



Camera store retailing is still a nascent concept in India. Dr A Sivakumar discusses the strategies on developing this concept to maximise profit margins

# Sharp focus

**S**pecialty retailers, camera stores and digital colour labs in the country need to wake up to the realities that may strike quite early at their retailing business in camera/accessories and processing labs in India. The digital revolution sweeping the world has brought major changes even in those involved in the manufacturing of cameras, accessories and other related equipment. Retailing in this sector needs understanding not only of technology but also the changing profile of consumers. We need to look at **other opportunities and services** that can be provided to the customers.

## In store experience – use of a gallery

Photography retailers profit from selling products and services to their customers that allow the customer to capture experiences and relive them for years. For retailers willing to change their in-store approach, there are even more business opportunities to be found, by creating their own memorable experiences inside the store. For a retailer involving in onsite photography for weddings, and other various events, a new gallery would help.

The gallery serves as a showroom for professional photography. The photographers can sit down and talk to customers about their requirement. This therefore will help in providing for every need of the customer from start to finish. This type of gallery arrangement can increase portrait and wedding sales. It allows retailers to showcase what they can do. Customers looking at buying portraits can see what they could have for their own homes. It helps retailers book people and get them to make larger, framed prints. People see portraits and by a natural chain of thought process, wish for the same. Another

alternative in the Internet age is an online exhibition. This could serve as a way to encourage customers to try new and innovative things with photography.

## Custom framing

There is a need to merge the gallery with custom framing, because diversification is healthy from a financial standpoint. Galleries can be a struggle, and photography is not the easiest thing to sell. There is still a market for wonderful art and the two – art and framing – fit together. People coming in to purchase art are candidates for framing, and vice-versa. If they want to buy a photograph, they will also need to frame the photograph. If they come in for framing, they may glimpse the art on the walls, which might induce them to buy prints.

## Promoting photo greeting cards

This is a unique way to survive in the digital age. Photo greeting cards can be promoted by having templates updated regularly and in addition with customisation this can do wonders for the business. Package deals can be promoted wherein customers purchase photo greeting cards at a discounted rate along with a session at the in-store portrait studio.



**SAFE ENVIRONMENT**

Fuji introduced the disposable camera in 1986. In order to reinforce the fact that the camera is recyclable they are known as 'single-use cameras' by the industry

**PEAK POSITION**

Sony recorded consolidated annual sales of \$72.08 billion for the financial year which ended on March 31, 2004 while its US arm alone posted results of over \$20 billion for the same period

**Developments abroad in developing/processing**

Photo processors are being forced to invest in new technology to maintain revenues. The overall trend is moving towards digital capture from both digital cameras and camera phones. Consumers increasingly want to print from digital formats, and photo retailers who don't invest will be left behind. Offering a 'prints from digital' service via an established main lab could be a good start without the need for capital investment.

Retailers who are more sure of their local market needs, may invest in a kiosk, which will provide customers with prints from digital sources in minutes, in-store, while they wait.

Investment in a kiosk will also guard against

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obsolescence for retailers with analog minilabs. The kiosk can be used to enable prints from digital cameras and mobile phones, while still using an analog lab for traditional photo processing. A kiosk, combined with the use of appropriate point of sale, creates strong in-store presence that entices consumers to try the service and drive revenue.

**Challenges**

One of the foremost challenges facing processing labs is how to get a customer to realise they can print brilliant, high-resolution quality photographs from digital media from a digital photo lab. Developments in the market mean kiosks offer what consumers want: instant printing using exciting, touch-screen technology. Customers insert their digital memory card or CD, use the touch screen to select the images, and their photos are printed in seconds. Most kiosks offer an edit function, and customers can also use them to print photos from their camera-enabled mobile phones via Bluetooth or Infrared in a matter of seconds.

An increasing number of households in the developed world have digital cameras, and the market is rapidly expanding. Combined with the accelerated growth in camera phone technologies, there is an ever-increasing need to provide solutions for customers. With serious print revenue generation associated with selling a large number of prints, a minilab's speed of

processing means larger orders can be despatched far quicker than waiting for prints to be processed from a stand-alone unit. This, in turn, means larger print orders can be dealt with in a short space of time, being uploaded to the minilab by the customer using the kiosk in a matter of minutes. Compare this to a customer using a stand-alone kiosk processing – say 30 prints – and you get a major usage issue, as any other customer wanting to use the kiosk may have to face a long wait in a queue, leading to customer dissatisfaction and lost business. Kiosks are certainly here to stay and will continue to have a major impact on digital print revenue as the market continues to expand.

Camera phone adoption is expected to follow similar trends to those of digital cameras, quickly being adopted by technology-oriented individuals before moving into the mass market, where the demand for prints is expected to grow. Retailers have the ability to be ahead of the camera phone-printing curve by investing early in technology that allows easy printing of such pictures.

