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Collegiate Case Competition

**Kodak Gallery:  
The Next Generation**

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# Kodak

## Executive Summary

In 1888, George Eastman put the first simple camera into the hand of everyday consumers with the slogan, “You press the button, we do the rest.” The entire photo capture, storage, and sharing process, which began with that first consumer-friendly camera, has been transformed by the onset of the digital age. Now, people only mildly familiar with technological products and Internet services can take hundreds of photos, upload them to photo-sharing and networking websites, and send picture files to friends and family. With a heritage built in the consumer photography world, the Eastman Kodak Company aims to remain on the leading edge of development in the digital photography space and provide consumers an online offering that anticipates and satisfies their specific needs.

In order to determine the best strategy for ensuring Kodak’s continued leadership in the market for online photo services, extensive primary and secondary research was performed and analyzed. It was found that Kodak Gallery’s current demographically-defined target market has left it unable to effectively communicate with any one particular segment. As an alternative approach, research explored consumers’ emotional drivers and benefits-sought, and to identify the most attractive target consumers as well as the best way to clearly differentiate Kodak from the multitude of competitive offerings. Research revealed that mothers, who serve as gatekeepers to other members of their families, respond very positively to the Kodak brand and consider photos an important conduit for staying connected and sharing special moments. After analyzing the competitive landscape and investigating consumer insights, the following strategic initiatives were designed:

- Reposition the website from an **individual to a relationship-based experience**, focusing on creating and maintaining connections between generations
- Translate the emotional experience and **benefits of traditional physical photo-sharing into the online space** by making Kodak Gallery a gathering place for sharing and reliving memories in an active way
- Redesign the website interface with a **focus on user-friendly applications** that streamline the process from upload to printing/gifting, as well as the sign-up process for the entire family
- Provide an outlet for all members of the family to **express their creativity, seamlessly integrating personalization and purchase opportunities** in the photo-sharing experience
- Emphasize the fit of the new offering with Kodak’s heritage by **leveraging the brand’s well-established emotional bond** with consumers

An Integrated Marketing Communications campaign was then developed to launch this new platform, increase awareness and trial, and drive a continuous stream of traffic to the updated website. The website itself was redesigned to foster user loyalty and drive revenue with enhanced product and service offerings and more personalized purchase suggestions, centered around creating and maintaining connections among families. This updated website, which will be renamed ourKodak.com, will be repositioned as the family’s virtual home—a place where all members of the family, regardless of geographic distance, can come together to share and relive each other’s special moments. By implementing these strategic and tactical recommendations, Kodak will be able to differentiate itself from competitors and ensure its longevity as a market leader amidst an environment of ever-changing technologies and consumer trends.

### I. Background: Kodak Gallery

Since its birth in 1888, the Eastman Kodak Company has shaped the way people across the world capture, store and share pictures. The company has established itself as the market leader in the photo services industry, helping its consumers eternalize their most cherished memories, or “Kodak Moments.” Kodak’s strong brand equity is synonymous with quality, trust, and reliability.

In its efforts to extend this leadership into the digital age, Kodak bought Ofoto in June 2001, now called Kodak Gallery. The online photo service offers users a variety of products and services, from photo prints and gifts to digital photograph archiving. The Gallery currently targets “Momfluentials”, busy women ages 25 to 54 with children under age 18.<sup>i</sup> While these consumers may be Internet-savvy and highly connected, they may not yet be aware of how to use their photos to foster personal expression and social connections.

*The site is currently an individualistic offering focused on the functional benefits of uploading, editing, printing, and gifting photographs.* However, ongoing technological advancements and consumer trends present Kodak with the opportunity to better serve consumers’ functional *and* emotional photo-service needs, as well as the chance to attract new users, ensuring its continued market leadership in this rapidly evolving industry.

## II. Secondary Research

Secondary research was performed in order to examine competitive offerings, industry context, and consumer trends. This was used to identify Kodak’s current positioning within the competitive landscape as well as potential market opportunities and threats. Please see **Appendix A** for a summary of the consumer, competitor, context, and company analysis for the photo-sharing industry.

### Online Competitors

**Snapfish:** Rather than specializing in any one service or offering, Snapfish attempts to offer products and features that cater to consumers’ every photo need. Emphasizing promotional offers and a large variety of product offerings, Snapfish’s wide array of services seem to indicate that it does not focus on any one consumer demographic, though its website design skews younger.

**Shutterfly:** Shutterfly is similar in offerings to Snapfish but its elegantly-designed website caters more to an older demographic. Its “Tell Your Story” tagline encourages consumers to join an online photo community, thus tapping into a user’s need to not only print and create, but also to connect with other users. They have nurtured this positioning by encouraging members to share content, tips, ideas, and creative photo solutions with the entire Shutterfly Community.

**Family Sites:** Family sites such as MyFamily.com, CelebrateOurRoots.com, and FamilyPost.com are exclusively dedicated to enabling families to create personalized websites for connecting with each other. Popular among older consumers, these private pages allow users to share photos, videos, stories, and events. No one site appears to dominate the market.

### Offline Competitors

**Scrapbooking Industry:** Scrapbooking is an extremely popular activity among a growing subset of consumers. Twenty-five million Americans currently scrapbook, of whom 98% are women and 63% are married with children<sup>ii</sup>. Scrapbookers are an attractive market of photo-enthusiasts who constantly seek new tools and products to use their pictures for creative self-expression, but these consumers have traditionally relied on craft stores as their primary resource and on physical, rather than digital, products and offerings.

**Retail Outlets:** Retail outlets such as Costco, Walgreens, Walmart, and CVS compete for share of consumer photo printing and gifting, both online and offline. While some of these retailers currently partner with Kodak for in-store pickup of Kodak Gallery orders and offer in-store Kodak printing kiosks, consumers who bring their cameras or CDs into the store also have the option to use the retailer’s own printing services for a lower price. Further, consumers who prefer online ordering can now upload directly to the retailer’s own website and order these competitively priced prints and gifts for in-store pickup or home delivery.

Please see **Appendix B** for a summary of online and offline competitors.

## Technological Landscape

The digital photography industry is currently undergoing a multitude of technological advances that could significantly alter the online photo service landscape. People increasingly rely on digital formats of picture displays, namely digital photo frames and mobile phones. The popularity of these products will likely rise as their digital storage capacity increases and as camera phones capture images with greater detail and resolution. Some sources claim consumers could soon have 10 megapixel cell phone cameras at their disposal.<sup>iii</sup> Additionally, various companies have developed unique technologies to organize, sort, and display photos on photo service sites. Other technological advances are increasing the attractiveness of substitutes for online photo services. Most notably, personal photo printers (Kodak's own photo printer being one) have become increasingly more sophisticated in print quality while maintaining competitive prices.

## Consumer Demographic Markets

In the sphere of online photo-site users, studies indicate that females are far more prevalent and far more likely to purchase photo products with their pictures than males.<sup>iv</sup> Females can be further segmented by stage of life, roughly corresponding to age. Each age group has different behavioral and demographic characteristics that must be explored when assessing market appeal.

**Tenns & College Students:** Teens and college students are the consumers most often associated with online and high-tech products. There are 25 million teenagers between the ages of 12 and 17 and 29 million college students between the ages of 18 and 24.<sup>v</sup> Teens and college students are actively engaged in social networking sites, specifically MySpace and Facebook, and their photo-sharing habits are highly integrated in these sites. Teens frequently upload and share pictures of themselves and their friends, but they often do not want to do anything more with their pictures.<sup>vi</sup> This generation of users is most likely to use the sites used by their friends, eventually becoming extremely loyal to those sites because of the size of the network they have created there and the time they have invested creating that network. They also look for technologically advanced sites that provide cutting-edge functionality compared to competitors.

**Mothers:** Mothers make up the current market segment for Kodak. This market is both sizable and influential. There are approximately 82.5 million mothers of all ages in the United States, according to the most recent US Census<sup>vii</sup>, and studies show that the family's matriarch influences 97% of household purchasing decisions.<sup>viii</sup> The top online activities among mothers have shifted from task-based activities (uploading photos, shopping, rating/reviewing products) to more relationship-based activities (reading blogs, sharing personal content, participating in online communities). The new "Gen Y" moms are increasingly interested in using technology as a tool for social connection. Many mothers currently use a variety of photo-sharing, scrapbooking, and family sites; however, there remain many mothers new to the market that are not loyal to any one site.

**Grandparents:** The modern grandparent is younger and more connected than ever. There are 70 million grandparents today, and by 2025 one in every four Americans will be a grandparent.<sup>ix</sup> Grandparents spend around \$50 billion annually on their grandchildren.<sup>x</sup> Half of grandparents spend ten or more hours per week online, and during this time 67% share photos.<sup>xi</sup> Grandparents are by and large active, online, and open to new media. They buy products and share photos online in much the same way that mothers do. Most importantly, grandparents generally interact with photos of their families, and they often base their product and service choice decisions on those made by their children. Thus, if a younger family member uses one particular site over another, a grandparent is likely to follow this preference.

