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Photography

Every Picture Tells a Story

BY C. CLINT BOLTE

The 82nd PMA International Convention and Trade Show convened in the magic city of Orlando, Fla., from Feb. 26 to March 1 with more than 600 exhibitors, over 20,000 attendees and more than 200 sessions and educational programs. The largest photo imaging trade show in the world, the Photo Marketing Association International convention attracts image-capture professionals (commercial photographers), wholesale and retail photo services firms and a growing contingent of the printing industry that specializes in this Web-savvy, digital graphics mainstream niche.

It's especially relevant to printing because in addition to the collaborative opportunities that the event presents to the printing industry to work with virtually every membership segment of PMAI, the dynamics affecting photo imaging closely parallel those of the printing industry: supplier consolidation, rapid technology advances and emerging new buyer behavior models. Printers who serve this image-capture market must be sensitive to these dynamics or suffer the consequences.

Supplier Consolidations

Photo developing minilabs and multisite photo retailers invest the same psychological equity into long-term supplier relationships as many printers do. When they fold, it's not as easy as walking across the street or comparing Web site prices in re-establishing another viable partner.

Several weeks ago, Konica Minolta announced its exit from both the consumer camera and image printing business. Its lens mount and other single-lens reflex (SLR) camera technologies will be taken over by Sony, which in turn will use Konica Minolta as a production source for its Sony-branded DSLRs.

X-rite and its recently announced

acquisition of GretagMacbeth (see *THE SEYBOLD REPORT*, Feb. 22, 2006) should be well-received in both image-capture and image-print markets, as its color management innovations, such as its Eye-One Display 2 and Huey, will be fully compatible in making color stable and repeatable. These two companies have some of the dominant products and technologies that make multi-process color management a reality.

Scrapbooks

The scrapbooking niche has matured quickly, with more than 1,400 suppliers, according to Jeanne Wines-Reed, one of the founders of the Professional Scrapbook Retailers Organization. While many specialty elements, such as background papers, stickers, labels, diecut buttons and themed embellishments, are still available to be physically placed on a page, digital printers or minilabs with digital presses now offer software libraries of digital click art to be integrated into their furnished page layout systems. A professional photographer or a retail photoshop can download this software to be used by the retailer's client on an in-store, furnished PC.

This fully integrated software — some proprietary and much off the shelf — either has a multitude of templates to pour text, click art or digital photos into, or more sophisticated custom layout features. When complete, the pages are sent to the printer's FTP site to be printed digitally on up to 12-by-12-inch pages. Wedding albums or full vacation books, for example, are then attractively bound and drop-shipped to the client in just a couple of days.

Rapid Technology Advances

Total camera sales, both in units and revenues, were flat in 2005 after years of double-digit growth. Unit sales in the digital SLR or DSLR segment are expected to

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grow 23% this year. Revenue stagnation is attributed to cascading prices on all camera levels as recently introduced models have improved capabilities, including stabilizing software, higher pixel power and wireless downloading. Just about every manufacturer seems to offer a 4MP or 5MP product for under \$300. Camera pixel resolutions are high enough to assure maximum quality renditions on any conceivable media, yet manufacturers expect to continue to escalate this race to 20-plus megapixels and beyond for the professional and eclectic hobbyist.

The kiosk is king. Despite its early operational problems, the kiosk opened the door to the concept of letting the customer become his own photo finisher. Photo kiosks comprise 15% of the total kiosks in use — quite a lot when you realize that ATM machines are also kiosks. The Digital Imaging Marketing Association, which is one of the five allied imaging groups that hold their annual meeting in conjunction with the PMA Convention, hosted its third annual “DIMA Kiosk Shootout.” The dedicated show arena included 27 photo kiosks from 16 manufacturers. Nine winners were named in four categories by two different panels of judges: self-service experts and consumers. Judges evaluated the kiosk systems using criteria such as customization, flexibility of options, reporting and other benefits important to retailers.

