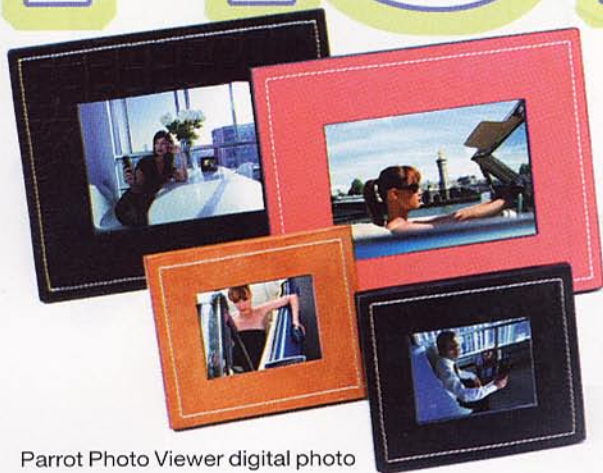


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Parrot Photo Viewer digital photo frames (www.parrot.com)

Framers Can Capitalize On the Digital Photo Frame Craze

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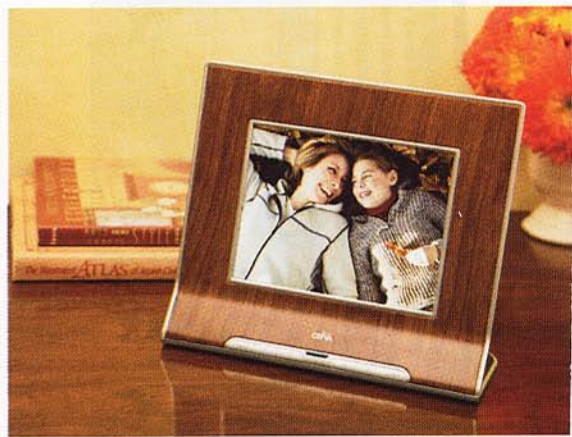
Adding digital photo frames might seem like a leap of faith for custom picture framers, but some are starting to take the plunge.

One framer making the move is Alan Abeyta, CPE, owner of Framin' Works in Phoenix, Ariz. He purchased a digital photo frame by Digital Foci at the Photo Marketing Association (PMA) 2007 International Convention and Trade Show in Las Vegas. The event was in conjunction with the Professional Picture Framers Association (PPFA) Annual Convention in March.

Initially, he thought about purchasing the product during last year's convention, but did not see any digital photo frame companies offering the ability to change the frame. This year's show, however, featured several products with the option.

"I wanted the ability to change the frame. After all, I'm a framer," says Abeyta, who has sold several digital photo frames in his store. "My business is picture framing and making decor fit in customers' homes. The inability to change the frame doesn't work for custom framers."

The ability to up-sell with a custom frame is an attractive option for Abeyta. Also, he is using the



The CEIVA 8" digital photo frame (www.ceiva.com)

digital frame for a video slideshow to market his store's past custom framing projects and services.

"It's an interesting product and the clients like it," he says. "They think it is amazing, the coolest thing."

Embracing The Digital Age

Digital photo frames, which feature a LCD screen displaying images in a slideshow format, are exploding in the consumer market. Target, Macy's, Wal-Mart, Best Buy and other national retailers offer this product, as do specialty publications and catalogs.

In fact, more than 56 manufacturers offered

Fidelity Electronics new 7"
multimedia display digital frames
(www.fidelityelectronics.com)



digital photo frames at the 2007 Consumer Electronics Show, the world's largest consumer technology show. Some of the most notable electronic and photography companies—Kodak, Sony, Westinghouse, Philips and Polaroid—have entered this market.

Twice Magazine, a consumer electronics publication, reports that sales of digital photo frames experienced a "magnitudinal change" in 2006. Several vendors told the publication that digital photo frame companies reported three to four times the normal sales volume compared to 2005. In fact, more than 1.7 million digital photo frames were sold in the United States last year, according to research firm Parks Associates.

By 2010, the global market for digital photo frames will exceed 12 million units, according to Parks.

Digital photo frames have come a long way since the product's inception in the consumer market at the turn of the 21st century. Early models were met with tepid response as a result of problems ranging from poor LCD screen quality to high costs. Last year, however, proved to be the turning point for this product.

"First, the potential customer base—current and future digital camera users—has been steadily increasing over the past few years," says Charles Huang, director of business development for Digital Foci, a manufacturer of digital photo frames. "Put this together with improving LCD technologies and decreasing component prices, and you can begin to understand how all these factors combine to produce today's rapidly growing market."