### III. Situational Analysis

Secondary background research was also used to identify Kodak's strengths and weaknesses with respect to its online photo services as well as the opportunities and threats it faces as it works to grow share in this market. Please see **Appendix C** for a SWOT summary.

#### Strengths

**Brand Equity:** Through the years, Kodak has developed an extremely well-established and recognizable brand. In the consumer market, Kodak has become synonymous with photographic-print excellence, and Kodak has built and fostered emotional ties with many generations of photo hobbyists. By heavily branding the current site with the Kodak logo and upholding Kodak's promise of high quality products and services, Kodak Gallery is leveraging these emotional ties and positive associations.

**Industry Expertise:** Kodak is a leader across a variety of imaging industries, from consumer photography to health care to cinematography. Its vast experience with imaging devices, infrastructure, services, and media has instilled Kodak with a wealth of knowledge and expertise that can be leveraged as the company endeavors to remain on the leading edge of online photo service development.

**Existing Client Base:** As the most trafficked photo-sharing site,<sup>xii</sup> Kodak Gallery possesses a large existing consumer client base. These clients represent both a source of revenue into the future and a channel through which Kodak Gallery can leverage word-of-mouth recommendations to gain new users.

#### Weaknesses

**Weak Associations to the Digital World:** While Kodak has been associated with expertise in film photography, that perception of expertise has not carried over into the digital photography movement. Kodak Gallery has not yet been successfully utilized to reposition Kodak's image or reassert its relevance in the quickly changing digital age.

**Underdeveloped Website Interface:** Other photo-sharing sites currently offer superior, easier-to-use interfaces and services than Kodak Gallery, which discourages adoption of the Gallery as the top-of-mind website for storing, printing, and sharing photos.

**Unclear Targeting:** Kodak Gallery's offerings are not currently differentiated from those of its competitors and do not appear tailored for or effectively communicated to its current "Momfluential" target group. Although the site's primary users are women, this may be less a result of targeted marketing communications than of the general tendency for women to use these sites more frequently than men.

#### Opportunities

**Ability to Own Entire Photo Process:** Kodak has experience in not only photo-printing, but also digital cameras, printers, and photo software. This means that Kodak has the ability to own the entire photo process, from photo capture, upload, and editing to photo printing and gifting. By streamlining the upload, storage, and printing processes, Kodak Gallery can engage consumers at every step and simplify the entire photo process, increasing the value of using Kodak Gallery instead of other photo-sharing sites. Reaching the consumer at each of these touch-points also allows for more targeted marketing opportunities, garnering greater consumer attention and appeal.

**Increasing Geographical Separation of Families:** As advancements in transportation and telecommunication increase Americans' mobility, family members now find themselves more geographically separated from one another than ever before. With grandparents and parents living away from their children, there is an increasing need to ease the pain of physical distance by rekindling a sense of

emotional proximity. Technological advancements provide the opportunity to make it easier than ever to bridge this geographical divide by sharing digital photos.

**More Tech-Savvy Mothers & Grandparents:** As Generation Y and Baby Boomer women become mothers and grandmothers, there is an increasing number of older consumers online. These consumers are more tech savvy than their predecessors, commonly look to the Internet to complete daily tasks, and have a high willingness to try new sites. However, they sometimes need guidance to adopt new technology. Kodak can leverage the strong bond it has with these older consumers, who associate Kodak with trust and quality, to welcome them onto Kodak Gallery and increase their comfort with the technologies of today's online photo services.

**Underserved Grandparents:** Traditionally ignored by online services due to their lesser familiarity with and use of the Internet, Grandparents are not currently targeted by any online photo services, nor are any of these websites tailored to their wants and needs. Kodak can leverage this group's increased comfort with technology and strong desire to be a part of their children's and grandchildren's lives to reach this attractive but currently untapped market.

## Threats

**Rapidly Changing Technological Environment:** The technological environment is changing ever more rapidly. If Kodak does not keep pace with new trends and technologies accompanying the advent and rise of digital photography, the brand risks losing market share among consumers who may come to view Kodak as an outdated brand incapable of serving the modern consumer's digital photo needs.

**Increased Competition:** Competitors to the Kodak Gallery include not only direct-competitor photo-sharing websites (such as SnapFish or Shutterfly) but also sites that have traditionally targeted more professional photographers but are increasingly reaching into broader consumer segments (such as Flickr), as well as more niche sites that offer consumers other customizable photo-product options (such as CafePress.com.) These sites compete on product and service offerings, personalization options, and pricing, increasing the clutter consumers see in the online space and competing for both attention and revenue.

**Popularity of Social Networks:** The use of online social networks has exploded, and an overwhelming majority of younger consumers participate in one or more of these social networking sites, which include Facebook and MySpace. These sites allow consumers to share photos, competing with more traditional photo-centered sites like Kodak Gallery. Due to users' familiarity with these sites, the substantial personal interest they already have invested, and the immense network sizes, it will be difficult to draw these entrenched consumers away from social networks and persuade them to use a separate service for their photo needs.

## IV. Primary Research

To further explore consumer perceptions of the Kodak brand and current attitudes and behaviors with respect to online photo services, extensive qualitative and quantitative research was conducted. Focus groups highlighted key consumer insights, which were supported by the quantitative survey results.

### Focus Groups

Four focus groups were conducted among photo-takers of different generations: one group with 12 teenagers and young adults, two groups of 4 moms each, and one group with 3 grandparents. These focus groups were designed to better understand consumers' photo habits and to determine points of focus for the subsequent survey. Questions were formulated to be non-leading and open-ended, and explored the entire photo process, from capture, upload, and share to storage, print, and use.

## Survey Design and Analysis

In order to gain deeper insight into the different groups' behaviors and attitudes, a survey was distributed from October 20<sup>th</sup> to November 10<sup>th</sup>, 2008. Sample survey questions can be seen in **Appendix D**. As a consequence of secondary and qualitative primary research, which suggested teens were a less attractive target, the survey was distributed primarily to older consumers. The survey drew 560 responses, ensuring both explanatory power and statistical significance. 73% of the respondents were females between the ages of 35-55, 85% of which indicated that they had children.

Survey questions explored the following areas:

- Family Interactions: How often does the respondent see her family, how do they keep in touch
- Photo Capture: Method of taking pictures, number of pictures taken, subjects of pictures
- Photo Storage and Sharing: Method of storage and photo-sharing, usage of online sharing sites
- Photo Printing: Method of printing, percentage of photos printed, product creations
- Photo Websites: Website attribute rating, competitor analysis

The survey was designed with choice-based questions and Likert scales to allow respondents to rank the attributes most critical in choosing a photo website. Consumers were also asked to rate the competitive set on a full list of attributes such as ease of sharing and print quality. From this information, an attribute-based perceptual map on various photo websites was built in order to analyze the competitive landscape. Factor analysis was conducted to reduce the matrix of variables into a smaller set of underlying constructs, with minimal sacrifice of the information contained in the matrix. Factor scores were then used to develop a 2-D perceptual map. Please reference **Appendices E - G** for survey highlights, charts, perceptual mapping, and methodology. Survey data was also used to segment consumers into meaningful target markets, which will be discussed in detail in the *Segmentation, Targeting, and Positioning* section.

## Key Takeaways from Primary Research (Focus Group and Survey)

### Teens

- Teens almost exclusively use Facebook or e-mail to share photos with friends and family and consider the site essential for their social networking activities. They value Facebook's enablement of photo tagging, quick uploads, and easy communication.
- Most participants do not foresee themselves transitioning from Facebook to some other online photo service until after they have graduated from college.
- They only print photos when given a specific reason to do so, such as a family member's request.
- Teenagers almost unanimously perceive Kodak as outdated in a digital age but associate the brand with high quality and nostalgia.

### Moms

- Many report taking pictures as often as possible, keeping cameras in their purses and briefcases so they always have one with them.
- They take pictures primarily to save and share memories with others, and many feel taking pictures of their children is crucial for being a good mother. As one mom commented, "Pictures tell the story of [her] life and [her] children's lives."
- Moms store their digital pictures primarily on their computer or on CDs, rather than through online photo-storing sites because online storage has simply "never occurred to [them.]"
- Moms share photos primarily by emailing the files directly or through an online service. Those using online services do not express strong loyalty toward any one site. Most say they discovered the



sites they use through personal recommendations or receiving invitations to view shared pictures from those already on the site, strongly indicating the importance of word-of-mouth referrals.

- They share their photos predominantly with family members, especially their parents, and the majority of pictures shared with them come from other family members.
- Many participants feel they lack the time to put their photos into albums and wish they had more time for photo-centered activities like scrapbooking. These moms appreciate digital resources that facilitate easier product creation.
- Moms love both receiving and giving photo gifts as “meaningful keepsakes.” Gifts given included digital frames, t-shirts, calendars, mugs, photo-albums, and scrapbooks. They gave these gifts primarily to their parents and to the parents of their children’s friends.
- Participants greatly miss the physical experience of holding, viewing, and sharing photographs, which has been lost in the digital age. They long for a return to the photograph being something special, not just one of hundreds of computer files.
- Moms associate the Kodak brand with reliability, quality, stability, tradition, and longevity but note that “Kodak has lost relevance in [their] digital photo [lives.]”
- Consider ease of use and product variety and versatility the most important characteristics for an online photo service.

