



Think of Epson and more often than not you'll think of printers, but the manufacturer produces LCD screens, projectors and digital cameras too. It also prides itself on its aftersales service. Wendy Brewer finds out more

## Supplier profile:

# Epson

**E**pson has been focusing on the home printing professional for some time, looking to the second-time buyer who knows what he or she wants or the photography fanatic who demands high-quality printouts.

Its latest Digital Vision competition – open to Europe, South Africa and the Middle East – offers snappers of all levels the chance to win photo printers, while the company's 2002 concert sponsorship saw its name alongside Robbie Williams, Kylie Minogue and Stereophonics.

Epson is discreetly pushing for younger, more techno-minded customers who will purchase not one but several of its products. And the company seems sincere in its bid to create a relationship with its customers – no matter what age. It appears to be succeeding, as more than half its existing customers have bought an Epson product at least once before.

### Clock watching

The name Epson is synonymous with printers, but the company does not depend on these devices alone. It develops LCD screens, projectors and digital cameras while its origins, rather strangely, are in watchmaking.

Seiko, Epson's parent company, is still owned by the Hattori family with no outside shareholders, which is quite rare for a company of its size. Nowadays it has a somewhat European feel with strong communication between the UK, Paris and its European headquarters in Amsterdam. Its annual turnover to March 02 was ¥962.9bn (about £5bn). It has production and development bases in more than 31 countries and employs 68,786 people.

In the UK Epson's customers are consumers and small to medium-sized businesses; its products are sold through hundreds of online and high street stores.

Its printing mechanics are used in many store tills and the advances made by parent company Seiko in Japan means that a high percentage of profit is ploughed into R&D, although precise figures are unavailable because Epson is a privately owned company. In the future, it looks as though more emphasis will be given to customer service.

### What can we do for you?

Epson provides all aftersales services direct to customers as David Ratcliffe, director of technical services, points out: "No one knows our products better than us."

The customer service centre at Epson's Telford plant is referred to as the 'customer interaction centre'. Looking across the expanse of heads and computer screens, the atmosphere is calm despite Ratcliffe's insistence that over 2,600 calls are received here everyday by the 100-strong team.

Attached to the ceiling is a huge digital screen displaying details of the number of calls answered and, more importantly, those that were missed. Epson aims to answer and resolve a minimum of 90 percent of calls in the first instance. Today the sign is flashing at 93 percent.

Epson's printer products are accessible at each end of the centre. "The only way of resolving a problem is by going through

## Epson Express

**T**here are 41 Epson Express centres in high street PC stores throughout the UK, with a total of 200 centres expected by the end of 2003. All Epson product owners, whether or not their devices are still covered by a warranty, can take their faulty hardware to a local Express centre. Here, they will receive a free assessment and diagnosis. Non-warranty holders will be charged for repairs, but those still within their warranty will receive immediate free repairs. If the product cannot be fixed within half an hour it will be replaced. Epson-authorized repairmen carry out all repairs.



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David Ratcliffe,  
director of technical services, Epson

each stage of the process with the customer and that's hard to do from memory," says Ian Bodsworth, operations manager at the Telford plant.

There are three levels of support available to customers. Level 1 deals with simple user problems and is the first port of call for consumers and small businesses with and without warranties.

Level 2 support, based in Hemel Hempstead, is manned by product specialists. The few calls that filter through here (eight in the last three months) are recorded and logged to monitor problems. If a trend emerges the team sends a warning to its level 3 support partners, based in Paris. Here, Epson's technical skills team publishes local resolutions and patches and notifies the relevant product design team of any recurring issues.

Telford's staff is a mixed bunch, with some from customer service backgrounds and others promoted from manufacturing plants. Staff are given product and customer service training and calls are randomly monitored.

Despite the growth in internet take-up, most of Epson's customers choose to contact the company via telephone, obviously preferring the human touch. Only around a tenth of customers opt for Epson's e-services, comprising a self-service website with searchable FAQs and the ability to email enquiries or engage an Epson technician in a webchat session.

As the e-service technicians have fewer customers to deal with they have more time to help. "The problem is that people want answers immediately," adds Bodsworth. The company has a 48-hour resolution target on these emails.

### Doubling up

According to Ratcliffe, until technology has developed sufficiently to allow Epson to install a fully integrated computer-telephone system, technicians will continue to waste time answering emails that have already been resolved by the call centre.

"We need everything integrated so that everyone knows what everyone else is doing, saving us and the customer time

and money. We need better interaction between hardware. That just isn't available," Ratcliffe explains.

Although Epson's customer services are currently free, Ratcliffe thinks in the future people will have to start paying. At least half of Epson's customers are now second-time buyers with a good knowledge of technology. In a few years these same customers will be third- and fourth-time buyers and Epson wants them to have access to the support they need.

