Become a Data Driven Dealership



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3A's Defined and More...

Analytics

Analytics is the discovery, interpretation, and communication of meaningful patterns in data. Especially valuable in areas rich with recorded information, analytics relies on the simultaneous application of statistics, computer programming and operations research to quantify performance.

Artificial Intelligence

Is the broader concept of machines being able to carry out tasks in a way that we would consider "smart."

Machine Learning

Is a current application of AI based around the idea that we should really just be able to give machines access to data and let them learn for themselves.

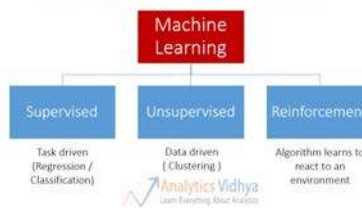
Automation

the technique, method, or system of operating or controlling a process by highly automatic means, as by electronic devices, reducing human intervention to a minimum.

Predictive Analytics

An area of statistics that deals with extracting information from data and using it to predict trends and behavior patterns. Often the unknown event of interest is in the future, but predictive analytics can be applied to any type of unknown whether it be in the past, present or future.

Types of Machine Learning

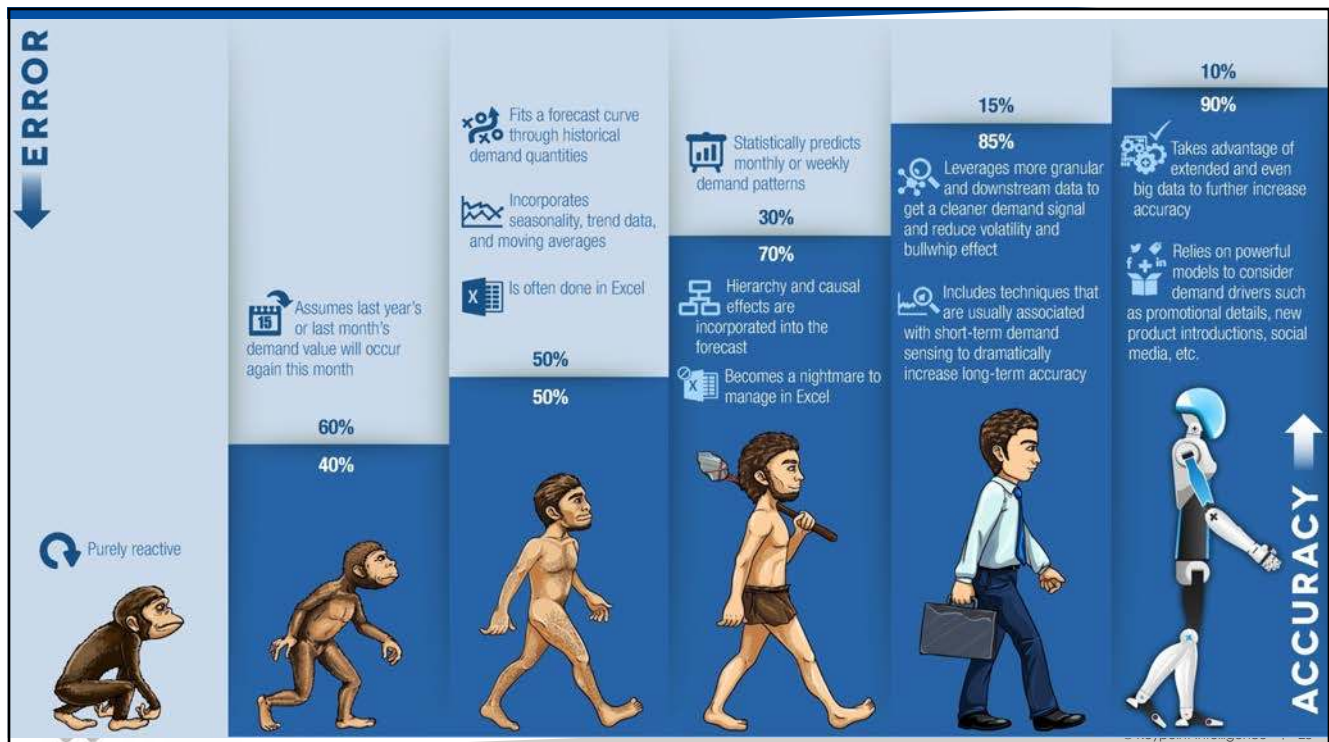


IoT "Internet of Things"

Is the network of physical objects that contain embedded technology to communicate and sense or interact with their internal states.



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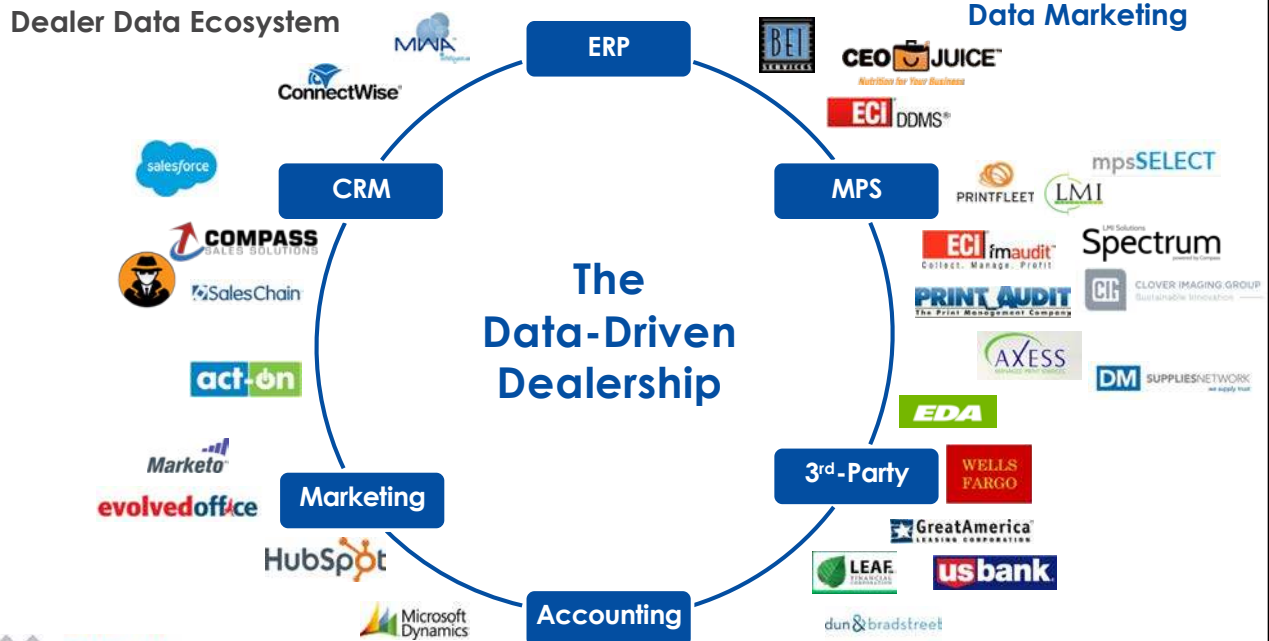
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Analytics & Automation Uncover Opportunities



