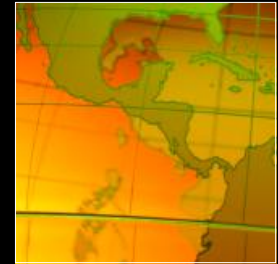


# 2016 – A year of change?



**Andy Carroll**  
Associate Director  
June 2016



InfoTrends



**A year (or more) of change....**

**The most important industry acquisition in recent memory?**

**Foxconn Sharp?**

**Clover MSE?**

**APEX Static?**

**APEX Lexmark?**

**Triton Connett?**

**The answer is :**

**None of the above**

# A year of change....



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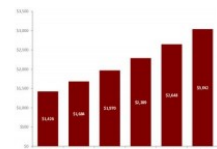
THE RECYCLER comprising RechargeEast MAGAZINE

Trade magazine for the toner and inkjet remanufacturing industry — making waste work

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## Buyers Laboratory acquires InfoTrends

October 14, 2015



The test-based analytics group has purchased the imaging market analyst division of Questex, creating a global team of over 125 subject experts.

The deal also creates a comprehensive research, sales and productivity and customer engagement network for InfoTrends and BLI clients, *Printing Impressions* reported.

Gerry Stoia, President and CEO of Buyers Laboratory, said: "Combining BLI's independent testing capabilities and exhaustive

product knowledge with InfoTrends strategic market and research expertise is a powerful combination and will allow us to innovate across a broader portfolio of products and services."

Jeff Hayes, President of InfoTrends, commented: "InfoTrends and BLI have many shared values around client service, quality research and the excellence of our professional staff. We are excited about the many opportunities created by the combination of these two great companies."



### Related Posts

InfoTrends study predicts print industry growth in Russia	Financial analysts believe Xerox should "replace" CEO	InfoTrends study will look at wide-format market trends	InfoTrends studies mobile impact on printing	Russia printer market predicted to grow

Categories : City News

Tags : Business InfoTrends Market Data

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## **BLI/InfoTrends ....**

***We are largest, deepest and brightest business intelligence firm dedicated to the office document technology and solutions industries***

***We deliver unique content, solutions and services that provide the deepest and most comprehensive view of the industry to the audiences we serve***

# BLI & InfoTrends Office Group Strengths

## BLI

- **Deep insight on Micro Technology Capabilities**
- **Deep insight on Hardware Features and Differentiation**
- **Deep insight on Software Features and Differentiation**
- **Pricing & TCO Analysis**
- **Editorial, Technical and Non Technical**

## InfoTrends

- **Deep insights in Macro Market Trends & Shifts**
- **Industry experience in Go to Market Strategies**
- **Industry Sales, Marketing, Training, Product Planning, & Marcom**
- **Placement & Forecast Modeling**
- **Vertical Markets & Channels**
- **Market Research**

# Today's talking points

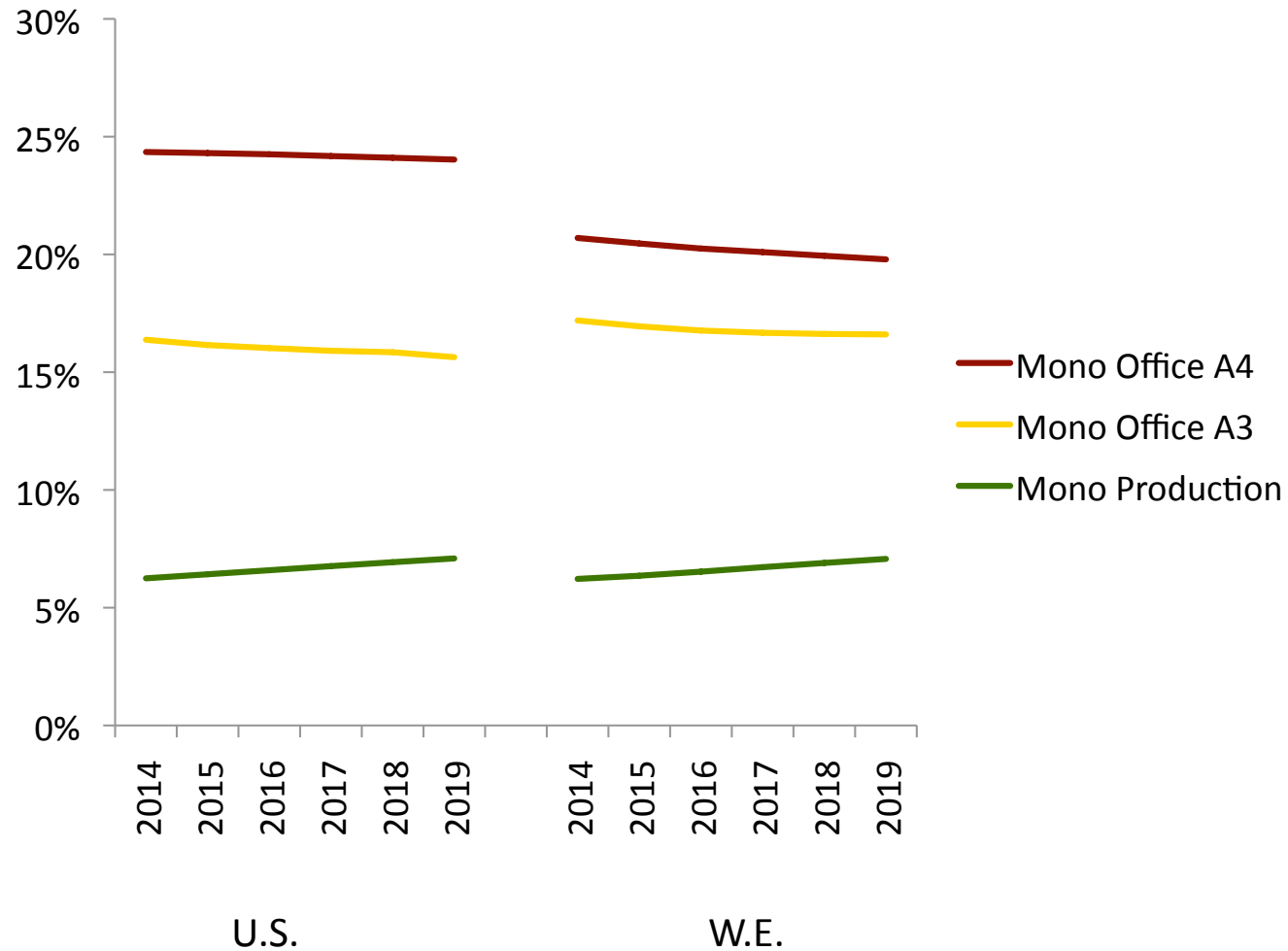
- **Where does the Aftermarket industry stand today**
- **The most important issues facing the industry in 2016 (and beyond)...InfoTrends “RoadMap”**
  - The Global Economy
  - Industry Consolidation/Deconsolidation
  - Transactional vs Contractual
  - Potential Channel changes



