

**November 2006****Multi-Client Study**

The Inkjet Photo Supplies Opportunity in the Home

Authors

Norah Seery
Mette Eriksen
Efrat Sharon

Published by

Communication Supplies
Europe

Introduction

This document analyses the results of a Web-based survey conducted with over 1,500 European consumer users between July and August 2006. Respondents to the survey came from households in France, Germany, Italy, Spain, and the United Kingdom. The purpose of this report is to examine the trends in digital photo printing in the home, such as why photos are printed, how often printing takes place, the number of photos produced, the size and type of media used, and preferred brands for inkjet papers and ink cartridges. This document also examines other methods that respondents are using to process their digital photos, such as retail locations, kiosks, and online photo printing sites. We were also interested in finding out more about the background of respondents in terms of the types of consumer devices they have in their homes (i.e. digital cameras, printing devices) and whether they have access to broadband.

Rather than taking a sample of digital camera owners and only obtaining feedback from those who print at home, InfoTrends chose to simply focus on respondents who are printing photos at home. We did this because we wanted to reach the maximum number of respondents who are printing photos at home. Of course, some respondents were also printing photos at locations outside the home. Indeed, we were interested in comparing respondents' home photo printing habits to their external photo printing habits.

© 2007 InfoTrends, Inc.
www.infotrends.com

Headquarters:
97 Libbey Industrial Parkway
Suite 300
Weymouth, MA 02189
United States
+1 781 616 2100
info@infotrends.com

Europe:
3rd Floor, Sceptre House
7-9 Castle Street
Luton, Bedfordshire
United Kingdom, LU1 3AJ
+44 1582 400120
euro.info@infotrends.com

Asia:
Hiroo Office Building
1-3-18 Hiroo, Shibuya-ku
Toyko 150-0012
Japan
+81 3 5475 2663
info@gsm.to

The market for digital photography is maturing, and this brings more choices for outputting digital photos. The growth of snapshot-sized photo printers designed solely for photo printing has helped fuel photo printing at home. Nevertheless, although many consumers enjoy the flexibility and convenience of printing at home, they are increasingly seeking other photo printing methods, whether it is online processing, kiosk printing, or a retail solution. Ultimately, respondents often choose their printing location based on what they want to print out, what sizes they need, and how many prints they want. Price can also be a factor, and retail and online photo printing options are becoming ever more competitive in the battle for the 10 x 15 cm (4" x 6") photo market.

The consumer market is an important source of revenue and growth for the digital imaging market. The growth of Internet access, increased PC penetration, more broadband/wireless access, and the increasing trend of conducting work-related activities at home are helping to drive the growing sophistication of telecommunications and peripherals products in the home. Much of this expansion is being fuelled by keen competition in the market (which is driving prices down), but it is also underpinned by the desire of many government agencies to drive the uptake of broadband connections and promote unlimited Internet access. This in turn increases the scope of output that is accessible to users at home, which impacts the ability to undertake a project such as photo printing at home.

Table of Contents

Introduction	6
Executive Summary	7
Key Highlights	8
Methodology	12
End-User Research	12
Criteria for Consumer End-User Survey	12
Sources of Skew	13
Banner Headings	13
Terminology and Definitions	14
General Definitions	14
Distribution Channel Definitions	14
Inkjet Printer Definitions	15
Market Overview: Industry Background to this study	16
Inkjet Printer Market	16
Digital Camera Market	16
Broadband/Digital Camera Penetration into Households	17
Consumer Web Survey	19
Respondent Demographic Profile	19
IT Equipment Ownership	23
Types of Cameras Owned	26
Digital Photo Taking and Printing Habits	29
Reprinting, Sharing, and Storing Digital Photos	34
Photo Printing Habits at all Locations	37
<i>Photo Printing Frequency</i>	37
<i>Digital Printing vs. Film Printing</i>	38
<i>Source of Digital Photos for Printing</i>	39
<i>Digital Photo Printing Locations</i>	39
<i>Number of Digital Photos Printed by Location</i>	41