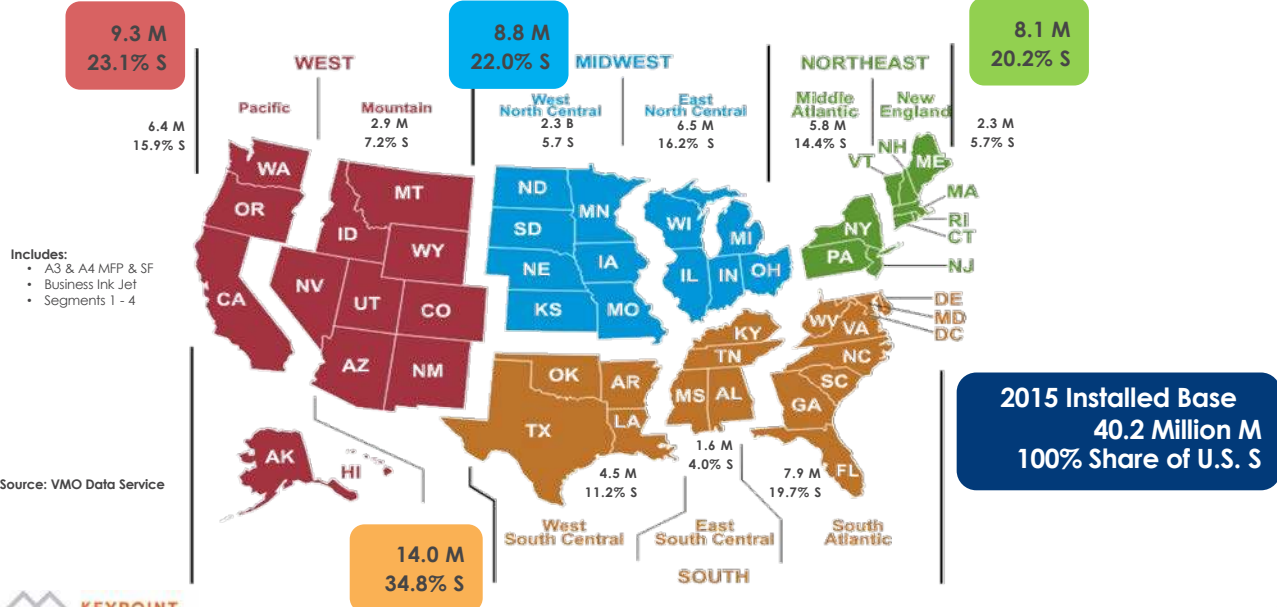
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Dealer Data Ecosystem



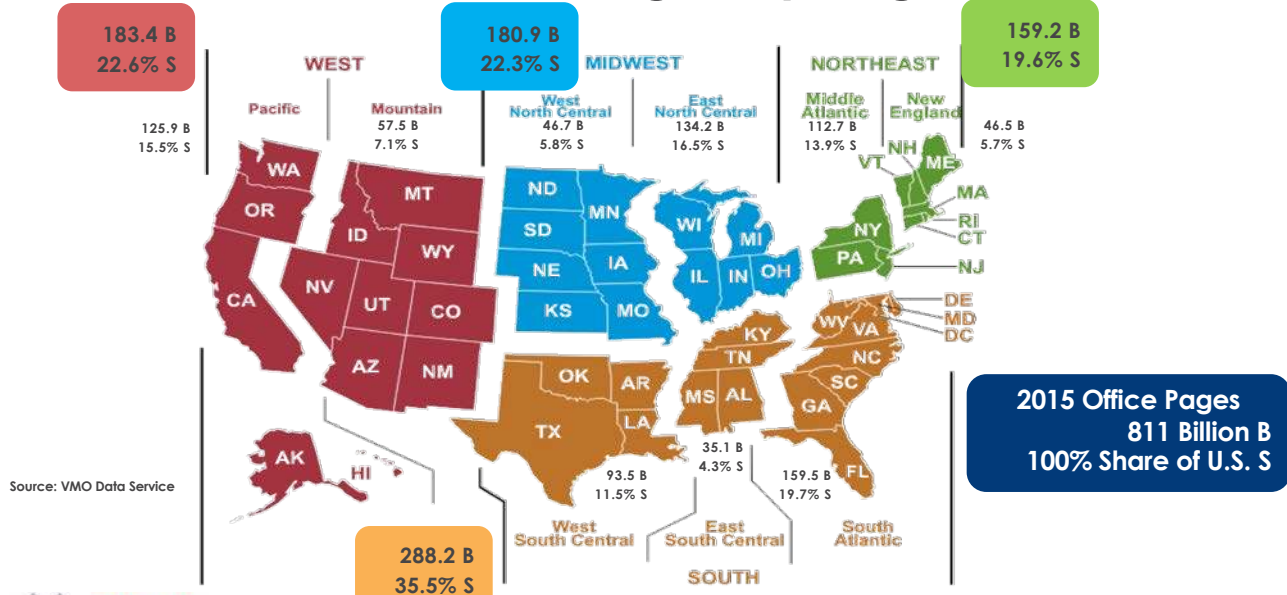
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2015 Installed Base by Region