Thanks to the advent of digital cameras, consumers are snapping tens of billions of photos yearly, thus creating the demand for frames, photo books, digital printers, photo restora-

tion, and yes, digital photo framers. Interest is particularly strong among generations X and Y.

In fact, the fastest growing segment of the U.S. photo market (which grossed a record \$11 billion in 2006) is custom photo products and services. Demand grew about 51 percent from \$461 million in 2005 to \$694 million in 2006. This data from the PMA 2007 industry report does not include emerging products such as digital photo frames.

"If framers don't start looking for other revenue streams, they may find that a portion of their business has gone to other technologies that has made the relevance or importance of framing less important," says Rob Markoff, CPF, owner of Gallery Services, and Artrageous!, an art and framing store with two locations in San Diego, Calif. "Selling digital photo frames is one way of capturing part of that market. Consumers have to buy them from someone. Why not from a progressive framer?"

Furthermore, advocates of digital photo framers say the product is a natural complement for a frameshop or gallery.

"A digital photo frame might eliminate the need for multiple frames because of the ability to project a series of images, but I would rather that a customer purchase one from a framer



eMotion's digital photo frames
(www.mediastreet.com)

Pandigital's 15" digital photo frame
(www.pandigital.net)



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than a big-box retailer," Markoff says. "As an industry, we need to let consumers know that they can get better frames from a custom framer and work toward framing these displays of all sizes."

Markoff led guided tours through the aisles of exhibitors at the PMA show earlier this year. During the tours, he pointed out products that custom framers can offer in their stores.

"A lot of (custom framers) are scared because it is un-



Westinghouse's 1411 digital picture frame
(www.westinghousedigital.com)

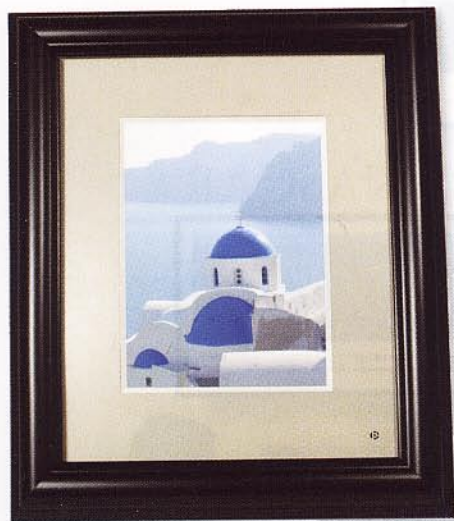


Sungale's 10.2" digital picture frame (www.sungale.com)

charted territory," Markoff says of adding photo-related products and services. "I can think of one framer who purchased a laser engraving machine for his business and has not looked back. He's doing all sorts of things he had not even thought of when he purchased the machine. I know of others who have added digital printing and output to their shops with great success.

"The digital age is here and now, and digital photo frames are on the cutting edge."

Digital photo frames generally range in price starting at \$70 at the low end to \$300 or more at the high end. Prices vary as a result of quality and features. Most high-resolu-



Digital Foci's Image Moments 8" digital photo frame (www.digitalfoci.com)

tion LCD screens range from 5" to 10" diagonally, but some companies are now offering screens as large as 15".

Most digital picture frames include internal storage memory ranging from 16MB to 256MB. Most handle JPEG images, videos and MP3 audio files. Although most digital frames are plugged into an outlet, some feature rechargeable batteries in lieu of a cord.

As screens of digital photo frames increase in size, it seems the capabilities follow suit. Other attractive capabilities include Bluetooth, Wi-Fi, remote controls, USB ports, memory cards, touch screen, clock/calendar options, and software to add captions, sound and special effects.

"People are starting to realize that a digital picture frame gives them so many more options to view and relive their digital memories," Huang says.

Making The Sale

Fred Horton, MCPF, purchased six

Fidelity digital photo frames from the PMA show for his store, Galerie Seven, which is located in the New Orleans suburb of Metairie. He started selling them this spring. The selling price for each frame is in the \$250 to \$275 range. Horton believes this is a good price for his clientele who usually come to his store to purchase originals and giclées.

"I feel the lower-cost ones will be at Wal-Mart and other discount places, so I wanted something nicer in terms of quality, size and features," Horton says. "You have to find that price point for anything you offer so customers see value in the price being charged."

The key to making a respectable profit on digital photo frames, Horton says, is offering custom framing to customers. Showing the value of a high-end moulding surrounding the LCD screen can make it a desirable item to hang on the walls.

The offering of digital photo frames also makes Horton stand out from fel-

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low framers in the immediate area. "No one else around here offers them," he says.

Many digital photo frame vendors offer their products at wholesale prices, making it more affordable for custom framers to purchase them and sell them at the appropriate markup, Markoff says. "Add-on sales such as customizable mats and frames can add to the

profitability," he says. "A really customized frame with a fabric mat, fillet and classy frame will also set the frame apart from the big-box store frames."