<i>Comparison of Different Options for Printing Digital Photos</i>	43
<i>Expectations about Future Photo Printing Volumes</i>	44
Printing Devices in the Home	45
Importance of Device's Ability to Print Photos.....	46
Digital Photo Printing in the Home.....	47
<i>Person Who Handles Majority of Photo Printing</i>	47
<i>Number of Photos Printed vs. Sheets of Paper Used</i>	48
<i>Brand of Primary Photo Printing Device</i>	49
<i>Methods Used to Print Digital Photos</i>	50
<i>Share of Total Print Output that is Attributable to Photos</i>	51
<i>Final Destination of Printed Photos</i>	52
<i>Perceived Cost of Printing Photos at Home</i>	53
<i>Expected Longevity of Prints</i>	54
<i>Formats of Photos Printed at Home</i>	55
<i>Share of Different Photo Formats</i>	56
<i>Shift in Paper Sizes Used</i>	57
<i>Number of Photos Printed per Sheet</i>	58
<i>Layout for Multiple Photos on a Single Sheet</i>	60
<i>Multiple Photos on Single Sheet of Paper</i>	61
Photo Paper Trends	62
<i>Types of Photo Paper Used</i>	62
<i>Photo Paper Brands</i>	62
<i>Reasons for Brand Choice</i>	64
<i>Distribution Channels for Purchasing Photo Paper</i>	64
<i>Weight of Paper Used for Photo Printing</i>	68
<i>Paper Package Size</i>	69
<i>Price per Package</i>	71
<i>Impact of Special Offers on Photo Paper Purchases</i>	72
<i>Preferences for Paper Packaging</i>	73
<i>Characteristics of Paper Packaging</i>	74
<i>Additional Paper Products Purchased</i>	74
<i>Photo Printing Packs</i>	75
<i>Photo Paper Attributes</i>	77
<i>Photo Paper Pricing Development</i>	78
<i>Photo Paper Buying Patterns</i>	79
<i>Photo Paper Usage per Month</i>	80
Inkjet Cartridges.....	81
<i>Brands of Inkjet Cartridge Purchased</i>	81
<i>Influences on the Choice of Inkjet Cartridge Brand</i>	82
<i>OEM versus Alternative Brands of Inkjet Cartridges</i>	84
<i>Choice of Cartridge by Printer Brand</i>	84
<i>Alternative Inkjet Solutions</i>	86
<i>Reasons for Using a Non-OEM Brand</i>	88
<i>Reasons for Considering a Non-OEM Cartridge</i>	90
<i>Distribution Channels for Inkjet Cartridges</i>	91
<i>Current Inkjet Cartridge Usage</i>	92
<i>Past and Future Inkjet Cartridge Usage</i>	95
<i>Characteristics of Inkjet Cartridges</i>	97
<i>Inkjet Cartridge Yield</i>	98
Home Photo Printing Habits and Handling.....	99
<i>Number of Photos Printed at One Time</i>	99
<i>How Photos are Handled</i>	100
<i>Problems with Handling Photo Prints</i>	102
<i>Reprinting Photos</i>	103

<i>Printing Multiple 10 x 15 cm Photos on One A4 Sheet</i>	106
Printing Outside the Home	109
<i>Retail Photo Printing</i>	109
<i>Online Photo Printing</i>	110
<i>Deciding where to Print Digital Photos</i>	112
<i>Cost of Printing Photos at Home versus Online and at Retail</i>	114
<i>Future Photo Printing Habits by Location</i>	115
<i>Where Respondents Print at Retail</i>	116
<i>Agreement with Statements about Photo Printing at Retail</i>	118
<i>Agreement with Statements about Online Photo Printing</i>	119
Future Expectations.....	120
Conclusion	122
Appendix: Cross-Tabulations	123