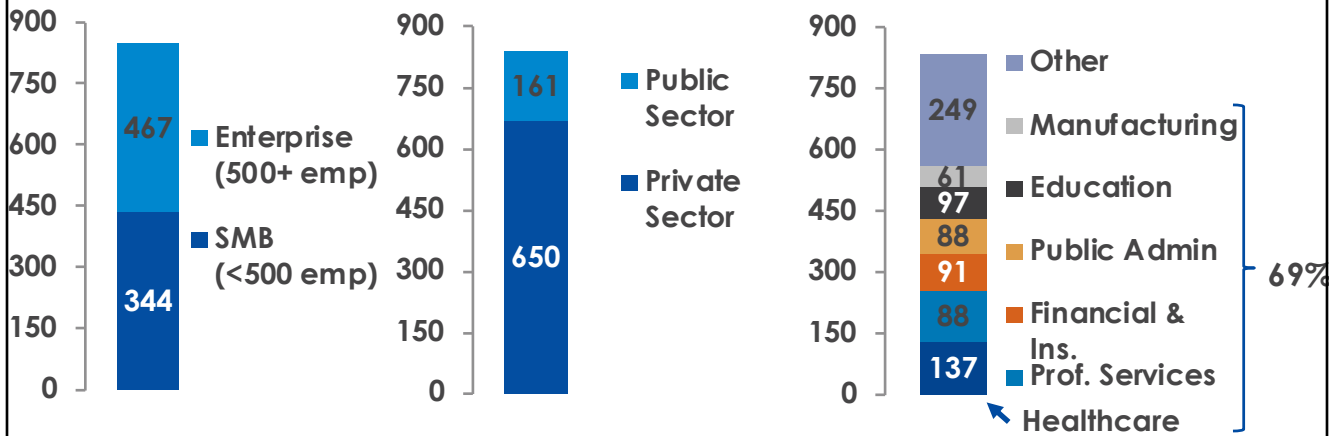
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2015 Office Pages by Region



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U.S. Office Page Volume* = 811B

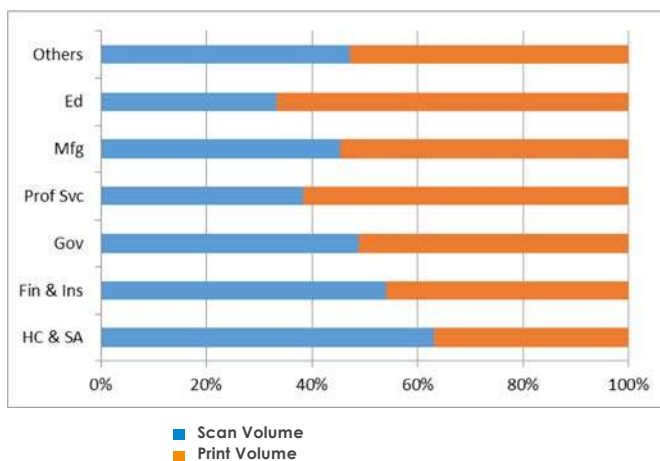


*Excludes pages from non-CBSA areas (rural), segment 5 & 6 devices, serial inkjet and home office environment



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Top Master Verticals – Scan vs. Print Volumes



Source: North American Vertical Market Print, Copy & Scan Volumes, Q4 2016



- Documents with signatures were the number one document type scanned on a regular basis. Interestingly, scanning photos tended to be more popular with US users than other regions.
- In terms of printing trends, our survey results found 31% said their printing had increased by 6%-10% in the last two years
- About 68% of U.S. IT decision makers stated the main reason for printing more at a location was their business was growing and an improved economic situation.
- US IT decision makers said the number one reason that there was less printing was because there were fewer employees in-house (48%). This was followed by documents can now be filed electronically to meet government regulations and a better IT infrastructure has helped to electronically access documents.

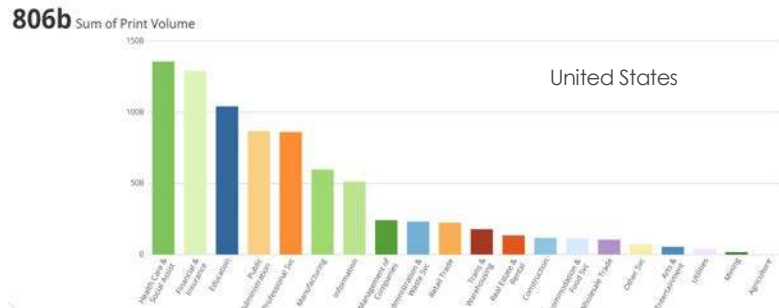
Source: VMBO Enterprise Survey Analysis, April 2017

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KeyPoint Data Visualization Platform

