

Still gold in AgX!

February 4, 2016

Fujifilm has pinned its looming colour negative and slide film price increase on falling demand, but speak to the photo print service providers who are still in the **film processing** game, and the opposite is true.

Local labs and retailers told *PhotoCounter* this week that demand for film processing, scanning, and other products is increasing – and a nice little earner at that!

While photo labs have been dropping off the face of earth since the early 2000s, those left standing are now being presented with fresh opportunities. But they have to beat the drum.

Phil Gresham, co-owner of Fotofast in Brisbane, told *PhotoCounter* that thanks to advertising his film processing services, rolls are rolling in from around the country.

'We are the only ones left in business in south-east Queensland doing film – or at least we are the only one with online visibility. Film comes in from all around the country,' he said, and noted separately in a comment following [a recent story in ProCounter](#): 'Film sales and processing are increasing. From Millennials to Baby Boomers they are picking up film cameras again or for the first time. Now we have to stock film chemistry, tanks, etc – a first for us, but the demand is there.'

Likewise, Alan Logue, owner of Hutt Street Photos in Adelaide, found success required doing more putting a notice in the storefront window. He regularly pitches digitising services on a local 'golden oldies' local radio station. Over the holiday period he spent a lot of his time scanning old film and video into digital formats.

'Our advertising covers video to DVD, old 8mm/16mm to DVD, slides and negs to DVD and photos to DVD. It's been growing steadily due to the fact that we continue to advertise the scanning/conversion services we offer,' he said.

'Our business is growing from advertising – we have been consistently advertising on radio now for over five years. I write and read the ads so quite a lot of customers are quite surprised to meet "Alan from Hutt Street Photos"!

'Whilst it's a local station, it does get out to many country areas and that is where we get literally boxes and boxes of videos and movie films arriving in the mail.' – Some as far as the Northern Territory, Alan said from his Adelaide home, where four machines were working overtime to transfer 68 MiniDV tapes to DVD.

And processing (and scanning to digital) proves to be a profitable niche. As profitable



— (Source: Atkins Photo Lab website.)



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as it was in the '80's and '90s. Once the equipment required for processing and scanning film has been paid for, the only real cost is the staff's hourly rate.

'We scan the negs and slides on our Noritsu 3202; the prints on a Kodak rapid print scanner; and the videos are dubbed in-store using a bank of three dubbing machines which are usually running eight hours a day. Plus I have four more units at home for the overflow work,' said Alan.

Carly Michael, manager of the Imaging Department at Michaels iconic store in Melbourne, said that processing offers 'a reasonable return', but the sale of film products presents a few challenges.

'Film manufacturers are regularly discontinuing lines of film and increasing the wholesale costings – both locally and internationally,' she told *PhotoCounter*. 'That, combined with a competitive marketplace – including many people purchasing overseas or from competitors who grey-import – makes competing on price, while maintaining profit margins, challenging.'

The Fujifilm price rise for negative and slide film (and discontinuance of quite a few SKUs) is the second in a matter of months. Back in October it pushed prices up by 20 percent and some time this month they will increase by roughly another 10 percent.

Compounding this, distributors generally don't stock the full range of film, which indeed sends some retailers – or worse, their potential customers – to places like B&H for products which are difficult to source locally.

Access to hard-to-get film products is particularly critical as its not all about 35mm these days. From Holgas to Hasselblads, larger formats are popular.

'Medium format is definitely stronger than others,' said Paul Atkins whose Adelaide-based business, Atkins Photo Lab recently expanded its scope to embrace consumers as well as professional photographers. 'We see a lot of 6x4.5, 6x6 and 6x7.'

'We wish that Kodak would keep up the supplies of the Pro range of film, the enthusiasts love it,' said Phil Gresham. 'I know that some labs buy in from B&H, but we prefer to buy local. We are getting our very first stock of black and white film processing chemistry from CR Kennedy and Independent Photo Supplies after constant requests.'

Colour negative remains more popular to both buy and process compared to slide film, according to Paul Atkins.

'Colour negative and B&W have and are still seeing a significant growth,' he noted.

At Atkins, film processing is via a less automated dip-and-dunk process, so volume is critical to making the business work: 'It takes a certain amount of set up time, and is built for volume, so with high fixed-cost-to-variable ratio, we make more the more we process.'

Digital scans trump prints

Based on the response from retailers, film processing and scanning customers are

FILM PROCESSING

B&W, C-41, E-6, Slide Mounting
Minox, 16mm, 110, 126, 35mm,
120, 220, 4x5, 8x10

michaels



— Carly Michael: Consistent local supply a challenge.



— Paul Atkins: Opportunities to run workshops on working with film.

more interested in the digital files than analog prints. Few actually request prints at Fotofast until Phil presents his by-now well-rehearsed 'Digital Dark Age' spiel.

At Michaels, Carly said she found bundle packages an ideal device to encourage customers to order prints.

'Most customers request scans with their shots – in fact, more than prints. We offer a bundle package where the customer receives a discount for ordering prints as well as scans,' she said. 'We feel it is important to encourage our customers to print their photos so that they have a physical copy, thereby reducing the chances that the files will disappear into their hard drives.

'We offer our customers the option to have their files burnt to CD, however, many people do not have CD/DVD drives in their computers any more, so we also offer 'e-mail transfers', where we send a link to the customer from which they can then download their files. We can also provide the files on USB.'

