

BUSINESS INKJETS: TACKLING CLIMATE CHANGE

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Introduction

Sustainability has become a critical requirement today and is seen as a key requirement for most businesses. Most CEOs see sustainability as an important factor in IT decision making and recent survey results show that 65% of European IT executives¹ plan to dedicate between 10% and 50% of their budget to sustainable products and services.

The need for sustainability is accelerating as demand for action on the climate emergency intensifies. Office printing remains a critical part of the business process for many businesses and for decades the major print manufacturers have been investing heavily to minimise the environmental impact of print.

Coupled with climate change, the COVID-19 pandemic has given rise to the hybrid working model; demand for print devices has increased as they have shown their importance in day-to-day business operations. This is largely being fulfilled by energy-efficient business inkjet devices.

Recent IDC research shows that positive attitudes towards the purchase of business inkjets from businesses have increased from 32% to 52%² brought on by confidence in sustainability, security, compliance, management solutions and cost effectiveness.

Business inkjets are now being found in all sectors and are increasingly a requirement in many public and private tenders and framework agreements as they can tick all the boxes for sustainability demands. Not only is sustainability becoming a standard across most proposals, but its scoring rating has also increased. This means there is greater emphasis on sustainability, and business inkjets can overcome such issues.

Sustainability is becoming mandatory as local and regional legislation and regulations mean that more than ever suppliers of IT technology have to prove their sustainability in areas such as supply chain and remanufacturing. Business inkjet suppliers have demonstrated they are well placed to do this.

Cost saving is an obvious reason why organisations are acquiring business inkjets, but environmental factors are now key considerations. 39% of businesses from a recent IDC survey³ say overall costs of business inkjets have actually reduced. Many of the leading suppliers are ahead of the curve in providing ecofriendly devices; from the same survey 87% of businesses say that less waste from supplies is a major consideration for them, while 81% suggest the same for

AT A GLANCE

WHAT'S IMPORTANT

Climate change is a real emergency and needs to be tackled across society and by the office print industry. As a result, customers are demanding that their IT infrastructure is sustainable and economical while still benefiting business processes.

KEY TAKEAWAYS

Epson's business inkjet range can help organisations to improve their own sustainability through lower energy use and reduced carbon emissions. Business inkjets are here to stay and are a proven, sustainable and economical technology.

¹ Source: IDC's European IT Buyer Sentiment Survey — Wave 14, November 10–20, 2020 (n = 430)

² Source: IDC's IPDS European Print Survey, April 2020 (n = 450)

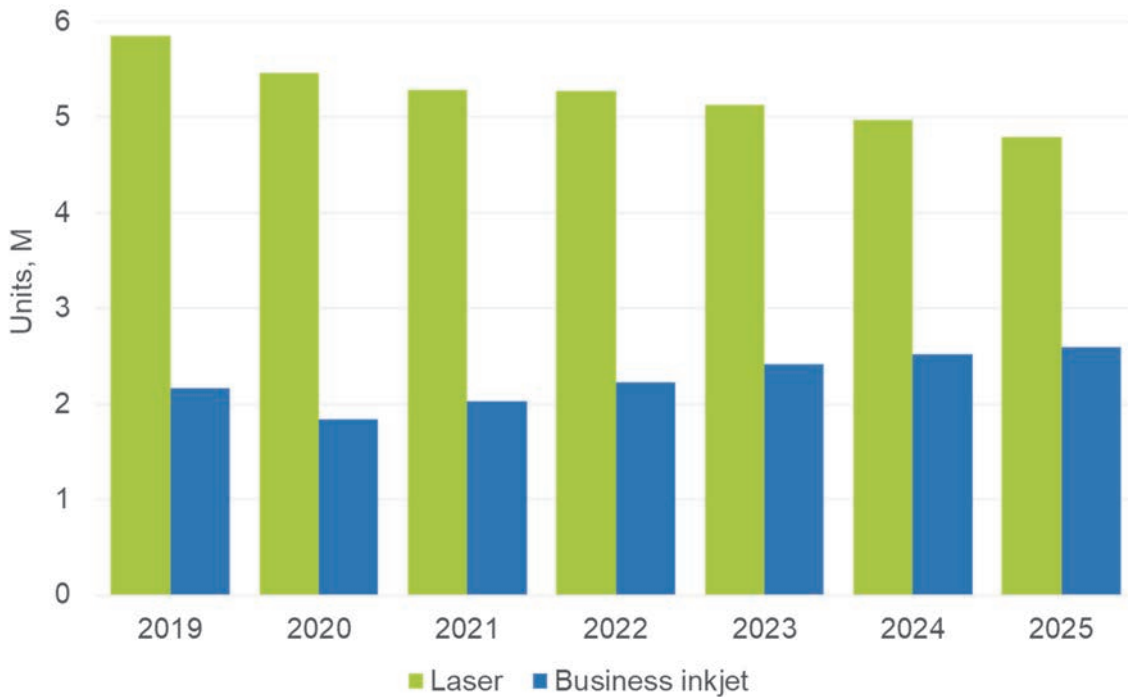
³ Source: IDC's IPDS European Print Survey, April 2020 (n = 450)

