



MFP Reliability Survey Results

In this issue of *The Office Products Analyst*, we present our annual Multifunctional Product Reliability Study giving us the dealers' perspectives on Multifunctional products that they sell and service. This is the first in a two part series relating to Multifunctional devices. In the second part of this series, we present our annual Multifunctional Product End-User Study, focusing on user trends for multifunctional products. We present two different multifunctional studies because:

- Not all multifunctional brands would be represented if we presented only a dealer study. Xerox, Océ and others – distributing primarily through their own direct sales forces – would be missing. In addition, we would be underestimating the impact of dual distribution networks – companies that distribute their products through both independent dealers and direct branches.
- Dealers tend to focus their responses on current products, while users focus on products that may be two years old or more.
- User perceptions of reliability, while meaningful for each person interviewed, are influenced by their most recent service experience. Dealers, on the other hand, have more objective service data available (service call reports, etc.) upon which to base their ratings.

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Methodology

We conducted in-depth telephone interviews with 139 dealer service managers in imaging system dealerships nationwide. Responses encompassed 30,009 multifunctional units. Significant probing occurred in those cases where the data showed inconsistencies. In some cases, we faxed those portions of the survey dealing with model-specific service statistics, giving service managers time to verify the information with actual service record data. In other cases, these portions of the questionnaire were completed through subsequent telephone interviews.

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In cases of multi-brand dealers, we asked respondents to focus their responses on the multifunctional brand that accounted for the most revenue from new placements for their dealership (Primary Brand). Our experience shows that focusing on the Primary Brand will limit responses to those brands with which the service manager is most familiar, resulting in more accurate and complete information.

One of the difficulties in any analysis addressing the market for multifunctional products is the manner in which one defines those products. The staff at Industry Analysts, Inc. defines a multifunctional product as any platen-based device that can be connected to a computer workstation or local area network (LAN) and which supports at least two of the four traditional office functions (copying, printing, facsimile, scanning). We asked dealers to use this definition when responding to the survey. In effect, this definition results in a device that combines copying (platen-based) with at least one other function.

As you review this report, please note that some chart columns have no entries, indicated by “— — —”. If a particular response category had a statistically insignificant number of responses, we did not calculate the results. This should not be confused with an entry of “0.0” which indicates that there were no responses in a particular cell. We deemed as significant those instances where an item received no response and displayed this result as a zero entry.

Data Analysis

We first examined the brand distribution in our sample. Table 1 shows Canon with the leading sample share (22.4%) – followed by Toshiba in second place (20.4%). Note that the shares listed in Table 1 are indicative of our sample rather than the actual installed bases for these companies. Xerox, Océ and others, distributing primarily through their own direct sales forces, are underrepresented in the brand breakouts of this sample. Our sample has also excluded those products sold through the vendors’ own branches. For example, we captured units from the Ricoh Family Group (RFG), but not from Ricoh Business Systems (RBS) – Ricoh’s direct distribution division. Our sample included only independent dealer business activity.

Canon.....	22.4%
Toshiba	20.4%
Konica Minolta	12.2%
Kyocera.....	12.2%
Ricoh	10.2%
Sharp.....	10.2%
Savin	8.2%
Samsung.....	4.1%
Source: OPA	

We asked service managers to rate the reliability of the Primary Brand multifunctional products serviced by their dealerships. Ratings were compiled using a scale of 1 - 10, with "10" being the highest possible rating. The ratings in Table 2 include only those multifunctional products for which we received a significant number of responses. Also, please note that the models under RFG are listed in sequence as Ricoh/Lanier/Savin respectively, as well as, Kyocera/Copystar. The table also includes the speed range for each model listed. The speed ranges are listed on the Speed Range Chart.