### Grandparents

- Grandparents mostly take pictures of their grandkids, especially on special occasions. These special events are particularly important photo opportunities for those who live farther away from their families.
- Some use online photo services, and most participants who use these services use Kodak Gallery. Most say their children introduced them to the site they use.
- Their children either share pictures via email, an online service, or a CD or flash drive.
- Participants prefer having prints in-hand as opposed to on a CD or on their computers, as they find physical prints more enjoyable to look at and easier to share with friends.
- They believe photo gifts are a great way to stay connected with children who live far away.
- Grandparents associate Kodak with tradition. Kodak was the brand of their childhood and is still the first brand that comes to mind when they think of pictures.

## V. Choosing a Demographic

Based on the behavioral and demographic characteristics that have been previously examined, we can more confidently rank the different consumer markets (teens, mothers, and grandparents) based on attractiveness for Kodak Gallery.

It can be seen from the secondary and primary research conducted that the most attractive market is Mothers. Research reveals that these consumers do not currently have an allegiance to any particular online photo service. Their use of photos to create products, in addition to their underserved desire to use digital pictures to reconnect with family, make mothers a very attractive target. The appeal of this market will only continue to rise, as younger moms are increasingly likely to use the Internet for sharing and staying connected. Additionally, due to the influence that mothers have on their children and grandparents as well as on household purchase decisions, these consumers serve as the central point of an informal family network and can act as gatekeepers to multiple generations within the family. Thus, introducing an online product to a mother will also introduce the product to her family.

The second most attractive market is Grandparents, who tend to have lots of disposable income and are inclined to spend this money on their family and family-related products and services.

Teens and college students are not selected as a target market for several reasons. First, the market for photo-sharing and social networking services for this demographic is highly oversaturated. Second, as

previously described, there is an adoption and usage cycle for these types of sites that has resulted in strong user loyalty and will greatly inhibit Kodak's ability to penetrate the teen market. In addition, the Kodak brand is incompatible with what this market is looking for in an online web service. Younger consumers associate the Kodak brand with "memories" and "tradition", while they seek brands associated with "new", "hip", and "cutting-edge" for technological products and services. If Kodak were to attempt to rebrand in this direction, it would risk alienating its core adult consumers. Finally, survey data indicates that teens very infrequently print their digital photos or order other photo products, making them less likely to drive revenue. Thus, the teen segment is rendered a non-optimal target demographic.

It should be noted that the most attractive demographic segment aligns with Kodak's current target market of the "Momfluential". However, since the Momfluential is primarily defined in terms of demographics (age 25-54, with children under 18, and household income over \$75,000)<sup>xiii</sup>, the current target market has a wide array of needs, wants, and behaviors, all of which the current Kodak Gallery cannot satisfy. Therefore, the newly proposed target market will be segmented by benefits-sought rather than demographics. This will enable Kodak to better serve the most profitable and attractive these mom-segments with a more direct and targeted strategy. This will differentiate Kodak Gallery from other offerings and keep the site more top of mind in comparison to other competitors. In essence, it is better to be everything to someone than to attempt to be something to everyone, which ultimately dilutes the product's offerings across a wide spectrum of wants and needs.

## **VI. Consumer Segmentation, Targeting, & Positioning**

### **Segmentation and Targeting**

Mothers exert great influence over family decisions and research reveals that these consumers do not currently feel an emotional loyalty to any one online photo site, making them an extremely attractive target demographic. In order to attract these consumers and cultivate their loyalty to Kodak Gallery over other competitive offerings, it is crucial to understand how to best satisfy the modern mother's particular needs and desires.

Thus, photo-taking moms were bucketed according to commonalities in both functional and emotional benefits sought from an online photo service. Benefits considered included print quality, storage capacity, security, connection with friends and family, sense of community, creative expression, product and gift variety, low pricing, convenience of print delivery or pick-up, and personalization.

Four distinct segments were identified based on different benefits sought and were supported by quantitative and qualitative primary research. Using factor scores resulting from the survey's perceptual mapping, cluster analysis was performed to determine natural segmentation. A k-means analysis was run with the number of natural segments in mind to determine specific descriptive qualities of each segment, and significance tests illustrated major trends across segments. Two of these segments were prioritized as segments of interest based on their size, profitability, and fit with Kodak's heritage and strengths. See **Appendix H** for a summary of the segmentation process and segment characteristics

#### **Primary Target Segment: Connector Connie**

Connector Connie values keeping close connections with both friends and family, and she fears that geographical distance or lack of free time will cause her to miss the special moments in the lives of her family members. She is interested in how technology can help close the geographical gap and enable her to stay emotionally connected to her family. Connector Connie would therefore value a website that helps her maintain and nurture important relationships in a time-efficient manner.

Photographs have traditionally been the way in which Connector Connie relives important moments and experiences with her family, and the act of sharing these memories strengthens her family bonds.

Connector Connie currently shares her pictures by emailing digital files, mailing prints, or making physical albums to share with her family when they get together.

Connector Connie represents the most sizable segment within the chosen market, and is additionally attractive due to her high level of Internet usage and her familiarity with photo-sharing services. Because her needs are not currently being met by any given site, and because Kodak has the tools, experience, and brand image needed to target this segment in a unique way, Connector Connie is the primary target segment for the Kodak Gallery.

### **Secondary Target Segment: Creative Kate**

Creative Kate is the mom who uses her photos as an outlet for creative expression. She not only orders photo products as gifts for other people, but she also loves to keep these products as keepsakes for herself. Because Creative Kate values meaningful and personalized gifts, she invests a lot of time in photo-sharing and photo-gifting sites. She sees photos as a creative hobby, so she is more likely than other consumers to engage in physical arts and crafts such as scrapbooking, collaging, and decorating.

Creative Kate's interest in creating products makes her a very profitable consumer and she has therefore been chosen as the secondary target segment. The challenge for Kodak is to make this segment aware of the digital options that cater to their creative needs.

### **Non-Priority Segment: Community Carol**

Community Carol loves to communicate with people who share her interests—people who are not necessarily part of her family. She actively reads blogs and frequently visits the message boards of community-oriented photo sites in order to give and receive tips about her photos and to find inspiration for new ways to utilize her photos. Community Carol loves to show off her pictures to friends, family, and even strangers, and she values being able to receive and give feedback. Although Community Carol is the second largest segment, she is already being well serviced by sites such as ivillage.com, Facebook, and direct competitor Shutterfly. Because she is satisfied with her current options, Community Carol is not a priority segment for Kodak Gallery.

### **Non-Priority Segment: Safeguard Susan**

Safeguard Susan's primary benefit sought is secure storage, as she is driven by the fear of losing her photos. She believes that memories are treasures and tends to feel that her photos are safest when printed and stored in boxes or when copied to CDs. Although she may occasionally take her pictures out of storage for viewing, she places greater value on knowing her photos are safely stored for her children to enjoy when older than on reliving these memories herself. Because Safeguard Susan is not prone to buying photo products, the primary way to monetize this segment would be to encourage her to store her photos online and charge a storage fee. However, because there are other free options for photo storage in the market, this upfront cost would likely deter users from choosing the service. Safeguard Susan is therefore a non-priority segment.

## **Positioning Statement**

The positioning of Kodak Gallery must appeal to *both* the primary target market of Connector moms and the secondary target of Creative moms, with an emphasis on creating connections and family bonds. Thus, the new positioning of the site will be:

*For moms who need to feel that both their immediate and extended families are connected at all times and across all places, Kodak Gallery will be the family's virtual home, facilitating a more creative way to share and relive their special moments. Unlike other photo sharing and family site services, Kodak Gallery can leverage its trusted brand heritage in order to nurture emotional bonds across multiple generations.*

## VII. Strategy

The Kodak Gallery must target the attractive segments of Connector and Creative Moms, while simultaneously maintaining share amongst its current users. The site should also be utilized to drive revenue and reestablish Kodak's relevance in the digital age, thus growing share in the online photo industry going forward. Therefore, the proposed site and accompanying Integrated Marketing Communications plan will serve to position Kodak Gallery as the family's virtual home by:

- Repositioning the website from an **individual to a relationship-based experience**, focusing on creating and maintaining connections between generations
- Translating the emotional experience and **benefits of traditional physical photo-sharing into the online space** by making Kodak Gallery a gathering place for sharing and reliving memories in an interactive way
- Redesigning the website interface with a **focus on user-friendly applications** that streamline the process from upload to printing/gifting, as well as the sign-up process for the entire family
- Providing an outlet for all members of the family to **express their creativity, seamlessly integrating personalization and purchase opportunities** into the photo-sharing experience
- Emphasizing the fit of the new offering with Kodak's heritage by **leveraging the brand's well-established emotional bond** with consumers

### Key Strategic Points

#### Creating a Relationship-Based Experience by Cultivating Connections

Connector Moms act as the gatekeeper through whom Kodak will be able to reach both upward and downward to multiple generations within the family. The Connector Mom will often introduce new technologies to her parents that she herself finds valuable (reaching upward.) She also provides cues to her children about what brands they can aspire toward using when they become older (reaching downward.) Thus, it is extremely important to effectively target the Connector Mom based on her needs and wants in order to reach the profitable market of grandparents, as well as to ensure Kodak's presence in the future by maintaining relevance among younger consumers.