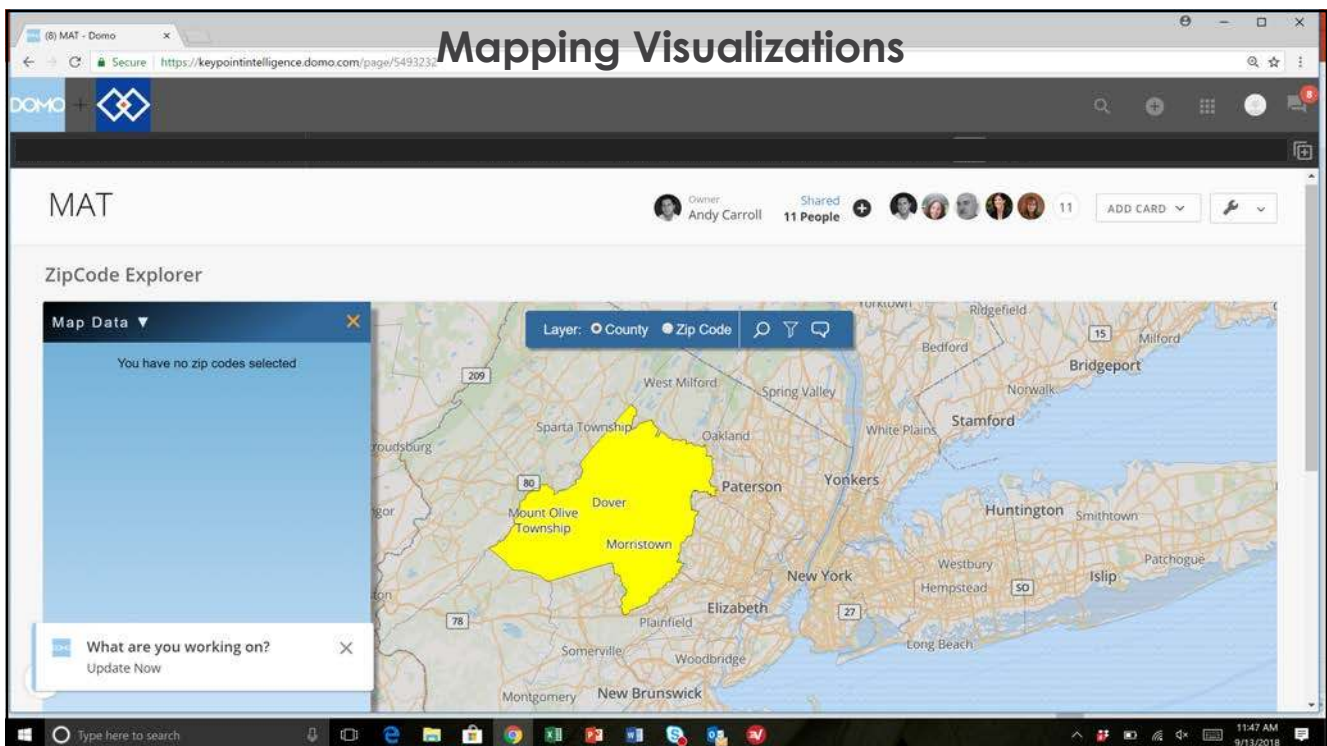
Technology Segments

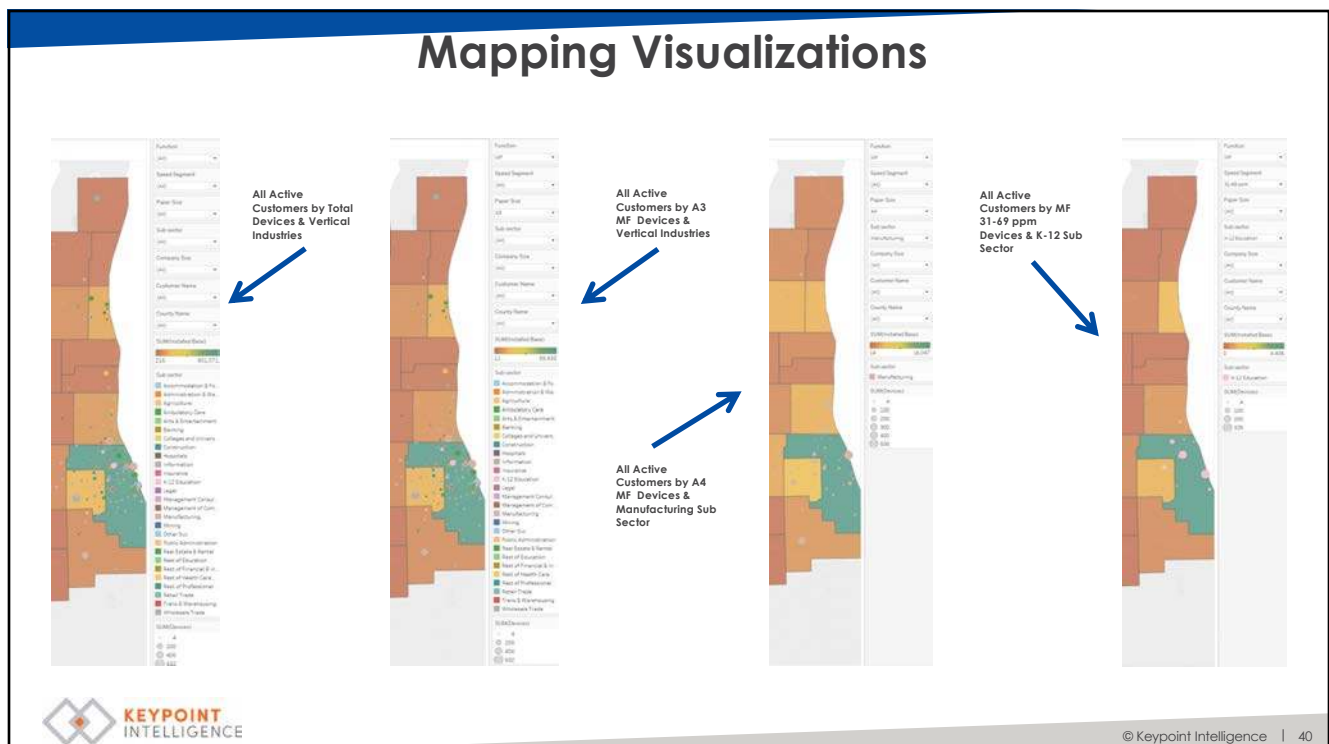
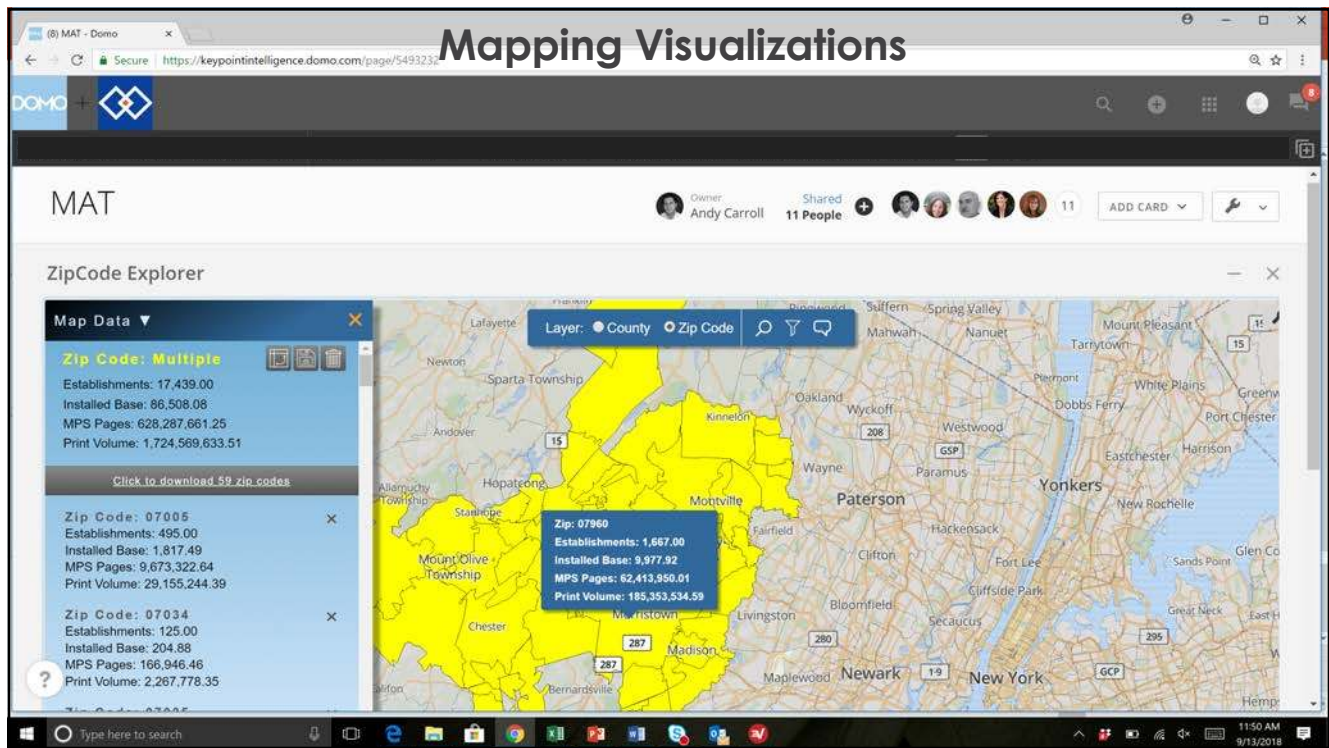
- A3/A4
- Segment 1- 4
- MFP/SF
- Color/BW
- Toner/Ink



