

Actionable Industry Insight and Intelligence

MULTICLIENT PROSPECTUS



EASTERN EUROPEAN DIGITAL PHOTO PRINTING MARKET STUDY:

The Second in a Series of Emerging Market Studies Focusing on Digital Cameras and Digital Photo Printing

As the digital still camera market becomes saturated in North America, Western Europe, Japan, and other developed regions, it is becoming increasingly important for digital camera makers to explore and expand their businesses into emerging markets, such as Eastern Europe, Latin America, and India. However, research covering the digital photo markets in these regions is scarce.

Vendors seek answers to questions such as:

- ▶ How large is the market for digital photo printing, now and in the near future, in these emerging markets?
- ▶ To what extent do product offerings, marketing efforts, and distribution channels need to be tailored to each country market?
- ▶ What demographic, psychographic, and technographic factors distinguish users who print photos at home, online, or at retail within each market?
- ▶ Will the rapid adoption of camera phones in emerging markets impact digital photo printing trends in ways that are fundamentally different than in more advanced regions?
- ▶ How much do cultural issues impact the prospective market for digital photo printing products and services in these emerging regions?
- ▶ What strategies might increase demand for digital photo prints and related services?

To address these types of questions and to help companies make informed decisions regarding product development and market expansion plans in emerging markets, Lyra Research is developing a series of multiclient studies that provide an unbiased view of the digital photography market opportunities in these rapidly growing economies. This study will cover digital photo printing adoption and usage trends in Eastern Europe. Four major countries in Eastern Europe—the Czech Republic, Hungary, Poland, and Russia—are selected for this study to explore the best market opportunities in the region.



Study Contents and Deliverables

The study includes the following four major components:

1. *Demographic data*—Review of basic country demographics, including population, number of households, income, and purchasing power, to help put the country into economic perspective.
2. *Primary research study* —Primary research survey of digital photo printing behaviors among existing digital camera users in the four selected countries in the region.
3. *State of the digital photo market*—Review and analysis of the digital photo printing market and digital photo industry at large within the target countries.
4. *Market forecasts*—Major country and regional quantitative forecasts of digital photo prints.

The first three components will be delivered as Microsoft PowerPoint slide decks. From the survey component we will also make available a set of data cross-tabulations in Microsoft Excel format. The forecast component will be delivered as an Excel spreadsheet file. In addition, clients of this study can opt to have a Lyra senior analyst deliver an in-person presentation summarizing the findings of the study.

1. Demographic and Economic Information

Demographic data will be gathered from a variety of sources including the following:

- ▶ government agencies and institutions;
- ▶ national, regional, and global statistical organizations;
- ▶ private research findings; and
- ▶ surveys of local print and online media.

Types of demographic data collected will include the following:

- ▶ household income;
- ▶ household size;
- ▶ rate of economic development;
- ▶ relative cost of living;
- ▶ penetration rates of common technology products and services, such as televisions, mobile phones, home computers, and Internet access; and
- ▶ population and distribution.

2. Primary Research Study

The primary research study proposed is an integral part of Lyra's comprehensive approach, and it is designed to gain a deeper understanding of user behaviors and

the motivation behind these behaviors. The primary research portion of this multiclient study will address questions such as the following:

- ▶ How often do digital camera and camera phone users print their pictures?
- ▶ Who prints most?
- ▶ Where do people print their digital pictures, and what factors most influence people's decisions regarding where to print?
- ▶ How do print prices impact print volume?
- ▶ Do young people recognize the value of photo prints?
- ▶ How do camera phones impact digital photo printing in emerging markets?



Survey Objectives

The study's primary objectives are to determine camera and printer ownership, product preference, and size and growth potentials of the market and major players. The survey will be divided into two major sections. Section A will focus on digital photo printing, and Section B will be devoted to user demographic and technographic data.

Section A: Digital Photo Printing will cover the following:

- ▶ digital camera, digital SLR, camera phone, and film camera ownership;
- ▶ digital camera versus film camera usage;
- ▶ digital camera versus camera-phone usage;
- ▶ quantity of digital photos printed;
- ▶ print price sensitivity;
- ▶ print location preferences (home, retail, online);
- ▶ satisfaction with print quality, turnaround time, and prices;
- ▶ acceptability of camera phone resolution for photo prints;
- ▶ home photo printer ownership;
- ▶ interest in dedicated photo printers versus general-purpose printers;
- ▶ purchase of home photo printing supplies;
- ▶ experience and interest in photo books and gift items;
- ▶ reasons more photos are not printed; and
- ▶ alternative methods of sharing photos.