# Today

# Aftermarket Share of Total Marking Supplies (\$M)

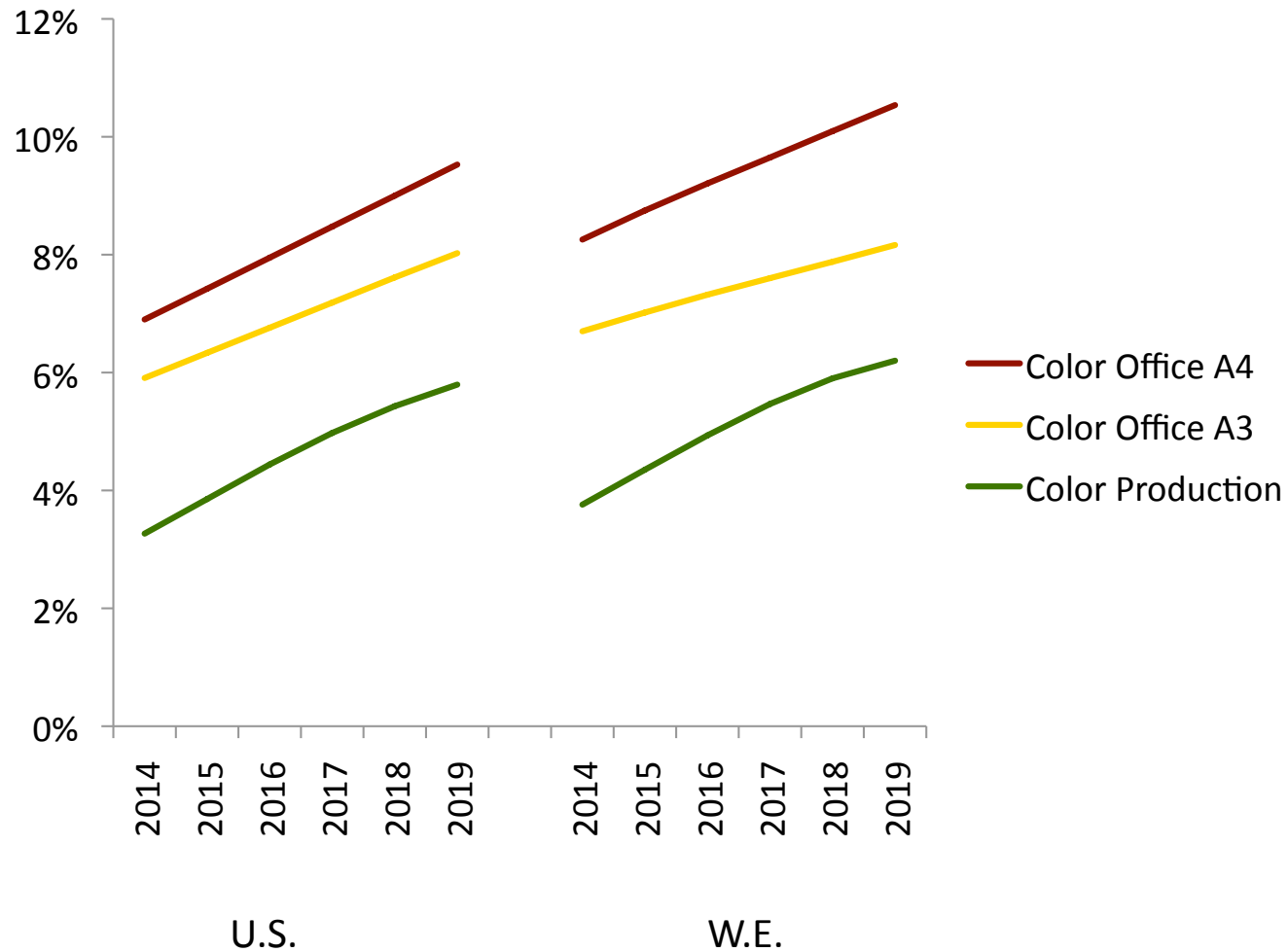
## Laser





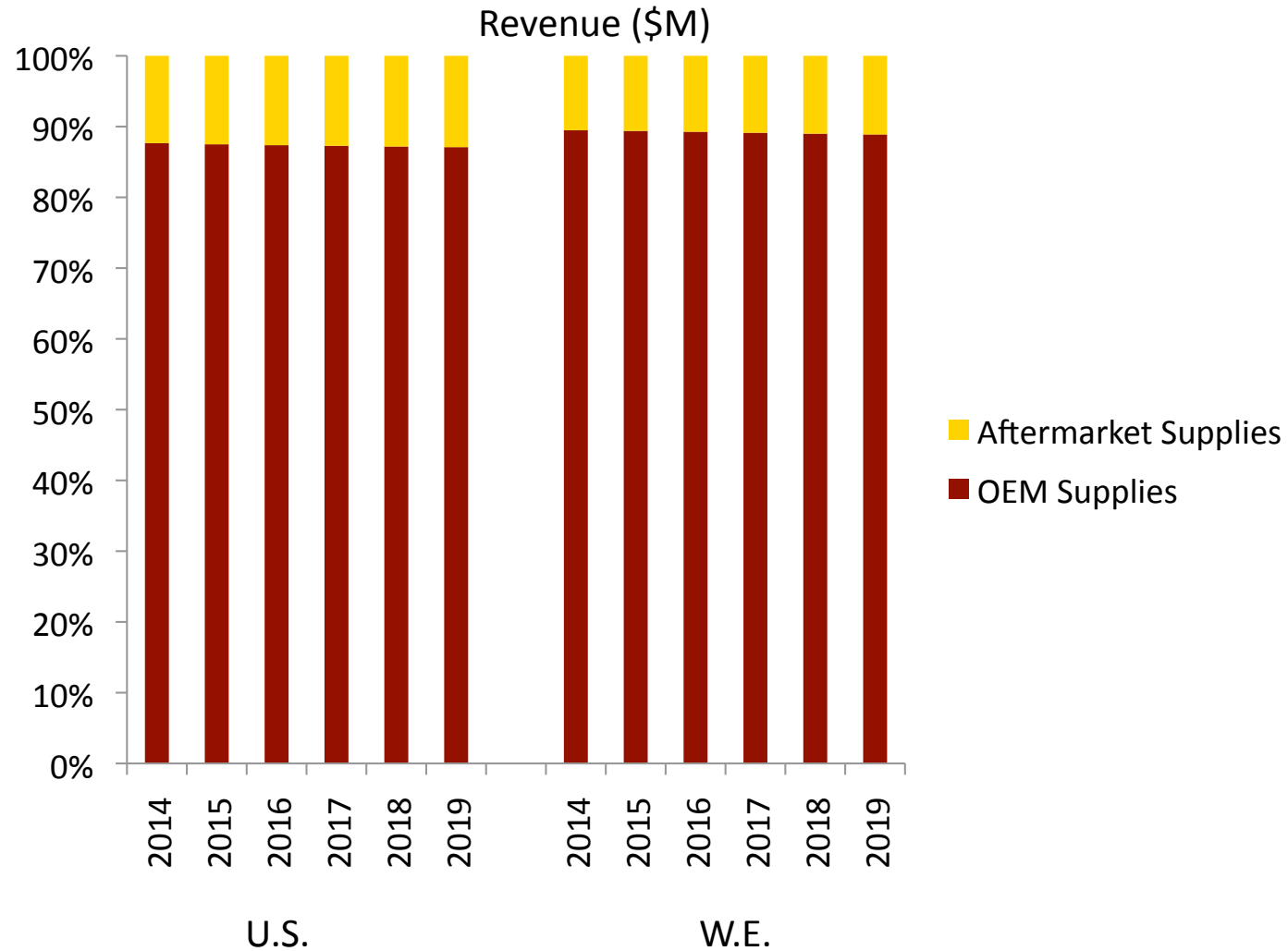
# Aftermarket Share of Total Marking Supplies (\$M)