1 = Less than 15 PPM	4 = 45 – 59 PPM
2 = 15 – 24 PPM	5 = 60 – 69 PPM
3 = 25 – 44 PPM	6 = 70 + PPM

Model	Ratings	PPM	Maximum Recommended Volume	Configuration	Speed Range
Canon:					
imageRUNNER 1025	8.7	25	30,000	Desktop	3
imageRUNNER 2018	7.8	18	60,000	Desktop	2
imageRUNNER 2022	8.4	22	75,000	Desktop	2
imageRUNNER 2025i	7.8	25	90,000	Desktop	3
imageRUNNER 2525	7.8	25	80,000	Console	3
imageRUNNER 2530	7.8	30	95,000	Console	3
imageRUNNER 3225	8.3	25	90,000	Console	3
imageRUNNER 3230	8.3	30	130,000	Console	3
imageRUNNER 3235	8.5	35	135,000	Console	3
imageRUNNER 3245	8.1	45	170,000	Console	4
imageRUNNER 3530	8.0	35	INA	Console	3
imageRUNNER 5000	8.2	50	200,000	Console	4
imageRUNNER 5050	8.4	50	200,000	Console	4
imageRUNNER 5055	8.5	55	220,000	Console	4
imageRUNNER 5065	8.3	65	250,000	Console	5
imageRUNNER 5075	8.4	5	250,000	Console	6
imageRUNNER 6055	8.6	5	INA	Console	4
imageRUNNER 7095	9.2	95	900,000	Console	6
imageRUNNER 7105	9.7	105	1,000,000	Console	6
Konica Minolta:					
bizhub 181	8.0	18	30,000	Desktop	2
bizhub 223	8.2	22	60,000	Console	2
bizhub 283	8.5	28	120,000	Console	3
bizhub 361	8.0	36	150,000	Console	3
bizhub 363	8.9	36	120,000	Console	3
bizhub 421	7.6	42	150,000	Console	3
bizhub 423	8.4	42	150,000	Console	3
bizhub 501	7.6	50	175,000	Console	4
bizhub 601	8.4	60	300,000	Console	5
bizhub 751	8.4	75	300,000	Console	6
Kyocera/Copystar:					
FS-1028MFP	9.2	30	20,000	Desktop	3
FS-1128MFP	8.7	30	20,000	Desktop	3
FS-3040MFP	8.7	42	200,000	Desktop	3
FS-3140MFP	8.8	42	200,000	Desktop	3
KM-2560	8.5	25	80,000	Console	3
KM-3060	8.9	30	100,000	Console	3
TASKalfa 181	9.1	18	20,000	Desktop	2
TASKalfa 221	9.1	22	30,000	Console	2
TASKalfa 300i	8.7	30	100,000	Console	3
TASKalfa 420i	9.2	42	150,000	Console	3
TASKalfa 520i	9.5	52	200,000	Console	4
TASKalfa 620	9.4	62	350,000	Console	5
TASKalfa 820	9.1	82	500,000	Console	6

*INA = Information Not Available

Table 2 is continued on the next page.

