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The independent alternative

November 12, 2009: From its inception in 2003 by ex-Fujifilm minilab specialist Stuart Holmes and equally experienced photo lab engineer Rob Voysey, Independent Photographic Supplies (IPS) has had a very precise understanding of what it was in business to do.

'We are offering a credible independent alternative to Kodak and Fuji. That's where we sit in the marketplace,' explained Holmes (pictured right) in an interview with *Photo Counter* last week.



'We've always aimed to be that alternative to the big guys, with world class service, next day delivery (on the eastern seaboard) technical support for products, and by offering that point of difference which allows our customers to say, 'I won't have to look like everyone else, and I will have a story to tell'.

'Our business is the independent specialist and we are most concerned about them being able to put up an offering opposed to CE, supermarkets and mass – to help them break through, instead of selling what everyone else is selling.

The IPS product portfolio includes DNP photo paper, Tetenal tablet and CPAC photo chemistry, Oblo kiosk software, Noritsu minilab equipment, Unibind photo book supplies, inkjet papers and inks and more recently the Youframe canvas mounting system and PremierArt canvas and coatings.

As an independent alternative, IPS, which emphasises it 'won't compete with its customers', has not been backwards in reminding retailers of some facts that what it calls 'the big guys' would prefer unstated.

For instance, that some big suppliers now market directly to their customers' customers – increasingly so in the online world, for instance print@fujicolor and HP's Snapfish - and that the lacerating of the price of prints produced on Fujifilm paper by some retail chains has turned the 4x6-inch print into a near-worthless (certainly profit-less) commodity.

Given this plain-speaking approach (perhaps amplified by the fact IPS has recently lost out to HP following Ted's recent decision to switch to HP dry minilab systems) it is not surprising that Stuart Holmes has a forthright appraisal of HP's campaign to establish inkjet as the new technology for retail photo services.

He said the basic issue mitigating against HP is mediocre image quality. This is compounded by other quality issues like registration from one print to another (HP uses cut paper rather than rolls) and consistently uneven borders.

'It's a bit presumptuous to try to dumb down the market. People have been accepting silver halide prints for 150 years. It's a mature product and I think with the dry alternatives there's been a lot of selling of the sizzle.

'It hasn't lived up to the promise of being an alternative to silver halide. And it's certainly not cheaper than silver halide. So what is it? Why would you put it in when it's more expensive and not as good?

'We see HP as an alternative media that compared to Noritsu inkjet media doesn't really deliver,' said Holmes.

'Perhaps there's a "wow" factor, but if you are looking for that, Noritsu is much better.' (IPS is an agent for Noritsu minilab equipment, including its Epson-based inkjet printers.)

'We've not heard of anyone from HP with a spreadsheet saying there's your paper cost, there's your ink cost, and there's how much it costs per print.

'We've asked a lot of people who've got them [HP systems] how much it costs to produce a print and they just don't know.'

He said that according to Japanese trade journal *PEN Weekly*, HP was selling inkjet prints at a premium to silver halide prints in the Japanese market, whereas in Australia, it appeared that HP inkjet prints would be competing directly on price with conventional prints.

(Ted's has told *Photo Counter* it will not be changing its print pricing when the HP system is rolled out in its stores, and Kmart will presumably be in the market competing on price against BigW and its 'everyday low' print prices)

Holmes said that to make a small profit, an inkjet print would need to be priced at at least 19 – 20 cents.

'We were told from an HP source that it's not about the quality, it's about the experience. Well what experience would that be?' (He suggested that prints with uneven borders which look like they are from the 1980s wasn't a great consumer

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experience.)

'So there's a lot of Emperor's New Clothes, selling the sizzle, and HP is fantastic at that.'

IPS general manager Bruno Polito added that an unintended consequence might be that if dealers come out with '8-cent HP inkjet prints', it could dry up the rivers of gold coming to HP from the sale of inkjet cartridges for home computers. (Enter Kodak, with its inkjet printer campaign informing consumers they have been ripped off for years on inkjet cartridges!)

Holmes concedes that while 2009 was a challenging year for IPS ('we are another year stronger') one of the big wins was securing endorsed supplier status from the Camera House group – for everything in the portfolio except silver halide paper. ('There's at least one sacred cow we haven't quite got to yet,' he noted.)

He said IPS was the first company to adhere to all the Camera House rules and rebates around photo chemistry.

'We are the only official supplier of Tetenal tablet chemistry, and with CPAC are the only supplier of liquid chemistry offering a product for every machine,' he said.

'We are not as over-ambitious as some on prices. We are very competitively priced and we've demonstrated that we can offer a lab a superior deal than what they are on now.'

On the issue of selling paper to Camera House stores, he said that IPS understood that there was 'no document in place for members for a print solution'.

'We understand there is no document which says they have to use a particular paper.'

He also said trade practices legislation came into play.

'It would be a restrictive trade practice to deny people the option – so we can't *not* sell to anybody.'

Another major development is assuming the exclusive distributorship for PremierArt canvas and coating range (see accompanying story), which complements the Youframe in-store canvas stretching and framing system IPS also offers.

He sees this development as important from the point of view of diversifying the product range 'so as not to rely entirely on our staples' as well as moving IPS towards being a one-stop printing hardware and consumables shop for its customers.

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