## Laser



# Total Laser Supplies Revenue at Final POS (\$M)

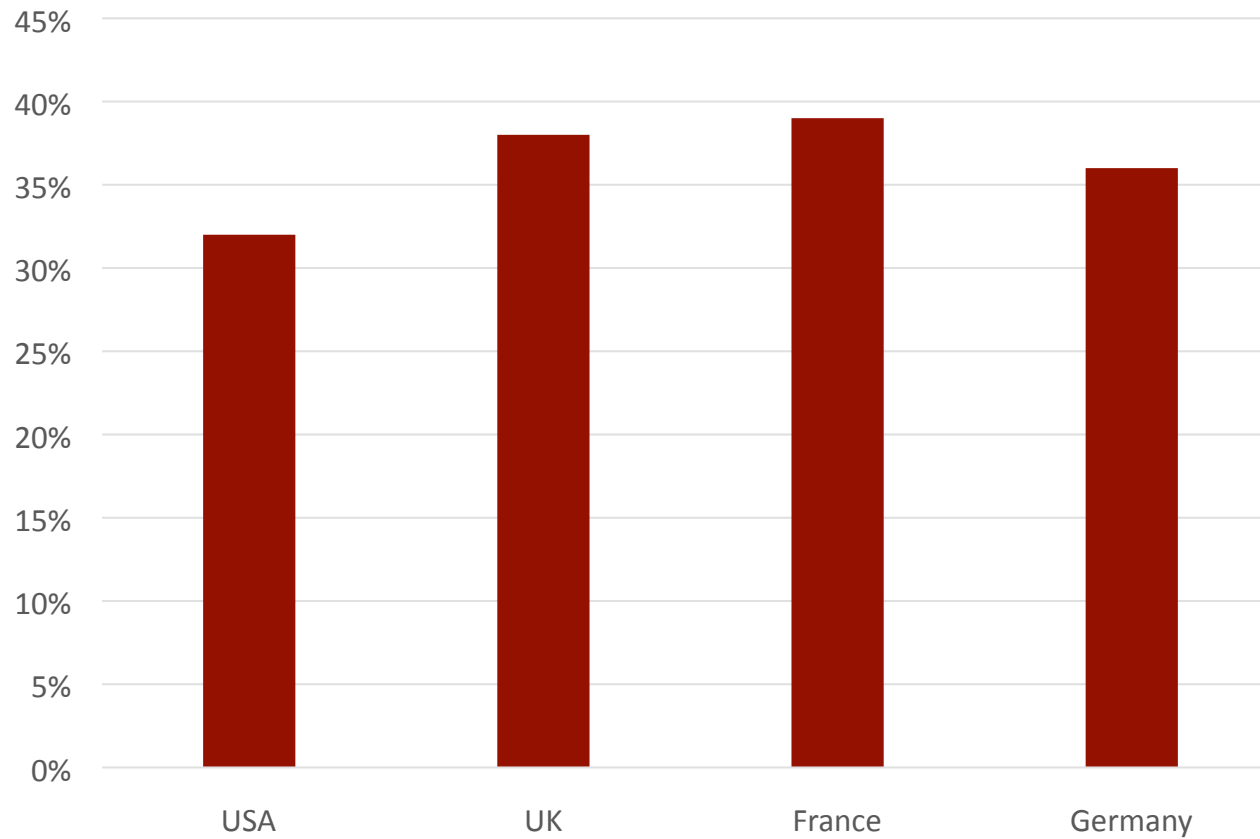
## Electrophotography



# Vertical Market Insights

## Colour vs B&W Printing

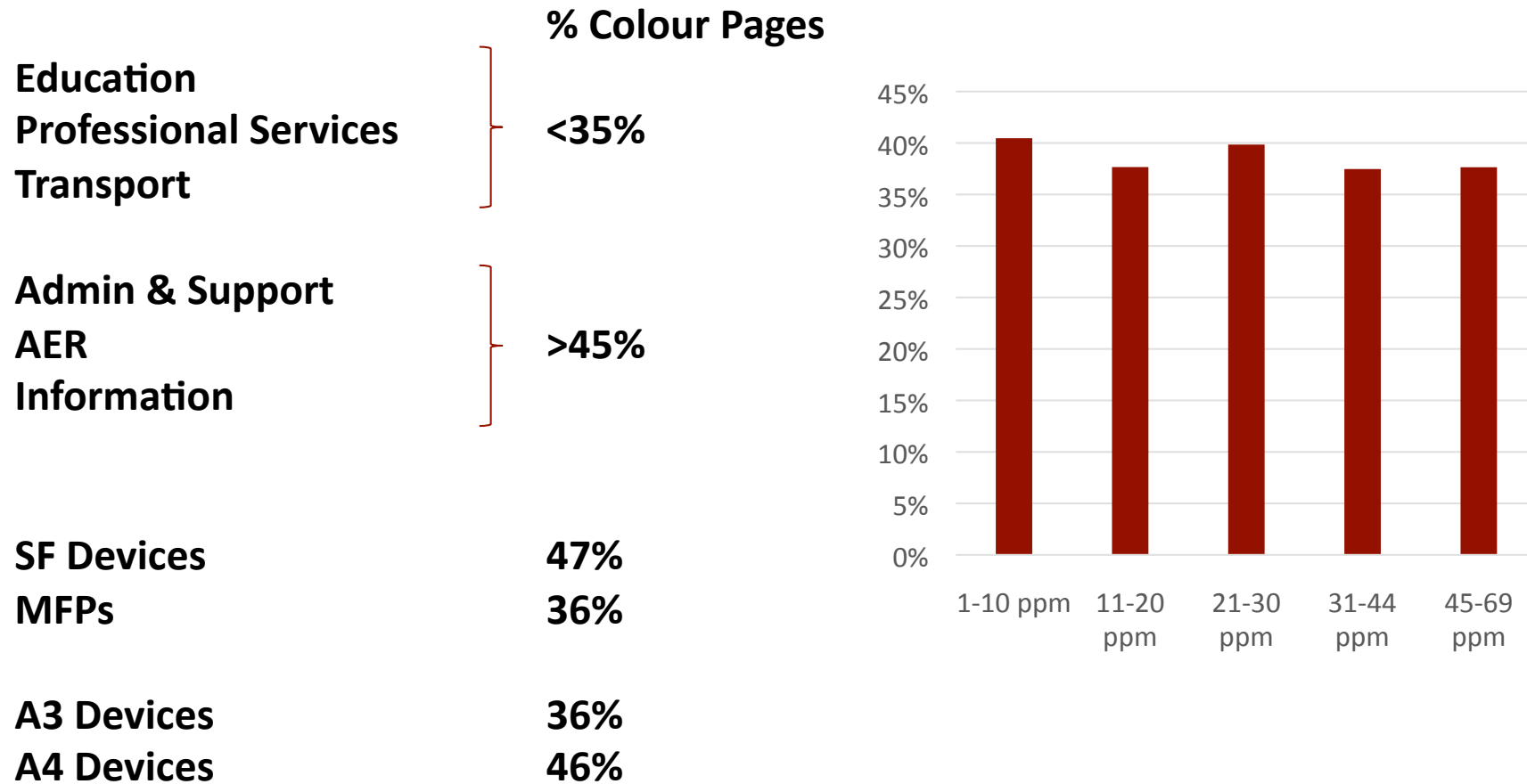
On Colour devices.....% of pages printed in Colour



# Vertical Market Insights

## Colour vs B&W Printing

On European Colour devices.....

