

New Profit Opportunities Growing as Mature Earners Slow

By Arnaud Gagneux, Research Director for Imaging Technologies, CONTEXT

The home printer segment will see changing demand patterns in 2008. Profit is leaking out of the dominant technology of recent years, inkjet, and the dominant home application: photo printing. As usual in technology markets new opportunities are creeping over the horizon. Social network will attract new users and green concerns are creating new buying motivations.

Inhibitors

Several inhibitors have an adverse effect on profitability in the home segment.

- The inkjet technology has reached a plateau. No significant development has been made in the past couple of years.
- To the same extent, the bubble of photo printing in the home has burst and most manufacturers are withdrawing their A6 photo printers. The occasional printing need will remain but that is not enough of a market to sustain the costs of manufacturing and distributing dedicated A6 photo printers.
- The cost of ink cartridges remains the main inhibitor to the wide use of home printing.

Germany: cost of hardware vs cost of consumables

Drivers:

- Photo quality printing is now included in most All-In-One inkjet devices.
- Ancillary IT features enhance the attractiveness of the home devices, colour TFT

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screens, wireless networkability, duplex, scan to email.

- Ease of use, all the devices on offer are easier to use and set up than they were a couple of years ago
- Ever lower prices, despite the irrationality of offering products at a loss to users who do not print, the dynamics are such that some vendors will always be undercutting their competition, thus offering great bargains to home users.
- Environmental awareness will clearly create a new opportunity for consumables and products that can prove their sustainability

credentials. This may benefit remanufactures and refillers.

2008 Overview

In 2008, the market will see the introduction of more fully featured All-In-One devices and lower priced devices.

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to introduce printing to new generations of users who may not need it in their academic life

Expect to pay less than EUR 80 for a duplex-enabled, Wi-Fi enabled, all in one with photo quality printing and less than EUR 49 for the same device without duplex.

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Number Crunching Green IT

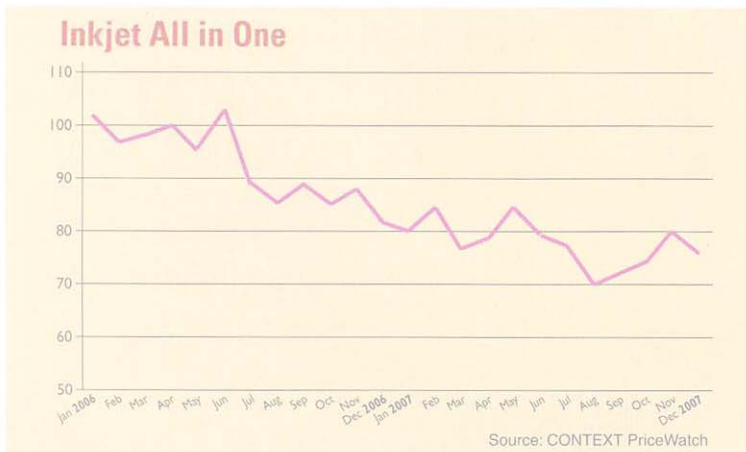
One of the biggest challenges is that data centers with storage, networking, and servers consume huge amounts of energy just to keep ticking over, he says. "And most of that energy does nothing."

But when it comes to green policies, there is a clear distinction between companies and users.

From a vendor point of view there are two important legal obligations in the European Union: the Restriction

on Hazardous Substances in Electrical Equipment (RoHS) law, and the Waste Electrical and Electronic Equipment (WEEE) Directive, which obliges manufacturers to collect or recycle users' old electrical equipment.

From a user point of view, priorities are different, Schwab says. They revolve around the efficient use of hardware and energy. Yet don't expect huge jumps in energy savings. "Power consumption will not fall dramatically," Schwab says, but one day, "we won't need as many servers as today."



NEW PRODUCT

Bracelet Connects Users to Needed Services

The Laipac S-911 Bracelet Locator is a GSM/GPRS quad-band phone with AGPS capability. It has multiple sensors plus RF ID capability for B2B, Law Enforcement and consumer applications. It features a high sensitivity, waterproof GPS receiver for indoor use and an SOS button to make an emergency call. Users can store phone numbers, make and receive phone calls and use it with a Bluetooth headset.

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