Primary research indicates that Connector Moms wish to maintain strong relationships with family members despite constraints of time and geography. Thus, by repositioning Kodak Gallery from an individualistic, functionality-based service to a relationship-oriented experience whose *primary focus is on connecting families*, the Connector Mom will gain the emotional benefit of stronger relationships with her family, as well as the functional benefits she expects from an online photo service, such as photo-printing and gifting. Kodak Gallery will therefore be the place where the Connector Mom can bring together multiple generations across time and space, and pictures will be the conduit for communication. It is also important to note that by shifting the focus of the website to relationships, Kodak is now placing itself in competition with the smaller and less dominant family websites, against which it has the advantages of strong brand equity and expertise. Although the site will still compete against sites like Snapfish, the site can now differentiate itself against both these large competitors and the smaller family-site competitors by integrating photo-services and relationship-building.

#### Translating Benefits of Physical Photo-Sharing into the Online Space

Primary research indicates that photographs are not only a way to safeguard memories, but are ultimately the conduit through which families share and relive memories, creating stronger interpersonal relationships. However, with the rise of digital photography and new storage methods for digital photos (such as computers and CDs), the role of photos as a tool to bond with others has been deemphasized. In order to revitalize the link between photos and family relationships, Kodak Gallery must translate the emotional and functional benefits of physical photo-sharing into the online space. By creating an online

space where photos can be actively shared among and creatively utilized by family members, users will project the emotions they traditionally have felt with physical photo-sharing onto Kodak Gallery. This focus on emotions rather than functions will greatly differentiate the Gallery from current key competitors.

### **Streamlining the Process through User-Friendly Applications**

Survey data importantly noted that people place high value on an easy-to-use interface. The redesigned website must therefore streamline the entire photo-sharing process through applications that save the user time and provide an easy way to utilize photographs. The website must both supplement and complement the user's current photo-sharing behavior, in order to attract dissatisfied customers of other services and foster loyalty among users. Additionally, the sign-up process must be streamlined so Connector Moms can easily welcome her family members into the Kodak Gallery experience.

### **Fostering Creativity with Seamlessly Integrated Purchase Opportunities**

In order to most effectively monetize the Kodak Gallery, opportunities to print photos and purchase products must enhance the photo experience and work to bolster relationships between family members. By seamlessly integrating purchase opportunities throughout the site and providing more tailored suggestions, users will be reminded at each stage of the photo-sharing process of the many ways in which they can use their photos to express their creativity and connect with their family members.

### **Leveraging the Kodak Brand**

Focus group research shows that consumers have extremely strong emotional ties to the Kodak brand. Thus, in order to differentiate Kodak Gallery from other photo-sharing and family sites, Kodak must emphasize the fit of the new positioning with their brand heritage. By leveraging the Kodak brand throughout the website as well as in all communications, the company will be able to entrench the Kodak brand as both relevant for today's consumers and aspirational for future generations of consumers, ensuring that Kodak will always have a loyal consumer base.

## **VIII. Integrated Marketing Communications Plan**

These five strategic points will first be implemented with a repositioning and redesign of the website, followed by the execution of the accompanying Integrated Marketing Communications (IMC) Plan.

### **Website Fundamentals**

#### **Repositioning the Site**

Although Kodak Gallery's slogan is "Connect, Create, and Get Inspired", its current design places the consumer's focus only on "Create", namely ordering products and prints. When a new user visits the website, the home page is heavily dominated by current product promotions or other product placements. However, in order to target Connector Connie effectively, the primary goal of the website must be to connect families through the active sharing and utilization of photographs. Once she and her family become users, cleverly integrated product call-outs will induce product purchases.

#### **Renaming the Site to ourKodak.com**

In order to communicate the repositioning of the site, a name change is needed. The word "Gallery" brings to mind ideas of storage, emotional distance, and the passive viewing of photos, which directly opposes the new positioning's emphasis on the collective, relationship-based nature of the photo experience. Thus, the proposed new website name is [www.ourKodak.com](http://www.ourKodak.com).

Kodak's brand name will be leveraged to give legitimacy to the site and maintain strong associations with photographs. This will also help to minimize confusion during the transition to the repositioned site. In order to emphasize relationships and connections, the word "our" will now precede Kodak. This transforms

Kodak from just a brand to an ownable virtual gathering place for the consumer. Kodak can now be a shared experience for the entire family, positioning the site as the family's virtual home.

### Tagline – “Welcome Home”

In order to further emphasize the idea that ourKodak.com can be the Connector Mom's virtual home, the tagline “Welcome Home” will be prominently displayed on the website, as well as throughout the IMC. It is also a subtle call-out to new users, welcoming them back to the brand that made photographs about more than just ink and paper — but about keeping memories for future generations.

### Networked Accounts

All other photo-sharing sites currently employ individual accounts where each user has a personalized webpage. ourKodak, with its focus on family connections, will have accounts that allow each individual user's webpage to interact within a network (in this case, a family.) Network accounts will be linked together so that changes in a user's profile (such as the addition of an album) can be transmitted to and easily accessed by everyone else in her network. Thus, while each user will still see her own personalized webpage at sign-in, she will be able to interact and communicate easily with other users in her network, and vice-versa.

It should be noted that users will be able to create multiple networks within the site. The definition of “family” is less rigid than it once was, and the individuals that people consider as part of their family can be very broad and varied. A user can therefore create multiple “families” on ourKodak to accommodate networks such as her husband's side of the family or her close friends.

### Updated Layout and Design

#### New Users Sign-Up Page

In order for the Connector Mom to gain value from the site, her extended family must also be users of the site. The New Users Sign-Up Page must therefore be designed to first bring in the Connector Mom and then enable and encourage her to bring in her entire family as well. A mockup is presented in **Appendix I**.

**Introduction Videos:** The front page will have short tutorial videos demonstrating how to best take advantage of the features of the newly redesigned site. There will be two main videos, one that is targeted toward the Connector Mom, highlighting the features that help families communicate, and one that is aimed at the Creative Mom, showing her the new tools and products that support her creative self-expression.

**Streamlined Sign-up Process:** During sign-up, the original user—the Connector Mom—will be able to enter the email addresses of those she wishes to join her network. These individuals will receive emails allowing them to accept her invitation and create an account that will automatically be linked to that network.

#### Home Page

The home page will be the user's personalized page and will aggregate new updates or promotional offerings from across the site. A mockup is presented in **Appendix I**.

**Bulletin Board:** The bulletin board feature notifies a user when members from any of her networks upload new albums, comment on other photos, or upload pictures of the user herself. The bulletin board postings will also include reminders of upcoming birthdays, anniversaries, holidays, and other special events, offering opportunities to drive purchase by suggesting gift ideas connected to these events.

**My Albums:** The “My Albums” section of the home page will provide users instant access to their own uploaded albums as well as photo editing tools. The album graphics will be designed to replicate the look of

physical albums so as to translate the emotional benefits of physical pictures to the online realm; for example, when users click “next” the page will flip, revealing the next page of pictures.

**Album Stories:** In the physical space, consumers share their albums with others both visual and orally, explaining context and stories associated with the pictures being shared. In order to further translate this physical experience online, users will be able to add voice recordings to their uploaded albums by either calling a 1-800 number or using a laptop’s built-in voice-recording device. Family members can then listen to these “album stories” as they enjoy flipping through the album, just as they would if the user were sharing the album in person.

**Photo ID-ing:** Users will be able to identify network members in an uploaded picture, linking that photograph to the account of the person who was ID-ed. This will also allow users to search for photos of specific people to print or be used in products, thus simplifying the buying process and ultimately driving revenue.

**Favorites:** Users will be able to mark certain photographs and products as their “favorites.” These “favorited” items will be displayed in the Favorites section of the homepage, where users can choose to view either “My Favorites” (user’s own selections) or “Family Favorites” (selections of each member of the user’s network.) This facilitates an easy and personalized photo and gift purchasing process, as members will now know the photographs and gifts most valued by each person in their network.

**Icon Toolbar:** Whenever viewing a photo in their own or another’s album, the user will be able to hover the cursor over the picture, pulling up an icon toolbar that allows her to order a print of, “Favorite”, or create a product with the picture. This toolbar provides users a one-click system that streamlines the view-to-print/gift process and integrates purchase opportunities throughout the site, as users can select photos to purchase or gift regardless of where they interact with a photo. A mockup is presented in **Appendix I**.

