

Table of Contents

Table of Contents..... ii

List of Figures..... v

Executive Summary..... 1

Introduction..... 2

Forecast Methodology..... 3

Retail Digital Photofinishing Drivers 4

 Digital Minilabs Drive Placement of Input Terminals..... 4

 Digital Camera Penetration is Increasing in U.S. and Abroad..... 4

 Alternative Channels Begin Kiosk Placements..... 4

 Retailers Continue to Use Kiosks as Bridge Solution or as Sales Tool..... 4

 Convenience of While-You-Wait Prints..... 4

Retail Digital Photofinishing Barriers..... 5

 Photofinishers Face Financial Crisis..... 5

 Slow Print Engine in Most Kiosks Discourages Frequent Use..... 5

 Consumers Still Unfamiliar With Photo Kiosks..... 5

 Still Difficult to Convince Alternative Channels to Adopt Photo Kiosks 5

 Still Not Apparent That Kiosk Placements in High Traffic Areas Will Be Successful 5

 Consumer Confidence in Digital Camera Photos Still Lacking..... 6

Retail Digital Photofinishing Trends 7

 Inkjet Digital Minilabs 7

 CPXe and Home-to-Retail Photo Printing..... 7

 Prints from Camera Phones..... 8

 Print Speed..... 8

 Software..... 8

 Credit Card/Receipt Printer..... 9

 Courtesy Cards 9

 Specialty Photo Kiosks..... 9

Photo Kiosks..... 10

 Photo Kiosk Segments 10

 Photo Kiosk Forecast..... 11

 Input Terminals Versus Print Stations..... 12

 Standalone Versus Countertop Kiosks 14

 Photo Kiosk Hardware Revenue..... 15

 Photo Kiosk Average Selling Price and Installed Base..... 15

 Photo Kiosk Market Shares..... 16

 Photo Kiosk Vendors’ Market Share Based on Annual Shipments..... 16

 Print Station Photo Kiosk Market Share..... 18

 Input Terminal Photo Kiosk Market Share..... 19

 Market Share by Installed Base of Photo Kiosks 20

Digital Minilabs..... 22

 Minilab Segments 22

 Digital Labs 22

 Hybrid Labs 22

 Digital Minilab Forecast..... 23

 Unit Shipments by Production Capacity..... 24

 Revenue Projection of Digital Minilabs 24

 Penetration of Digital Minilabs..... 26

 Market Share..... 26

| | |
|--|----|
| Photo Kiosk and Digital Minilab Players | 29 |
| Agfa | 29 |
| Digital Portal..... | 30 |
| ePoint | 31 |
| Fujifilm | 31 |
| Gretag..... | 33 |
| Kodak..... | 33 |
| Kodak Austin Development Center (Applied Science Fiction)..... | 34 |
| Konica..... | 35 |
| Lucidiom..... | 36 |
| Mitsubishi | 37 |
| Noritsu | 37 |
| Oblo | 38 |
| Olympus..... | 38 |
| Phogenix Imaging (Dissolved)..... | 39 |
| Pixel Magic Imaging | 39 |
| Polaroid..... | 40 |
| Sony | 41 |
| Whitech Software Solutions..... | 42 |
| Retailer/Vendor Relationships | 43 |
| Albertson's..... | 43 |
| Best Buy..... | 43 |
| Black Photo..... | 43 |
| Carnival Cruise | 44 |
| Circuit City | 44 |
| Costco | 44 |
| CVS..... | 44 |
| Duane Reade..... | 44 |
| Eckerd's | 45 |
| Kinko's | 45 |
| K Mart..... | 45 |
| Kroger | 45 |
| Long's Drug..... | 45 |
| Meijer's | 45 |
| Moto Photo | 45 |
| Rite Aid..... | 46 |
| Ritz Camera | 46 |
| Safeway..... | 46 |
| Target | 46 |
| Walgreens | 46 |
| Wal-Mart..... | 46 |
| Winn-Dixie | 46 |
| Wolf Camera..... | 47 |
| Worldwide Markets | 48 |
| Japan | 48 |
| Europe..... | 48 |
| Asia Pacific | 49 |
| Latin America | 49 |
| Rest of World..... | 49 |
| Worldwide Markets Installed Base | 50 |
| Recommendations | 51 |