List of Figures & Tables

Table 1: Number of Respondents to Internet Survey by Country	12
Table 2: Banner Headings.....	13
Figure 1: Western European Inkjet Printer Installed Base, 2005-2010 (Thousands of Units)	16
Figure 2: Western European Digital Camera Forecast, 2005-2010	17
Table 3: Digital Camera Household Penetration by Country – 2005 and 2006	17
Table 4: Broadband Penetration by Country – 2005 and 2006.....	18
Figure 3: What is your gender?	19
Figure 4: Which of the following ranges includes your age?	20
Figure 5: What is your annual income?	21
Figure 6: What are the age ranges of the children living in your household?	22
Figure 7: Which of the following items do you have in your home?	23
Figure 8: What type of Internet connection do you have at home?.....	24
Figure 9: Which of the following best describes your personal approach to new technologies?	25
Figure 10: Which type of digital camera do you personally use most often?	26
Figure 11: How many digital cameras (not including camera phones, PDAs, camcorders) are currently used in your household?	27
Figure 12: Which of the following best describes your NEWEST digital camera?	28
Figure 13: On average, how many digital camera photos do you take each month?	29
Figure 14: What percentage of your digital images do you print each month?	30
Figure 15: Number of Photos Printed out per Month (Calculated)	31
Figure 16: Comparison Chart of Responses to Print Volume Questions	32
Figure 17: Comparison Chart of Responses to Print Volume Questions (Segmented by Country)	33
Figure 18: Approximately what percentage of the digital photos that you print are reprints?	34
Figure 19: What percentage of your digital photos are shared with others?	35
Figure 20: How are you currently storing your digital photos?	36
Figure 21: Which of the following options best describes your photo printing habits?	37
Figure 22: How do your digital printing habits compare to your (past or present) film printing habits?	38
Figure 23: What percentage of the digital photos that you print are obtained from the following sources?	39
Figure 24: At which of the following locations do you most frequently print your digital photos?	40
Figure 25: How many digital photos have you printed at each of the following locations over the past 3 months?	41
Figure 26: How many digital photos have you printed at each of the following locations over the	

past 3 months? (Segmented by Country)..... 42

Figure 27: Which of the following photo print locations best suits the following attributes?..... 43

Figure 28: How do you expect your digital photo print volume to change for the following locations over the next two years? 44

Figure 29: Which of the following types of printers do you have in your home?..... 45

Figure 30: Was the ability to print photos an important factor in your printer purchase choice? 46

Figure 31: Who does most of the digital photo printing in your household? 47

Figure 32: Comparison of the Number of Photos Printed and the Number of Paper Sheets Used for Photo Printing..... 48

Figure 33: What is the brand of your PRIMARY photo printing device? 49

Figure 34: What is your most common method for printing photos at home? 50

Figure 35: What percentage of your home printing is attributable to photos? 51

Figure 36: What percentage of your printed photos meet the following destinations? 52

Figure 37: How much do you think it costs to print a single 4" x 6" (10 x 15 cm) photo at home? 53

Figure 38: How long do you expect the following types of prints to last? 54

Figure 39: How often do you print photos in the following sizes and formats? 55

Figure 40: Approximately how much of your output was dedicated to the following sizes over the past 3 months? 56

Figure 41: How do you expect your use of A4 paper to change vs. 4" x 6" paper over the next year?..... 57

Figure 42: Roughly what percentage of the photos that you print out fit the following sheet size descriptions? 58

Figure 43: Roughly what percentage of the photos that you print out fit the following sheet size descriptions? (Segmented by gender) 59

Figure 44: Which of the following layouts do you use when printing multiple photos on a single sheet of paper?..... 60

Figure 45: How often do you use the following formats when printing multiple photos on a single sheet of paper?..... 61

Figure 46: Which of the following types of photo paper do you use?..... 62

Figure 47: Which of the following is your PRIMARY brand of photo paper? 63

Figure 48: What are your reasons for using a particular brand of photo paper? 64

Figure 49: From which of the following channels do you purchase photo paper? (Tier 1) 66

Figure 50: From which of the following channels do you purchase photo paper? (Tier 2) 66

Figure 51: How much do you believe that it costs to print a 4" x 6" (10 x 15 cm) Photo at Home? (Segmented by gender)..... 67

Figure 52: What percentage of the photos that you print use papers of the following weights?..... 68

Figure 53: What percentage of your A4 paper comes in the following package sizes?..... 69

Figure 54: What percentage of your 10 x 15 cm (4" x 6") paper comes in the following package sizes?..... 70

Figure 55: How much do you typically pay for the photo paper package you purchase MOST OFTEN? 71

Figure 56: Which of the following special offers would MOST influence you to purchase any given brand of photo paper? 72

