

Photo Marketing

CONNECTING THE IMAGING COMMUNITIES

OTHER

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The evolution of the photo album

Industry and consulting expert Meg Weston talks about imaging trends

"I just put my pictures into a slide show, and leave it running on a computer screen in the living room." This is what 60-something Mita tells me while sitting around during a holiday gathering. She and her husband are recently retired and travel extensively.

"How do you store your images?" I ask.

"Oh, I keep them all," she assures me. "On my computer."

Twenty-something Julie waltzes into the conversation: "I have to have prints. I really like the photo books I can get online."

My friend Blythe tells me her husband is the scrapbooker in the family. "He wasn't happy when we switched to a digital camera, until he found he could bring the card into CVS and get prints – just like a roll of film. He puts together our albums with prints, tickets, and commentary."



There are many options available for sharing and archiving photos, including online albums and CD or DVD slide shows.

"Album" options

Those conversations were enough to shake up all my stereotypes – that men don't scrapbook, young people don't want prints anymore, and older people are afraid of computers. It started me along the path of investigating what is the "photo album" today in this digital age, and where is it going?

There are so many choices today for sharing and archiving pictures, it's hard to touch all the bases. Through the eyes of the consumer, the options are both dazzling and confusing. From the simple to the complex, picture takers can do so much more than get 4-inch prints and put them in a photo album, including:

- Store the images on their hard drives – and organize them with a myriad of software programs such as Picasa from Google, iPhoto from Apple, or Photosmart Essential from Hewlett-Packard.
- Create e-albums and share links.
- Make digital slide shows and burn them to a CD or DVD.
- Do a scrapbook with prints along with other mementos.
- Make a scrapbook using digital layouts and a home printer.
- Use one of the many online sites to create a photo book.

Preserving memories

Think about the purposes a photo album serves: preserving the family memories for generations to come, sharing an experience with friends, or making sure an occasion isn't forgotten. In all its forms, photo albums are for memory preservation (archiving), sharing and, most of all, storytelling. People are now taking so many more digital images, they are focused on *collections of images*. Products and services are evolving to capitalize on that trend.

The majority of households save their important images in an electronic version of the shoebox – storing their collections of images as folders on their computer. In fact, more than 80 percent of the images taken and saved are never printed.

Many people are still unaware of the security issues of storing their digital pictures on the hard drive without any kind of backup. If the shoeboxes in the closet are prey for floods and fires, the "digital shoeboxes" are similarly subject to viruses, hard drive failures, and other e-disasters. In fact, even images burned to a regular CD will deteriorate in about 5 years to 7 years; only a gold CD can promise a longer lifespan. The industry must work to educate consumers before a generation of images is lost forever.

At the other extreme from the shoebox in the closet, growing numbers of consumers are hooked on scrapbooking. In fact, nearly one in every four households participates in the hobby of scrapbooking, according to *Future Network USA*. The photo album business was around \$609 million in 2003, *Home Furnishing News* reported, and it has been declining ever since. Scrapbooking, however, has grown from \$1.99 billion in 2002, to \$2.55 billion in 2004, and was projected by some to reach \$4.0 billion in 2005, according to the "Scrapbooking in America Survey" by the **National Craft Association**. No wonder so many retailers are finding ways to jump on the bandwagon!

Digital scrapbooking expands the possibilities: to be even more creative, to include more time-challenged individuals, and to create multiple copies for gifts. Whether the consumer is downloading templates and printing at home, or uploading and picking up pages

multiple copies for gifts. Whether the consumer is downloading templates and printing at home, or uploading and picking up pages at the store, the digital scrapbooking market makes it easier to design and create pages with pictures.

The largest scrapbooking company, **Creative Memories**, sells direct through a large network of “consultants” who demonstrate techniques, educate consumers, and sell supplies. There is an additional dimension beyond the creativity and memory preservation that is tapped in the Creative Memories model – community. Groups of scrapbookers get together to work and socialize similar to a quilting bee. This dimension is not replaceable when you sit in front of a computer screen arranging your pictures. Yet the experience can be augmented and enhanced to go beyond the traditional one-of-a-kind output.