Many of the digital photo frame companies offer the ability to change the frame and permit custom framers to add a high-end moulding to it. Digital Foci, for example, offers a custom framing program where officials sup-

ply custom framers with its proprietary Adapter Ring, which allows custom framers to fit any frame design to the main body of any of its Image Moments digital frames.

"First, it helps them transition to and benefit from the shift to digital photos," Huang says. "Second, it helps them seed the market, so they can profit from an installed base of Image Moments users who will occasionally want to change their Image Moments frame design. A few of our custom framing customers have already started to take advantage of this program and have had very positive experiences."

Merchandising

Digital photo frames serve as ideal marketing tools inside the frameshop.

"All framers should have a digital frame on their front counter to be used as a 'brag book' showing what their shop is capable of," Markoff says. "In addition, a smaller frame can have a continuing slideshow of the shop owners or employees' family photos so the customer can see what the frame is capable of."

"Customers are much more likely to buy when they see the frames in action than by looking at a box. Additional information signage telling the features is also helpful."

Jim Everett, owner of Think 180, a Los Angeles-based consulting and media development company, gave a presentation on promoting business with digital images at the PMA show. He encourages custom framers to use this product, particularly large models, as a marketing tool inside their store.

"Use them as a slideshow of pictures showing your framed art in customer homes and commercial environments," says Everett, a photographer, educator and business consultant. "People want to see how the frames look in actual home settings. Ask your customers to send photos from their homes so you can show them at your store. Also, photograph all of your work before it goes out the door. This is an inexpensive way to market your business."

The biggest challenge for framers,

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Everett says, is learning how to prepare the digital images for display. He recommends training on shooting and loading images, cropping, straightening, adjusting lighting, color balance, etc. "It has to look good to show that you're a professional," he says. "Otherwise, it is not effective."

Horton says one of the digital photo frames in his store continually displays past work in a slideshow format in the store's front window. Also, he has the product running in his frontroom showcasing the same work. "I don't have to dig for the photo album to show people what I've done," says Horton, who can rotate different memory cards to change the rotation of projects on the screen.

John Raney II, CPF, GCF, owner of The Frame Workshop of Appleton (Wis.), uses digital photo frames to promote his business outside of the storefront. He purchased two digital 8"x 10"

photo frames in Ottawa, Canada, at the PMA show in October 2006 and uses one at the Outagamie County Airport. It is located on a full-sized island within the security area by the waiting area, which is near one of the busiest gates at the airport, Raney says.

The airport display is in a large Plexi display case visible on three sides. "It's perfect for framed art and 3-dimensional products like the gifts and collectibles that we sell," Raney says. The display is about 46" wide, 22" deep and 50" tall.

Currently, Raney's digital photo frame rotates images of the shop interior, including displays within the shop as well as staff working in various rolls. Heading into the holiday season, Raney plans to change the memory card to include images of various ornaments, nutcrackers and other Christmas collectibles.

"We're always getting new people

the same impact on the venue. Ours gives our window display more punch, not to mention the positive impact of state-of-the-art technology being used by a small retail firm."

However, Raney has not yet offered the product as an item to sell to customers. "It's simply not a good mix for us," he says. "We sell nice medium to high-end photo frames in our shop and online. Digital photo frames are currently too much of a mainstream item, and are showing up in too many large mass marketers. When items become available in too many places and get discounted frequently, I'm simply not interested."

The Future

Some industry experts believe digital photo frames will continue to flourish in the coming years.

"I think digital frames will become embedded in the market," Everett says.

"The digital age is here and now, and digital photo frames are on the cutting edge."

— Rob Markoff, CPF, owner of Gallery Services, and Artrageous!, an art and framing store with two locations in San Diego, Calif.

into our shop, which naturally is paramount in the survival of any business," Raney says. "I believe this display helps, as does our dedicated annual advertising budget. Digital photo frames are far less expensive than a full-blown custom-made video display created by a store fixtures company, but they have

"The ability to display 100 pictures in one frame as opposed to just one photo per frame is appealing. As the cost comes down and sizes go up, people will use them more. They will have a place."

Huang says, "Both the number of units sold as well as the number of companies selling digital picture frames will keep growing. As is common with technology products, at some point the number of brands will reach a saturation point and consolidation will start to occur. After consolidation, we'll see remaining brands having success with specific target customer segments."

Markoff suggests custom picture framers take time to research the right product for them. "There are more vendors each year," he says. "Framers who want to sell digital photo frames need to align themselves with a vendor who has some history, stability, and a good warranty policy." □