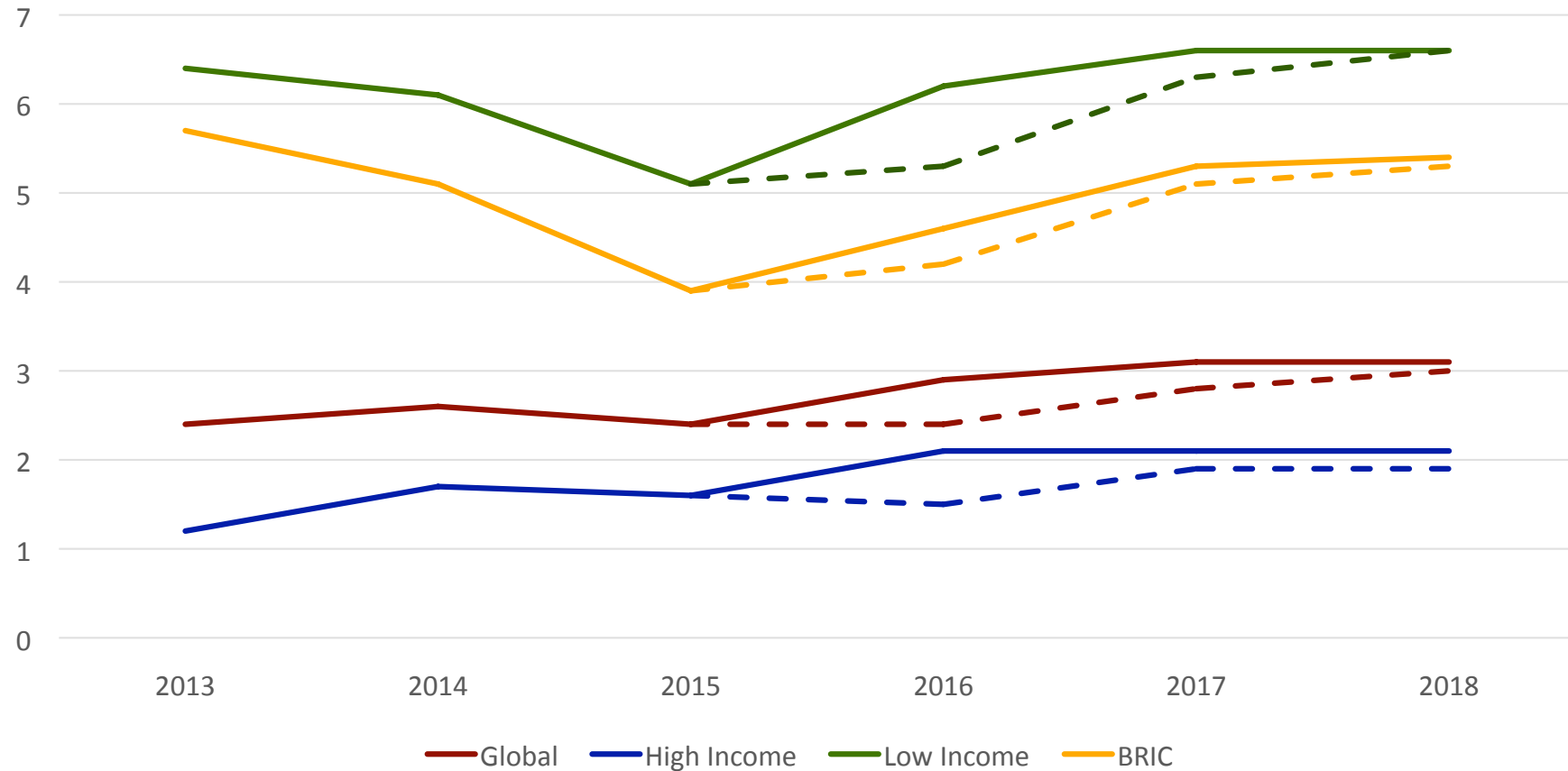


# Global Economy



# Economic Challenges

World Bank GDP Growth Forecasts – Jan vs June 2016

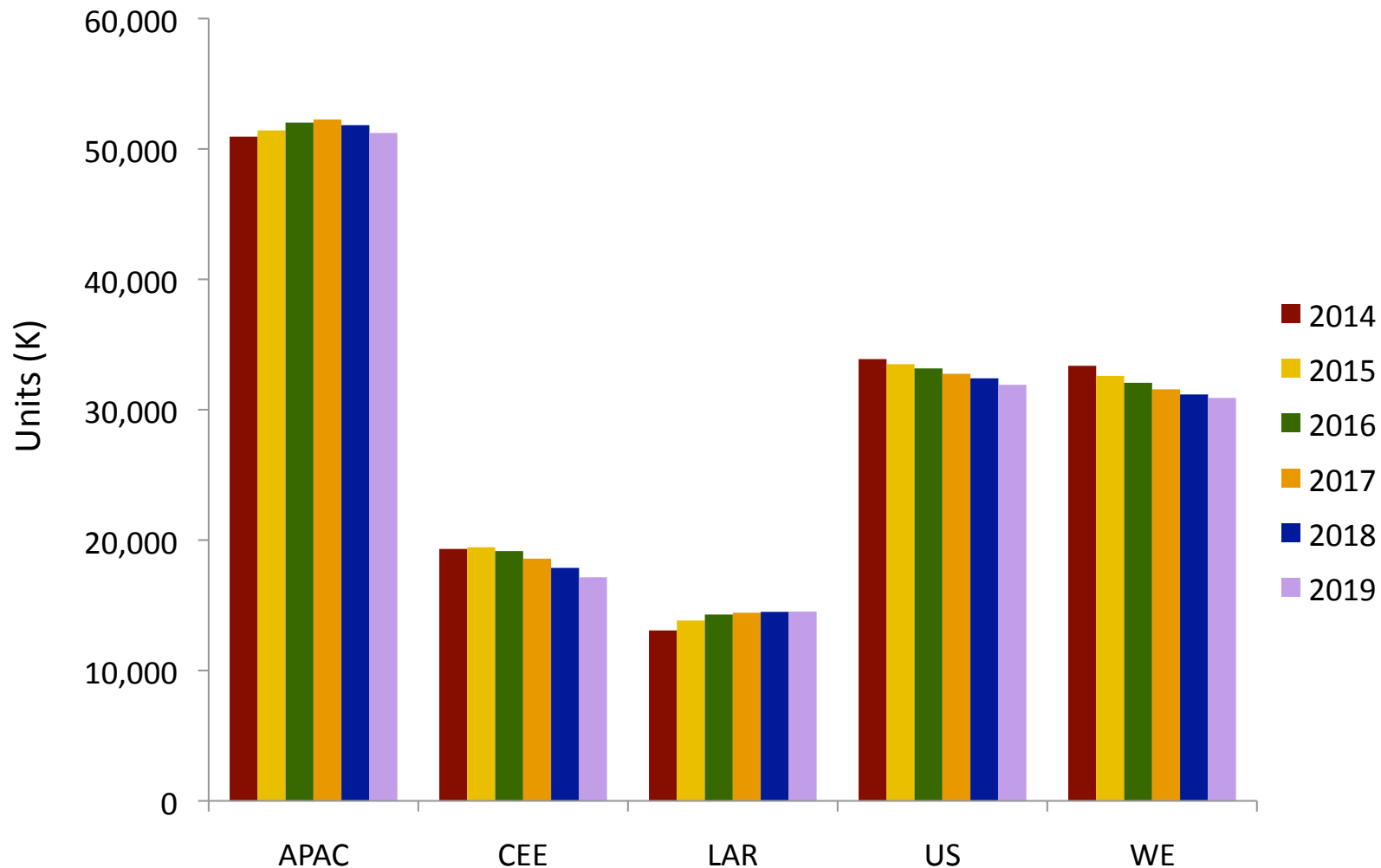


# Economic Challenges

- **Global Economy remains very finely balanced**
  - Sustained recovery looking like a challenge
- **2016 holds a number of challenges**
  - EU still faces multiple issues
  - China weakness has dented confidence
  - Brazil looking very weak
  - India debt levels
  - Russia still isolated economically
  - US managing to grow but election year could have an impact
- **Office Print Volumes have never recovered to the pre 2008 levels**
  - Another downturn poses significant threat

# Global\* Office Installed Base Forecast

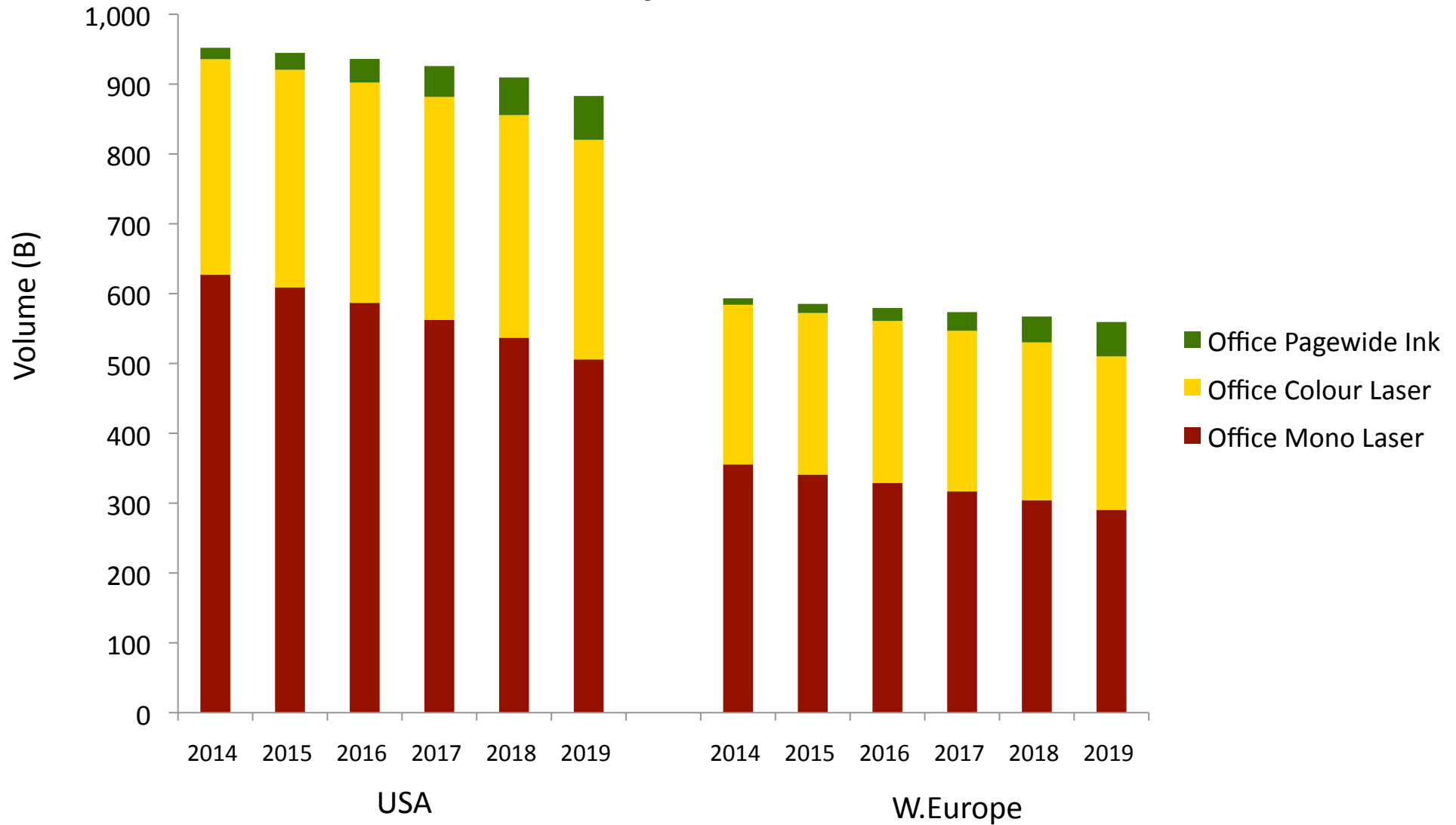
## Copier, Printer and MFP – Laser & Pagedwide Ink