carbon footprint and a further 88% say energy use was a contributing factor when purchasing new printing devices.

According to the latest figures from IDC, business inkjet shipments have risen sharply in recent years as demand for sustainable devices increases and channel partners focus on providing sustainable solutions to their customers.

Figure 1 shows how business inkjets are gaining share of the office print market in Western Europe. It clearly shows the laser markets declining and the business inkjet market increasing at 7% a year to 2025 to constitute 35%⁴ of all office printing devices, taking into account all formats, colour and monochrome devices, and ink tank and ink cartridge machines. As with most technologies, the Western European markets reacted faster than other regions in the uptake of business inkjets, but growth patterns in CEE and MEA are strong as the key messages of sustainability and cost-effectiveness reach a wider audience.

FIGURE 1
Western Europe Combined Business Inkjet and Laser Office Printing Market, 2020–2025



Source: IDC, WW HCP Tracker, 2Q21

Although there are only four major business inkjet brands, competition is strong with each creating greater awareness and opportunities for themselves and their channel partners, but there are those with stronger portfolios than others.

Some of the inkjet technology, such as Epson's Micro Piezo Heat-Free technology, is highly regarded and is at the forefront of print technology, as it is often seen to be more sustainable than other technologies such as thermal inkjet and laser.

⁴ Source: IDC's internal forecasts, Western Europe

Benefits of Micro Piezo Heat-Free Technology

Epson introduced its Micro Piezo Heat-Free technology in 1993 and its benefits over thermal inkjets quickly became clear. Epson is investing heavily in its proprietary technology to make it one of the industry's leading print technologies for sustainability, quality and affordability. This type of cold, heat-free technology uses less energy than other inkjet technologies, making it both sustainable and cost-effective.

With energy prices rising across Europe, any initiative to save money through efficiency should be welcomed and can actually be proven with Epson's cost calculators. This can free up resources for other areas of the business, while the pressure to reduce energy use is a wider concern in society.

Less energy use also leads to lower CO₂ emissions and can only be seen as a plus point when sustainability matters in the wider society, as CO₂ emissions are one of the major reasons for climate change. Other technologies struggle to meet the low levels of emissions seen on Micro Piezo Heat-Free technology devices, and this type of device effectively raises the bar for reduced sustainability emissions. Carbon calculators can also help to determine emissions.

For channel partners, a strong benefit of Micro Piezo Heat-Free technology is that as there are fewer moving parts, there is less service and maintenance (enabling them to focus on other areas of their business), and fewer costs for both channel partners and customers. According to one of Epson's leading channel partners, the company has revolutionised the printer market with its heat-free printing technology, and the performance and reliability of the systems are impressive.

Trends

As with most industries, print needs to adapt to many of the issues facing businesses and organisations. The hardcopy markets are maturing but a main growth area is the opportunity for business inkjets.

The key trends impacting the growth of business inkjets cover a range of internal and external factors. Some of them, highlighted below, are driving the increase in business inkjet shipments.