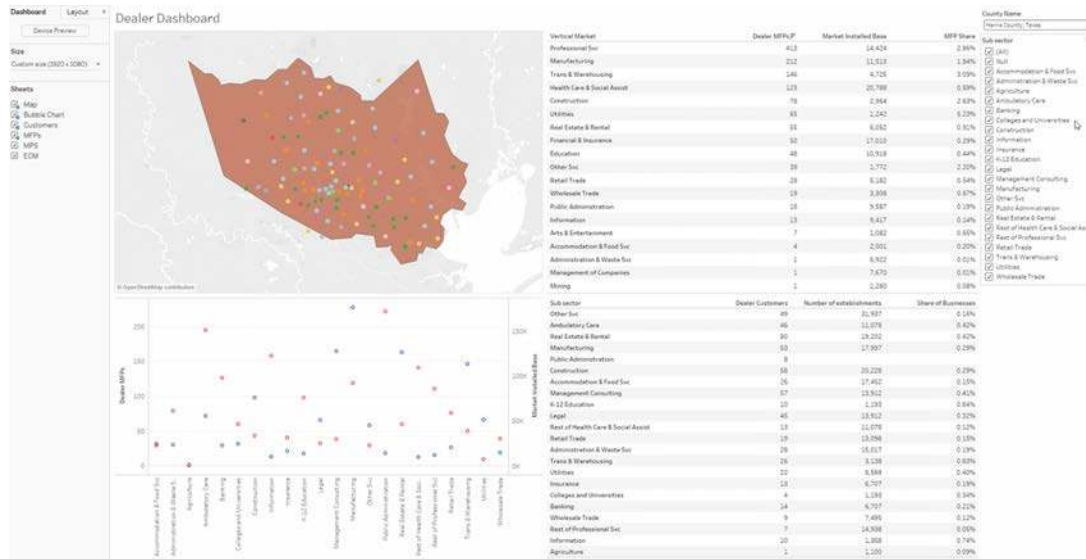
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Mapping Visualizations





Mapping Visualizations



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Building A Data Driven Marketing Foundation