Figure 57: Which of the following is your MOST preferred packing format for photo paper? 73

Figure 58: Which of the following do you consider to be the MOST important characteristic of photo paper packaging? 74

Figure 59: Which of the following specialty photo paper products have you purchased? 75

Figure 60: For which of the following reasons do you purchase photo printing packs?..... 76

Figure 61: How important do you consider the following photo paper attributes to be? 77

Figure 62: How do you think that photo paper prices have changed over the past year? 78

Figure 63: How often do you purchase your photo paper? 79

Figure 64: Approximately how many sheets do you use each month for photo printing?..... 80

Figure 65: What is your PRIMARY inkjet cartridge brand? 81

Figure 66: Which of the following factors play a role in your inkjet cartridge purchasing decision? 82

Figure 67: Which of the following factors play a role in your inkjet cartridge purchasing decision? (Separated by gender)..... 83

Figure 68: How often do you purchase OEM brands and how often do you purchase aftermarket brands?.....	84
Figure 69: How often do you purchase OEM brands and how often do you purchase aftermarket brands for BLACK cartridges? (Segmented by printer brand)	85
Figure 70: Which aftermarket solution do you most frequently use?	86
Figure 71: Which aftermarket solution do you most frequently use? (Segmented by printer brand)...	87
Figure 72: Why do you choose to purchase alternative brands of inkjet cartridges?.....	88
Figure 73: Why do you choose to purchase alternative brands of inkjet cartridges? (Segmented by printer brand)	89
Figure 74: Which of the following might convince you to try a non-OEM branded cartridge?	90
Figure 75: At which of the following locations do you purchase your inkjet cartridges? (Tier 1)	91
Figure 76: At which of the following locations do you purchase your inkjet cartridges? (Tier 2)	92
Figure 77: Approximately how many of the following types of cartridges do you use every 3 months?	93
Figure 78: Approximately how many of the following types of cartridges do you use every 3 months? (Segmented by printer brand).....	94
Figure 79: How does your cartridge consumption for this year compare to that for last year?	95
Figure 80: How do you expect your cartridge consumption to change between this year and next year?.....	96
Figure 81: Which characteristic do you consider to be most important in your inkjet cartridges?	97
Figure 82: Do you have an idea about how many pages you can get out of an inkjet cartridge?	98
Figure 83: How many photos do you typically print at home at one time?.....	99
Figure 84: How do you handle your photos when picking them up?.....	100
Figure 85: How long do you expect to wait before handling the photos you print at home?	101
Figure 86: Whether Respondent has Experienced Problems with Handling of Photo Prints	102
Figure 87: On a scale of 1 to 5, how serious were the problems you encountered when handling photo prints?.....	103
Figure 88: Do you reprint your home photos when you encounter a problem?	104
Figure 89: How much of an inconvenience is it to reprint a problem photo?	105
Figure 90: Have you ever printed multiple 10 x 15 com photos on a single A4 sheet?	106
Figure 91: Have you encountered any handling issues with printing multiple 10 x 15 com photos on a single A4 sheet?	107
Figure 92: Why do you use A4 photo paper rather than 10 x 15 cm paper for producing snapshot-sized prints?	108
Figure 93: Do you ever print your photos at retail?	109
Figure 94: How often do you print at retail?	110
Figure 95: Do you use online services to print your digital photos?.....	111
Figure 96: How often do you use online photo printing services?.....	112
Figure 97: How many photos would you need to print to choose an outside printing service (i.e. online, retail) over printing at home?	113
Figure 98: How do you think the cost of home photo printing compares to the cost of printing at retail and online?	114
Figure 99: Do you expect to print more at retail or online in one year's time than you do today?	115
Figure 100: Which retail location do you use MOST frequently for processing digital photos?	117
Figure 101: Do you agree or disagree with the following statements about retail photo printing?	118
Figure 102: Do you agree or disagree with the following statements about online photo printing?	119
Figure 103: How do you expect your photo printing habits to change in the future as a result of your digital camera use?	120
Figure 104: To what extent do you agree with the statement, "Young people of today will grow up printing fewer photos than older generations, because they are used to sharing digitally"?	121