

Leading mobile phone retailer standardises on Lexmark MFPs to reduce in-store print costs, then uses savings to finance the printing of marketing material at point of use, boosting High Street sales to record levels

Lexmark MFPs help Vodafone Retail cut in-store print costs by 25% and boost sales through local marketing initiatives

The Organisation

Vodafone Retail is the public face of Vodafone in the UK. Part of the international mobile telecommunications group, Vodafone Retail has a network of 351 stores where customers can buy and renew mobile phone contracts, handsets and accessories. The expanding retail network is an increasingly important sales channel for Vodafone, giving it visibility on the High Street and in shopping centres throughout the UK.

The Challenge

Printed material plays an important part in every stage of Vodafone Retail's sales process, from encouraging potential customers into its stores, to the supply of customised sales proposals and the printing of service contracts.

Each year, a typical Vodafone store prints 45,000 A4 pages and thousands of sheets of pre-printed stationery on a mix of devices, including three single-function B&W printers in the sales and demonstration areas and a B&W multifunction printer (MFP) in the back office.

The bulk of the printing is done on the MFP. This includes internal documents, such as daily management reports, commission statements and mystery shopper reports, as well as customer-generated insurance claims and multi-page service contracts, which are output on pre-printed stationery kept in a second paper tray.

The efficiency and profitability of Vodafone's retail operation depends on producing these documents quickly, reliably and cost-effectively. However, it became increasingly clear that Vodafone's existing fleet of Brother MFC9870 MFPs was no longer up to the task, so when the MFP support contract came up for renewal, Vodafone asked Fujitsu Services to see how in-store printing could be improved.

"The Lexmark devices are very, very good. They are reliable, so we are not seeing so many basic faults. Maintenance calls have come down by 85% and chargeable repairs have also come down significantly."



– David Hemmings
Retail Systems Manager
Vodafone

As Fujitsu Services' preferred print provider, Lexmark identified a number of weaknesses in Vodafone's infrastructure: the existing MFPs were slow (12 pages per minute); running costs were high, as store managers tended to buy low capacity print cartridges (3,000 pages at 5% coverage); and users could not change print density settings to make toner last longer.



Furthermore, the MFPs were frequently out of order due to a serious design flaw, as David Hemmings at Vodafone Retail explains. "The Brother machines have a power module that sticks out the back and is prone to damage if you push the paper tray in so hard that it slams into the wall behind. This was the cause of a large number of call-outs."

The Solution

At this stage, Vodafone's priority was not to transform its entire printing operation, for example by implementing two-sided or in-store colour printing, but simply to reduce costs and improve the reliability of back-office output in retail stores.

"The key thing for us was to identify devices that were fit for purpose and retail-hardened i.e. capable of withstanding the knocks and heavy use that retail environments entail," explained Hemmings. "They had to have two trays – one for blank paper and one for pre-printed paper – and they had to be fast and easy to use. A customer will already have spent 15-20 minutes completing an agreement and won't want to stay in the store for any longer than necessary."

After considering its options, Vodafone selected Lexmark X342 MFPs for its 351 retail stores. With a print speed of 25 pages per minute, these are twice as fast as the machines they replaced; they have a fast first page out time of 10 seconds; and have high capacity cartridges (6,000 pages at 5% coverage) for lower running costs.

Lexmark reduced the total cost of printing further by customising the printer drivers to make consumables last longer. "During the roll-out, we asked Lexmark if there was anything else we could do to keep print costs down. They analysed the types of document we print and reduced the toner density setting to a level that was appropriate for all of our output. We have now changed the printer settings in a number of trial stores, helping cartridges to last even longer," said Hemmings.

The Result

The combination of high yield toner cartridges and toner-saving measures enabled Vodafone to cut print costs by 25%, thus meeting its original objectives for the MFP refresh. But instead of banking its savings, Vodafone is using them to finance the printing of marketing material in-store. According to Hemmings, this has had a significant impact on sales.

"Previously we would centralise the production of marketing material and send it out through an outsourced company. This worked from a cost-savings point of view, but it was difficult to react quickly to market changes. Now we send a PDF file to the branches and they print ad hoc offers and marketing messages there and then," he said.

Hemmings added that the ability to print key messages and offers in-store and hand them out on the High St has enabled Vodafone to react instantly to offers from rivals, giving them a competitive edge in a saturated market. "We have seen a huge increase in footfall by being able to react more quickly to market conditions. Vodafone has just had its best ever Christmas on the High St, which is remarkable considering the economic conditions. How much of this is down to local marketing and leafleting and how much is down to our strong product range it is difficult to say. But our ability to be reactive and get key messages out quickly has certainly had a positive effect."

Vodafone stores may now be printing more than ever, but the shift away from centralised promotion printing has meant faster lead times. Moreover, there is an overall reduction of total print, as they print what they need, when they need, where they need. Thanks to the low TCO and outstanding reliability of the Lexmark MFPs, in-store print costs are lower than they were before and support costs have been considerably reduced.

Having transformed back-office printing in its retail stores, Vodafone is now turning its attention to the printers used in the sales area. It currently has a mix of HP, Brother and Lexmark devices, but as these are coming to the end of their life this year, these too will be replaced, giving Vodafone Retail the opportunity to make further improvements to printing in its stores.