The four categories chosen by the judges and winners included:

- For Counter-Top Kiosk: PT 2600, Whitech USA Inc., West New York, N.J.;
- Floor-Standing DSC Print Kiosk: PT 8600, also by Whitech;
- Print-to-print/DSC Print Kiosk: APM 1100, Lucidiom Inc., Vienna, Va.; and
- Creative Kiosk: AMP 1100.

A panel of consumers also judged kiosk systems by evaluating features such as user friendliness, ergonomics, feature set and quality of print and overall experience. The winners of the “People’s Choice” award in each category were:

- For Counter-Top: Kodak Picture Kiosk G4 Order Station by Eastman Kodak Co.;
- Floor-Standing: Kodak G4 17-inch

Digital Station;

- Print-to-print: Kodak G4 36-inch Print Station; and
- Creative (Tie): AMP 1100 by Lucidiom and QP 3000 by Signifi Solutions Inc.

College and university in-plant printers are beginning to endorse this incremental value-added service. They can have the equipment installed with no capital investment at all and still receive a royalty from the contracted installer based upon the number of prints the students and staff make. It’s hard to imagine that any small commercial printer endorsing digital printing that has any degree of client visits would not consider installing a kiosk as a further value-added service.

Another area of the show floor was dedicated to the refurbishment of older-generation kiosks. Considering the huge investment in units that are not that old but

out that the international consortium CTIA is striving to push standards to facilitate this vision. In its first PMA booth, Nokia displayed photo-quality prints from its current generation camphones.

Memories in a Box

Many vendors are eyeing an easily identified opportunity: all of those “memories” that are being stored in shoeboxes and vulnerable media, such as conventional CDs. Analog print scanning or film-to-digital conversion is beginning to heat up as an opportunity. Mitch Goldstein, co-founder of 30 Minute Photo, discussed his firm’s installation of one of the early Kodak photo scanners. “A shoebox of old photos can be scanned while you wait,” Goldstein proclaimed. At 300-dpi resolution for a 4-by-6-inch picture, the entry-level scanner (costing \$10,000) can scan 25 pictures a minute. The professional version

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are now incompatible with select memory media that is only months old, this upgrade issue is of significant concern and presents a real opportunity.

Mobile imaging visionary panels debated the future roll of the camphone vs. the digital camera. Camphones are arriving in the U.S. this year with 3MP resolutions, 3X zoom and wi-fi compatibility. The simplicity of wireless is proving increasingly popular as a speedier and more reliable means of image transmission than any of the broadband alternatives. To many, this benefit is simply the immediacy of sharing pictures.

One panelist, Tony Henning of Future Image Inc., said Japan is the most advanced camera phone country in the world, with five years of camphone saturation. The Japanese have many more applications and their camphones are making the transition from a phone that takes pictures to a multimedia messaging device. For example, when dad comes home from the office, he puts his wallet, keys and cell phone on the dresser. The vision is that in the near future there will be a single handheld device capable of all those functions. Henning pointed

(\$60,000) scans five times faster, or 120 photos a minute! Goldstein’s company charges \$49.95 per thousand scans.

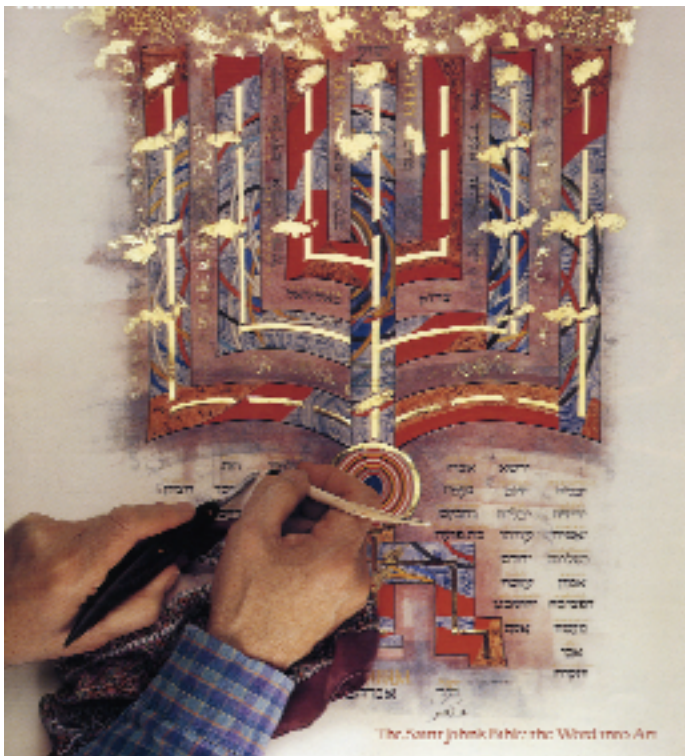
Kodak’s scanning technology also can recognize the chronological era of roughly when a photo was taken. This, in turn, allows customers to group the scanned images in near chronological fashion. This could be a valuable aid to grandpa in trying to recall what the special occasion was for a particular picture.