\* Excludes Canada and MEA



# Global\* Home/Office Print Volume Forecast Serial Inkjet Printers/MFPs



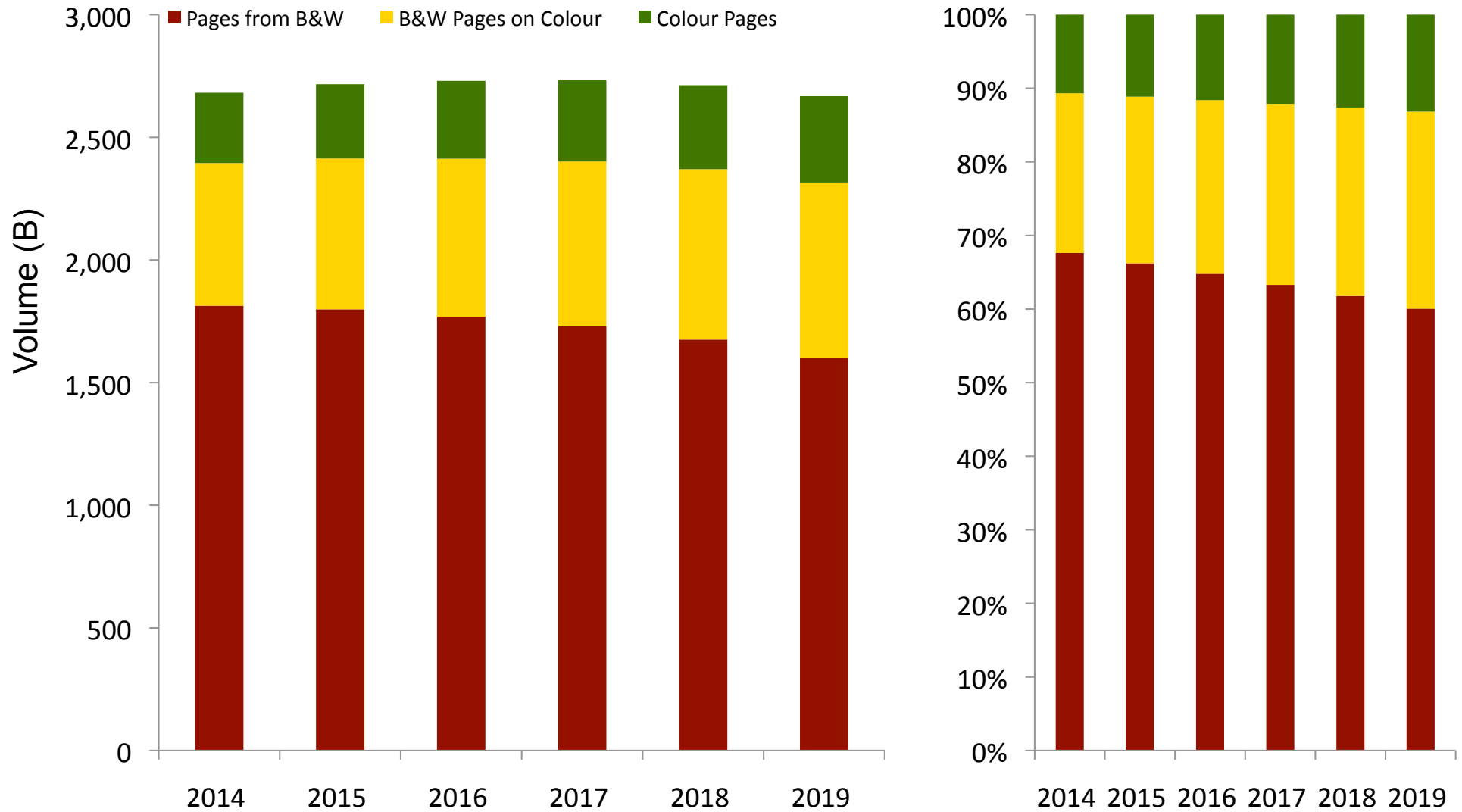
\* Excludes Canada and MEA

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# Global\* Office Print Volume Forecast



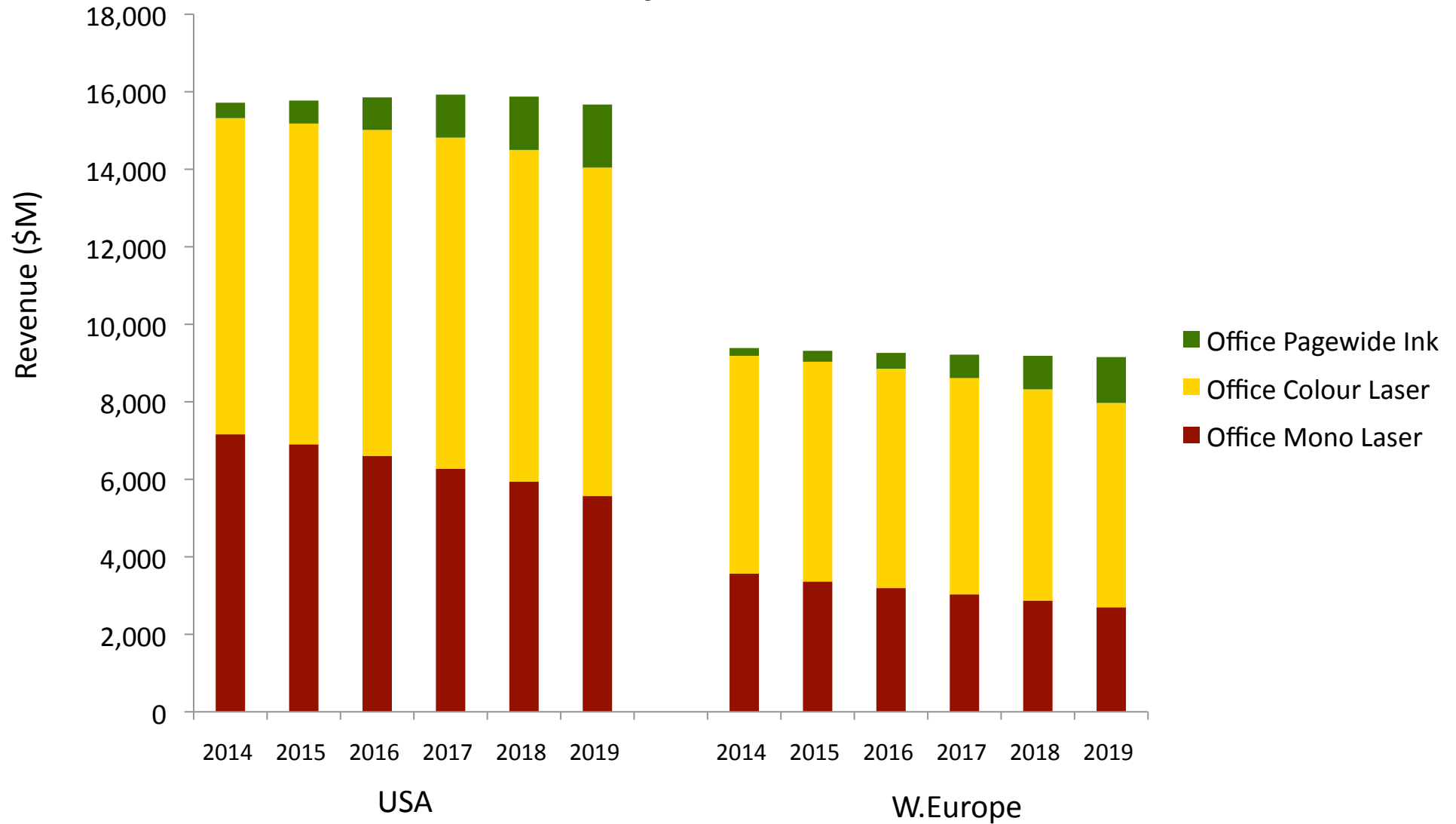
\* Excludes Canada and MEA

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# Global\* Home/Office Marking Supplies Revenue Serial Inkjet Printers/MFPs



\* Excludes Canada and MEA

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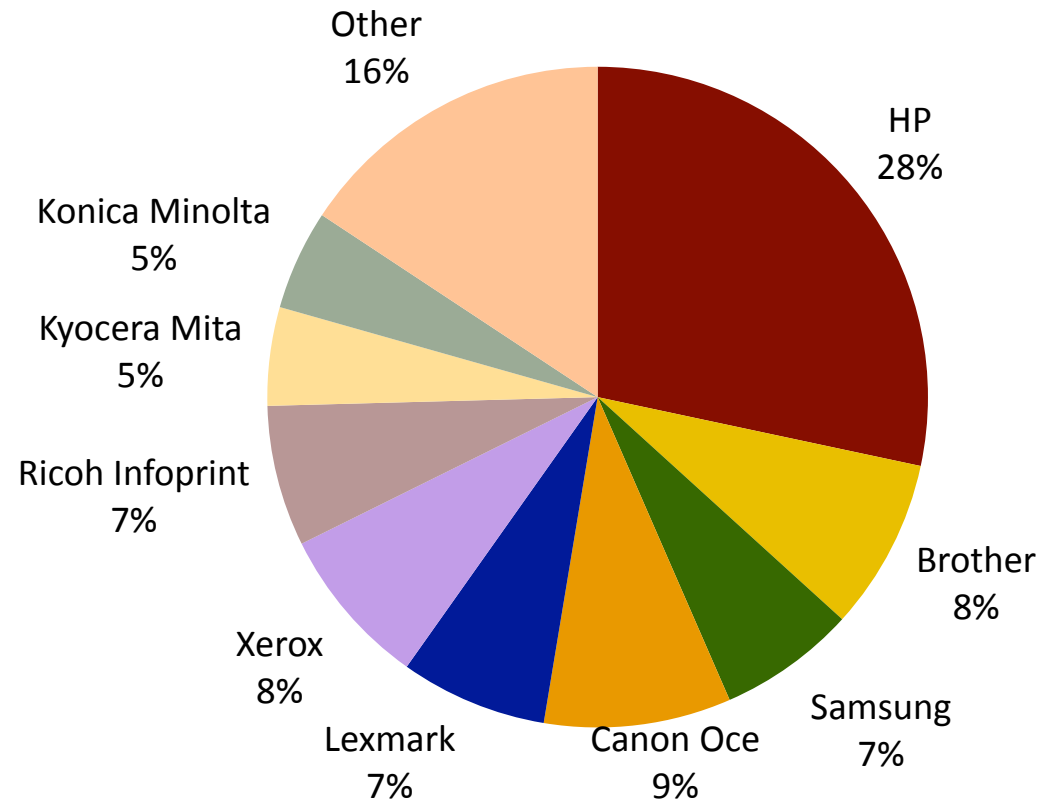
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# Industry Consolidation (& deconsolidation)



# Global Print Volume Share by OEM - Office



# OEM consolidation

- **Sharp**
  - Now owned by Foxconn, what will happen with their document division?
- **Toshiba**
  - Major downsizing due to accounting misreporting
    - How will their stake in ToshibaTec be affected
- **Dell**
  - Exiting the European market
- **Oki**
  - Can they continue to compete with such a minor market position
- **Lexmark**
  - Acquired by Apex

# Impact of market decline

- **The declining revenue opportunity is changing the dynamics of the market.....**
  - The number of industry participants is likely to shrink
    - Too many OEMs for such a mature category
  - Supplies retention/loyalty is becoming critical .....



