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Abstract

Western European Digital Photo Prints Forecast: 2007-2012

Report Fast Facts

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Abstract

The Western European Digital Photo Prints Forecast: 2007-2012 highlights market trends that will influence the European digital photo print market over the next 5 years. The report also provides detailed volume and revenue forecasts and presents insight into consumer behaviours that will shape the print market in Europe's five largest markets. Detailed volume and revenue estimates are also broken down into print location (channel) forecasts for each major market. This report is an essential planning tool for any organisation dependent on building revenue streams from consumer digital photo printing.

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Introduction

Every effort has been made to produce an accurate forecast that is a true reflection of the photo prints market today, and how we believe it will develop. Consumers' printing habits have changed significantly during the transition from film imaging to digital. There are a wide variety of printing options that consumers can choose for digital photos, or they may choose not to print at all. For these reasons, a forecast cannot be an exact science and should be seen as measure of trends and market direction.

This forecast covers only those digital photos that serve as a direct replacement to traditional film photos. It does not account for the large universe of photo-rich and colour-rich printing found on Web pages, calendars, greeting cards, and hobby projects. This forecast is therefore not a summary of the future demand for all photo consumables.

Methodology

This forecast is a synthesis of the various inputs from consumers and other sources. InfoTrends' annual end-user surveys about consumer photo printing behaviour help size the historical French, German, Italian, Spanish, and U.K. print volume markets. Other sources were also cross-referenced, such as the installed base of capture and print devices as well as consumer behaviour with film prints.

The actual surveys in which InfoTrends asked specific photo print volume questions (generally worded exactly the same way) are outlined below. In several of these studies, respondents were asked about print volume in two different ways so we could receive two data points and average them together. This contributes to the accuracy of the results.

- January 2005 Western European Web Survey Digital Photography
  (France, Germany, Italy, Spain, U.K.)
- March 2006 Western European Web Survey Digital Photography
  (France, Germany, Italy, Spain U.K.)
- May 2007 Western European Web Survey Digital Photography
  (France, Germany, Italy, Spain U.K.)

Consumer survey data is a reliable metric; it proofs out against other inputs such as sell-through data and vendor-reported sales data. It is particularly helpful for understanding how and where people print, print behaviours and possible trends, and tracking how the market is changing year-over-year. We have found that the volume estimates that consumers make in Web surveys can inflate the actual consumption by 15%-25% in some cases, and may need to be revised downward if indicated by alternative data sources. This inflation is likely due to the large share of tech-savvy individuals that respond to our Web surveys. Thus, when merited by other data points, we adjusted some of the volume estimates from end-user surveys downward by as much as 25% during the production of this forecast. When no change was suggested by other data points, we left the end-user results intact.

Historic actuals are based on the results of our end-user surveys and other collected data, and projections are built from the bottom up using assumptions about all of the variables impacting the forecast.

Drivers for Print Volume Growth

This section outlines the drivers that will impact photo print volumes in the coming years.

Easier and Cheaper Printing

Without exception, all the key players in the print market have been making progress in providing consumers with easier, more convenient and less expensive digital print solutions. This trend will continue to stimulate usage and competition between print locations.

Larger Print Sizes

Digital photography has enabled consumers to view photos electronically, which means that they do not need to print all of their photos. This has led consumers to print what they consider to be special photos that are particularly worthy of being printed. To reflect the perceived value of photos that are printed consumers may be more inclined to print those photos as larger sizes, such as 13x18cm at retail and A4 at home. If consumers print larger size photos, it will drive up revenues and increase the volume of paper used. For home printing, it will also increase use of ink or dye sublimation ribbon.

Barriers to Print Volume Growth

This section outlines the barriers that will impact photo print volumes in the coming years.

Electronic Viewing

Consumers have many options for viewing photos, and printing is just one of these options. In fact, viewing photos on the LCD of the camera, on a PC, or even a TV are certainly cheaper and less time-consuming than printing. As consumers become accustomed to viewing images electronically, it is likely that electronic displays will play an important role in consumers' interaction with digital camera photos. Sharing images over long distance can be done via e-mail and the arrival of digital photo frames competes head-on with traditional framed photos and made it possible to have a continually changing display of photos. Like other electronic displays, the cost of a photo frame is one-off, making it "free" to look at photos, regardless of the number viewed. As digital photo frames become more affordable, easier to use, have better quality, and incorporate desirable functionality (such as wireless), they are likely to replace the need for consumers to print photos for display.

End-User Findings

This section highlights the key findings from the 2007 end-user survey that was conducted in France, Germany, Italy, Spain, and the United Kingdom. Findings from end-user surveys form the starting point for many of the assumptions in this forecast, and it is therefore helpful for readers who wish to understand the background of the forecast to read this section. Where relevant, we have presented comparative data for 2006 vs. 2007 to give the reader a better sense of end user trends.

End-user data is only one source of information used in the forecast. In some cases, end-user data contains skews and must therefore be cross-checked against other sources and methodologies. The final forecast is a result of comparing and combining results from several sources, such as vendor discussions and secondary data sources for print volumes from some of Europe's leading photo finishing laboratories. Thus, the forecast does not match these end-user results exactly, but is instead a synthesis of gathered findings.

Western European Forecast

Total Print Volumes

The total print volume is forecast to grow over the coming years by virtue of the increase in the number of households that own a digital capture device, whether it is a digital camera, camera phone, or both. InfoTrends forecasts that the photo prints market will peak at the end of the forecast period and that it will then remain stable or decline slightly.