The client can leave the images on 30 Minute Photo’s Web site to have a link forwarded to other family members or colleagues to access and order select prints, have index prints prepared of the library or request other archival media reproduction.

As a standard precaution, each 30 Minute Photo client must sign a copyright indemnification form prior to scanning. In the scanning preparation task, if an employee spots a copyrighted photo — for example, by Olan Mills — they will not scan that photo.

Handwritten Bible

The first Bible to be handwritten and custom illustrated in 500 years will be printed



The first Bible to be handwritten and custom illustrated in 500 years will be printed digitally rather than by lithography.

digitally rather than by lithography due to the perceived higher quality of the wide-format digital output. Hahnemuhle FineArt, a German paper manufacturer founded in 1584, has been selected to provide the archival quality 100% cotton rag stock for both the print illustrations and the 24.5-by-15.875-inch, 1,150 page multivolume tome being commissioned by Saint John's Abbey and University in Collegeville, Minn.

A team of scribes and illuminators (artists who paint manuscripts with calligraphy, color and often gold) began calligraphy on the 73 books following the New Revised Standard Version (NRSV) in 1998 in Saint John's scriptorium in Monmouth, Wales. The Bible is being made from traditional materials, such as vellum (calfskin), 100-year-old sticks of ink, gold and silver leaf and platinum, and is being calligraphied with quill pins fashioned from goose, turkey and swan feathers. It is expected to be completed in 2007. (See picture above.)

The prints are of the dozens of renditions of the custom illuminations contained throughout the seven volumes. A number of these prints were on display at the PMA Convention by Hahnemuhle FineArt. The limited edition printing of the Bible, which is intended to be a fundraiser for the Abbey and University, is almost

sold out at \$150,000 per copy.

Hahnemuhle FineArt has developed downloadable ICC (International Color Consortium) profiles for most of the Canon, Epson and Hewlett-Packard printers, which will optimize their reproduction on the variety of Hahnemuhle papers.

Emerging New Buyer Behavior Models

The Complete Picture Inspiration Center highlighted features of the retailing center of the future. Sponsored by several suppliers, this

area hosted regular seminars onsite and showcased lifestyle experiences designed specifically for the most powerful target market, "Jennifer — the Gen X Mom." Marketing research indicates that although 56% of the buyers are female, many of the conventional photo-retailing services are too technical and geeky to appeal to this growing market segment. Jennifer, an

development and business opportunities. Despite the explosion of e-mail, "customized stationary is experiencing a revival," according to Waters. Mont Blanc is advertising "New Since 1924." Mass customization is a growing trend as the new owners are extensively customizing both the MiniCooper and Scion automobiles. During the eight to 12 weeks required for the plant to customize these cars, the manufacturer keeps the customer engaged by sending pictures of the progress concluding with a "birth announcement of my new baby" that can be sent to family and friends."

"Do you have any old products that can be revitalized?" asked Waters under the theme of "Younique." Jones Soda is offering custom digital labels for clients who buy a case of its old-line favorite Jones beverage.

"Social Capitalism" is another paradoxical theme that suggests that "the best way to make money is to also save something." In your promotional pieces, emphasize integrity and don't shy away from "Profit + Purpose" in new product announcements. "Worthwhile magazine is a new title aimed at the heart and soul, not just the mind," concluded Waters.