Sustainability: Corporate responsibility has moved on from simple environmental factors to a full scope of sustainability in a wider society. 84% of enterprises with more than 100 employees⁵ see sustainable portfolios as a strategic business imperative. Traditional environmental factors remain important, but the emphasis is now on a wider culture in all aspects of society as sustainability is a must rather than an option. Businesses need to prove they have the right credentials for sustainability, with IDC predicting that by 2023, 60% of managed print services

⁵ Source: IDC's European IT Buyer Sentiment Survey — Wave 15, December 4–14, 2020 (n = 430); Wave 14, November 10–20, 2020 (n = 430)

customers will rate the vendor's sustainability programme as a major factor in choosing a print service provider⁶.

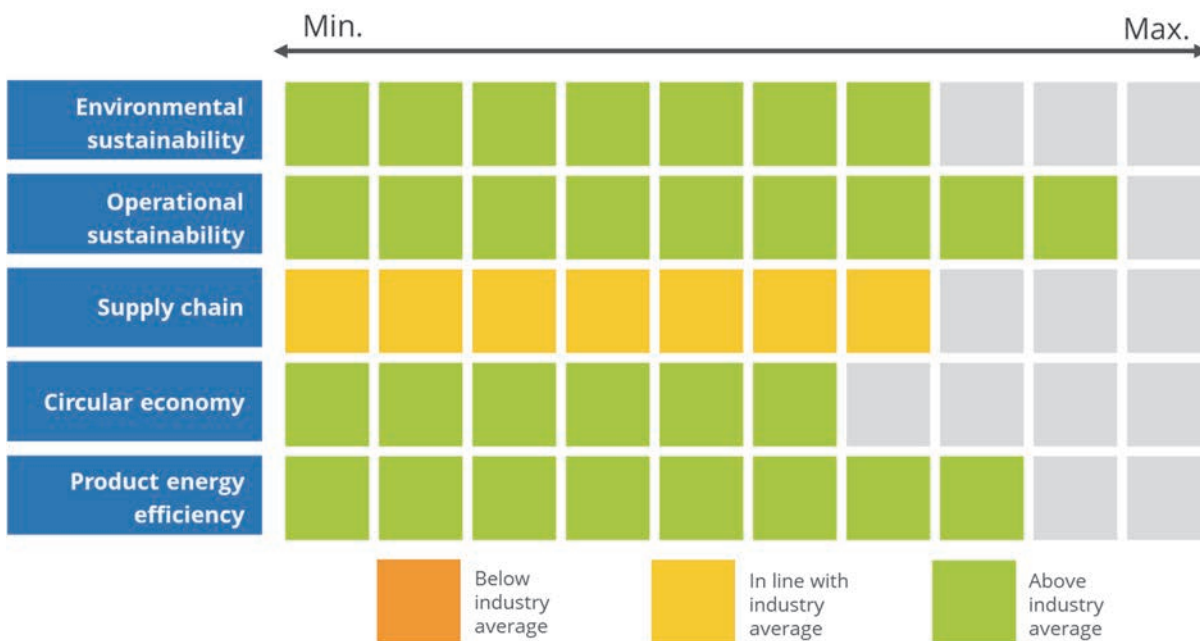
IDC Europe's Technology for Sustainability and Social Impact (TSSI) Framework takes into consideration the three main ways in which the ICT industry can have an impact on enabling sustainable enterprises and industries:

- How IT vendors and service providers perform with regards to setting and achieving their own ESG indicators
- How they help their clients/customers reach their sustainability objectives and goals through their portfolio of products and solutions
- How they behave as altruistic parties in enabling well-being across communities in need

According to one of Epson's main enterprise customers: "Epson's heat-free printing technology enabled us to achieve high image quality across a variety of paper media, while at the same time helping us meet our CSR commitments through lower power consumption and less wastage."

Figure 2 shows Epson's performance versus the print industry average. Epson outperforms in areas such as operational sustainability, environmental sustainability and the circular economy.