### **Family Page**

The Family Page enables the user to access and interact with all content uploaded and shared by members of their network. This page will feature links to each family member’s profile page and albums. Because a user may be a member of multiple families, a drop-down menu on the “Family Page” tab will allow consumers to select which family’s page they wish to view. A mockup is presented in **Appendix I**.

**Family Bulletin Board:** The Family Bulletin Board is similar in functionality to that of the Home Page, but it focuses solely on news and other notifications specific to that family.

**Family Slide Show:** The Family Slide Show will display a stream of photos most viewed by other family members.

**Family Favorites:** This section displays each member of that network’s personal photo and product favorites.

**Family Moments Calendar:** In order to ensure family members remain connected despite their busy schedules, the Family Moments Calendar will facilitate the planning of family gatherings and other events. Users can send email invitations through ourKodak and integrate family photos to personalize invitations. After a scheduled Family Moments Calendar event has occurred, ourKodak will send attendees reminders to upload and order prints of event photos. This also helps network members unable to attend feel connected to the rest of their family.

**Photo Commenting:** To support the concept of the virtual home as a place where users can share memories with one another, users will have the ability to leave both oral and written comments on photos. Users will be able to comment via written messages below each photograph in an album, which will be

seen by their entire family. They will also have the option to record a short voice message that will be linked to the photograph, using the same technology that allows users to leave their own “album stories.” An email alert will inform the photo’s owner that the user has left a comment, fostering the virtual connection of these individuals.

### Print & Create Page

The Print & Create Page will serve as the website’s functional hub and the core of ourKodak’s revenue generation—all gifting and printing activities from other pages will be redirected here.

**Photo Box:** The Print section focuses on the process of selecting and ordering prints. The Photo Box feature contains all photos the user has chosen to print using the icon toolbar, and when the user is ready to print, she has the easy option of adding the entire Photo Box to her cart.

**Create:** The Create section, analogous to the site's current "Shop" tab, allows users to create and buy individualized gifts. Suggestions given in the bulletin boards and email reminders about upcoming events will redirect users to the Create section in order to drive revenue.

**Custom Kodak:** Primary research revealed that rather than adding a slew of new product offerings to the current site, consumers may value greater ability to customize the current product offerings more. However, ourKodak must balance customizability with usability for those consumers that are time constrained and prefer a simplified gift-buying process. Thus, a section titled customKodak will highlight those product offerings that are highly customizable. These product offerings, along with updated photo editing tools, will be enhanced to enable greater personalization. For instance, photo collages will now allow users to drag their photos into the preferred positioning on the collage, rather than having photo location predetermined by the website. These improvements will be of particular interest to Creative Kate, who values personalization and spends more time on creative activities.

**Scrapbooks:** The Scrapbooking feature, which specifically targets Creative Kate, enables faster, more efficient scrapbooking, and fulfills the user’s desire for creative expression. Through proprietary software, users can create digital scrapbooks that can be designed, stored, and shared online. These scrapbooks can be printed into physical photo books users can order as either personal keepsakes or meaningful gifts. The Scrapbooks section will include pre-loaded, occasion-based templates focused on a single theme (such as Halloween, birthday, or first day of school.) For those users who devote more time to scrapbooking, this section must provide a wide variety of layouts, photo-editing tools, and artistic elements (such as stickers, fonts, and decorative tools.) To keep these creative consumers engaged, these offerings should be continuously updated and provide seasonally-relevant options.

### Marketing ourKodak

In order to market the newly repositioned site, a 3-pronged plan will work to induce trial, foster loyalty, and drive revenue.

- **Inducing Trial:** The first step of the marketing plan is to induce trial of the repositioned website for both current and new users. Specific marketing campaigns and advertising tactics will be used to communicate the repositioning, drive Connector and Creative moms to ourKodak.com, and then utilize these gatekeeper mothers to bring in their entire family.
- **Increasing Consumer Engagement:** In order to keep current and new users coming back to the site, the website has been designed to include features that provide regularly updated content and foster user loyalty, such as Bulletin Boards and Photo Commenting. Additionally, multiple easy-to-use value-adding applications that will reach the consumer outside of the website itself, reminding and encouraging them to visit the site regularly.



- **Driving Revenue:** Once users have emotional ties to ourKodak.com, seamlessly integrated purchasing opportunities on the site, gift reminders and suggestions, and more customizable product options, will create an environment where they are more likely to purchase prints and products.

## Inducing Trial

The first step of the 3-pronged marketing plan has the following overarching objectives:

- **Communicate repositioning** of ourKodak as the family's virtual home
- **Capture Connector/Creative Moms** with events and promotions to create awareness, connect Kodak with special moments, and provide potential users to ourKodak trials and tutorials
- **Use Moms as Gatekeepers** to drive her the multiple generations of her entire family to the site

These objectives will be accomplished through a variety of marketing mediums, including Internet and print advertisements, event marketing, competitions, and strategic partnerships.

## Communicate Repositioning: "Welcome Home" Internet Campaign

### Online Advertisements

#### Objective

Targeting Connector and Creative Moms, generate website traffic and familiarize consumers with the new Virtual Home positioning of Kodak's website. See **Appendix J** for a sample advertisement mockup.

#### Description

Interactive ads will be strategically placed on sites specifically targeted towards women, such as those ran by Meredith Media, Glam Media, and iVillage Inc. These attention-grabbing interactive ads seek to cut through the online clutter and remind the consumers of those precious family moments. The design integrates two banner ads on a single page—a horizontal banner ad at the top of the page features photographs flowing and falling onto the adjacent vertical banner ad at the side of the page. As the photos fall they slowly assemble into a house. Once the house is completed, the door of the house opens showing the ourKodak logo and "Welcome Home" slogan.

#### Success Metrics

Total Impressions; Click-Through Rate; Post-Click Behavior (New User Accounts Created)

## Communicate Repositioning: "Welcome Home" Magazine Campaign

### Print Advertisements

#### Objective

Communicate the website repositioning to Creative and Connector moms.

#### Description

Replicating the look and feel of the Internet campaign, the print advertisements will also feature a house built with photographs and the "Welcome Home" slogan. These advertisements will be placed into magazines that draw predominately adult women, such as People or Family Circle.

#### Metrics

Additional accounts created above the average while print campaign runs

## Communicate Repositioning: “Kodak Gallery is Moving”

### Email Campaign

#### **Objective**

Make current users of Kodak Gallery aware of the website’s new URL address and features.

#### **Description**

Emails will be sent out to all current users informing them of the change and reassuring them that all their photos and account user information will be transferred over to the new site. The email will include links to the introduction tutorial videos in order to demonstrate ourKodak’s improved features, as well as a discount code for 10% off any customizable product to encourage current users to try the new site.

#### **Metrics**

Number of Users that Sign-In to their new account; Click-Through Rate to Introduction Videos; Discount Code Redemptions

## Capture Creative/Connector Moms: “What’s Your Kodak Story?”

### Scrapbooking Contest

#### **Objective**

Generate awareness among Creative Moms who scrapbook, direct traffic to ourKodak, and build partnerships with Scrapbooking magazines and the community at large.

#### **Description**

The “What’s Your Kodak Story?” Competition targets Creative Moms interested in scrapbooking as a creative way to preserve and present their photo memories. Partnering with Scrapbooking Magazines such as Creating Keepsakes and Memory Makers, the competition will ask mothers to utilize the new scrapbooking feature to create 10 pages to digitally submit along with a brief write-up explaining the Kodak story their scrapbook pages illustrate. All participants will be awarded a 25% discount to use towards the purchase of a hard-copy of their scrapbook, while the top three contestants will receive prizes including Kodak digital cameras, Kodak photo printers, and gift certificates to ourKodak.com. Through the contest, Creative Moms will discover the benefits of using Kodak’s online scrapbooking tools, encouraging both hard-copy order and repeat usage.

#### **Metrics**

Number of entrants; Number of Scrapbook hard-copy orders; Lift in Scrapbooking feature usage during and after the competition

## Capture Creative/Connector Moms: “Kodak Moments for a Captive Audience”

### Airport Kiosk Partnerships

#### **Objective**

Reach Connector Moms while they are traveling with their families, familiarizing them with ourKodak and encouraging website trial and account creation.

#### **Description**

By strategically placing Kodak Kiosks throughout the country in busy airport terminals, Kodak ensures a captive audience of vacationing families. Throughout both the summer and holiday seasons, families travel frequently and face long layovers and no entertainment. The Kodak Kiosks, which

provide access to the full ourKodak site, allow a user to automatically upload her vacation photos directly from her camera chip to ourKodak and send invitations for others to view her pictures or join her network, using an existing user accounts or an account she can easily set up while in the airport.

### **Metrics**

User Account Creations from airport kiosks; Invitations sent from kiosks; Kiosk Print/Product orders

## **Capture Creative/Connector Moms: “Family Photo Fest”**

### **Touring Event**

#### **Objective**

Raise awareness, promote account creation, use website trials to familiarize Connector Moms and their families with the new feel of ourKodak, and encourage future purchases.

