

DATAQUEST

The Business of Infotech



‘We are launching retail photo printing services in India shortly’

—Christoph Schell, VP,
Consumer Go-To-Market, Inkjet
& Web Solutions, PG, HP APJ

What is the Ink Advantage program by HP all about?

This new scheme was launched in India a couple of months ago. We want to formulate the entire process and offer it to our consumers and SME customers, giving them a better and more satisfying experience with HP products and services. Through the Ink Advantage program we have increased the price of the hardware (printer) but significantly reduced the price of the ink. The net impact of this program is that the cost per page of printing is much less than before. Under the new scheme we are not just selling the hardware but an entire system to our customers. This scheme is already being practiced for our government and corporate accounts and today these accounts consists 30% of our total ink sale in India. That means we have a proper track on 30% of our overall ink sale, and know the customers.

How is it going to benefit you to increase your ink sale?

With this new model our entire sales structure has changed. Previously we used to sell just the box. But with this model we are actually selling a service package. New schemes like dial-a-cartridge, email-a-cartridge, etc further facilitate this system sales model. And this renewed approach of system sale is sure to make a big difference for us as we are now binded with the customers throughout the product lifetime to offer them all kinds of services required.

This scheme is sold primarily through our partners, HP World stores as well as selected LFRs and commercial stores. We have laid out a plan to ensure that all our partners gain equal share of benefits through this scheme. India is a big market for us with over 75% share, and we have got a very big partner network.

What is the future potential of printing in India? What is HP doing to maintain its lead?

We are launching retail photo printing services in India shortly. With the mobile revolution in Indian digital photography is on the rise, combined with those taken from digital cameras it is a huge potential for us. Incidentally, Snapfish has received great response from India and we believe it's just the beginning. With more enhanced content and services offered through these initiatives, the market is just going to grow creating more customer segments for us. Online printing is another focus area. We would like to have alliances with key portals like Yahoo!, Flickr, etc to offer more competitive services to our customers.

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