

In Brief

'Live View' best innovation

The Live View function on the Olympus E-330 Digital SLR has received the 2006 Technical Image Press Association (TIPA) Award for Best Imaging Innovation.

The Technical Image Press Association is an independent association of writers and editors representing 31 publications in 12 European nations and annually presents awards honouring products and technologies of special merit in the fields of photography and imaging.

The E-330 is the first interchangeable-lens-type AF digital SLR in the world to offer full-time Live View subject framing via a rear-mounted LCD monitor.



The 'Perfect Product'?

Camera repair/warranty specialist Phototechnical is pitching its extended camera warranties as "the perfect product".

"Some products are pretty good sellers but have low margins and others have great margins but poor sales," says Phototechnical managing director, Rod McKnight.

"But, have you ever thought of what features the perfect product for a retailer would have?"

He offered the following list:

1. No investment in stock.
2. It takes up no space
3. It needs no additional staff or expertise
4. It returns an above average margin versus cost price
5. You receive the cash from the sale before you receive a monthly invoice on a 30 day trade account

"Forget ROI, this is RBI – Return BEFORE Investment!" he said.

According to McKnight, the repair service delivers a 20 percent margin while there is up to a 300 percent margin on warranties.

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Grey genie out of the bottle



Photo Direct raised eyebrows and perhaps a few Kodak and Fuji hackles at Photo Imaging World when it displayed this graphic on its stand.

Independent photo retailers struggling with low margins and fierce price competition from other channels are increasingly turning to second-tier and "grey market" suppliers to keep their businesses viable.

The demise of AgfaPhoto and then Konica Minolta in quick succession compelled literally hundreds of Australian retailers to seek out alternative suppliers, and then word of mouth regarding the significant cost savings available accelerated the process.

The change in the paper and chemistry supply situation in the last 12 months is nothing short of dramatic, with long-term supply contracts with Kodak and Fujifilm fast becoming a thing of the past, and most independent retailers shopping around among one or more of the alternate suppliers.

One retailer we spoke to said that while a large Melbourne pro lab was paying \$180 a roll for Fuji photo paper, it was being supplied by International Photo Supplies, one of the larger grey suppliers, to relatively small accounts for just \$105.

Retailers at a recent Just Picture It! buying group workshop described Fujifilm's pricing as "ludicrous" and "ridiculous".

"Ask Fuji what Harvey Norman is paying for paper," challenged Graeme Nash, owner-manager of Beachside Photos & Cameras in Mornington, Victoria.

Independent Photo Supplies, the leading "second tier" supplier, has recently added Fuji paper to its product portfolio in response to demand from its customers, and to augment supply from its main paper supplier, Tura.

Managing director Stuart Holmes said this has "taken us a little by surprise", adding that it wasn't what IPS had planned for.

He felt that there was still a feeling - from retail customers rather than consumers - that a back-printed paper was desirable, but that retailers "just don't want to deal with the remaining two any more."

In another response to the demand for a brand ("any brand!") IPS is importing "Tura Life", a branded version of its Tura paper.

Holmes downplayed the role of grey marketers like International Photo Supplies, saying there had always been people bringing in a container load or two and "selling it out of the back of a car."

He said that his company had always

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Graeme Nash

identified the major suppliers as its direct competition, rather than grey marketers.

The IPS "value proposition" is to offer temperature-controlled product at a saving of 20 percent against the Kodak and Fuji alternative, and in addition provide quality monitoring, "something neither Kodak nor Fuji are doing any more."

IPS sells a roll of Tura paper for between \$128 - 138 depending on the size of the account, but is aware of rolls of Kodak and Fuji paper on offer for around \$100.

He said that the cost of paper and chemistry from Fuji and Kodak to make a 4x6-inch print was 12 - 13 cents, while the cost of a print using CPAC chemicals and Tura paper was 9 cents.

In the era of the 15 cent Fuji prints irregularly offered by Harvey Norman, the few cents saved per print takes on massive significance to the independents' ability to continue to compete.

Holmes speculated that we may see 10 cent print offers from Big W or Harvey Norman in spring promotions.

As reported briefly in last issue, Photo Direct is now supplying both Kodak and Fujifilm paper and chemistry, sourced from major shareholder Photo Me International. Photo Direct approached both majors to establish a local sub-distributor arrangement but both declined.

Photo Direct bristles at the tag "grey marketer" as it went through the process of seeking supply from the official Australian distributors and when that proved unsuccessful, it sourced from an "official" overseas source.

"There's an official distributor, and that's Kodak Australia," said

Kodak general manager, Bryn Sharp. "We did not want to set them up as a distributor to sell to our existing customers."



Beau Photo's
Rob Gately.

"Last time I spoke to Fuji it was 'that's the price, take it or leave it'."

how it used to be with Kodak Express."

He said he was already doing some business with Photo Direct.

Sharp said that the existence of alternative sources of supply would help Kodak focus on delivering better value to its customer base. He said grey marketing wasn't restricted to Australia, but was a worldwide challenge for the industry.

"You get what you pay for. We have to make sure we are giving great value to our customers. If you want cheap and cheerful it's there, but you may not get all the other aspects of support."

He warned that with alternative suppliers the customer didn't know "how, where or for how long" paper and chemistry had been stored, and this may lead to warranty issues with processing equipment.

Sharp estimated there was currently anything up to 10 second-tier/grey market companies operating in Australia. Others we spoke to put the figure at six or seven.

"It's had a little bit of an effect on our sales," conceded Sharp.

"Grey market suppliers are coming in at less than half the top price (of Kodak and Fuji)," said Just Picture It! buying group managing director, Rob Heim. "The average price is a saving of about 50 percent."

"It's here to stay. The horse has bolted and you'll never get it back."

Rob Gately, co-owner of Beau Photos in the south-east Melbourne suburb of Beaumaris, bought and warehoused a large supply of Agfa consumables in the post-liquidation "fire sale", and says it's highly unlikely he will deal with Kodak or Fuji after those supplies are exhausted.

"Last time I spoke to Fuji it was, 'that's the price, take it or leave it'. We are a fairly large user, so we would expect some consideration. It just reminded me of

Prestige paper distributor

DES has been appointed as exclusive Australian distributor of the new Innova FibaPrint Gloss, winner of the prestigious TIPA Best Independent Inkjet Paper 2006 Award.

DES debuted the Innova paper at Photo Imaging World in late April. Modelled on traditional fibre-based glossy papers, Innova FibaPrint Gloss claims a wide colour gamut, great colour accuracy,

archival quality and a brilliant white finish. The microporous gloss coated surface and a special acid inhibiting layer combined with FibaPrint's ultra smooth glossy surface and brilliant white colour make it a prestige fibre-based alternative. It is available exclusively from DES, in rolls and cut sheets in a wide range of sizes. For more information, visit www.des-pl.com.au.



Cyber-shot with Double Anti-Blur.

Sony's new Double Anti-Blur technology addresses the two main causes of blurred pictures: movement of the camera, and movement of the subject. This is done by means of a highly sensitive CCD sensor, which allows faster shutter speeds. This captures a shorter moment in time, greatly reducing the risk of blurry photos.



Without Double Anti-Blur in low light conditions With Double Anti-Blur in low light conditions



Without Double Anti-Blur with subject movement With Double Anti-Blur with subject movement

In Sony's T-series, the Optical Image Stabiliser doubles this protection by compensating for camera-shake. State of the art noise reduction further minimises the likelihood of blurred or grainy images. In fact, if you want a fuzzy picture, you might have to find a fuzzy subject. For more information, visit www.sony.com.au/cybershot

Cyber-shot