

HP Officejet / Officejet Pro vs. Lexmark Cost-Per-Page Comparison

Lexmark is very aggressively promoting their 1 penny per page black ink cartridge, conspicuously absent from all their communication is any mention of color –this is obviously because they have a very high color CPP, more than offsetting any savings from their low cost black. They also generally fail to mention that this low CPP black cartridge is only available for their three highest priced SKUs. The mid range products have very high black and color CPP – for higher than the Officejet 6500 series.

Supplies Costs

	K Yield	CYM Yield	K Pop	K CPP	CYM Pop	CYM CPP	CYMK CPP
OJ Pro 8500 family	2,200	1,400	\$36	\$0.016	\$25	\$0.054	\$0.07
Lexmark 805/901/905	510	600	\$5	\$0.0098	\$18	\$0.090	\$0.099
OJ Pro Advantage	331%	133%		(38%)			41%
Officejet 6500 family	1,200	700	\$32	\$0.027	\$15	\$0.064	\$0.091
Rest of Lexmark line	510	600	\$25	\$0.049	\$18	\$0.090	\$0.139
OJ Advantage	135%	16%		44%			34%

5 year Total Cost of Ownership scenarios

	List Price	Supplies Cost				
		1 st 2 years	5 year total	5 year TCO	OJ Savings	
500 ¹ pages/ Mo. 50% color	Lexmark Pro 905	\$399	\$601	\$1,586	\$1,985	
	Officejet Pro 8500 W	\$399	\$516	\$1,329	\$1,728	\$257
	Lexmark Pro 901	\$299	\$601	\$1,586	\$1,985	
	Officejet Pro 8500 W	\$399	\$516	\$1,329	\$1,728	\$157
300 ² pages/ Mo. 50% color	Lexmark Pro 705	\$199	\$620	\$1,631	\$1,830	
	Officejet 6500W	\$199	\$417	\$1,065	\$1,264	\$566

Officejet 8500 Pro:

- Color advantage for OJ Pro more than offsets mono advantage for Lexmark Pro 905: To save money using Lexmark must print nearly 80% monochrome pages

Officejet 6500

- CPP on Lexmark models other than Pro 805, 901 and 905 is very high Officejet has a huge advantage

¹500 pages per month is a realistic usage scenario for the Officejet Pro target market

²300 pages per month is a realistic usage scenario for the Officejet target market

Supplies Costs and savings based on % color usage over 5 years

One of the arguments Lexmark is using to support their black printing message is a study in Europe which states that the majority of SMB customers self report that they mostly print black pages.

http://www.lexmark.co.uk/lexmark/pressrelease/home/0,6930,252735_653271419_1433669765_en,00.html

That is a very ambiguous claim that doesn't really say what Lexmark is implying that it does. Besides being self reported data which is questionable for that reason, "Mostly print black pages" can simply mean 51%. What Lexmark wants someone to take away is the idea that if a customer prints mostly black pages then all that matters is black cost per page, but this is clearly not the case. If a customer purchases a color All-in-One it is logical to infer they intend to print some color output, the cost of printing color pages must therefore be factored into a realistic analysis of the printing costs. The study contains no information about the percentage of pages that are color. As the table below illustrates a customer would need to print a very low percentage of color pages to save money with Lexmark, less than 23%. The more color printed, the greater the savings for Officejet Pro.

Supplies Costs ¹				
% color	HP OfficeJet Pro 8500 W	Lexmark Pro 905	OJ Pro Savings	
0%	\$504	\$290	(\$214)	
10%	\$654	\$506	(\$148)	
20%	\$804	\$776	(\$28)	
23%	\$879	\$884	\$5	< Cross over point is 23%
30%	\$954	\$1,046	\$92	
35%	\$1,029	\$1,208	\$179	< HP assumptions 35%
40%	\$1,104	\$1,316	\$212	
50%	\$1,329	\$1,586	\$257	
55%	\$1,404	\$1,748	\$344	< InfoTrends SMB study reports 55%
60%	\$1,479	\$1,856	\$377	
70%	\$1,629	\$2,126	\$497	
80%	\$1,779	\$2,396	\$617	
90%	\$1,929	\$2,666	\$737	
100%	\$2,079	\$2,936	\$857	

¹Based on printing 500 pages per month for 5 years

We aren't the only ones who've noticed the way Lexmark is playing fast and loose:

Gap Intelligence March 19th - Lexmark Launches Pinnacle Pro901 – Evil Ink Campaign

<http://newman.reddoor.biz/hostedemail/email.htm?h=c80170c544505766b037af8ede642fd5&CID=3516754886&ch=1C4874C09A0F3503D6056D9A1548D6F9>

key quotes:

Lexmark's "Outsmart Evil Ink" campaign is more than ironic, as the manufacturer is perhaps the most notorious producer of "evil ink monsters"

Online commercials from the campaign do not clearly indicate which Lexmark AiOs are actually compatible with the \$4.99 lex105xl and imply that the company's entire range of products offer low cost inks.