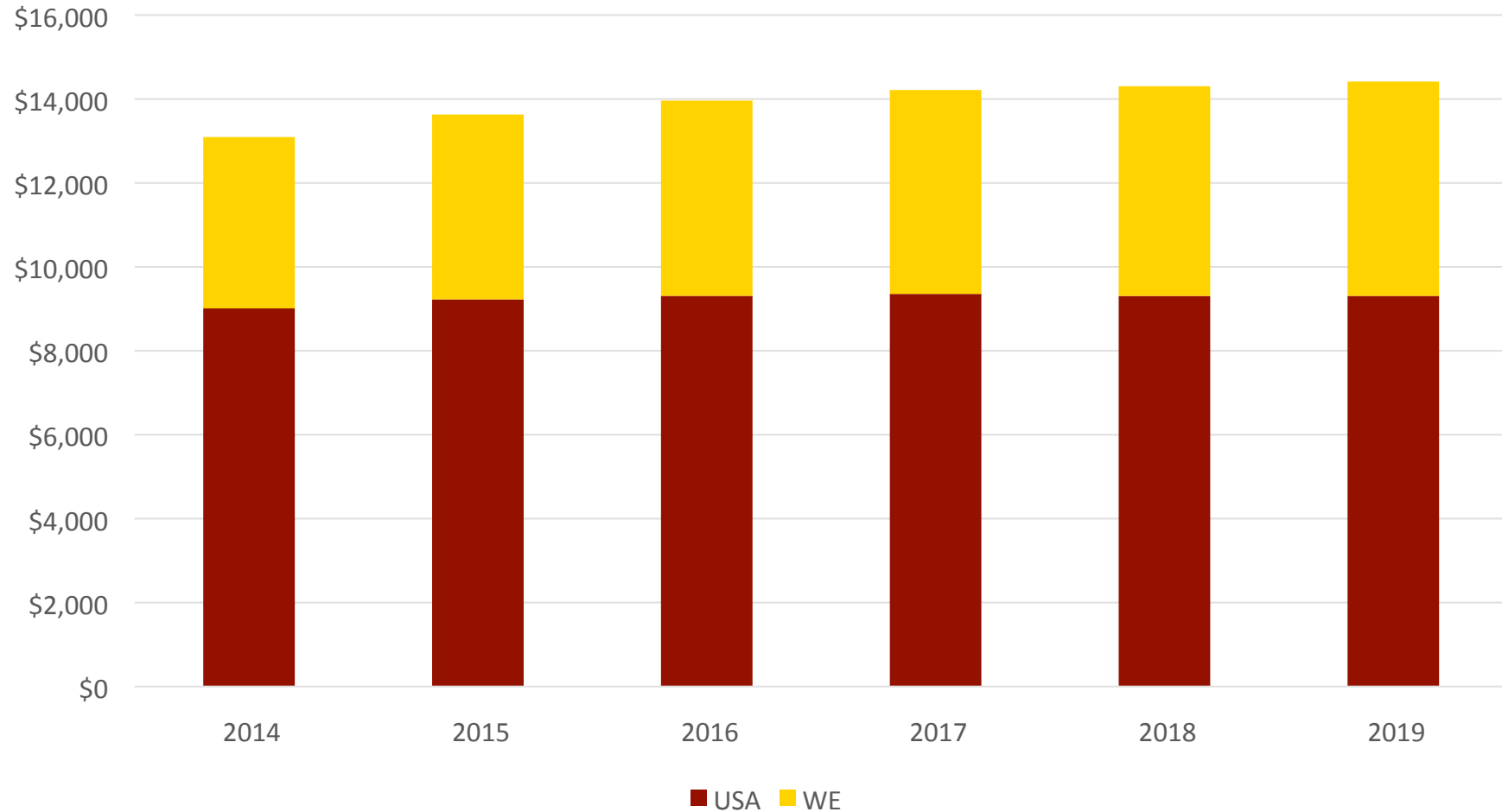
# Transactional vs Contractual



# Transactional vs Contractual

- **In the Large/Enterprise space MPS has been present for many years**
  - Market is now saturated
  - Margins on print only MPS are low
    - OEMs seemed to have picked up a bad habit from the Aftermarket.....making it about price
  - Business Process Solutions/Services have become the focus
    - Puts Print OEMs up against large business outsourcing specialists

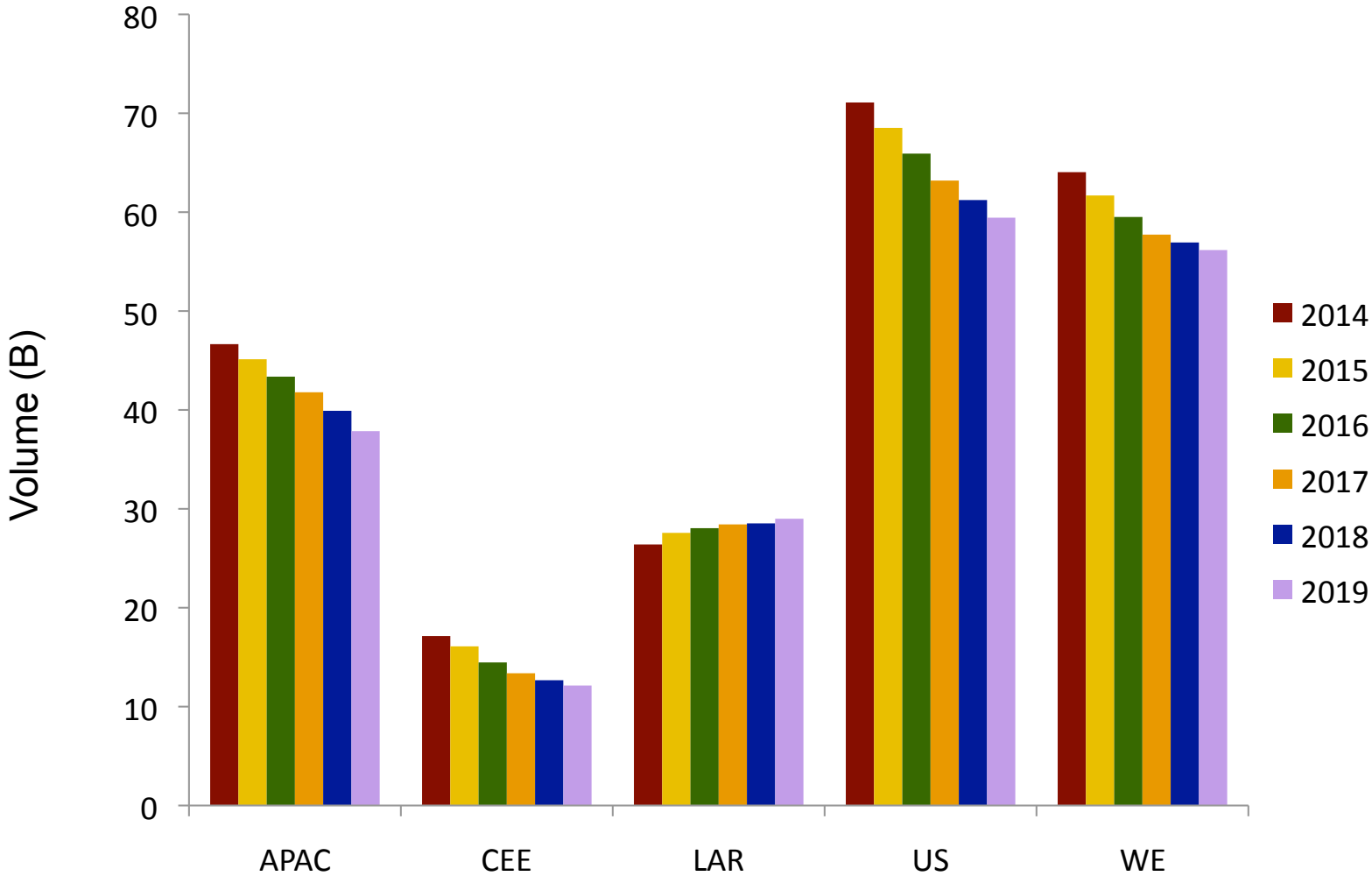
# MPS Revenue Forecasts in Large/Enterprise space