**Product challenges for retailers**

In the Indian context, we are yet to see the advent of single use cameras in a big way. They have however hit a roadblock in terms of the usage in Europe, as there are strict regulations about how to deal with the waste generated by single use cameras. One-time-use cameras (OTUC) have typically been used to fill the gap for a camera left at home or to take advantage of some non-predictable picture event. If camera phones become ubiquitous, this may lower the need for – and cause a decrease in – OTUC sales. Similarly, lower-end digital cameras may need to be marketed differently if camera phones with similar mega pixel capabilities spread into the mass market.

The single-use camera market is also feeling less pressure from the uptake of digital cameras, as consumers are still happy to use a single-use camera for picture-taking occasions where they don't want to risk taking a more expensive digital camera. Camera phones will eventually affect the single-use camera category, the logic being consumers always have their phone to hand, ready for any picture-taking occasion.

While 35mm cameras are still popular among consumers, more and more consumers are opting for digital versions of both cameras and camcorders. To

## WIREFREE WORLD

Bluetooth can remove the wires from a printer by allowing your computer to print directly to it wirelessly and remove the wires between your cell phone and a hands-free headset

## CAMERA NOODLING

In 1878, Frederick Wratten invented the 'noodling process' of silver-bromide gelatin emulsions before washing. He is also credited as the inventor of Wratten Filters - a name which continues to be used today

RETAIL

ROAMAP

## Digital breakthroughs

### Konica Minolta

Konica Minolta recently unveiled the Konica Minolta Dynax7D/Maxxum7D. This new product with a 6.1-million-pixel resolution, lens-changeable digital camera is the world's first digital SLR boasting a body-integral CCD-shift, 'Anti-shake' (camera-shake compensation) technology that combines enhanced picture quality, performance and improved handling characteristics. The Dynax7D/Maxxum7D is compatible with the full range of Dynax/Maxxum AF lenses. Anti-shake technology allows photography with reduced blur, even when shooting dimly lit scenes or when using telephoto lenses and shooting macro subjects without the aid of flash or a tripod. Another key to the new camera's performance are its 6.1-million effective pixels, housed on a large size CCD with CxProcess III image processing

technology that gives high-definition, natural-looking images.

### Fuji

Fuji recently announced the FinePix F810, the latest addition to Fujifilm's digital camera line. Featuring the same high quality Super CCD HR sensor, new image processor and 4x zoom lens found in the recently introduced FinePix E550, the new F810 provides the additional versatility of shooting in either standard (4:3) or widescreen (16:9) formats. The FinePix F810 offers 6.3 million effective pixels and can capture up to 4048 x 3040 recorded pixels (12.3 million) in standard mode or 3968 x 2232 recorded pixels (8.9 million) in widescreen mode using Fujifilm's proprietary Super CCD HR (high resolution) sensor system. The camera has a start-up time of 1.2 seconds. The sensor offers expanded

sensitivity, from ISO 80 for high image quality to ISO 200 and 400 for high performance and ultra-high ISO 800 for low light or fast action photography.

### Canon

The Canon XL2 has an open architecture philosophy, performance found only in much more expensive video cameras, total image control and interchangeable lens capability. The XL2 brings a host of performance and convenience features to this class of video camcorder- benefits that can't be found in this combination on other high-end video cameras. They include: Canon Super Range Optical Image Stabilisation in the standard lens; dual aspect ratios; various frame rate capabilities; image gamma and detail controls; skin detail control and convertible LCD display among others.

Source: Konica Minolta, Fuji, Canon

follow this trend, retailers must adapt their marketing and business plans to this changing environment. It is important to determine which demographics are purchasing or at least evaluating digital technology. International trends show increasing adoption of digital cameras by young parents and women. It would be useful to offer cameras/camcorders of different types for those who are not planning to buy digital versions and train the sales staff in the new features of digital cameras/camcorders. There is a need to educate your customers to depend on your store for all their support, service, and other digital needs.

Digital camera sales have had a modest effect on camera stores (increased sales of equipment, decreased sales of supplies and used equipment) and a dramatic effect on labs. Stores that relied upon film sales and processing as their primary profit source will disappear unless they adopt the digital religion quickly. Those that are located in high-traffic areas and tout the transition from one-hour processing to one-minute printing have a good shot with the proper marketing and pricing. Out-of-the-way labs that relied upon pros and advanced amateurs shooting film have a bigger barrier to break, though they have a chance with custom and event work.

## Retailers can invest in a kiosk, which will provide customers with prints from digital sources in minutes, in-store, while they wait

### Wrapping up

In the developed world all type of retail stores that deal with photographic equipment and services like camera and video stores with or without on-site minilab, retail minilabs, mail order labs, wholesale and captive labs, portrait studios, commercial studios, camera repair firms are facing the onslaught of conversion of market to the digital mode except for digital imaging firms.

Major slump in growth rates have been witnessed in Japan, US and Europe in disposable-camera sales, film sales, processing sales, film rolls, point-and-shoot camera sales and SLR camera sales. The major impact in India would be on retailers who are both marketers of equipment and processors of film rolls. Unless the industry wakes up to this challenge and adapts itself a number of small-time retailers will be obsolete. Using some of the strategies discussed may prove to be vital in facing this onslaught. ☐

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