



DIFFERENT CLIENTELE

Online photo printing start-ups target pros

In sharp contrast to developed markets, online photo firms are targetting professionals rather than consumers

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Late last year, Palak Jhaveri, owner of **Sanat Jhaveri and Co.**, a photo studio in Ahmedabad, was grappling with a six-year-old problem. Ever since the 50-year old studio had taken to digital photography in 2001, Jhaveri had been facing "deep trouble storing wedding photos".

The problem no longer plagues Jhaveri.

That's because the studio then signed a business deal with Mumbai-based online photo start-up **ZoomIn Online (India) Pvt. Ltd** that not only solved the problem, but also created an unexpected stream of revenues for the studio. In addition to storing all the studio's photos on its site, the company allowed Jhaveri's customers to share a link with friends and family through which they could see these photographs.

Then, there is the ultimate sweetener: ZoomIn pays Jhaveri 75% of revenues it makes from his photos that it prints and delivers. Jhaveri, whose business with his clients earlier ended when he handed them photos on a video disc, fixes his own price on these prints, and makes extra money with no ef-



Capturing the frame: A study by Gartner, Inc. estimated the Indian digital camera market in 2006 to be worth Rs473 crore.

fort on his side.

In an attempt to increase revenues and expand reach in a nascent digital printing market, online photosharing and printing services start-ups are experimenting new models beyond consumer photo printing. They are trying to tap into a unique opportunity India offers: a large event photography market, created by a near-obsessive need in India for pictures taken at weddings, engagements and family functions. For good reason. "Unlike in the US, professional photographers contribute close to 50% of the photo printing business here," says Sunny Balijepalli, co-founder, ZoomIn which is conducting pilots with such people in Mumbai, Pune and Ahmedabad, in addition to ad-

ressing end-consumers.

Statistics are hard to come by but a **Gartner, Inc.** study estimated the Indian digital camera market in 2006 at \$110 million (Rs473 crore) growing at 20%-22% annually. Camera-enabled handset sales are also expected to boost digital photography over the next few years.

Yet, venture capital invested in this space is indicative of the perceived opportunity. In the last six-eight months, at least four venture capital firms have bet on the space—**Kleiner Perkins Caufield and Byers**, **Sherpa Ventures** and **First Round Capital** funded ZoomIn while **Draper Fisher Jurvetson** and **Footprint Ventures** funded **Canvera Digital Technologies Pvt. Ltd.** Several other companies such as **Itasveer.com**, **Pics-**

quare.com and **Merasnap.com** have mushroomed in the last two years.

Bangalore-based **Canvera**, yet to launch a consumer site, has begun with a focus on the professional market. "We have gone deep into tier III towns while doing market research, and every single photographer shot digitally," says Dhiraj Kacker, co-founder, **Canvera**. The advantage with this model, companies say, is it creates large single-point photo sources. For example, Jhaveri has uploaded more than 40,000 photographs on **ZoomIn**. Non-resident Indians, he says, order more prints online after attending, say, a wedding.

There are other reasons for targeting the pros. "The issue with direct to consumer is there is a lot of margin pressure with the 4X6 (4 inches by 6 inches) prints, which is the primary product, and we have seen people fight over 20 paise or 50 paise," says Josh Bornstein, executive director, **Footprint Ventures**.

The entry of **Hewlett Packard Co.** owned consumer photo-printing services site **Snapfish.com** in India drove down prices further.

Snapfish, which acquired **Merasnap's** customer base earlier this year, offers prints at Rs2.95 each. **Picsquare** comes closest at Rs2.99 per print, while the rest are priced higher. "At this point, ours is a purely B2C (business to consumer) model; our maximum volume comes from 4X6 prints," says Michael Bala, country manager for **Snapfish** in India.

In the consumer market too, companies are moving beyond paper prints. Most are now offering customized gifting merchandise such as personalized calendars, coffee mugs and T-shirts. "Almost 50% of our revenues come from personalized items ordered online," says Ashish Goel, co-founder **Itasveer**.