



## Prints and cents

July 18, 2013

Rob Voysey (IPS) responds to a recent *Photo Counter* interview with Photo Direct's Stuart Meers ([Inkjet prints 'now less than silver'](#)) around print costs and their relevance to contemporary photo retailing...

Considering the vital nature of the discussion regarding printing costs, it would be improper if someone from IPS didn't wade in!

While Stuart Meers clearly has a responsibility to promote Photo Direct's new Epson Surelab agency, the proposition that 'dry' is cheaper than 'wet' is laughable! Come on Stuart, you've been around long enough to know print costs. Silver halide is 11 – 15 cent– ish? Really?

And to then argue that a few cents either way doesn't really matter is just plain wrong. It is the right of every business owner to know their costs, to know that they are competitive and have a clear business plan on costs of production (media) and fixed overheads, etc.

Beyond this, of course, you have to market hard; embrace all of the social media marketing; promote high-margin lines; have a viable on-line solution, etc. If you are reading this you are probably working at all of those things!

Historically, IPS has always offered our customers accurate calculations of the cost of paper and the cost of chemistry. In the days when Agfa was selling its kit chemistry for \$430 a box to process 2x110 sq m, it was pretty simple to work out that this equates to \$1.95 per sq m or 3.03cents for a 6x4 print (chem only).

Back then, IPS had been working on an 12-month project with CPAC to come up with an alternative chemistry – at a significantly lower cost. When Agfa went down, we were fortunately able to ration chemistry to the market and help keep those suddenly-former Agfa-supplied businesses alive.

And now as Kodak's authorised agent, representing 5 different silver halide (wet) emulsions, offering a range of premium, metallic and competitive papers; we can say that even at around \$5.00 per sq m or \$141.00 for a 6-inch x 186m roll, the paper cost for a 6x4 is still only 7.75cents. So we still haven't reached 11c. Stuart's 11-15 cent estimate is not realistic, and lab owners will understand this.

Our customers will know that IPS has run promotions in the past, as low as 5.6c (AUD) per 6x4 paper and chem. (Ex GST)

But wet lab owners, if you haven't tuned your process, you could be wasting paper and chemistry – probably performing unnecessary dumps – all of which is extra cost. That's why IPS virtually from its inception has run an independent quality monitoring service free-of-charge for all of its customers. We cannot stress enough in this day and age of reduced throughput, that the need to run control strips through your wet



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processes is more vital than ever before, to maintain best quality and manage your costs.

So lets talk about Dry labs: IPS has been Noritsu sales agents for over 7 years. Why? Because we saw the future back then and understood the need to stay up with technology. In that time, we have made it our business to intrinsically understand the dry lab process – again so that we can give the best service to our customers.

The point is that with Noritsu/Fuji/Epson dry labs, you are putting ink on paper – so how much does your ink cartridge cost and how many mls per square metre does your lab lay down?

Yes, the fixed overheads on dry labs are much lower than wet – and lets not exclude Kodak APEX from this equation. However with lower wet media costs, when does one become more cost effective overall than the other?

At the IDEA photo show last year (2012), IPS presented a thorough analysis of this to the PSPA, taking a set of presumed fixed costs for wet VS dry and graphing the real cost per prints as volume increases. It was interesting to note where the graphs crossed over. That is: at what volume did 'wet' become more cost effective than 'dry'?

There is no doubt that with the current print volumes of photo specialty stores dry labs are the future, with lower fixed overheads and lower capital costs. However there is great mileage in maintaining your silver halide machine, as long as the maintenance costs are not getting out of control.

The dry lab coverage of ink per square metre is obviously variable. If you are printing white wedding dresses – ink usage is low; if you are printing heavily saturated prints – it's costing you more.

But even here there are efficiencies to be won: Factory profiles from the above suppliers are designed to use more ink. Only IPS offers an independent profiling service to all of its dry lab customers. A customised profile reduces ink usage and what is more, optimises the quality. No more heavy dark skies and over saturated prints.

So how much does ink cost? Because the ink usage is 'subject dependant', ultimately the most accurate way to calculate this is to look at your expenditure over a long enough period where the volume of ink can be compared to a volume of paper used. Literally, litres purchased Vs rolls of paper, which can then be reduced to an average cost per print.

So over this 7-year period, we have been able to accumulate good data and offer accurate average ink costs per print for our customers. We have also proven that with professionally-tuned custom profiles, there are savings of up to 20 percent on ink usage against factory set profiles – and your prints look better!

I challenge any supplier to honour their ink usage quote with a written guarantee that cost will be refunded if after a year, the numbers don't add up!

So for all of those considering a dry lab, please ask:

- 1) Can I install customised profiles?
- 2) Does my supplier have real historical data to back up an ink usage claim?
- 3) Can my supplier help me achieve best quality and efficiency?

- And here is a helpful tip for ink/paper printers: try a white border promotion – very fashionable currently.(Instagram-ish) A 5mm white border represents almost 16 percent of a 6x4 print in surface area and will save you this much again on ink usage.

In regard to Kodak APEX systems, Kodak is constantly refining its output quality and

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optimising the profile outputs of its thermal printers. Again the printer profile is key here. The simple equation on APEX print cost is that you buy a ribbon and paper roll that produces a fixed number of prints. It's very straight forward and for anyone who has not looked at APEX lately, they should revisit this turnkey solution before making a decision.