#### **Description**

The Family Photo Fest Mall Tour will stop at six of the largest and most frequently visited metropolitan malls around the country, where moms will likely be shopping with their families, namely Roosevelt Field Mall, NYC; King of Prussia Mall, Philadelphia; Woodfield Mall, Chicago; Sawgrass Mills, Ft Lauderdale; Galleria, Houston; SouthCoast Plaza, Orange County. The tour will occur during the holiday season when traffic is higher and will stop at each mall for one full weekend. See **Appendix K** for selected touring destinations.

#### **The Portable Living Room**

This station will serve as the center of the Family Photo Fest. Designed to look like a living room, this room will feature a faux fireplace, comfy chairs, and most importantly Kodak Consultants ready to answer any digital photography questions attendees may have. To drive traffic to the event, this location will have hot chocolate and cookies for families who attend.

#### **Kodak Code Card**

To encourage every family who attends to visit the site once home, all families will be given a “Kodak Code Card” that allows them to view photos taken by photographers that will be present throughout the day. In order to view their Photo Fest pictures at home, users enter the code featured on their card onto the homepage of ourKodak. The site will prompt them to enter their existing user account or complete registration for a new account on ourKodak and their pictures will be automatically added to this account, then readily available for printing and gifting.

#### **Kodak Kiosks**

These Kiosks access ourKodak.com and focus on familiarizing families with the new interface. They can order gifts for their friends and family, simply explore ourKodak and the many creative options and features offered by the site, or send e-cards inviting others to view their photos from the event. E-card recipients will be able to view pictures easily through their email, but will also be encouraged to create ourKodak user accounts. Photo Fest visitors will also be allowed to print one Kodak branded photo to take home as a Family Photo Fest souvenir and a reminder to visit the site.

#### **Kodak Moment Opportunities**

Throughout the venue, photographers will be positioned at key “Kodak Moment Opportunities” to take pictures of families in front of various backdrops including festive holiday scenes or characters, national landmarks, or scenic backgrounds. Families will use the “Kodak Code Card” to access and edit these pictures on the Kodak Kiosks.

**Metrics**

Kodak Code Card Entries; User Accounts Created at kiosks; Print/Product Orders at kiosks; User Accounts Created from e-cards sent from event kiosks

**Use Moms as Gatekeepers: “Kodak Through the Generations”****Generational Photo Contest****Objective**

Encourage users to showcase their family photos, generating an association between ourKodak and preserving generational memories.

**Description**

This monthly competition will encourage users to submit generational photographs of their families, showing “Kodak through the Generations.” Kodak will choose the top ten submissions each month that show families bridging generational gaps, and ourKodak visitors will vote to determine the “Kodak Family of the Month.” The winning family will receive a Kodak branded digital camera and have their photo featured on the website as “The Family of the Month.” This will also generate new user account creation, as competition entrants encourage their friends and families to become ourKodak users and participate in the interactive voting process. Additionally, Kodak will be able to collect data on its most loyal users, who will frequently submit photos.

**Metrics**

Number of Entrants; Number of Votes (user engagement with the competition)

**Use Moms as Gatekeepers: “Come Home”****Referral System****Objective**

Use a social networking approach to encourage Connector Moms to invite their family members to join them at ourKodak, generating new user accounts and revenue streams.

**Description**

This referral rewards system will encourage a mom to invite family and friends to join her network or to start their own networks as well as promote gifting purchases within the ourKodak store. The user will be emailed an ourKodak discount coupon after each referred user makes an initial purchase on their newly-created account. OurKodak becomes increasingly valuable to a mom as her network grows, so by using this system to engage her family, Connector Connie has greater incentive to stay involved in the Kodak Community.

**Metrics**

Number of Referral Invitations Sent; Number of User Accounts Generated by Referral; Discount Coupon Redemptions

**Increasing Consumer Engagement**

Value-adding applications, both on and off the website itself will help to streamline the photo-sharing process and generate consumer loyalty. The website’s ability to connect families will help generate emotional loyalty, while added website features such as email reminders, bulletin boards, and greater interactivity with photos will serve to keep the user engaged and frequently visiting the website. These easy-to-use features, which are rooted in fostering family connections, help to translate the warmth and comfort of physical photo sharing into the digital realm.

In addition to previously discussed website features, services, and enhancements, the following value-added applications will reach consumers at additional touchpoints, increasing consumer engagement with ourKodak.com.

**Desktop Widget:** A desktop widget, a small interactive application available as a free download from ourKodak, will be developed to further streamline the photo process. When the user uploads her photos from her digital camera to her computer, the ourKodak widget will automatically begin the album creation and sharing process. The user will be able to simply create a new album and “drag” in uploaded photos. The widget then automatically adds this new album to the user’s ourKodak account. By making the upload process more simplified and convenient, the widget will further integrate ourKodak into the user’s everyday activities and increase usage of the website.

**Facebook/MySpace Application:** The Connector Mom is particularly concerned with remaining close with older children who may no longer live at home. Primary research suggests that these older children are likely to already be engrained in using a social networking site to share photos with friends. Thus, they will be more likely to share photos with their families through ourKodak if the upload process is easily integrated in their current behaviors. OurKodak will therefore develop an application on popular social networking sites such as Facebook and MySpace that allows users to simultaneously upload photos to the social website and ourKodak. After users have uploaded their photos to the networking site, they will be able to select those pictures they also want loaded onto ourKodak. These photos will automatically appear in the family room as an independent album. By streamlining the uploading process for the Connector Mom’s children and ensuring that they engage as part of her virtual family, this application adds great value and encourages increased site usage.

**Mobile Phone Tutorials:** While research suggests that moms may not currently use their mobile phones as their primary photo-capturing device, as mobile phone camera technology improves and as tech-savvy consumers enter the mom demographic, it becomes increasingly important to link ourKodak to these technologies. Many mothers, however, might be unaware of how to upload their mobile photos onto a computer and then onto an online photo service. Kodak has an advantage over some competitors’ mobile photo applications in that its own application can link to an online counterpart, ourKodak.com. Kodak should leverage the website as an opportunity to educate consumers on how to upload photos to ourKodak using various mobile devices. As soon as a user creates an account, an option will appear that addresses a common concern: “Tired of missing Kodak moments? Never miss a single moment again with Kodak mobile phone applications.” A tutorial then walks the user through the mobile capture-to-upload process, informing her of:

- How to capture photos on the phone
- Storage capacity of her phone model (not including other applications)
- How to manually upload mobile photos onto a computer
- How to directly upload mobile photos onto an ourKodak account
- The largest print size possible given camera resolution

This tutorial establishes an association between Kodak and mobile photography in the consumer’s mind, and encourages her both to take more pictures on her mobile phone and to use ourKodak to upload and share these pictures.

### **Driving Revenue**

The website has been repositioned to focus on the user experience instead of on product purchases, as the updated site targets an audience that values the relationship functionality of photo-sharing. However, it is crucial for the success and longevity of ourKodak to ensure that the site continues to create a desire within

consumers to print and purchase products. To drive greater revenue among this segment, purchase opportunities have been seamlessly integrated the consumers' everyday ourKodak usage experience. The key to revenue generation for these users is making smart suggestions at the right times.

**Recommendation System:** Users want to know that the gifts they create for loved ones will be well received and enjoyed. Thus, ourKodak works to leverage the networked account system to share user preferences with other members their networks. Users can easily identify family members' favorite pictures and products for gift creation via the Family Favorites feature. Additionally, the website will feature a Recommendation System that tracks each user's "favorited" items and past purchase behavior to suggest items to give to that user. Instead of pushing products on consumers, this method pulls consumers into the purchasing process by guiding them towards product purchases that their family members will love.

**Reminders:** To fully leverage the data collected for the recommendation system, it will be linked to a reminder system. As a family member's birthday, anniversary, or other special event draws near, the Family Moments Calendar will provide email reminders to other members of the family network. These reminders will include images of photos and products that person has identified as his/her favorites. The purchasers can thus be certain that the gifts they choose will be exactly what the person wanted.

## IX. Financial Analysis

The execution of the IMC campaign is based upon a one-year timeline and includes all the aforementioned tactics. The IMC campaign timeline is presented in **Appendix L**; reference **Appendix M** for a detailed financial analysis along with underlying assumptions.

Welcome Home Internet Campaign	\$ 320,000
Welcome Home Print Campaign	\$ 241,975
Kodak Gallery is Moving Campaign	\$ 175,000
What's Your Kodak Story	\$ 1,200
Kodak Moments for a Captive Audience	\$ 15,000
Family Photo Fest	\$ 69,360
Kodak through the Generations	\$ 2,400
Come Home Referral System	\$ 175,000
<b>TOTAL COST</b>	<b>\$ 999,935</b>

## X. Conclusion and Future Outlook

By redesigning the website and implementing the above IMC, ourKodak will become the family's virtual home, helping parents, grandparents and children share and relive memories through the medium of photographs. This will enable Kodak to differentiate itself from key competitors, focus on profitable users, stay on trend in terms of technology and photo-sharing behaviors, and build links with generations of future Kodak loyalists.

