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Online digital photo space hots up

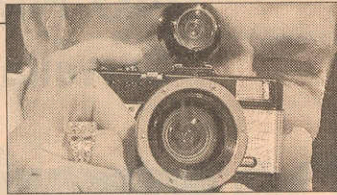
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BANGALORE

THE internet space in India is set to witness fresh action as newer players are entering the online digital photo market driven by growing number of digital cameras, mobile phones and rising broadband connections.

The photo printing market in India is largely in the unorganised space. The recent entrant in this space is ZoomIn, a start-up focused on providing digital photo services including storing, sharing and printing of images. Market reports also indicate that Hewlett-Packard (HP) will soon launch its online digital photo service — Snapfish — in India.

According to ZoomIn CEO Sunny Balijepalli there is strong growth potential for this segment in India provided one is able to provide premium quality of printing services and adequate privacy to users. For starters, ZoomIn's target segments will be the Indian metros and non-resident Indians (NRIs) in the US.

The demand for online digital photo service is primarily fuelled by the growing number of digital camera sales as, typically, every user of this product has access to internet. According



SAY CHEESE

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to Gartner, the market size of digital camera in India was \$110 million in 2006 and is expected to grow 20-22% CAGR through 2011.

However, it is not just digital cameras which are fuelling this demand, but also mobile phones with cameras. Gartner says the number of mobile users in India will be more than double in the next five years, growing from 185 million to 462 million in 2011.

These online ventures derive their revenues from the printing services they provide. For example, an user can order printed photos completely online and these are delivered through courier services. In case of ZoomIn, its printing facility is located in Mumbai.

Mr Alok Bharadwaj, VP, Canon India, said the online digital photo segment will be another enabler towards the printing of images. The overall photo printing market is divided into four segments — commercial, tourist, home and online services.

ZoomIn is looking at expanding into UK and Canada where there is significant NRI population. Despite the presence of other players like Snapfish, flickr and social networking sites in this space, Mr Balijepalli said the company would be able to carve a niche for itself as it is purely focused on the Indian market and will enter into tie-ups with other players to broaden the scope of its offering.

Mr Bharadwaj said that the success of online ventures will depend on the price advantage provided for their users. However, industry observers see reasons to worry in people taking more photos than they are actually printing.

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