

**For Immediate Release
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Western European photo merchandise sector worth 545m euros by year end

The photo merchandise market, which includes photobooks, calendars and gifts, will continue to thrive according to a newly released industry report from Futuresource Consulting, which reveals 44% growth in retail value for Western Europe this year alone, growing the market value to 545m euros.

“Photobooks are driving the majority of this growth,” says Joanna Wright, Senior Market Analyst, Futuresource, “and accounted for 52% of the photo merchandise market value last year; by the end of 2008 we’re going to see this figure reach 57%. Looking further ahead, nearly 30m photobooks will be sold in Western Europe in 2012.

“Online is still the channel of choice for most consumers in this market,” continues Wright, “accounting for nearly 90% of orders across Western Europe. It makes sense that people are more inclined to create and order photobooks in the comfort of their homes, due to the amount of time involved in the creation process. And from a retailer’s perspective, there’s little appeal in consumers tying up in-store kiosks for relatively long periods of time, though there are a number of time-efficient solutions coming to market. Calendars and single image gifts require far less creation time and are therefore better suited to the retail environment.”

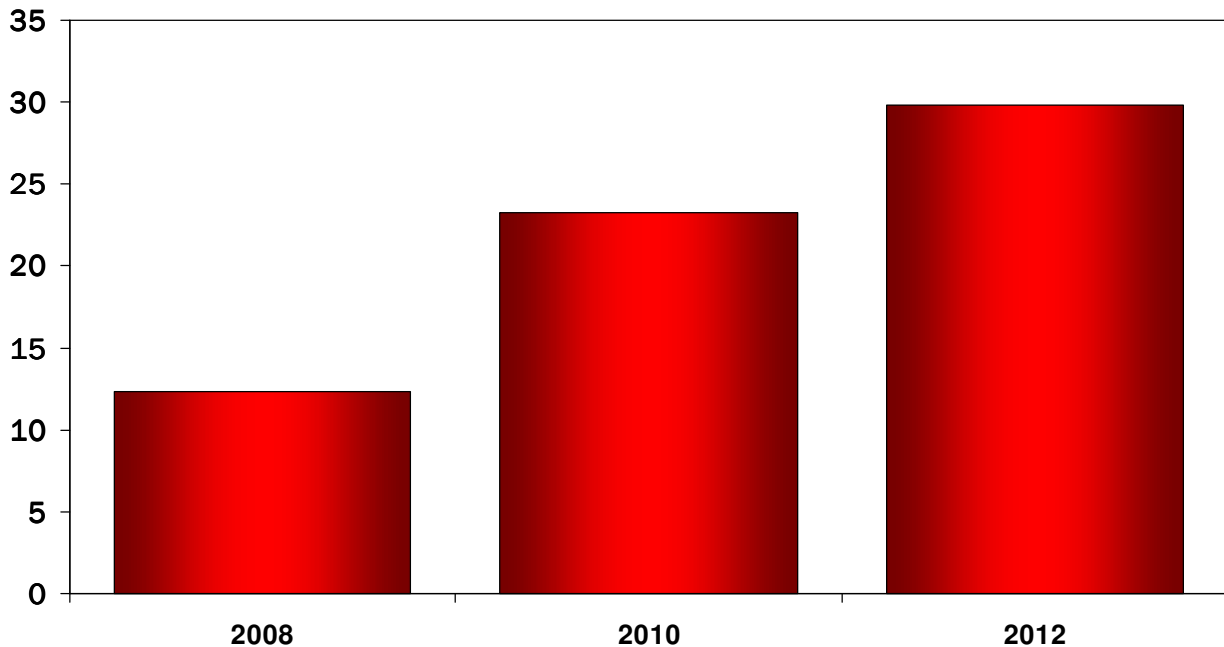
Demand for photo merchandise on the high street is starting to grow, with some retailers playing a key role in raising awareness via in-store marketing. In Spain, for example, Hoffman and Fotoprix both heavily promote their photobook offerings at point of sale. The rise of quick and cost-effective solutions for creating photobooks in store will start to drive retail volumes in Western Europe by 2012.

And while photobooks provide a continuous revenue stream throughout the year, the gift and calendar markets are extremely seasonal, with around 75% of volumes being moved in the Q4 period. Modest future growth is expected for the photo gift market, with mugs, mouse mats and canvas prints taking the top three spots in value terms.

“Overall, the photo merchandise market will be fuelled by falling prices and a growing availability of services at retail, which will also drive cannibalisation of the 6x4” photo print market,” concludes Wright.

Photobook Market Development: Western Europe

Volume (m units)



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