Technology is changing every day, and with it so does the world's habits, preferences, and photo-sharing needs. However, by making ourKodak the place where mothers can go to foster relationships with family members both near and far, Kodak is now depending on a never-changing facet of life: human bonds.

## Appendix A: 3 C's

Context	Strategic Input	
<ul style="list-style-type: none"> <li>Sales of traditional film cameras and products are declining rapidly<sup>1</sup></li> <li>Digital camera market dominated by electronics companies, such as Sony and HP</li> <li>Online giants Google, Microsoft, and Yahoo purchase growth technologies<sup>4</sup></li> </ul>	<p><b>Company:</b> <b>EASTMAN KODAK</b></p>	<ul style="list-style-type: none"> <li>Developing high technology digital products such as OLEDs<sup>2</sup> and camera phones<sup>3</sup></li> <li>De-emphasis of cameras, as Kodak has a declining 14% market share<sup>4</sup></li> <li>New focus on printing and photo-finishing services, selling 520,000 inkjet printers in 2007, and launching a chain of Kodak Express stores for printing<sup>5</sup></li> <li>Strongly positioned in one-time use film cameras<sup>5</sup></li> <li>Not deeply associated with digital products due to all-digital methodology of competitors like Sony and Canon<sup>5</sup></li> </ul>
<ul style="list-style-type: none"> <li>Generation Y mothers who grew up using the Internet become dominant<sup>11</sup></li> <li>Mothers struggle to balance careers and spending time with family</li> <li>Teens are overwhelmingly drawn to social networking sites</li> <li>Disposable income increases in mothers and grandparents</li> </ul>	<p><b>Consumer:</b> <b>MOMFLUENTIAL</b></p>	<ul style="list-style-type: none"> <li>Women are the primary consumers of photo products<sup>5</sup></li> <li>Mothers have strong desires to save time, nurture and interact with others, and connect emotionally</li> <li>Use the internet to socialize and gather information and participate in a community</li> <li>32 million mothers online, where 89% use the internet at least twice a day<sup>11</sup></li> <li>Expressed needs: convenience and relevance to life</li> </ul>
<ul style="list-style-type: none"> <li>Increased technologies such as Java Ajax lead to new web interfaces<sup>6</sup></li> <li>55% of adult consumers have adopted broadband internet<sup>7</sup></li> <li>Online photo printing and in-lab printing replaces home printing 3:1<sup>4</sup></li> </ul>	<p><b>Competition:</b> <b>PHOTO-SHARING SITES</b></p>	<ul style="list-style-type: none"> <li>Photo printing quality– Imaging Solutions produces a printed photo album with high quality finish using real photo paper<sup>8</sup></li> <li>Organization – Google’s Picasa is developing facial recognition technology to instantly sort pictures by their subjects<sup>9</sup></li> <li>Relevancy – Snapfish partnered with schools, allowing parents to view photos of children’s class activities<sup>10</sup></li> <li>Travel – Flickr allows users to “geo-tag” photos based on location where they were taken</li> </ul>

<sup>1</sup> Eastman Kodak Company 2007 Annual Report on Form 10-K, page 6.

<sup>2</sup> “Kodak Debuts World’s First OLED Wireless Frame”, Kodak Official Press Release, Sept 17, 2008.

<sup>3</sup> Spoonauer, Mark. Hands On with the Motozine ZN5 Kodak Camera Phone. June 22, 2008. <http://blog.laptopmag.com/hands-on-with-motorola-zine-zn5-kodak-camera-phone>

<sup>4</sup> Chang, Lily. Kodak: On its way to a prettier picture. Blaisdell Consulting, 2005. Pgs. 10, 11, 14.

<sup>5</sup> Mintel Industry Report: Digital Still Cameras and Videocameras – US – March 2008.

<sup>6</sup> “Java’s jMaki “Compelling” for AJAX Interfaces”. Java News Desk. April 6, 2007.

<sup>7</sup> Pew Internet Report 2008. July 2, 2008. [http://www.pewinternet.org/PPF/r/305/press\\_release.asp](http://www.pewinternet.org/PPF/r/305/press_release.asp)

<sup>8</sup> “The New Photofinishing System by Imaging Solutions Enhances Photo Album Pictures by Producing Truly Lifelike Images” Business Wire. Sept 30, 2008.

<sup>9</sup> Graham, Jefferson. “Google can Sort Photos by Face Value.” USA Today. Sept 17, 2008. [http://www.usatoday.com/tech/products/2008-09-16-picasa-google\\_N.htm](http://www.usatoday.com/tech/products/2008-09-16-picasa-google_N.htm)

<sup>10</sup> Snapfish website: <http://www.snapfish.com/snapfishinschools>

<sup>11</sup> Parenting Magazine: Mom Matters. July/August 2008 Issue # 31.

<sup>12</sup> Lowensohn, Josh. “Geotagging in Flickr now Faster, Simpler.” Cnet News. August 8, 2008. [http://news.cnet.com/8301-17939\\_109-10011952-2.html](http://news.cnet.com/8301-17939_109-10011952-2.html)

## Appendix B: Online & Offline Competitive Analysis

	<u>Snapfish</u>	<u>Shutterfly</u>	<u>Costco</u>	<u>Walgreens</u>	<u>Walmart</u>	<u>CVS</u>	<u>ourKodak</u>
<b>Pricing</b>							
4x6	\$0.09	\$0.15	\$0.27	\$0.12	\$0.09	\$0.15	\$0.15
5x7	\$0.79	\$0.99	\$0.39	\$1.59	\$0.58	\$1.49	\$0.99
8x10	\$2.99	\$2.99	\$1.49	\$2.99	\$1.96	\$3.99	\$3.99
Volume Discounts	✓	✓					
<b>Ordering</b>							
Glossy Finish	✓	✓	✓	✓	✓	✓	✓
Matte Finish	✓	✓		✓		✓	✓
Luster			✓		✓		
White Borders	✓	✓	✓				✓
<b>Service and Site Features</b>							
Print Camera Photo Pictures	✓			✓	✓		✓
Upload Video	✓						
Film Printing	✓	✓					✓
Tutorials	✓	✓			✓		✓
Favorites	✓	✓	✓	✓	✓		✓
News/Update Feed							✓
Webware Editing Tools	✓	✓	✓	✓	✓	✓	✓
Free Online Album Sharing	✓	✓	✓	✓	✓	✓	✓
Group Rooms	✓			✓	✓		✓
High Resolution Downloads	✓			✓			
Photo Organizing Application		✓		✓	✓		✓
Additional Upload Application	✓	✓	✓	✓	✓	✓	✓
Unlimited Online Storage	✓	✓	✓	✓	✓	✓	✓
Order Online-Pick up Same Day at Store	✓	✓	✓	✓	✓	✓	✓
Photo Gifts	✓	✓	✓	✓	✓	✓	✓
Free- Initial Purchase Offers	✓	✓				✓	✓
Pre-Pay Discounts	✓	✓					
Money Back Guarantee	✓	✓			✓	✓	
<b>Shipping</b>							
International Delivery	✓	✓					✓
USPS	✓	✓	✓	✓	✓	✓	✓
2-Day Delivery	✓	✓	✓	✓	✓	✓	✓
Overnight Delivery	✓	✓	✓	✓	✓	✓	✓
Average Delivery Time of Prints	2-3 days	4-8 days	3-7 days	3-5 days	3-6 days	2-5 days	3-10 days



## Appendix C: SWOT Analysis

	POSITIVE	NEGATIVE
INTERNAL	<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>Existing brand equity</li> <li>Industry experience and expertise</li> <li>Extensive client base</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>Weak “digital associations”</li> <li>Underdeveloped site interface</li> <li>Unfocused marketing approach</li> </ul>
EXTERNAL	<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>Increasing geographical separation of families</li> <li>Increasingly “tech-savvy” mothers and grandparents</li> <li>Underserved grandparent segment</li> <li>Ability to own the “entire process”</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>Rapidly changing technological environment</li> <li>Increasing competition</li> <li>Popularity of social networks</li> </ul>