"As products get cheaper, companies won't be able to afford to cover the cost of call centres and helpdesks. Instead, people will have to pay for tailor-made packages specific to their needs. I think this is something that will be seen across the industry as a whole," says Ratcliffe.

Epson is committed to aftersales support and believes that customers are entitled to a relationship with their manufacturer. "There's no point in providing support if it isn't good quality, which is why we believe customers will be willing to pay for quality," Ratcliffe added.

## Epson: a little bit of history

- 1872 Seiko watchmaking company established in Japan
- 1968 Builds its first printer, the EP-101 and renames its precision parts arm Epson
- 1969 Seiko creates first quartz watch
- 1975 Seiko expands and sets up Epson America
- 1982 Epson creates its first PC, but the QX-10 is not commercially launched
- 1982 Launches first liquid crystal display as low-energy alternative to LED
- 1989 Launches the first single-pass colour flatbed scanner
- 1990 Invents the first wristwatch pager
- 1994 Launched desktop colour inkjet printer, the Epson Stylus Color
- 1995 Enters the portable LCD projector market with the light and bright but compact ELP-3000 model
- 1997 Manufactures the first high-resolution inkjet printer with a print quality of 1,440dpi (dots per inch)
- 2000 Epson launches first A4 colour laser printer, the Aculaser C2000
- 2002 Opens first Epson Express centres across the UK



## Made for each other

Epson now has manufacturing plants throughout the world based everywhere from the US to Europe and Japan. In Europe, most of the printer manufacturing takes place in Germany and France.

Its research and development centre is in Cambridge and its printer cartridges are made in Telford to forecast, based on predictions sent from Epson's distribution centre in Holland, which is also home to its European headquarters. The company has owned the Telford plant for about 15 years and until 18 months ago printers were also manufactured there but this was not cost-effective.

Telford's production takes place 24 hours a day, seven days a week, with temporary staff brought in to cover the busy pre-Christmas period. The 750 staff employed at the Telford plant all have the opportunity to train for higher posts.

"We are keen on keeping the people we have and find training and promotion are the best ways to keep staff happy," says Ratcliffe. "Several of our customer service staff have moved over from the manufacturing side, bringing their knowledge with them."

Five people deal exclusively with email queries and offer an in-depth service. As they have fewer customers to deal with they have more time to help

Ian Bodsworth, operations manager, Telford plant

Telford is home to a series of assembly lines where the printer cartridges are produced. Firstly, the plastic mouldings for Epson's ink cartridges are created. The testing process is intense and the first 25 mouldings produced are scrapped to ensure the ink nozzles are flawless.

Once dimensional checks have been made, the filter, spring and foam section (without ink at this stage) are added. They are then loaded with ink and smart chips. The chips usefully monitor ink cartridge levels, telling the customer if there is insufficient ink in the cartridge to complete a print run before printing commences.

The presence of the chips doesn't prevent customers from using cheaper non-Epson cartridges, but the company very much discourages it. Besides, the ability to monitor the ink level is imbedded in the cartridge, not the printer, so this feature can't be used with non-Epson cartridges.

All chips are manufactured by Epson in Japan. "It is essential that everything is millimetre-perfect at this stage, hence the complex testing process. It's too late to change things once it goes through as this would create mass waste," says Michael Brookes, ink engineering production manager at Epson.

The inner pressure of the cartridge is checked precisely. Again, this must be spot on as the pressure is responsible for pushing the right amount of ink through the sponge on printing.

All stock is then shipped throughout Europe. Epson also manufactures its own quick-drying ink "to ensure consistency throughout the products", says Brookes. The cartridges have to be packed in pillow packets within five days of production to maintain the

cartridge pressure. Once wrapped all cartridges are shipped and used within six months.

## Epson of the future

Epson is not widely known for products other than printers. But it's likely to focus on addressing this over the coming years. The company is also going to be placing even more importance on aftersales services, recognising that customers are demanding more and more from their manufacturer. "In the past technology has been most important but now brand name and customer services will take priority," says Ratcliffe. ■

## Epson: at a glance

- Founded **Japan, 1961** under the name **Shinshu Seiki**. Became **Epson** in **1975**
- Number of employees **68,786** worldwide. Around **1,000** based in the **UK**
- Turnover **¥962.9** (around **£5bn**) to the year ending **March 02**
- Ownership **Privately owned**
- Global business **Technology R&D, watch, printer, digital camera, LCD and projector manufacture**
- UK business **Mainly known for printer and camera sales to consumers and small to medium-sized businesses**
- Product range **Printers, LCDs, projectors and digital cameras**
- UK office address **Campus 100, Mayland Avenue, Hemel Hempstead, Herts HP2 7JT**
- Website **www.epson.co.uk**
- Telephone **0870 241 6900**