Table 2 – Dealer Ratings of Reliability – Continued					
Model	Ratings	PPM	Maximum Recommended Volume	Configuration	Speed Range
<u>Ricoh Family Group (Ricoh / Lanier / Savin):</u>					
AC205 / AC122 / AC205	7.0	22	2,500	Desktop	2
Aficio MP1600 / LD316 / 9016	7.6	16	12,500	Console	2
Aficio MP171 / LD117 / 917	8.5	17	5,000	Console	2
Aficio MP2000 / LD320D / 9021D	7.6	21	15,000	Console	2
Aficio MP2500 / LD125 / 7025	7.6	25	25,000	Console	3
Aficio MP2550 / LD425 / 9025	7.8	25	100,000	Console	3
Aficio MP2851 / LD528 / 9228	8.2	28	100,000	Console	3
Aficio MP3350 / LD433 / 9033	7.2	33	100,000	Console	3
Aficio MP3351 / LD533 / 9233	7.8	33	100,000	Console	3
Aficio MP4000 / LD040 / 9040	6.9	40	200,000	Console	3
Aficio MP4001 / LD140 / 9240	7.1	40	200,000	Console	3
Aficio MP5000 / LD050 / 9050	7.1	50	200,000	Console	4
Aficio MP5001 / LD150 / 9250	7.3	50	200,000	Console	4
Aficio MP6000 / LD260 / 8060	8.7	60	300,000	Console	5
Aficio MP6001 / LD360 / 9060	8.3	60	300,000	Console	5
Aficio MP7000 / LD270 / 8070	8.4	70	300,000	Console	6
Aficio MP7001 / LD370 / 9070	7.9	70	300,000	Console	6
Aficio MP8000 / LD280 / 8080	8.5	80	300,000	Console	6
Aficio MP8001 / LD380 / 9080	7.2	80	300,000	Console	6
Aficio MP9001 / LD390 / 9090	7.5	90	300,000	Console	6
Pro 1106EX	8.7	110	1,000,000	Console	6
Pro 906EX	9.0	90	1,000,000	Console	6
Aficio SP3200SF	7.7	30	25,000	Desktop	3
<u>Sharp:</u>					
AR-M207/E	7.7	20	20,000	Desktop	2
AR-M208D/S	8.1	20	24,000	Desktop	2
AR-M257	7.9	25	75,000	Console	3
AR-M317	8.4	31	50,000	Console	3
MX-M260	8.4	26	75,000	Console	3
MX-M283	8.3	28	75,000	Console	3
MX-M310	8.5	31	150,000	Console	3
MX-M363	9.0	36	75,000	Console	3
MX-M453	9.0	45	200,000	Console	4
MX-M503	8.9	50	200,000	Console	4
MX-M550	8.4	55	250,000	Console	4
MX-M620	9.2	62	300,000	Console	5
MX-M700	8.2	70	300,000	Console	6
<u>Toshiba:</u>					
e-STUDIO182	8.5	18	77,000	Desktop	2
e-STUDIO202S	7.7	20	15,000	Desktop	2
e-STUDIO203S/D	8.3	20	15,000	Desktop	2
e-STUDIO205	8.0	20	80,000	Desktop	2
e-STUDIO242	8.0	24	90,000	Desktop	2
e-STUDIO255	8.0	25	100,000	Console	3
e-STUDIO305	7.7	30	120,000	Console	3
e-STUDIO355	7.5	35	125,000	Console	3
e-STUDIO455	7.3	45	150,000	Console	4
e-STUDIO555	8.6	55	460,000	Console	4
e-STUDIO655	8.2	65	515,000	Console	5
e-STUDIO755	8.7	75	540,000	Console	6
e-STUDIO855	9.2	85	600,000	Console	6
*INA = Information Not Available		Source: OPA			

After reviewing the ratings presented in Table 2, we compiled a Recommended Purchase list (Table 3) made up of those models with an average rating of 8.5 or higher. This list is based upon the perceptions of the service managers interviewed who have serviced each model. Note that Kyocera has the most recommended models (13).

Table 3 – Recommended Purchase List

Canon:		Ricoh Family Group (Ricoh / Lanier / Savin):	
imageRUNNER 7105.....	9.7	Pro 906EX	9.0
imageRUNNER 7095.....	9.2	Aficio MP 6000 / LD260 / 8060	8.7
imageRUNNER 1025.....	8.7	Pro 1106EX	8.7
imageRUNNER 6055.....	8.6	Aficio MP 171 / LD117 / 917	8.5
imageRUNNER 5055.....	8.5	Aficio MP 8000 / LD280 / 8080	8.5
imageRUNNER 3235.....	8.5	Sharp:	
Konica Minolta:		MX-M620	9.2
bizhub 363.....	8.9	MX-M363	9.0
bizhub 283.....	8.5	MX-M453	9.0
Kyocera/Copystar:		MX-M503	8.9
TASKalfa 520i.....	9.5	MX-M310	8.5
TASKalfa 620.....	9.4	Toshiba:	
TASKalfa 420i.....	9.2	e-STUDIO855.....	9.2
FS-1028MFP.....	9.2	e-STUDIO755.....	8.7
TASKalfa 820.....	9.1	e-STUDIO555.....	8.6
TASKalfa 181.....	9.1	e-STUDIO182.....	8.5
TASKalfa 221.....	9.1		
KM-3060.....	8.9		
FS-3140MFP.....	8.8		
FS-1128MFP.....	8.7		
TASKalfa 300i.....	8.7		
FS-3040MFP.....	8.7		
KM-2560.....	8.5		