Online retailers have found their hottest growing product is the photo book. By some estimates, this is currently a \$50 million to \$75 million market and growing exponentially. **MyPublisher Inc., Shutterfly, Kodak EasyShare Gallery, PhotoWorks, Walmart.com, OurPictures**, and others offer a variety of book designs, software features, and pricing.

Photo books range in size from 5.5-by-7.5 inches (offered by Shutterfly for \$12.99) to 12-by-16 inches (offered by MyPublisher for \$59.80). Most books are sold at a base price for either 10 two-sided pages or 20 one-sided pages, with an extra charge of around \$1.99 added on for each extra page. The average consumer purchases around 10 extra pages for a photo book and orders just under two books, for an average order of around \$50.

“As innovation continues in this category, the number of new products and product extensions will grow even more,” says **AI Steinman** of **District Photo Inc.**, a supplier of photo books. “I expect the growth rate to be four times to five times in this category in the years ahead – especially when it expands beyond online and is offered at retail.”

The typical repeat customer orders two to three times a year, according to **Carl Navarre**, CEO of MyPublisher, a pioneer company producing photo books since 1994. “This will replace the 4-by-6 print,” he says. “It has more value for the consumer.”

Going beyond 4-by-6 prints, photo books are much more than an once-in-a-lifetime gift. They tell a story, preserve important family memories, and allow the consumer to share multiple copies in ways that are so much easier than the photo album ever was.

Photo book-like products offered at retail include the **Epson StoryTeller**, a kit that allows consumers to produce duplex printed books from a home printer. And the unique **Zoom** album (www.zoomalbum.com), which originated in Japan, allows the consumer to print the page in one pass and fold to make a miniature book – a lot like origami.

Electronic options abound. **PreClick Corp.** CEO **Brian Smiga** offers this vision of the future: “Every PC is potentially a kiosk. PreClick builds software that allows the retailer to put their kiosk in every customer’s home.”

Working with clients such as Hewlett-Packard and **Costco**, PreClick is creating software that allows the customer to take a collection of images and “create once and use many places.”

In other words, once the consumer has selected pictures and added captions, that collection can generate an album, a DVD, a website, etc. Software enables the retailer to multiply the products that might be generated from any group of pictures.

Simple Star Inc. markets desktop software that can organize images in a single click and create multimedia shows. These can be shared online and ordered through their PhotoShow Deluxe DVD service. The final product includes video clips, music, captions, and credits to create a Hollywood-style production for viewing on the home television. The typical creator orders one and shares it with 10 people online.

Fifty percent of the orders come from recipients of these shares, according to **Chad Richard**, CEO of Simple Star. Simple Star technology powers the Shutterfly DVD product, as well as **Walgreens** and others. Richards’ view of the future includes many different ways to share images on television.

The challenge at retail is to communicate to consumers in the store, according to **Heather MacKenzie**, vice president of Marketing and Client Services at **Siberra Corp.**, a leader in digital solutions software and supplier to **Best Buy** stores and **Future Shops** in Canada.

“These products are just now moving into the mainstream, and retailers are in the early stages of learning to operationalize, merchandise, and leverage their photo expertise into more profitable products such as photo books, greeting cards and calendars,” MacKenzie says.

Trends to watch

Several important trends will help define the future for photo retailers:

1. **Look beyond 4-by-6 prints to address “Image Collections.”** Retailers offering physical products that move beyond the standard print help consumers take full advantage of the power of digital imaging. When these products are well designed and well merchandised, the retailer gains by moving beyond the price-sensitive standard print into more personalized and profitable product lines.
2. **Make use of “Photo Ecosystems.”** Linking customers through retail software on their PC provides value. It brings them to your store, kiosk or lab, and website, and makes it easy for them to capture and display photos everywhere – in a book, on a DVD, in a collage, and on their PC, television, and home page.
3. **Offer more playful products targeted to younger consumers.** Creativity and social interaction are their drivers, and cameraphones with memory cards will become increasingly prevalent. Younger consumers have a surprising amount of disposable income, and picture taking is an important social pastime.

Enterprising retailers are looking beyond the decline of film and seeing exciting opportunities evolving in the mix of products, technologies, and ideas. Printing at retail in the digital era will be driven more by consumer experience and merchandising excellence than production competency. Innovative retailers and manufacturers will continue to explore and expand those exciting new products and experiences in the months and years ahead, and will truly deliver on the rich promises of the digital imaging era.