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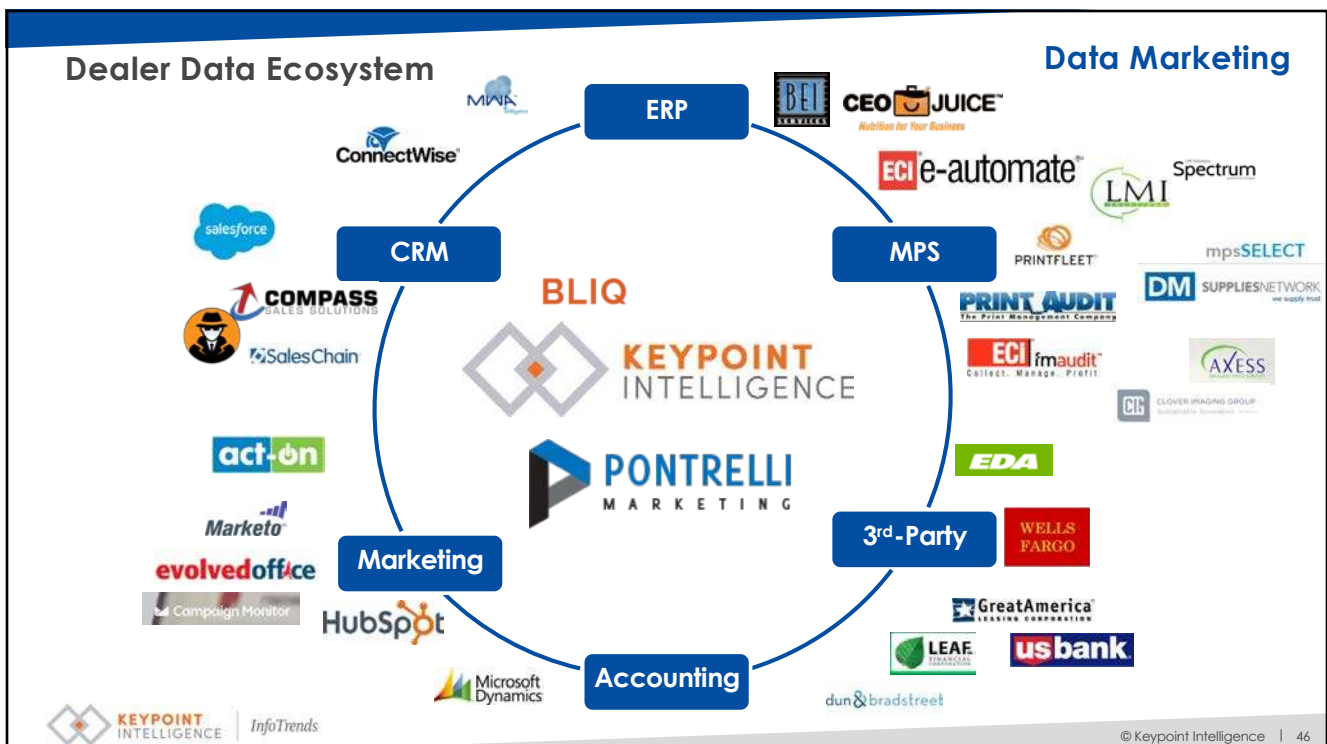
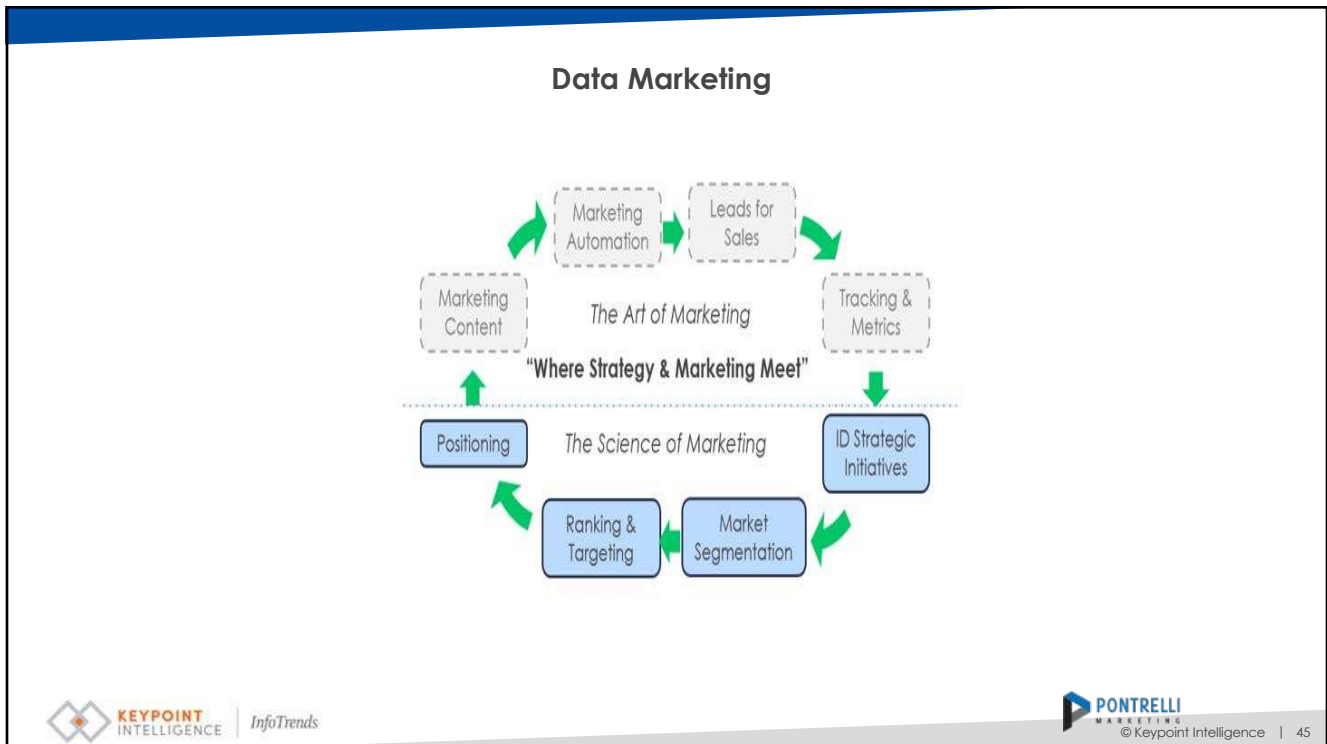
Data Marketing

Database marketing is a form of **direct** marketing using **databases of customers** or potential customers to **generate personalized communications** in order to **promote a product or service** for marketing purposes. The method of communication can be any addressable medium, as in direct marketing. [Wikipedia](#)