Source: OPA



Table 4 shows the overall rating by brand for the multifunctional products included in our survey. We used a 1 - 10 scale, with “10” representing the highest rating and included all the models for which we received responses. Note that we have not listed all of these models in Table 2, since, for some individual models we did not have a statistically significant number of responses. When we examine the overall average ratings, we find that Kyocera/Copystar received the highest score of 9.0. Kyocera received the highest score in the last four years as well.

Table 4 – Equipment Reliability Ratings by Brand

Universe.....	8.2
Canon.....	8.4
Konica Minolta.....	8.0
Kyocera/Copystar.....	9.0
Ricoh.....	7.8
Sharp.....	8.4
Toshiba.....	7.9

Source: OPA

Table 5 shows each model that received the highest rating by speed range.

Each of these models was judged to be the most reliable by the dealers that service them. Kyocera rated highest in four out of six speed categories

Table 5 – Top Reliability by Speed Range

Speed Range	Brand/Model	Rating
1	NA	
2	TASKalfa 181 / TASKalfa 221	9.1
3	TASKalfa 420i / FS-1028MFP	9.2
4	TASKalfa 520i	9.5
5	TASKalfa 620	9.4
6	imageRUNNER 7105	9.7

Source: OPA

with models that ranked the highest in those respective categories. The Canon image RUNNER 7105 rated the highest of all units with a rating of 9.7.

Table 6 summarizes the responses given by dealers when asked to what extent, if any, they purchase Non-OEM parts. Of the dealers responding to this year's study, 58.3% indicate that they purchase parts from Non-OEM sources, an increase from last year's response (54.1%). The dealers that reported purchasing Non-OEM parts indicated that 20.4% of the parts they purchase are Non-OEM. The average percentage of market share lost for OEM parts suppliers is 11.9% (58.3% x 20.4%).

	Universe	Canon	Konica Minolta	Kyocera/ Copystar	Ricoh Family Group	Sharp	Toshiba
Percent Of Dealers Buy Non-OEM Parts	58.3%	63.6%	66.7%	40.0%	66.7%	80.0%	40.0%
Percent Of Parts Are Non-OEM	20.4%	34.4%	17.8%	14.1%	12.1%	11.1%	12.1%
Non-OEM Share	11.9%	21.9%	11.9%	5.7%	8.1%	8.9%	4.8%
Gross Margins – Manufacturer Parts	46.0%	47.2%	37.5%	58.0%	39.0%	56.5%	45.0%
Gross Margins – Non-OEM Parts	44.3%	----	----	----	----	----	----

Source: OPA

Of the dealer population interviewed, Sharp respondents indicate the highest percentage of dealers purchasing Non-OEM parts – 80.0%. Canon dealers that purchase Non-OEM parts indicated that 34.4% of parts they purchase are Non-OEM – the highest of all brands represented. Consequently, Canon Primary Brand dealers showed the highest percentage of OEM market share lost 21.9% (63.6% x 34.4%). Toshiba Primary Brand dealers retain the most OEM market share with 95.2%. We asked our respondents to provide us with the same information relating to copier supplies. These data are summarized in Table 7. As with Non-OEM parts, we see a broad range of Non-OEM supplies participation across brands.