FIGURE 2
Epson's Sustainability Performance Against IDC's Sustainability Framework



Source: IDC's TSSI Index findings, May 2021

Growth in ink tank systems: Continued investment in high-volume ink tank systems has led to a strong increase in these devices in the office markets across Europe. Ink tank systems add further choice for customers and businesses looking to support home working. The ink tank

⁶ Source: IDC FutureScope: Worldwide Imaging, Printing, and Document Solutions 2022 Predictions (IDC #US48287621, October 2021)

systems offer increased transparency on costs and convenience around supplies management. This method of printing also leads to less waste and packaging due to much lower use of replacement supplies, therefore promoting even further environmental messages.

The drive for operational and cost efficiency: Businesses of all sizes have been affected by the pandemic, home working and the emerging energy crisis across Europe and are seeking to effectively reengage with their customers. 42% of business⁷ responses cite operational efficiency as a top 3 priority going forwards, while 27% also say cost effectiveness is a key challenge.

Industry consolidation: Mergers and acquisitions slowed during the pandemic, but the overall hardcopy market is now poised for some consolidation as the same number of brands chase dwindling sales. Partners should choose and forge stronger relationships with suppliers that have listened to their customers and have developed robust solutions for tomorrow's office print requirements.

Subscription business models: Demand for simple, flexible subscription models is gaining popularity. They were typically aimed at home consumers, but in recent years demand has increased from home workers. IDC research shows that 13% of home workers now acquire print supplies through such services⁸. Recent IDC predictions also suggest that by 2024, 60% of organisations will move to a subscription-based model for print and print-related services to support the needs of the hybrid workforce⁹.

Legislation: Pressure from individuals and groups is leading to tighter legislation across all IT sectors for reuse, recycle and remanufacturing, and print is no exception. For decades the print industry has been ahead of the curve with regards to recycling hardware, supplies and packaging, as some of the leading brands took on the environmental challenges first and foremost and are now reaping the benefits of their investments.

Security and compliance issues: The need to satisfy demand for home and remote workers has seen an increase in security and print management requirements. Businesses need to ensure their employees carry out their day-to-day tasks in line with all the regulatory requirements from their employers and the authorities.

Hybrid working, the new norm: The pandemic has changed the way people work. Fewer people are likely to return to the office in a full-time capacity, with most choosing a hybrid model in which they work both at home and in the office. IDC estimates that by 2025 the average number of people in the office daily in Europe will be 30% lower than in 2019¹⁰. As a result, there will be greater demand for small, cost-effective printers. Shipment figures show that a large proportion of these devices are business inkjets, and their availability is widespread.

⁷ Source: Future of Enterprise Resilience Survey Europe, 2021; Wave 7, Wave 8, September 1-15, 2021 (n = 430)

⁸ Source: IDC's IPDS European Print Survey, April 2021 (n = 430)

⁹ Source: IDC FutureScope: Worldwide Imaging, Printing, and Document Solutions 2022 Predictions (IDC #US48287621, October 2021)

¹⁰ Source: IDC's 1Q21 Return-to-Work Forecast (IDC #EUR147478321, February 2021)

Numerous factors are affecting the business inkjet market and those described above are just some of the main areas of both opportunity and threat; suppliers that have embraced and prepared for current and future issues are best placed for the future. IDC believes that the future of print remains strong and vibrant and channel partners should work alongside their suppliers to secure their own future direction.

Challenges

Although the number of business inkjet devices being installed is increasing there is still a mindset in some organisations that inkjets are a consumer technology and should not be considered for office printing. Once deployed, however, business inkjets become proven pieces of sustainable technology that help to drive down costs and increase a business' sustainability.

Recent announcements in the inkjet market about withdrawing certain technologies have created some negativity on the business inkjet market, but those devices that have been withdrawn are only a small segment of the total market and other areas continue to flourish.

Finally, targeting the enterprises remains a challenge for some of the main brands as many require direct relationships with their suppliers; as Epson is 100% committed to the indirect channel, it may get overlooked by some potential clients. Other brands in a similar situation use alliances and partnerships to take their approach to a higher level to meet the full needs of the print IT infrastructure.

Conclusion

IDC believes the business inkjet market will continue to provide opportunities for Epson and its channel partners to capture more of the office print market as business inkjets are here to stay. There are currently over 10.7 million business inkjets installed across Europe¹¹ and this will only increase as demand for sustainable print grows.

