



WHAT'S THE YIELD?

In the commercial sector these days operating costs are in the spotlight as companies try to combat price pressures by keeping a tight reign on their cost base. The cost of printing is no exception. With the volume of printed matter rising all the time the consumables market is very buoyant and enjoying good growth.

BY JANE SMITH

The Original Equipment Manufacturers (OEMs) are continuing to keep their prices high, albeit HP have just reduced their prices for a second time and the perception generally is that consumables are expensive. Compatible manufacturers are therefore well placed to drive trials of alternatives, as savings of up to 30% start to make economical sense.

The compatibles sector has been seeing steady growth for some time. Bob Reynolds, UK Sales Manager for Armor told us "our sources of information indicate that the compatibles market share in the UK is in excess of 25% and will follow the US trend heading towards 40%."

But this steady increase is not just for cost reasons. It's also to do with brand awareness, quality and confidence.

For many years the quality of compatible product was called into question by a minority of players who thankfully have now all but disappeared. What remains today is a group of quality manufacturers and suppliers who pride themselves in delivering quality product at value for money prices. We spoke to two of them and their message was consistent.

Nicki Leach at Xerox explained that Xerox's philosophy was to provide top quality product by investing heavily in research and development and

maintaining ongoing and comprehensive benchmarking against both the OEMs and other competitors. Bob Reynolds at Armor said very much the same thing with both companies 'going the extra mile' to ensure that their products' quality and performance are at least as good as their OEM counterparts. Joanne Allen, Marketing Manager with Mills Computer Products and distributor of the PrintRite brand supported these views adding, "Yes, we also put a huge amount of money back into our quality and product development programmes. This is critical to our philosophy too and is key to our survival and that of our competitors."

Their marketing activity and the activities of everyone in the compatibles sector has also contributed to building awareness and credibility. It's human nature. If you're going to try something new you'd rather do so using a brand name that you know. Once consumers try the product, they realise that the product performs just as well as the original and so they continue to buy. All these factors combined have led to a greater willingness to trial. And this has to be an opportunity for you.

All the leading players in the compatibles sector understand the importance of product trial and service support to their resellers and in turn their customers. Bob Reynolds explained 'A new

trend that is emerging is that some of the major Corporates are contacting manufacturers like Armor, as they want to see the production processes, quality controls and traceability systems in place, for themselves. As Armor respects the distribution channels, we then pass this business onto our distributors.'

Performance (or page yield) is now becoming a key factor. The Office of Fair Trading has been looking at this area and is recommending that a test standard is developed against which the performance of inkjet cartridges can be measured uniformly and made available to retailers and consumers at the point of sale. Together with pricing differentials this would certainly play into the hands of the compatibles manufacturers. European Directives such as the WEEE will follow shortly too, which encourage recycling and will make it more difficult for OEMs to prevent products being recycled by companies other than the original manufacturer. (We will cover the WEEE directive in our next issue).

So, as transparency of price versus performance starts to emerge and the playing field is levelled even further compatible sales must surely continue to erode the market share enjoyed by the OEMs. But hey – the market is big enough for both anyway isn't it? ■



CAN YOU TRUST COMPATIBLES?

From a sales person's perspective, there are two issues to consider. The first is that of quality, and it seems nowadays there is ample evidence to prove that the compatible alternatives truly do give the same quality output as those of the Original Equipment Manufacturers (OEMs). However, on the question of performance (i.e page yield), it is still early days. While compatibles manufacturers claim that their consumables would yield the same pages as their OEM equivalent, the truth is there is no benchmark and no true 'apples for apples' way to compare.

But that does mean that the compatibles manufacturers are going that bit further to see that quality and performance do stack up. There are now independent labs that carry out testing, including one called Bertl (www.bertl.com) which is worth a look if you're interested in comparisons.

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