# OEM loyalty initiatives

- **In the Large/Enterprise space MPS has been present for many years now**
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- **Home/SOHO users have been the most recent target**
  - Consumer Inkjet segment contracting at the greatest rate, but still very margin rich
  - HP Instant Ink, Epson EcoTank, Canon G series

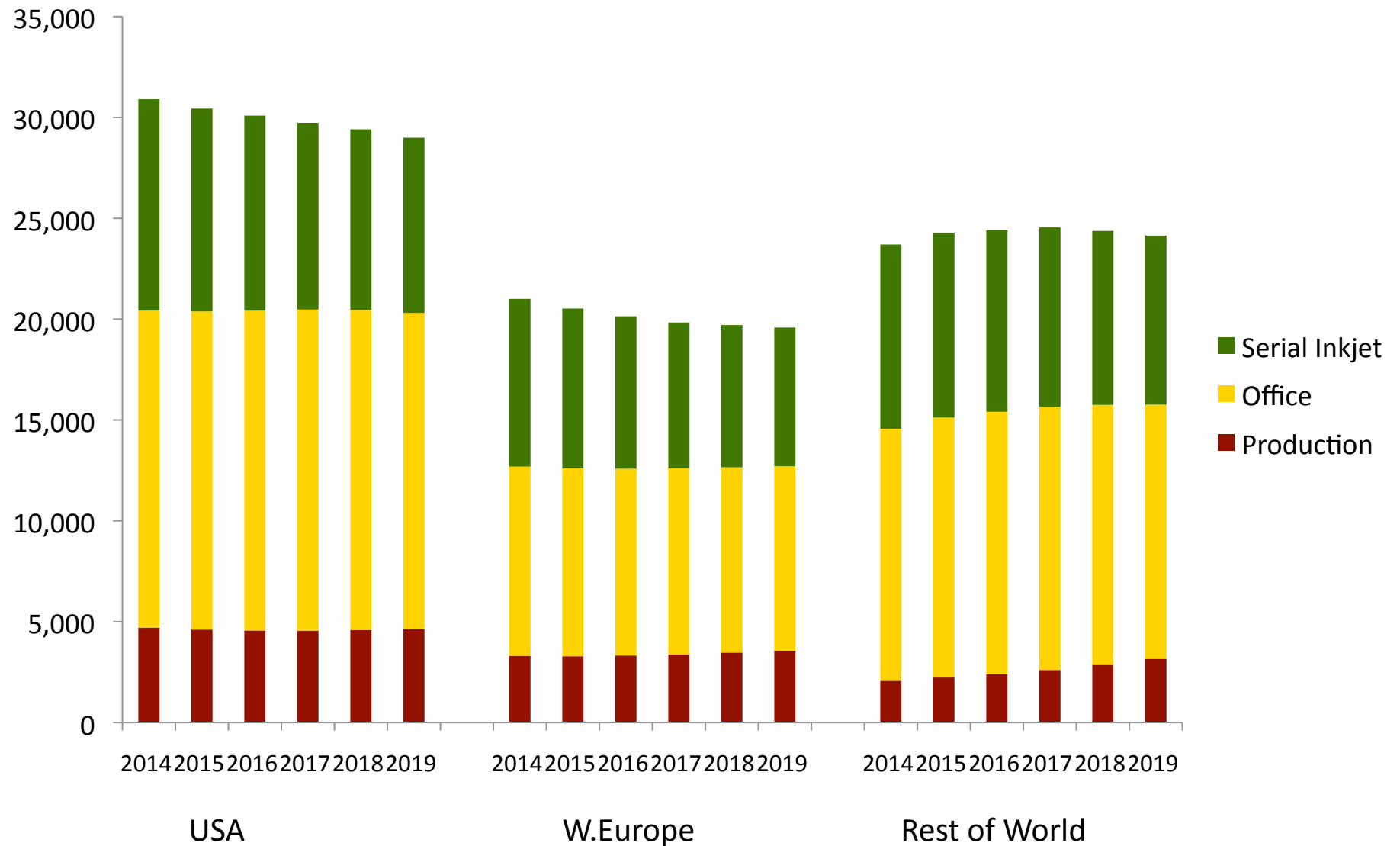
# Global\* Print Volume Forecast Serial Inkjet Printers/MFPs



\* Excludes Canada and MEA

# Global\* Marking Revenue Forecast

## Home, Office & Production



\* Excludes Canada and MEA

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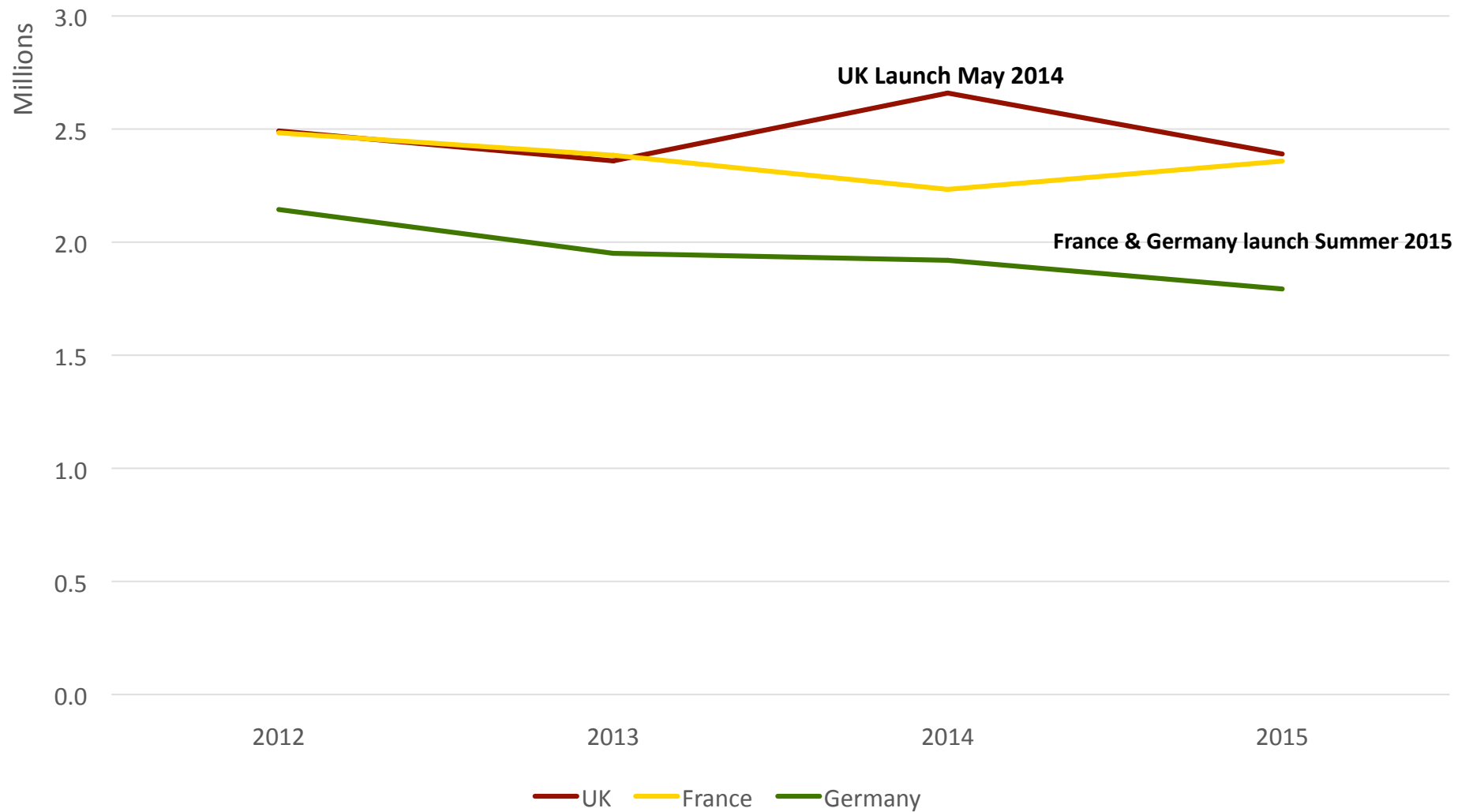
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# HP Instant Ink

- **UK launch supported by strong TV presence throughout 2014**
  - Resulted in large share gain for HP in the UK
  - Largest selling consumer inkjet was Instant Ink capable
  - Grew the consumer inkjet category in the UK and ensured W.Europe market was flat
- **Retail support is primarily among hardware focused accounts**
  - Little or no supplies business to cannibalize
  - Supplies not a footfall generator
- **France and Germany launches have followed**
  - Retail support expected to be tougher
- **US program is moving away from requiring retail support**
  - Instant ink signup option during printer setup
  - Pre-purchase a \$ value of ink at even lower CPP than regular instant ink....Perhaps to offer alternative to Epson EcoTank