In this year's study, we see that 46.9% of dealers are purchasing Non-OEM supplies. Ricoh (RFG) dealers show the highest percentage (66.7%). Canon shows the greatest loss in OEM market share (18.7%). Gross margins for Non-OEM supplies (52.5%) are higher than is the case for OEM supplies (45.6%). Non-OEM supplies, with their higher margins, play a pivotal role in Managed Print Services (MPS) strategies. It is the primary strategy employed by dealers to reduce the cost of these contracts.

	Universe	Canon	Konica Minolta	Kyocera/ Copystar	Ricoh Family Group	Sharp	Toshiba
Percent Of Dealers Buy Non-OEM Supplies	46.9%	45.5%	50.0%	33.3%	66.7%	40.0%	40.0%
Percent Of Supplies Are Non-OEM	22.4%	41.2%	25.0%	17.5%	11.0%	11.0%	25.5%
Non-OEM Share	10.5%	18.7%	12.5%	5.8%	7.3%	4.4%	10.2%
Gross Margins – Manufacturer Supplies	45.6%	44.3%	38.3%	65.7%	39.2%	52.7%	43.8%
Gross Margins – Non-OEM Supplies	52.5%	----	----	----	----	----	----

Source: OPA

The major service cost component for dealers is the labor cost of their service representatives. Therefore, we track the productivity of the service representatives to measure the effectiveness of their labor that cost. Table 8 highlights the methods most used by dealers to track the productivity of their technicians and the average values for each of those productivity measures. Of all the methods mentioned, Calls per Rep was used with the greatest frequency (84.2% of dealers). The average call back percentage is 16.5%.

Table 8 – Service Technician Productivity	
Dealership Tracks Service Rep Productivity:	
Yes	77.6%
Calls Per Rep	84.2%
Call Back Percentage	76.3%
Copies Per Rep	7.9%
Parts Usage Per Rep	7.9%
EM vs. PM Ratio	7.9%
Revenue Per Rep	2.6%
Copiers Per Rep	2.6%
<i>Multiple Responses Allowed</i>	
Productivity Rates:*	
Calls Per Rep	4.5
Call Back Percentage	16.5%
Copiers Per Rep	----
Copies Per Rep	----
Parts Usage Per Rep	----
Revenue Per Rep	----
Monthly Copies Per Sales Rep	----
<i>*Median Values Used</i> Source: OPA	

In Table 9, we asked the service managers in our survey sample to rate their Primary Brand models in each of 39 critical areas. We used a scale of 1 - 10, with "10" representing the highest rating. We have separated the features into four primary categories – Products, Service Support, Product Reliability and Inventory. This will allow a more complete overview of how the brands compare with one another within the various groups.

Service managers rated Kyocera/Copystar first in 33 of the performance categories. The company also placed first in every service category – Products, Service Support, Product Reliability and Inventory. We congratulate Kyocera/ Copystar for their outstanding performance.



Table 9 – Ratings							
	Universe	Canon	Konica Minolta	Kyocera/ Copystar	Ricoh Family Group	Sharp	Toshiba
Products:							
Network Compatibility	8.72	8.77	8.33	9.00	8.33	8.80	8.78
Scanning Reliability	8.60	8.59	8.17	9.67	8.44	8.20	8.30
Ease Of Connectivity	8.59	8.65	8.33	9.17	8.22	8.80	8.40
Ease Of Installation	8.58	8.59	8.17	9.17	8.33	8.80	8.40
Fax Reliability	8.56	8.50	8.83	8.67	8.36	8.40	8.55
Printer Reliability	8.56	8.59	8.67	9.00	8.33	8.80	8.17
Copier Reliability	8.55	8.50	8.67	9.33	8.22	8.60	8.15
Image Quality For Copies	8.50	8.59	8.33	9.17	8.22	8.80	8.10
Overall Product Reliability	8.49	8.50	8.50	9.00	8.11	8.60	8.25
Image Quality For Prints	8.43	8.55	8.33	9.17	7.89	8.60	8.20
Ease of Operator Maintenance	8.41	8.41	8.17	8.83	8.06	8.40	8.40
Function Contention	8.38	8.50	8.17	8.83	8.22	8.20	8.10
General Ease Of Maintenance	8.30	8.23	8.00	9.00	8.00	8.80	7.90
General Application Compatibility	8.28	8.41	7.67	9.17	8.33	7.40	8.10
Cost Of Service	8.05	8.23	8.33	8.83	7.67	8.20	7.30
AVERAGE	8.47	8.51	8.31	9.07	8.18	8.49	8.21