The new Kodak G4XL wide screen kiosks are sensational, with wi-fi print from smartphone and in-kiosk print-from-Facebook capability.

IPS will happily offer anyone an accurate paper/chemistry, paper/ink, ribbon/paper cost analysis of their current and future print requirement and weigh up the pros and cons with your business interests in mind.

**- Rob Voysey, Independent Photo Supplies**

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8 THOUGHTS ON "PRINTS AND CENTS"



Laurie on [July 18, 2013 at 7:28 pm](#) said:

*Interesting discussion. Hope IPS will be supporting the industry, exhibiting in Melbourne this September. At the very least, 'pistols at dawn' with Photo Direct on print pricing will be fun.*

Reply ↓



**Stuart Holmes - IPS**

on [July 19, 2013 at 9:39 am](#) said:

*Hi Laurie,*

*Yes, as always Independent Photo (IPS) has stepped up to the plate and supported the Industry that we all work in, and is 100% committed to the IDEA/ PMA Conference & Trade Show in 2013 – We'll definitely see you there and we will have the 'Best Brands in Imaging' to look at and play with.*

*BTW, we will also be speaking on the PSPA Drylab panel presentation about the Wetlab/ Drylab business on the Saturday morning session, I hope you can attend?  
Stuart*

Reply ↓



Chris on [July 18, 2013 at 9:00 pm](#) said:

*We're conscious of every dollar spent on paper & chemistry if we're to survive against the supermarkets. It's that saving that allows us to redo prints that aren't right. People are chasing quality more than price. Our printing rate has been steadily climbing over the past 2 years & I expect it to continue to do so. Even film d&p is back on the increase.*

Reply ↓



Stuart Holmes - IPS

on July 19, 2013 at 9:33 am said:

Hi Chris,

*Yep sure get your house in order and your costs under control – But, hey NOBODY can save their way into a good business, you need to MARKET your way into one! That's why Independent Photo (IPS) has championed the IPI Marketing Group into the Southern Hemisphere to get you the marketing tools & collateral to help you develop your business.*

*For those 'early adopters' who were at the IPIC Intl. Print Conference last month they were treated to a veritable smogasboard of marketing collateral, education programs and international networking! WOW I challenge every Photo Specialty Retailer in Aust. & NZ to get out from behind their counters and develop USP's away from 'just price' and market their way into a Good Business (Oh, and yes Mass Merchants & Supermarkets need not apply...)*

*Call your IPS Business Manager for more details.*

Reply ↓



Paul Dawson on July 18, 2013 at 11:05 pm said:

*I love this comment !! Well said Rob.*

*I challenge any supplier to honour their ink usage quote with a written guarantee that cost will be refunded if after a year, the numbers don't add up!*

*p.s. Laurie, there will be a 'dualoff' at a PSPA session on the Saturday of the show. I'm looking forward to it 😊*

Reply ↓



S.M. on July 19, 2013 at 12:30 am said:

*Interesting, if lengthy and obfuscating viewpoint from the official distributor of the company (Kodak) that sold out many, many, independent photo imaging retailers.*

*The real issue here is why try and compete on costs when the goal is getting them to print, period.*

*Surely the real cost of a 6x4 must be around 3-4 cents – Gerry Harvey says it is so!*

*You can make better margin on larger formats and diversification into more profitable output rather than focus (pun intended) on 6x4" prints.*

*Silver, Smilver...! Your average Y gener doesn't even know what halide is. Come on stop being so last century and let's get 'em printing – no matter what, rather than how.*

Reply ↓

[Stuart Meers](#) on July 19, 2013 at 7:48 am said:

*All interesting discussion and I agree with Chris yes promote the point of difference , quality over price , pick your market and get some margin, but find business other than 4x6 to be your profit engine, we're happy to help anyone find a profit driver.*

*Photo Direct has always provided print cost calculations to customers and we're happy to guarantee these, we'll refund twice the difference after a year if our quoted production cost is wrong, we know its right and we know it actually favours the customer without detuning the machine from manufacturer spec or using bordered prints.*

*Rob you seem to have omitted your inkjet print pice how much for. 4x6?*

Reply ↓

[alan](#) on July 19, 2013 at 9:50 am said:

*Interesting discussion.*

*The word which runs our business is **MARKETING!***

*I won't say that I don't care about the cost of a 6x4, but it is not something that I loose any sleep over!*

*We **MARKET** our business and **PROMOTE** our business – and that is why we are successful and why we can pay our bills!*

*I don't give a shit what Gerry sells his prints for – we promote a point of difference, a culture of service, and we upsell our customers to better options. What Hardly Normal has done, in it's own stupid way with the support of Fuji, is promote getting photos printed, albeit it at stupid subsidised prices which us little guys can't match. But if we market our business, and promote our business, we can get those customers out of his stores and into ours.*

*We also seek and promote niche markets which are very profitable to us, and the IPI program makes it easy!!!!!!!!!!!!!!*

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### [INKJET PRINTS NOW 'LESS THAN SILVER'](#)

It official! The cost of a dry lab inkjet print is 11 cents! Well, semi-official. In an informal kind of way. For HP printers at least. If you don't haggle... Dry lab technology – be it inkjet or dye transfer ...

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July 11, 2013