# Instant Ink Impact

## Consumer Inkjet Shipments

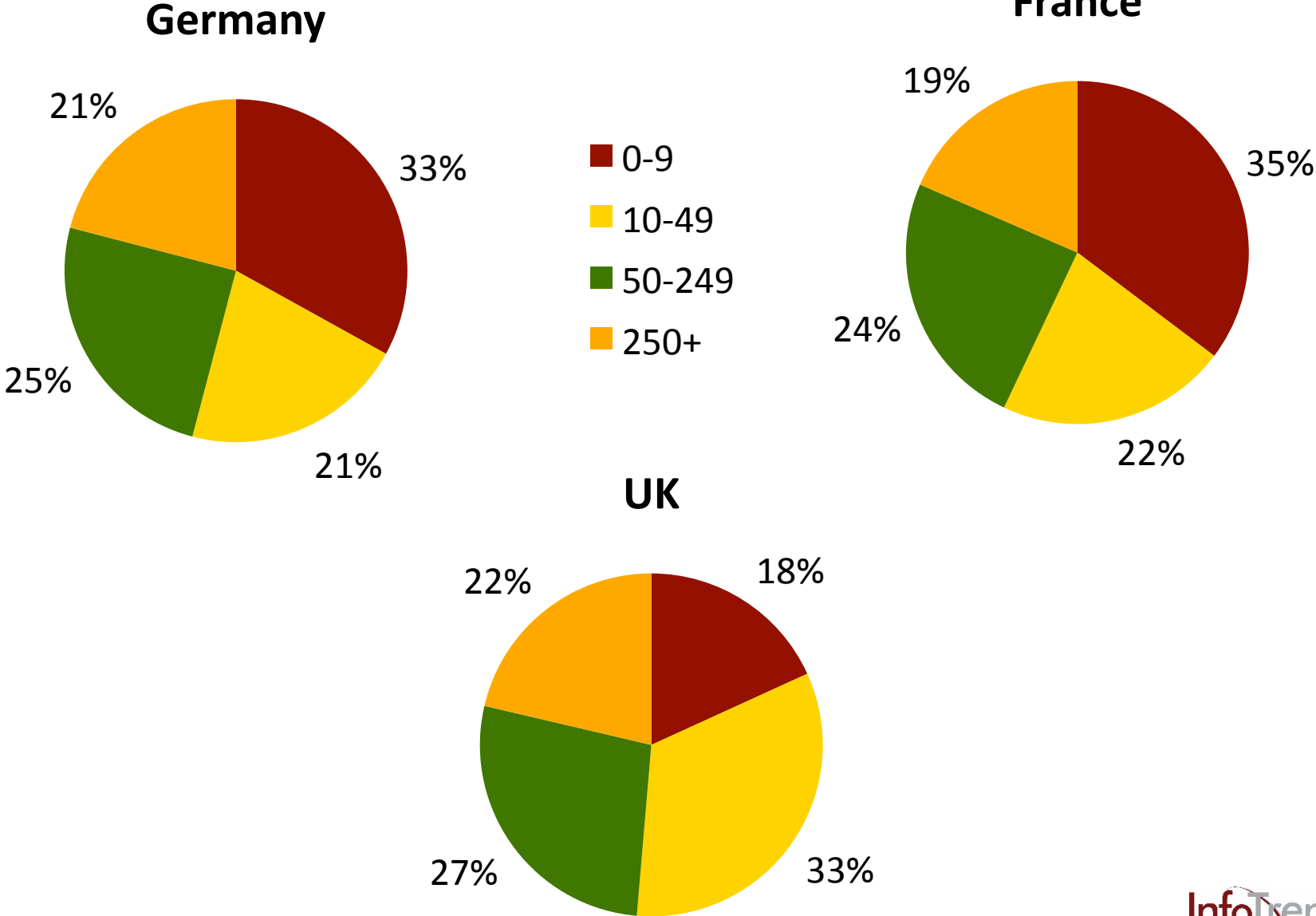


# OEM loyalty initiatives

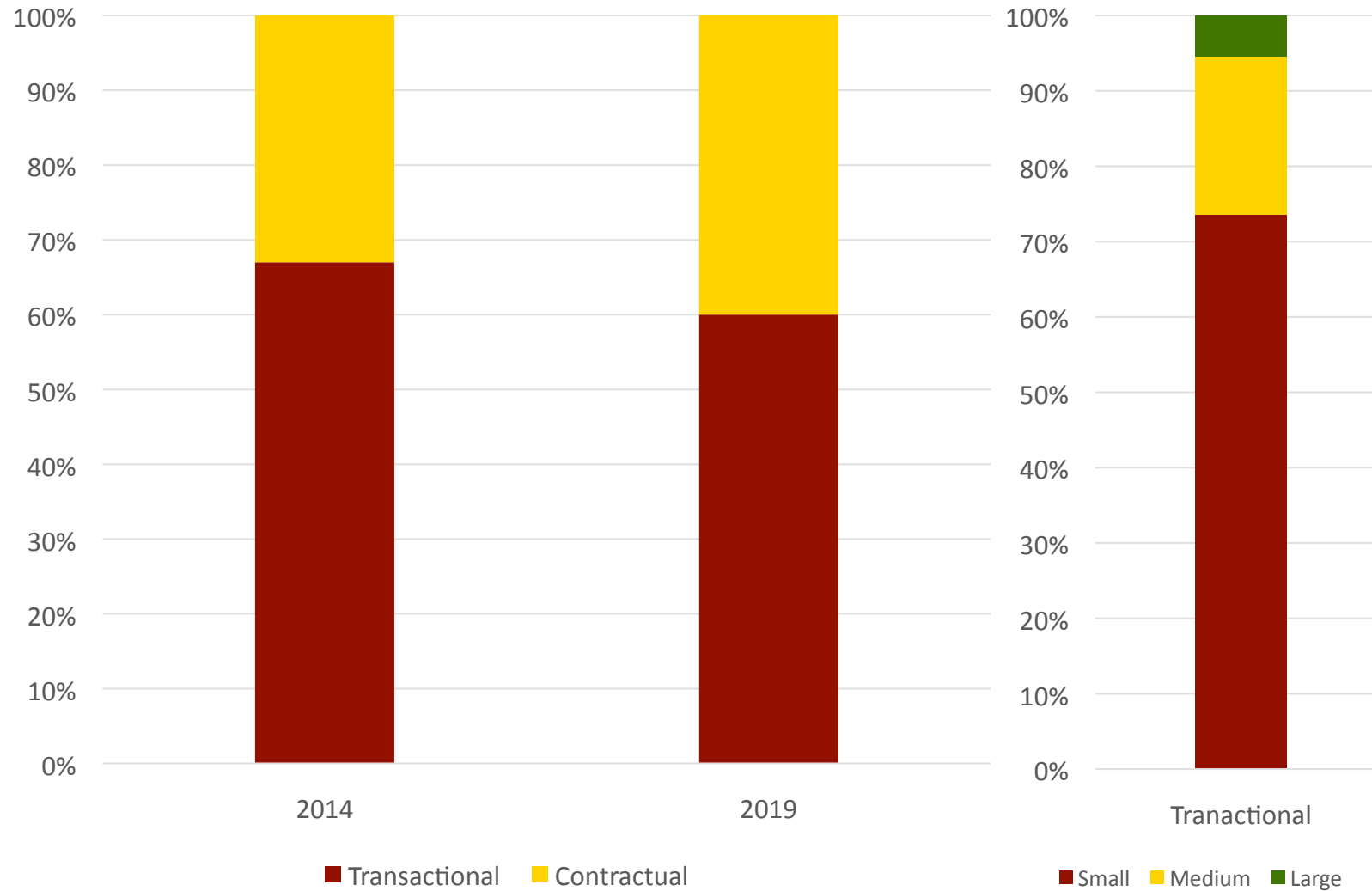
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- **Home/SOHO users have been the most recent target**
  - Consumer Inkjet segment contracting at the greatest rate, but still very margin rich
  - HP Instant Ink, Epson EcoTank, Canon G series
- **SMB will be the next real battleground...**



# 2013 Print Volume by Company Size



# W.Europe Office\* Supplies Revenue Mix



\* Excludes Serial Inkjet

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# Channel

# Channel Changes

- **Fallout from the Staples/Office Depot merger collapse**
  - Both looking at exiting the European market
- **Amazon as a disruptor....**
  - Launched Amazon Business .....has hit \$1bn in sales
  - Has expressed interest in buying Office Depot's B2B business in the USA
  - Has expressed interest in buying the largest independent contract stationer in the USA
  - Brother are enabling Amazon Dash in their devices

# Global Trends Summary

- **Economic uncertainty**
  - OEM Price rises?
  - Cost controls?
- **Long term print volume erosion**
  - Land grab...particularly in SMB
    - Cost per page being driven down
  - Move away from transactional to contractual
    - Print/Supplies as a service
- **Industry consolidation**
  - Fewer, stronger OEMs?
  - Fewer, stronger Third Parties?
- **Growth opportunities still exist!!!!**
  - Colour is the growth engine for OEMs and Aftermarket
  - SMB is where print volumes are remaining strongest



# InfoTrends

[andrew.carroll@infotrends.com](mailto:andrew.carroll@infotrends.com)