Table 9 is continued on the next page.

Table 9 – Ratings (Continued)							
	Universe	Canon	Konica Minolta	Kyocera/ Copystar	Ricoh Family Group	Sharp	Toshiba
Service Support:							
Availability Of Controller/Software Upgrades	8.73	8.64	8.67	9.17	8.67	8.80	8.50
Effectiveness Of Internet Support	8.64	8.55	9.00	9.00	8.67	8.50	8.11
Effectiveness Of Controller/Software Upgrades	8.63	8.55	8.83	9.17	8.56	8.00	8.50
Availability Of A Manufacturer's Troubleshooter In The Field	8.57	8.18	8.67	8.67	8.83	8.00	8.70
Effectiveness Of General Service Communications	8.56	8.73	8.50	9.17	8.56	8.00	8.20
Availability Of Basic Service Training Program	8.53	8.60	8.50	9.00	8.50	7.80	8.50
Effectiveness Of Basic Service Training Program	8.49	8.73	8.00	8.83	8.44	7.80	8.50
Effectiveness Of Advanced Product Training Program	8.46	8.36	8.60	8.83	8.33	7.80	8.50
Availability Of Remote Diagnostics	8.40	8.09	8.60	8.83	8.22	8.00	8.56
Effectiveness Of Engineering Support	8.38	8.45	8.00	9.17	8.25	8.00	8.10
Effectiveness Of Software Support	8.37	8.00	8.50	8.83	8.63	6.75	8.67
Effectiveness Of Service Hotline	8.33	8.27	8.33	8.67	8.56	6.75	8.40
Retrofit Announcements	8.33	8.27	8.00	9.33	8.33	7.80	8.10
AVERAGE	8.49	8.42	8.48	8.97	8.50	7.85	8.41
Product Reliability:							
Ongoing Product Reliability	8.42	8.36	8.17	9.00	8.39	8.20	8.30
Ongoing Product Reliability	8.32	8.36	8.50	9.00	8.39	8.00	7.70
Product Reliability When First Introduced	8.30	8.18	8.17	9.00	8.31	8.20	8.00
Retrofit Reliability	8.22	8.00	7.67	8.83	8.39	8.20	8.10
Product Service Profitability	7.98	8.00	7.83	9.00	8.22	7.60	7.11
AVERAGE	8.25	8.18	8.07	8.97	8.34	8.04	7.84
Inventory:							
Accuracy Of Orders	8.73	8.91	8.67	9.17	8.56	8.80	8.30
Order Processing	8.65	8.73	8.33	8.67	8.44	9.00	8.60
Product Availability	8.61	8.45	8.17	9.17	8.44	8.80	8.60
Availability Of Supplies	8.59	9.00	8.50	8.83	8.56	8.80	7.80
Parts Delivery Time	8.53	8.82	8.33	8.67	8.44	8.80	8.00
Parts Availability	8.51	8.64	8.50	8.33	8.67	8.60	8.10
AVERAGE	8.60	8.76	8.42	8.81	8.52	8.80	8.23
OVERALL AVERAGE	8.47	8.47	8.35	8.98	8.36	8.27	8.23

Source: OPA