

Help Feed 200 Million Hungry Mouths

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Even before the chaos of this past year that forced people everywhere to reassess their priorities and relationships, Faith Popcorn – president of BrainReserve – forecast two consumer trends that would reshape business opportunities for companies of all types: cocooning and clicking. The market trend guru described cocooning as the phenomena of people retreating from the corporate environs to their homes. Clicking is reshaping people’s lifestyles so they are more fulfilling and rewarding.

The best examples of these trends are the merging of two computer technology areas. The spectacular growth of DVD and personal video production are areas that should be of considerable interest – and profit – to photo specialty stores.

Video Growth Gets Personal

This year, the worldwide installed base of DVD players will reach nearly 200 million units; in two years, it will exceed 300 million units. Ernst & Young estimates that nearly 50 percent of U.S. homes will have DVD capability by the end of the year. In July, the DVD Entertainment Group (DEG) announced that the one-billionth DVD was shipped to retail since the format began shipping in 1997.

Just as consumers determined that the time was right to make their own custom audio CDs of their favorite music, they began exploring ways to go beyond Hollywood offerings and make their own custom videos. The uncertainties of the past year and the desire to hang onto their past moved millions of consumers to find ways of preserving and enhancing years of VHS memories that were hidden in closets.

While computer sales have been relatively flat, the bright spot in the industry has been the increase in the sale of “video-ready” systems – computers with high-speed processors, large memory capacity and CD, DVD or combination DVD/CD writers. While dealers continue to sell more analog cameras and camcorders, digital photographic and video systems increased more than 20 percent this past year, according to Jon Peddie Research and should grow nearly 40 percent this year.

More importantly for photo equipment retailers is the fact that because of the lower cost of the hardware and the introduction of high-performance, easy-to-use

and economic video production software digital video production has gone beyond the early adopters who buy every type of new technology. Products from all of the leading video production software firms have opened the technology to prospects that aren't philosophers or religious zealots but serious buyers.

Consultative Sales

The emerging market provides a unique opportunity for specialty and chain stores. These prospects don't prowl the aisles of technology outlets looking for components and subsystems to assemble themselves.

These people – and Peddie's research shows that the numbers are virtually equal between men and women – don't want islands of technology.

They want solutions.

They want assistance in bringing together the 150 million DVD players they will purchase this year, the 51 million cameras and camcorders, the 30 million CD and DVD writers, the production software and closets full of VHS "stuff."

They want to capture their memories. They want to be able to edit, author and write these moments onto long-life media. They want to play them back. They want family and friends to enjoy them. Most of all, they want positive reassurance that others enjoyed and appreciated seeing what they have done.

The Educated Consumer

Because of this ultimate goal, price – while a concern – is less important in the buying decision than results. They want – and are willing to pay for – knowledgeable assistance. Thanks to the growing coverage by the consumer press and access to information on the Internet, these people are savvy enough to know that the answers are out there. They also know that walking the seemingly endless aisles of the technology warehouses won't guarantee results.

They want to be spared the blank stares from clerks, exaggerations and outright lies as well as the complicated/expensive solution. The video-ready buyer isn't interested in being shown the high profit-margin products or the extended warranties. Today's consumer wants to talk to knowledgeable sales people. They want and expect personal service. They will pay for the consumer education that they receive.

Price is certainly the bottom line, but people today understand and appreciate quality of service.

The Truth Is Out There

In our enthusiasm to help people share their experiences, almost everyone in the industry has downplayed the work that an individual must do to get from capturing digital images and video to the roar of the appreciative crowd.

Fortunately, most consumers accept the fact that there will be some level of challenge.

They know that there are challenges and issues. What they want are answers.

Increasingly, they are turning to people who have experience in the processes, procedures and "tricks of the trade" to help them get off to a good start, rather than the warehouse sales person. Once they have had their first taste of success, they usually want to be somewhat self-reliant but with a safety net close at hand.

Users quickly move to own on-line communities. They go to specific user groups where they openly share ideas, issues, problems and solutions.

These rapidly growing communities are excellent examples of Ms. Popcorn's cocooning and clicking trends.

Digital cameras and camcorders have clearly become one of the most popular computer peripherals as consumers focus on preserving their past as well as capturing, playing and sharing special moments and events. Experienced and knowledgeable sales people will play a vital role in helping them begin to feed the millions of DVD players their families, friends and they own.

Each satisfied videography customer will want to share his or her enjoyment and experience, and we will all continue to grow ... profitably.

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