Section B: Demographic and Technographic Data will include data that is cross-tabulated with findings regarding digital photo printing from Section A:

- ▶ annual household income;
- ▶ education attainment;
- ▶ age;
- ▶ gender;
- ▶ children at home;
- ▶ occupation of head of household;



- ▶ urban versus suburban versus rural residence;
- ▶ years of using film and digital cameras; and
- ▶ ownership of other consumer technology products.

Survey Methodology

The survey questionnaire for this study will be developed in consultation with the charter study subscribers. It will take the unique advantage of a Web survey instrument and use images embedded in the questionnaire to clarify concepts when necessary. The questionnaire will be presented to respondents through the Internet in their respective native languages. Survey samples will include a large online sample of digital camera users in each selected country to understand the existing state of the market and to help arrive at estimates of the future market size and growth potential of digital photo printing hardware and related products.

The sample size will be 800 digital camera users (at least 300 of whom own a home photo printer) in each of the four countries—the Czech Republic, Hungary, Poland, and Russia—for a total of 3,200 respondents. Results from this sample have a margin of error of ± 1.5 percent, a very high level of confidence for us to understand current market conditions and their future potential. Such a sample size also allows Lyra and project subscribers to study the market by different regions, household income, and other demographics of interest with a high level of confidence.

Survey deliverables include the following:

- ▶ report in PowerPoint format with detailed findings addressing the objectives of the survey for the entire market, and for individual countries; and
- ▶ cross-tabulations with up to 24 banner points, such as age, country, household income, and ownership of home printer.

3. State of the Digital Photo Market

In this portion of the study, Lyra will provide comprehensive analysis of current and future trends for digital photography in the target emerging market, including our assessment of the following:

- ▶ leading home printer brands;
- ▶ key online and retail photofinishing services;
- ▶ market dynamics and trajectory;
- ▶ unique market hurdles;
- ▶ recommended market strategies; and
- ▶ relative prioritization of the major countries within the region.

In this section, we bring together our knowledge and insights into the region, with findings from our primary and secondary research, to provide fundamental understanding of the state of the digital photo industry in the emerging market.

4. Market Forecast

As a final culmination of our market study, we will provide forecasts, including three years of historical data and five-year forward projections in these geographical regions:

- ▶ Czech Republic;
- ▶ Hungary;
- ▶ Poland;
- ▶ Russia; and
- ▶ the rest of the Eastern European region.

For each geographical region, the forecast will contain digital photo capture and printing projections for the following:

- ▶ digital photos captured and saved;
- ▶ digital photos printed;
- ▶ prints by channel;
- ▶ prints by size; and
- ▶ print revenue.



Project Schedule

Lyra Research will draft a proposed survey questionnaire and ask charter subscribers to submit comments and additional questions for consideration in order to provide subscribers with an opportunity to give their input on the survey instrument. Approximately one month after the survey goes to field, Lyra Research will deliver an executive summary with key survey findings to the subscribers. Approximately one month later, Lyra Research will deliver survey reports and tabulation results to the clients. Below is the schedule in more detail:

Study begins	October 1, 2008
Client comments solicited and complete	October 15, 2008
Survey to field	October 31, 2008
Delivery of executive summary	December 15, 2008
Delivery of final report and tabulation tables	January 30, 2009

Please note that the above schedule is dependent upon Lyra gathering the required number of subscribers by September 15, 2008. In the unlikely event that we have an insufficient number of subscribers by the target date, the study may be postponed or cancelled.

Project Fees

By offering this report as a multient project, Lyra Research is able to conduct the study at a significantly lower rate for each subscriber than if we were to undertake the study for an individual client only.

Sign up by September 15, 2008:	\$32,500
Sign up after September, 2008:	\$39,000

For subscribers who wish to analyze the survey data in additional ways, Lyra offers a customized cut of the data at a cost of \$2,000 for up to 14 additional banner points.



An optional in-person presentation of the survey findings and Lyra analysis is available at a cost of \$2,000 plus actual travel (airfare, hotel, ground transportation) expenses. This presentation will be scheduled at a mutually convenient time following completion of the study.

Payment Terms

One-half of the total subscriber fee will be billed upon commencement of the study. The remaining half will be billed with delivery of the final report.

Study Team

The research team assembled for this study includes experts in primary research methods and analysis and industry experts with a deep understanding of worldwide imaging market and product trends.

Steve Hoffenberg

Mr. Hoffenberg is responsible for Lyra's market research in consumer digital imaging products and services and is the director and principal analyst for the *Consumer Imaging Intelligence* advisory service.