Having these options is particularly useful for the Gen-Y hipster types who, while loving all things retro, are in fact grounded in a digital world. Photo specialists need to do a bit of hand-holding to get the ball rolling.

'This is the challenge for new-comers. The shooters are after a specific look, and it takes investment in equipment and skill to get their look, and there is a lot of initial liaising with the client.

'There is an interest in the roots of photography, and a desire to simplify amongst enthusiasts,' he observed.

'Professionals are after a unique selling proposition, which film delivers. I think there are opportunities for running workshops on film, and supporting or forming groups to work on film shooting together.

'We, the oldies,' (Paul must be well into his forties!) 'judge film as something we buried years ago. To many, it is a new and exciting opportunity to fall in love with photography again.'

Carly Michael noted much interest in film photography has been driven by photo editing and filter apps like Instagram, Hipstamatic and VSCOcam. Users of these apps edit their digital photos with filters to emulate the film aesthetic. But these filters and effects have encouraged some to start shooting film, and they become 'enchanted by its magical allure'.

So despite Fujifilm's claims of falling film sales, all of the photo labs we spoke to, catering for different customer groups and from different parts of Australia, are optimistic about the future of film-based photography, and have enjoyed a spike in business over the last two to three years. But the take-out from each has been that it's a part of the photo business that only responds to promotion.

'Letting locals know you are processing film is a big challenge,' Paul Atkins concluded. 'Many are happily sending film overseas for processing, and just getting scans back, whilst the lab destroys the negatives...which horrifies me!

'Sending to the USA and Spain (the most common destinations) is crazy, and costs the sender more than necessary, plus consider the risk! Surely we can get that work back with the Aussie dollar being as it is?'

– Will Shipton

<http://www.procounter.com.au>



Chris on [February 4, 2016 at 3:33 pm](#) said:

Film processing is definitely on the up & up. We normally only process films 1 day a week, but it's becoming more common to process twice in a week. We've only had 1 person say "oh but in Sydney I can get it done in 30 minutes". Difference between Tamworth & Sydney – Tamworth has 40,000 people, Sydney has over 4 million..... When Sydney people move to the bush they still expect Sydney's range of services. If you want that, go back to Sydney. The 1st 6 months we were in Tamworth we were swamped by people wanting negs scanned to disk. We've just bought a 2nd neg scanner to cope with the sudden influx. It was time to upgrade the Nikon, which is now pushing 10 years old. The Nikon scanner doesn't like damaged negs, & 1 of the jobs we have to do is water damaged negs.


Reply ↓



Stuart Holmes on [February 4, 2016 at 5:12 pm](#) said:

*Independent Photo (IPS) has stocked the widest range of Professional & Consumer Films available in Australia for over the last 5 Years, particularly since securing the Authorised Kodak Professional & Consumer P & O.S. Supply Contract. IPS keeps stocks of 35mm, 120 Roll and even 4 x 5in Sheet Film in refrigerated storage and turns over very respectable quantities of Wholesale Film Supply orders on a daily basis to our loyal customers. One thing we have noticed, particularly of late is the number of "New Customers" wanting to buy film that have obviously sourced it via the Grey Market with the likes of B & H Photo in USA, who now due to the devaluation of the Australian Dollar, are finally seeing the benefits of supporting the Local Guys at IPS!
We hope that this trend of local support continues, and Australian Photo Retailers, Minilabs, Wholesalers & Professional Labs carry on supporting local Company's like IPS who are employing Australians and Paying Tax in this Country.*

Reply ↓



Larry Steiner on [February 5, 2016 at 12:37 am](#) said:

*These operators offer really good insights. I have had the opportunity to talk to several of the retailers mentioned over the years at the IPIC and the one thing they have in common is the willingness not only to offer a service like film processing, but to promote it. They don't feel "entitled" to any business; they get out and work for i with marketing and strong internet communication. I think that is a key factor in their success.
No one likes a price increase like Fuji put on, but I would suggest that making sure that the manufacturers actually make a profit on film production is an important part of making that business sustainable.
Finally, buying through the local distribution channel also gives some assurance that product availability can be sustained. We don't like consumers who go mail-order to save a penny; we need to think about that when we look at gray market suppliers. The ability of some retailers to avoid sales tax collection has been a big part of the retail destruction here in the USA. Again,*

no one likes to pay taxes, but letting "free riders" avoid that causes huge disruption and local communities have fewer and fewer retail stores to support the local tax base. That leaves the remaining "lucky" retailers like me with an increased burden. Now, I am going to walk across the lab and fire up the old C-41 processor for the days operation.

Reply ↓



Bruno Polito on **February 8, 2016 at 10:55 am** said:

Thanks Larry, for your pertinent comments that hold true in our market, as they do in yours.

Supporting local, has positive "knock on effects" for the local community and industry at large

Local consumers, supporting local retailers, who in turn support local wholesaler/suppliers: keep local businesses and supply viable, while the local incomes and taxes generated support families and community alike.

Dare I say: buying "off shore" is just "un-Australian"

Reply ↓



Tony on **March 15, 2016 at 9:32 am** said:

My local Big W still does 35mm film instore and the stores that don't do it in store can ship it out and have it back with in a week, PhotoCreate are covering the service now.

Reply ↓



wally123 on **March 15, 2016 at 9:54 am** said:

Must be the only big w store that hasn't gone dry lab.

Reply ↓

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