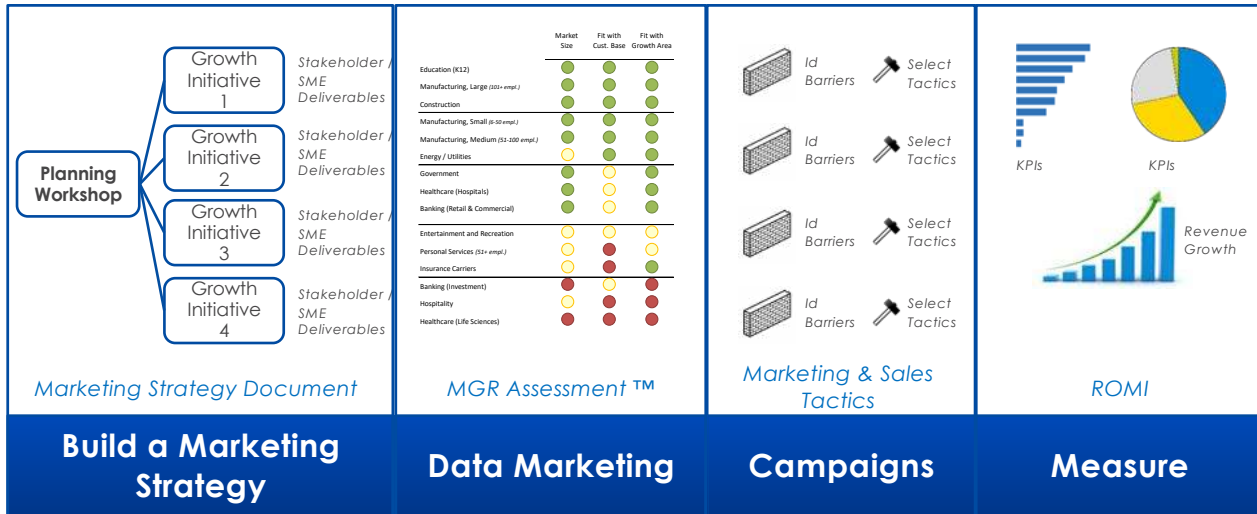
Target Marketing vs. Mass Marketing

- **Targeted marketing** is a precise form of marketing and communication. It **aims marketing messages at smaller, defined targeted segments** or even individual people.
- **Mass marketing** delivers **generic messages to a large and relatively undefined audience** (T.V. commercials, billboards, and radio).
- **Mass marketing** has a **limited appeal**. Not everyone thinks alike, so a marketing messages that works well in one geographic location or with one demographic might not work well for others.
- According to statistics by CMO.com, **targeted marketing are twice as effective** as non-targeted marketing.





Marketing Foundation Process



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Strategic Initiative: Managed IT

Tier	Cust w Strat Sale	Cust w/o Strat Sale	Prospects	Mkt Size	Fit w/ Cust	Fit w/ Init
Tier 1	23	401	18,481			
Manufacturing - Medium (21 to 100)	6	87	2,891	●	●	●
Manufacturing - Small (up to 20)	7	54	3,914	●	●	●
Architecture, Engineering & Construction - Small (up to 20)	5	116	7,073	●	●	●
Social Services & Membership Organizations - Small (up to 20)	4	113	3,460	●	●	●
Social Services & Membership Organizations - Medium (21 to 100)	1	31	1,143	●	●	●
Tier 2	22	526	15,328			
Architecture, Engineering & Construction - Medium (21 to 100)	5	71	2,093	●	●	●
Insurance & Financial Services - Small (up to 20)	5	91	2,119	●	●	●
Legal - Small (up to 20)	4	137	2,615	●	●	●
Business Equipment Sales & Leasing - Medium (21 to 100)	4	30	1,060	●	●	●
Business Equipment Sales & Leasing - Small (up to 20)	1	57	3,353	●	●	●
Accounting, Consulting & Management Services - Small (up to 20)	3	140	4,088	●	●	●



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Targeted Marketing Campaign

Target Market: MPS Manufacturing(145)

Barrier(s):

-Fleet reassignment process in Sherpa – Still and issue; -MPS perceived as expensive;

-Website Enhancement;

-Pain Points/Benefits – Top 5 Differentiators;

-Customer communication

How do we want this TM to Think/Feel/Act Differently?

Business Service Provider, with 27 years of printer services experience, they partner with to help them in their specific industry to take a non-managed area of their business and turn it into a managed area and thereby helping them control costs, optimize efficiencies and regain a portion of their profitability

Tactic #1: CRM - Sales team to contact each targeted account to verify decision maker, email address / contact information.

Tactic #2: Targeted Email Campaign/Website Landing Page

Create Eblast and CTA drives traffic to website

Create article on benefits of MPS

Tactic #3: Campaign - Phone Calls –

Develop conversation/phone scripts

Tactic #4: Targeted Direct Mailers/Website

Landing Page

- Create Postcard and CTA drives traffic to website –
- Create Case Study to be accessed through website

How will we measure the tactics?

Tactic #1: 71 contact email addresses by 9/15/16 - Done

Tactic #2: Tracking Stats – Goal 15% Open and 3% clicked -Current 16.91% Open, 2.94% Clicked

Tactic #3: Outcome Goal = 15% of accts schedule walk-thru appointments by 11/30/16 (25 walkthroughs (17.2%) (\$39,092 MPS contracts, \$212,486 Hardware))

Tactic #4: Website Traffic Measurement on landing page



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Example of CRM Customer Record Configuration

Basic CRM Data

Account Name	IDEAL MACHINE & TOOL
Account Number	163870
Account Address	123 Oak Street
Phone Number	(123) 456-7890

Market Segmentation

Market	Manufacturing
Size	78 employees
Size Category	Medium

Growth Initiative Account Status

Has MPS Contract	YES
Has MNS Contract	NO
Has Production	NO
Has Water	YES
Has ECM Software	NO

Target Recommendations

MNS	Tier 1 Target
ECM	Tier 1 Target
Production	Tier 2 Target



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5 Pillars of a Marketing Foundation