Amy Curtis-McIntyre achieved extraordinary results as VP of marketing for JetBlue Airways. *Advertising Age* named her "Marketer of the Year," while readers of *Condé Nast Traveler* magazine named JetBlue "Best Domestic Airline" less than three

An underlying theme at PMA '06 suggested in no subtle fashion that the "female" is driving many imaging revenue streams.

impatient shopper, is not impressed by brands and is certainly not loyal to a brand like her "Boomer" parents" are.

An underlying theme at PMA '06 suggested in no subtle fashion that the "female" is driving many imaging revenue streams, as well as their corporate successor plans. For example, two dynamic female keynoters shared their marketing expertise and perspectives in well-received presentations.

Robyn Waters, a consultant and principal with RWTrend, discussed the countertrends and paradoxes that are currently presenting the most appealing new product

years after its debut. "Give clients a remarkable experience, an experience worth remarking about," advised Curtis-McIntyre. "Look outside your industry for inspiration" was another marketing truism that drove the JetBlue innovations. "People may forget what you did. People may forget what you said. They will not forget how you made them feel," she concluded.

It is difficult not to draw comparisons between industries. Here, PMAI is teaching its industry to pay more attention to female consumers and potential corporate contributors as evidenced by the two featured speakers. Although the printing industry

has witnessed select elections of its first female presidents of the National Trade Associations — Joan Davidson of Sheridan Press was president of NAPL and two years ago, DMIA had a woman president — little seems to be happening in fast-tracking female executives into ownership and officer ranks. If this were not true, then *Printing Impressions* annual listing of the top female bosses would not be such a big deal. Print Buyers OnLine has done as much documentation for the industry as is available to prove that females are playing exceedingly important roles as decision makers in placing print buying contracts. Could this be another marketing opportunity for more-enlightened printing firms?

Stagnant Prints

Photo retailers are frustrated that the number of digital images continues to far outstrip the proportion of prints being made from these stored images. Additionally, the growth of higher-resolution and expanded memory camphones would seem to suggest that this universe of digital images will truly explode. This might suggest an attractive photo print opportunity except that the actual volume of photo prints being made has not grown for several years.

In attempting to address this stagnation of prints anomaly, Hewlett-Packard retained Jeff Manning (gotmanning.com), the former advertising executive and guru of the highly successful Got Milk? campaign of a decade ago and author of a

book by the same title, to consider this industrywide marketing challenge. Manning did some homework on the industry and print buyer behavior. Utilizing the principles learned through the Got Milk? effort, he made a presentation on “category

industry waited 10 years too long before initiating Got Milk? To see how Manning helped other “commodity” industries such as beef, pork, bananas and prunes reignite their mature category marketing check out, gotmanning.com.

Photo retailers are frustrated that the number of digital images continues to far outstrip the proportion of prints being made from these stored images.

ry marketing” and how such a campaign might be considered to boost the lagging photo print volume.

Manning’s hypotheses were that the issues were not related to any particular brands, were intrinsic to the “category” or industrywide, would worsen as camera sales slow, and the behavioral tendency is not to print. He suggested that a category marketing initiative would have the communications objective of “elevating photos above that of images.” It would give consumers “imperatives to print.” For example, how many birthdays are there each day? A possible slogan could be as simple as “It’s not a photo until you print it!”

Manning proposed that the photo marketing industry convene a task force that is fully representative of the industry to cost out exploratory phases, fill gaps in knowledge, and develop/test/quantify position options. He warned that the milk

With the substitution of a few statistics, Manning’s entire presentation could have been directed to the printing industry and The Print Council. It is not known whether this industry leadership group has read Manning’s *got milk?:the book*. Knowing that the Print Council is trying to emulate the results of the milk industry with its successful campaign might well add excitement to the council’s otherwise admirable efforts.

Ebay’s booth was manned by both eBay employees and independent trade agents who make a fulltime living buying, trading and listing goods on eBay. Every hour on the hour “Basic and Advanced How To” seminars rotated as free sit-downs for passersby. EBay.com/education and 1-866 EBAY (3229) from 9-9 EST (6-6 PST) are ongoing sources of complementary business consulting with an eBay selling expert. **TSR**