The printed page will remain an important tool in the business process for many years to come and those suppliers that have invested in new technologies, their partners and their customers are seeing their rewards in terms of increased sales and revenues.

One of the major challenges is that society in general recognises the need to tackle climate change and having a sustainable portfolio will help Epson to provide solutions for its customers. Almost a quarter of IT decision makers plan to designate over 30% of their budgets¹² to enhancing sustainable portfolios, creating yet more openings for business inkjets.

Customers and employees want to be associated with companies that have clear and well-defined sustainability programmes, and continual investment in future technology and programmes is a necessity for the business to survive and prosper. Goals and targets for growth and development are constantly evolving and changing, so all print vendors regardless of size or

¹¹ Source: IDC's WW Page Volume Program, May 2021

¹² Source: European IT Buyer Sentiment Survey — Wave 15, December 4–14, 2020 (n = 430)

focus should not wait for the next steps but should continue to seek new ways to improve their sustainability programmes, goals and targets.

Private and public bodies need to be seen to be sustainable and are often criticised over their print procurement, but Epson can help them and promote business inkjets as a clear sustainable offering.

Definitions

Business Inkjet

IDC has a long history of tracking print device shipments. IDC's definition of a business inkjet is a device that is marketed towards the business or office environment. Inkjet devices are classified as business inkjet if they meet one of these two criteria:

- A device must have black pigment ink, no more than four ink colours and a paper tray that can hold more than 150 sheets.
- A device must have a monthly duty cycle over 4,000 pages.

Sustainability

IDC's European Sustainable Strategies & Technologies programme provides an analytical framework to help both end users and the ITC industry to succeed in their journey to become a sustainable business. IDC examines sustainability primarily from a technology angle and explores its role enabling operationalisation of sustainable business models and practices. The programme provides insights into how technology (hardware, software, services) empowers users to reach sustainability-related goals.

MESSAGE FROM THE SPONSOR

The climate emergency is one that impacts us all and we must all take responsibility to resolve it. With this in mind, we have invested heavily to improve the sustainability performance of both our own business operations and the products we supply — and have been doing so for many years.

Our print business is built on our proprietary Micro Piezo Heat-Free technology, which enables high-quality, scalable and sustainable print solutions for application in industrial and commercial environments through to home printing. Since 2018 we have invested over half a billion euros into the development of our PrecisionCore printhead.

Within office environments, our products enable significant energy savings versus comparable laser printers. Our range supports all print demands, covering desktop and small work group products, through to low-intervention, high-capacity ink pack units and most recently our 100ppm WorkForce Enterprise, which leverages line-head technology and challenges the traditional copier for speed, reliability and sustainability.

Today, printing accounts for 10%¹³ of energy used within an office. By switching to Epson business inkjet printers, organisations can save up to 83%¹⁴ of that energy need.

About the Analyst

[Phil Sargeant](#), Senior Programme Director, IDC



Phil Sargeant is IDC's leading expert in the field of imaging, hardware devices and document solutions. As senior programme director, he researches and reports on the key aspects of the hardcopy markets and is responsible for IDC's Western European Hardcopy Tracker service. With over 20 years' experience in the printing and imaging industry, he also focuses on consumer, SMB and large account strategies through end-user research and continual information services.

¹³ Epson research based on data from commissioned survey conducted in March 2018 by SOMPO Risk Management & Health Care Inc.

¹⁴ Based on Epson calculations, the Epson WorkForce Pro WF-C8190DW uses 83% less energy than the HP Color LaserJet Enterprise M750dn, the highest-selling model in the A3 colour single-function 21–30ppm printer segment (IDC, Quarterly Hardcopy Peripherals Tracker, 4Q15 to 3Q19 shipments, published 2Q20). Methodology based on "typical energy consumption", defined under and/or simulated with reference to the ENERGY STAR test procedure and presented in kWh per year. CO₂ saving calculated as being proportional to energy saving, based on a per-territory average generation of kg CO₂ per kWh electricity used.

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