

The “everyday” photo DVD

By Jennifer Barr Kruger

Photogize Producer offers private-label Web and software photo DVD solution for retailers

For consumers, photo DVDs provide a great solution for archiving, gifting, and commemorating an event. For retailers, they can be a new high-margin revenue stream – if they’re fast and easy to make. The new Photogize Producer systems from **Graphx Inc. (www.graphx.com)**, Woburn, Mass., aim to deliver just such a solution.

Photogize is a private-label Web and software solution for photo labs. One component is Photo Central, a multi-faceted online photo gallery service designed to promote “VESPA” – the Viewing, Editing, Sharing, Printing, and Archiving of photos. Consumers can do all those things with a Photogize DVD.

“Our vision is that photo DVDs could become the everyday fulfillment for digital photo consumers,” says **Joseph Kowalik**, president and CEO of Graphx.



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The user experience

“The consumer can make a personalized Photogize DVD or Photogize CD in 5 minutes or less. In that time, they can have all their photos in an album; they can organize them, annotate, and edit them; select music from our library; and customize the front of the DVD and the case cover,” Kowalik says.

Photogize DVDs can be made so quickly because the system automatically imports information, offers design templates, and makes some choices – such as a case cover photo – for the consumer, who may change any of those automated selections.

“We see the real breakthrough offered by the Photogize Producer Systems as being in two parts: the first is the ease of creation for the consumer, and the second is the ease of production for the retailer,” Kowalik says.

More DVD solutions next month

Be sure to look for more on kiosk-based photo and multimedia DVD solutions in the December issue of PMA magazine.

When a consumer orders a photo DVD online, the order comes through the Photogize lab software just like a print order; but it’s automatically routed to the Photogize Producer disc publishing system, which burns the DVD slide show. Index prints, which are part of the service, are automatically sent to the retailer’s minilab for printing. The case cover is automatically printed on presized, preburst pages, which only need to be slipped into the plastic DVD case after printing.

Noble’s Camera Shops (www.noblescamera.com), Hingham, Mass., was the first placement of the Photogize Producer 250, which was launched at **PMA 07** and is now being installed in many retail labs.

“We’ve been offering photo DVDs for quite some time, but not through the Producer system,” says President **Brian Noble**. “The system we had been using requires an awful lot of labor. The DVDs were reasonably profitable, but the labor drove up the price. As a result, for the customer who just wanted something simple and basic, we couldn’t offer a product that worked for them.”

With the Producer, Noble says, there is virtually no labor involved. “The DVD spits out automatically when somebody places the order,” he states. “Sometimes, the first notification we have that we received the order is the DVD dropping out of the writer.”

Noble is a perfect example of market for this product, Kowalik says.

“Today, our retailers fall into two camps. Most are making low cost JPEG CDs, typically as a hybrid strategy for their film customers. At the other end of the spectrum retailers are handmaking custom DVDs and charging \$100 or more. We see orders that are either less than \$8 or more than \$100,” Kowalik explains. “There is a great opportunity with the Photogize Producer for DVD and CD products priced in the \$10 to \$30 range. For consumers, these price points make them more affordable, everyday products.”

A wide-open market

“There is a great opportunity for retailers to jump into photo DVDs right now. The margins are great, and these are products consumers want. When we show the Photogize CDs and DVDs to consumers, we get a very consistent, incredibly positive and emotional response,” Kowalik says.

Kowalik supports his point with **PMA Marketing Research** data showing 81 percent of U.S. households in 2006 had a DVD player, while only 8 percent possessed a photo DVD.

Because Photogize DVD orders typically come from the consumer via the photo retailer’s website, Kowalik says it is important to note, in 2007, 24 percent of digital prints were made through online orders – up from 10 percent in 2004, 13 percent in 2005, and 20 percent in 2006.

In terms of margin, Kowalik adds, a Photogize DVD costs the retailer \$2.39 to make. If the retailer sells the DVD for \$29.95, he earns a 92 percent profit. At that price, the retailer would need to sell 254 DVDs to break even.

Kowalik says consumers are most likely to use a Photogize DVD in one of three ways: to share images at a family gathering or to preserve a memory of an event, as a gift, a keepsake, or both; or as an archive for digital images, particularly shoebox scans.

Noble confirms his customers are using the Photogize DVD primarily for these applications.

“We’ve had a few single orders from weddings and things like that; but, more typically, people order them for an event, like a kindergarten graduation and a class reunion,” Noble says. “They order 40 copies or so of the same one – and, of course, they want them instantly.”

“A hospital dedicated a new wing and shot 30 or 40 pictures. They wanted a set for everyone who made a major donation, which was about 150 DVDs,” Noble adds. “Before we had the



Users can select images and text for the DVD front and case cover – or let Producer do it. An index print contains the original image files so customers can order additional products.



Producer, we would have committed a full-time employee to that for a couple days; but the Producer made them overnight while we were home sleeping. All I did was put each DVD into a case and insert the cover sheets.”

Another reason Noble likes the Photogize DVD system is it provides not only a picture slide show, but also the initial image files. “With Producer, when you give someone the DVD, you’re giving them the ability to order reprints and enlargements as well. If my customers put that DVD in their computer and go to ‘order prints,’ my store is the default location.”

Noble says it is critical to promote the DVDs to customers, as they do not sell themselves. “This is a profitable product, but it has to be suggested. I see demand growing only to the extent we are promoting it in the store,” he states. “It’s ideal for special events, and we market it as the perfect event reminder. The per-DVD price decreases as the copies you make increases. The idea is to run higher quantities so you can pass them out for events. I can deliver 40 of them for your event, covered in my advertising. You might make prints of your son and daughter, who are in the pictures – and I’m all over the community.” ■