

European Online Photo Services Market Overview

EXECUTIVE SUMMARY Online photo services are beginning to gain a foothold in Europe, but the market is evolving very differently than in the U.S. Many barriers exist for online sites in Europe, ranging from distrust of using credit cards online to different languages. Thus, small pureplay sites have little chance of reaching the scale needed for sustainable profit. Most of the online photo activity operates through retail storefronts. Photo sharing is not emphasized; rather, sites are set up primarily for print fulfillment. These trends were evidenced at the bi-annual Photokina show in Europe in fall 2002. About two years behind the U.S. in development, European online photo services are learning from market developments in the U.S. and continue to tailor their business models accordingly.

KEY HIGHLIGHTS

- Retail-branded photofinishing sites from traditional photography companies such as CeWe, Kodak, and Fujifilm dominate online photo services in Europe and have the best chance of success, over online pureplays.
- CeWe is the current market leader, providing online photo services to 30,400 retail locations and printing 4.5 million digital photos last year.
- Differences in language, culture, and market conditions across Europe challenge the existence and success of any pan-European online photo services.
- Photo printing is the primary focus of sites.

RECOMMENDATIONS

- Prospective European online photo service providers should be aware of the unique characteristics of the European market and provide appropriate services, such as an alternative to credit card payments.
- European online photo service providers must define a role for themselves that includes retailers and traditional photofinishers.
- A dedicated country-by-country approach may be required for any pan-European site. U.S.-based global provider PlanetFoto is a test case pioneer, attempting an ambitious “global” online print fulfillment service.

RETAIL ONLINE PHOTOFINISHING



Source: Silverwire

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