| | |
|--|----|
| Education Is Still the Key To Success In Retail Digital Photofinishing..... | 51 |
| Kiosks' Speed is Crucial for Adoption | 51 |
| Inkjet Digital Minilabs Will Surface Again..... | 51 |
| Per Print Prices Will Likely Fall In 2003 and 2004 | 51 |
| Retailers Must Emphasize Strengths and Consider New Printing Services | 51 |
| Retailers Should Begin to Consider Home-to-Retail Print Fulfillment Opportunities..... | 52 |
| Conclusion | 53 |
| Digital Photofinishing Market Forecast 2003..... | 54 |

List of Figures

| | |
|---|----|
| Figure 1: Photo Kiosk Unit Shipments, N.A., 2002-2007..... | 12 |
| Figure 2: Input Terminal Unit Shipments (K), N.A., 2002-2007..... | 13 |
| Figure 3: Print Station Unit Shipments (K), N.A., 2002-2007..... | 13 |
| Figure 4: Countertop Photo Kiosk Unit Shipments (K), N.A., 2002-2007 | 14 |
| Figure 5: Standalone Photo Kiosk Unit Shipments (K), N.A., 2002-2007..... | 15 |
| Figure 6: Photo Kiosk Hardware Revenue, N.A. (\$M) 2002-2007 | 15 |
| Figure 7: Average Selling Price for Photo Kiosks (\$K), N.A., 2002-2007 | 16 |
| Figure 8: Installed Base of Photo Kiosks (K), N.A., 2002-2007 | 16 |
| Figure 9: Total Kiosk Market Share and Rank 2002-2003, Unit Shipments, N.A..... | 17 |
| Figure 10: Photo Kiosk Market Share 2002 | 18 |
| Figure 11: Photo Kiosk Market Share 2003 | 18 |
| Figure 12: Print Station Photo Kiosk Market Share by Unit Shipments 2002-2003, N.A..... | 18 |
| Figure 13: Print Station Photo Kiosk Market Share by Unit Shipments 2002, N.A | 19 |
| Figure 14: Input Terminal Photo Kiosk Market Share by Unit Shipments 2002-2003, N.A..... | 19 |
| Figure 15: Input Terminal Photo Kiosk Market Share by Unit Shipments 2002, N.A | 20 |
| Figure 16: Photo Kiosk Market Share by Installed Base 2003, N.A | 20 |
| Figure 17: Photo Kiosk Installed Base Market Share 2003, N.A. | 21 |
| Figure 18: Digital Minilab Unit Shipment Forecast for North America, 2002-2007..... | 23 |
| Figure 19: Digital Minilab Unit Shipment Forecast by Performance Class, 2002-2007 | 24 |
| Figure 20: Digital Minilab Unit Shipment Forecast, Performance Class %, 2002-2007 | 24 |
| Figure 21: Revenue (\$M) of Digital Minilabs for North America, 2002-2007 | 25 |
| Figure 22: Average Selling Price for Digital Minilabs (\$K), N.A., 2002-2007 | 25 |
| Figure 23: Installed Base of Digital Minilabs (K), N.A., 2002-2007 | 25 |
| Figure 24: Penetration of Digital Minilabs into Total Minilab Market, 2002-2007..... | 26 |
| Figure 25: Market Share and Rank for Digital Minilab Vendors in North America 2002-2003 ... | 27 |
| Figure 26: Digital Minilab Market Share 2002 | 28 |
| Figure 27: Digital Minilab Market Share 2003 | 28 |
| Figure 28: Worldwide installed Base of Photo Kiosks, 2002-2007..... | 50 |
| Figure 29: Worldwide Installed Base of Digital Minilabs, 2002-2007..... | 50 |