MARKET ANALYSIS
& CUSTOMER
REQUIREMENTS



BRAND STRATEGY
& VALUE
PROPOSITION



IMPLEMENTATION
OF MARKETING
PLAN



MARKETING
COMMUNICATIONS



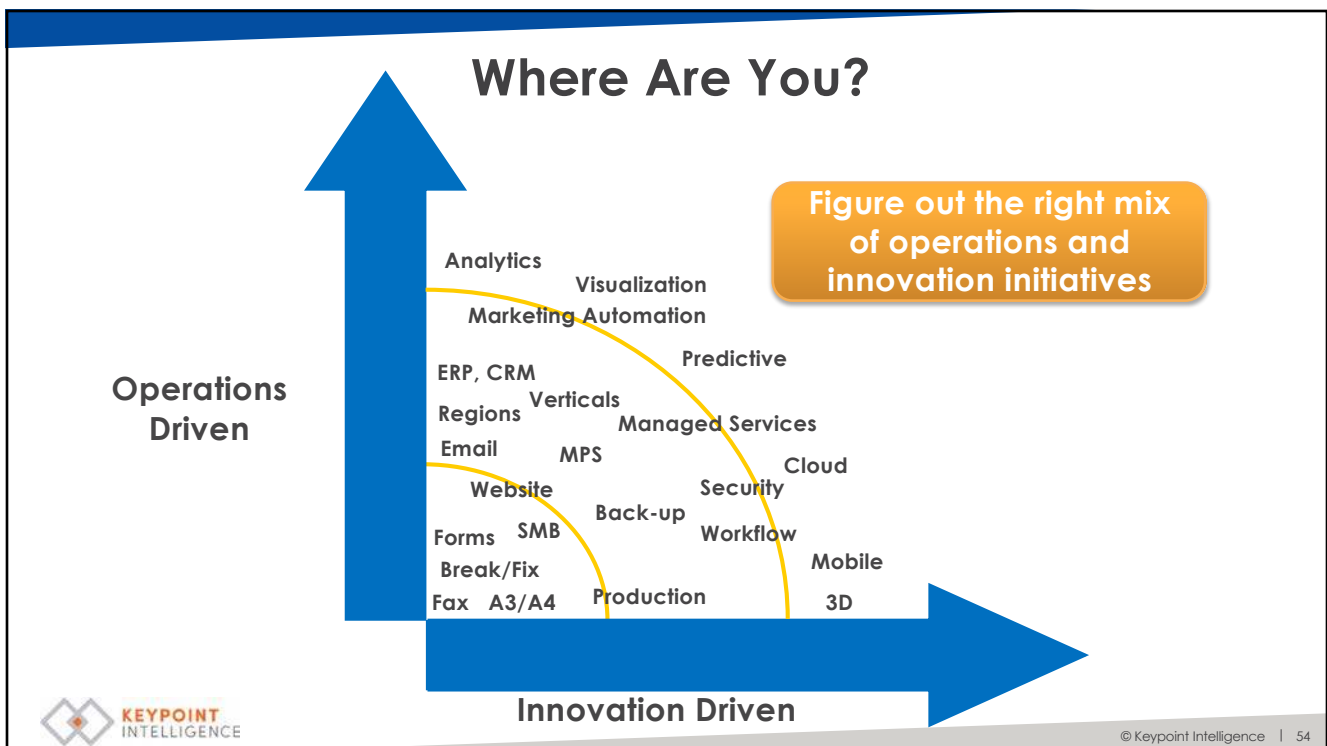
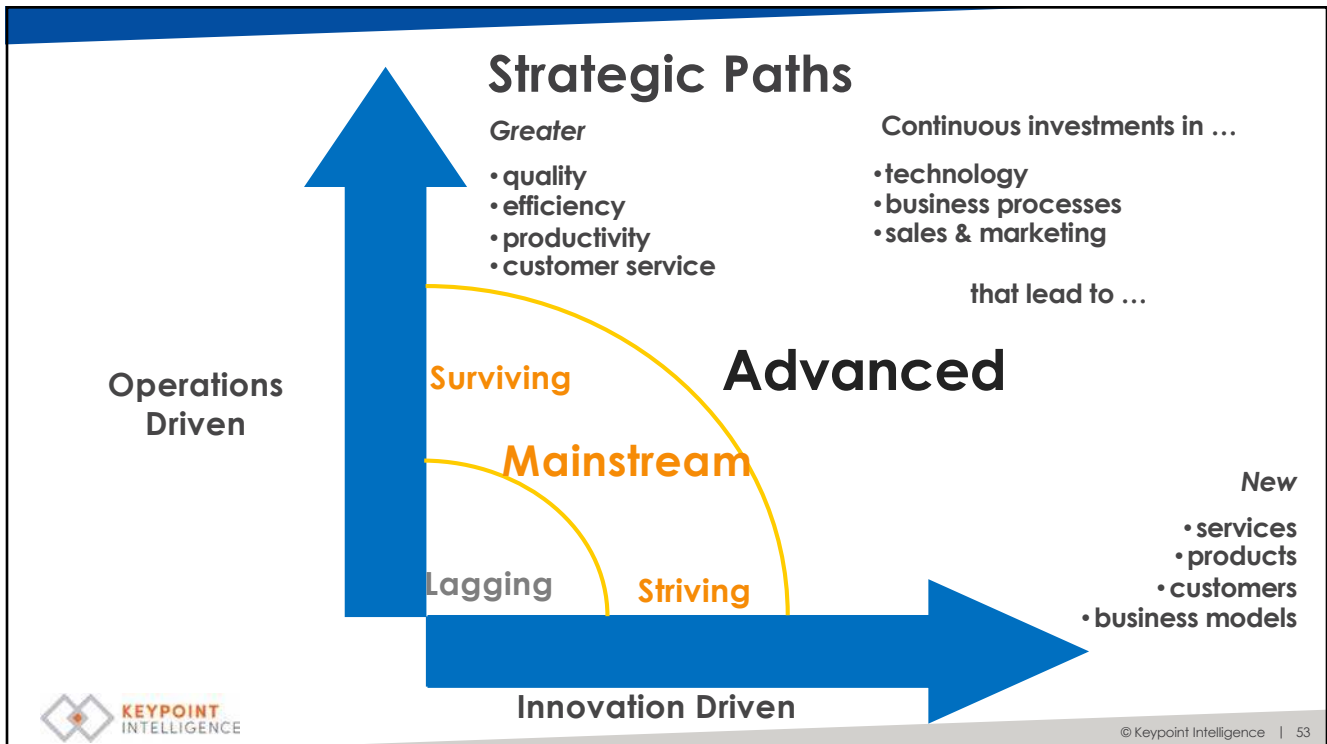
MARKETING
FUNCTION
MANAGEMENT



Recommended Actions

- ◆ Confirm Growth Initiatives
- ◆ Document Your Business / Growth Plan
- ◆ Conduct Customer Analytics
- ◆ Confirm Marketing Plan
 - › Target Campaigns
 - › Sales Alignment (Enablement)
 - › Relevant Marketing Content (Success Stories, Testimonials, Pain Points, Business Applications, Talk Tracks)
- ◆ Monitor Results
 - › What works? What doesn't?





Thank You



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