Mr. Hoffenberg has more than a decade of product-management and market research experience in the digital imaging industry. He was the product manager for digital cameras at Leaf Systems (now a division of Eastman Kodak), one of the pioneering companies of the digital camera industry in the early 1990s. He initially joined Lyra in 1996 as founding director of the *Digital Photography Advisory Service*. In 2000, Mr. Hoffenberg became director of product management at Sound Vision Inc., an engineering firm that designed low-cost digital cameras and TV-centric digital imaging and audio products. He rejoined Lyra in 2004 and led the company's research in the digital television market before returning to lead the *Consumer Imaging Intelligence* advisory service. Mr. Hoffenberg has a bachelor's degree in psychology from the University of Vermont and a master's degree with a concentration in electronic publishing from the Rochester Institute of Technology.

Nondisclosure and Confidentiality, Information Access

In the market research industry, confidentiality between client and vendor is the customary course. Lyra will not disclose to any party outside Lyra that subscribing companies and Lyra have engaged in any research project of any kind. Subscribing companies may quote from and attribute research data and market/industry tables and other findings from this project (not including specific research interview participant names, companies, or locations) to Lyra Research, Inc. as part of customary sales and reseller channel training and communications or other marketing requirements. Subscribing companies must, however, receive prior written approval from Lyra Research before placing any of the findings of this project, with specific attribution to Lyra, in the public domain as part of an advertisement, press release, or similar public relations effort. Lyra Research does not endorse the products or services of any individual hardware maker or service provider.

Charles LeCompte, President, Lyra Research

Charles LeCompte, president of Lyra Research, is Lyra's chief spokesperson and a frequent consultant to leading industry firms. He currently manages the development and direction of all Lyra's market advisory services. Mr. LeCompte founded Lyra Research in 1991 and is the publisher of Lyra's industry-leading newsletters, *The Hard Copy Observer* and *The Hard Copy Supplies Journal*. He served as managing editor of *The Hard Copy Observer* from 1991 through 2000. Mr. LeCompte is a respected strategic analyst, widely known for forecasting and modeling key industry trends. He has been a journalist, analyst, researcher, publisher, and commentator on high-technology consumer and business products, services, and markets since 1985.

Larry Jamieson, Director, Hard Copy Hardware Research, Lyra Research

Mr. Jamieson is director of Lyra's printer hardware program, the *Hard Copy Industry Advisory Service*, and directs ongoing development of Lyra forecasts and forecast models. Mr. Jamieson has more than 20 years of experience in the information-processing industry. Prior to joining Lyra, Mr. Jamieson was associate director of the Electronic Printer Service at BIS Strategic Decisions, where he was responsible for the personal computer printer segment. He has also held marketing, planning, and market research management positions with industry firms including Panasonic and NEC Information Systems. Mr. Jamieson has research experience with International Data Corporation in printers and storage products and distribution experience with Spear-Newman. He joined Lyra in 1995.

Jiqiang Rong, Director of Primary Research, Lyra Research

Jiqiang Rong is Lyra's director of primary research, responsible for planning and executing all advisory service and custom primary research projects. He is also the principal analyst for Lyra's *China Market Advisory Service*. Before joining Lyra, he was a project manager and statistician for two full-service market research companies—Market Perspectives and Technometrica. Prior to that, he served as project manager for a benchmarking study of nascent entrepreneurs at Babson College. He also has many years of experience as a research associate at Roper Center, the world's largest public opinion data archive. Mr. Rong's experience encompasses all phases of primary market research and advanced statistical analysis.

For More Information

All questions about this study may be sent by e-mail to stevehoffenberg@lyra.com.

About Lyra Research

Lyra Research, the digital imaging authority, collaborates with imaging industry decision makers worldwide, enabling clients to strengthen their market position and achieve profitable growth. Lyra's expert analysts and editors help clients devise and implement creative solutions to business challenges, arming them with competitive intelligence, strategic and tactical advice, news and analysis, and market forecasts.

Since 1991, Lyra's custom research and consulting, advisory services, award-winning journals, and innovative events have set the standard for analysis of imaging hardware, consumables, and digital photography markets.



Enrollment Form

I want to participate in the multiclient study, *The Second of a Series of Studies Focusing on Emerging Digital Camera and Digital Photo Printing Markets: The Eastern European Market*. My order is as follows:

- | | |
|---|-----------------------------------|
| <input type="checkbox"/> Charter subscriber (by September 15, 2008): | \$32,500 |
| <input type="checkbox"/> Subscriber (after September 15, 2008): | \$39,000 |
| <input type="checkbox"/> Optional survey tabulations of up to 14 additional custom banner points: | \$2,000 |
| <input type="checkbox"/> Optional in-person presentation by Lyra senior analyst: | \$2,000
(plus travel expenses) |

Name: _____

Signature: _____ Date: _____

Title: _____

Company: _____

Street address: _____

City, State, and zip code: _____

Telephone: _____ Fax: _____

E-mail address: _____

Fax completed enrollment form to 617-454-2601, or contact Lyra's sales staff at 617-454-2621.

*Note: Subscribers to both parts of this series will receive a discount.

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