## Appendix D: Sample Survey Questions

1. **What is your gender?** ( Male/Female)
2. **What is your age?** ( <18 /19-25/26-35/36-45/46-55/56-65/>66)
3. **Do you have any children?** (Yes/No)
4. **How old is your youngest child?** (<7/8-12/13-15/16-20/21+)
5. **Do you have any grandchildren?** (Yes/No)
6. **How many grandchildren do you have?** (Free Response)
7. **How old is your youngest grandchild?** (<7/8-12/13-15/16-20/21+)
8. **How often do you see your extended family?** (Multiple times per week/A few times per year /Once a year /Less than once a year)
9. **How often do you celebrate an event with your immediate family?** (Multiple times each week/A few times each year/Once a year/Less than once a year)
10. **How do you take pictures?** (Film camera/ Digital camera/Camera phone/I don't take pictures)
11. **How often do you use your camera every month?** (Every day/A few times a week/Once a week/Every other week/Once a month/Less than once a month)
12. **About how many pictures do you take each time?** (<10/10-20/20-40/40-60/60+)
13. **Why do you take pictures?** (As a hobby/Share with family and friends /To print/To store/Other)
14. **Who do you take pictures of?** (Myself/ Extended Family /My children or grandchildren/Landscapes/ Friends/ Other)
15. **How do you store your pictures?** (Social networking site /Through an online photo service/On my personal computer/I print them out)
16. **What do you think is the best way to store photos?** (Computer/Online site/Camera/ Hard copies )
17. **If you use an online photo service, how did you find out about it?** (Someone shared photos with me /Internet search engine/TV advertisement /The service was bundled with camera/ Online advertisement/ Recommendation/ I do not store photos through an online photo service)
18. **How do you share your photos?** (Send files through email/Upload to a photo sharing website/I send prints through the mail/I upload them to a social networking website/I keep prints in photo albums/I do not share my photos)
19. **Who do you share photos with? Check all that apply.** (Grandparents/Friends/Children/Other family members/Parents/Online community/No one)
20. **How do you prefer others to share their photos with you?** (Show me prints in photo albums/Via email/Via social networking websites/Via photo sharing websites/Send prints via mail)
21. **What is your primary method of printing?** (I order at a store and pick them up later/I bring pictures to a store and print them out there/I print with an at-home photo printer/I order them online and have them shipped to me/I order online and pick them up at a store /I don't print photos)
22. **Of the photos you take, about what percentage of them do you print?** (<25%/25-50%/>50%)
23. **Do you create keepsakes with your photos?** (Yes/No)
24. **What do you do with these keepsakes?** (Personal keepsakes/Gifting/Decorations)

## Appendix E: Survey Highlights – Summary

### Mothers

76% of mothers surveyed are from 36-55 years old, most of these mothers revealed that they only see their family a few times a year, and 74% indicated that they only celebrate events with their families a few times a year. Mothers use cameras quite frequently – 44% use their cameras at least once a week, and 21% use cameras every week.

Mothers use camera to stay connected with their families, both immediate and extended, as can be seen by the below figures

- 91% share pictures with family
- 92% take pictures of their children
- 69% take pictures of other family members

Ninety-five percent of mothers store pictures on computers. Only 25% of them use an online service. It appears that mothers may not realize the risk of storing pictures solely on the computer in an event of a hard drive crash. This is evident in that 49% of mothers believe that the best way to store picture.

The most popular way of sharing photos remain to be sending directly through emails. Forty-nine percent of mothers stated that the most preferred method of sharing is through emails. Social network seems to be the primary channel of introduction for Mothers. Out of those who store pictures online, 22% found out about the site through referrals, and 16% found out because someone shared the photos with them through the site.

Mothers seem to be less inclined to printing photos. Out of all of the photos taken, less than 25% of photos are printed for 53% of the mothers. Yet, ¼ of the mothers revealed that they print more than 50% of their photos. However, this group does not seem to be doing much with their photos, only 12.76% stated that do make products with their phones.

### Grandparents

Out of the 130 grandparents surveyed, 71% are female, and 67% have grandchildren younger than 7 years old. Similar to the parents group, grandparents do now see their family as often as they'd like, with 54% over see their extended families a few times a year.

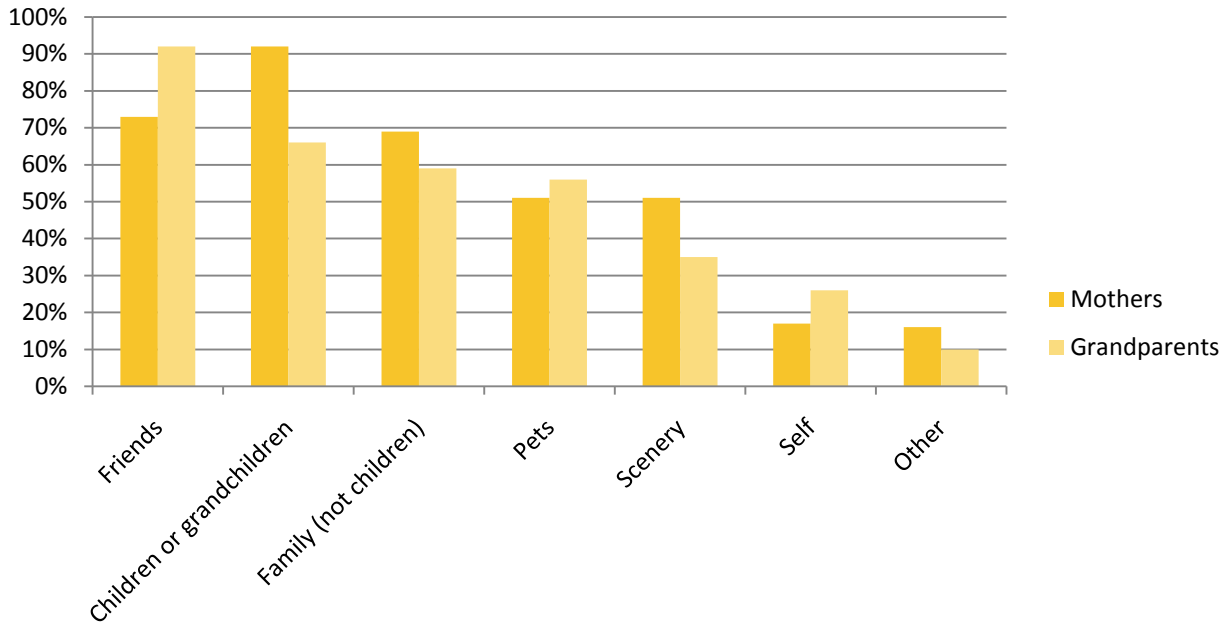
Grandparents seem to be comfortable with the photo capture technology as 79% of them take pictures with digital cameras. However, compared to parents, they take photos much less, 38% of them take pictures less than once a month and 35% take less than 10 pictures when they do take pictures. When they do take pictures, 92% take pictures of their children or grandchildren while 56% take pictures of extended family members.

Fifty-six percent of grandparents print pictures out. Similar to parents, most (76%) of them are inclined to store pictures on their computers. Only 15% of grandparents use any online storage services. Grandparents place great value on the physical copy of the film with 30% thinking that the best way to store pictures is still as to have them as a hard copy.

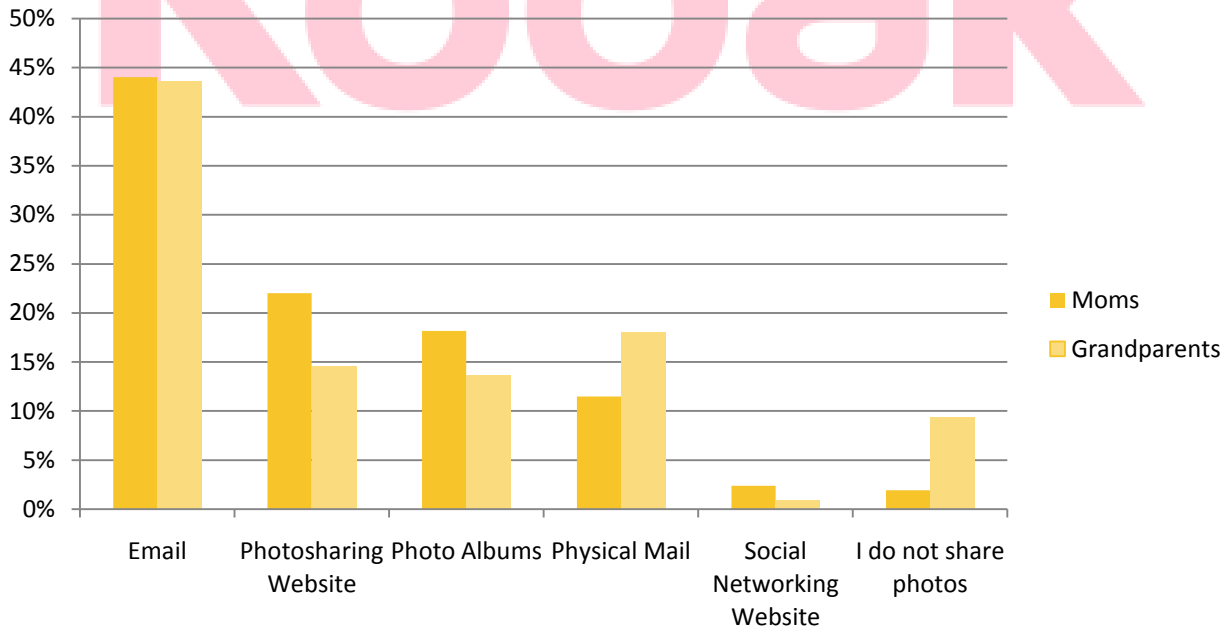
Out of the grandparents who use online service, 47% was introduced to the website when someone shared a photo album with them. This ties in greatly with our strategy of targeting the Connector Moms of the family. As someone who introduces technology to her family, Connector Moms are poised to bring the technology upwards as she shares photos with her own parents.

## Appendix F: Survey Highlights – Selected Charts

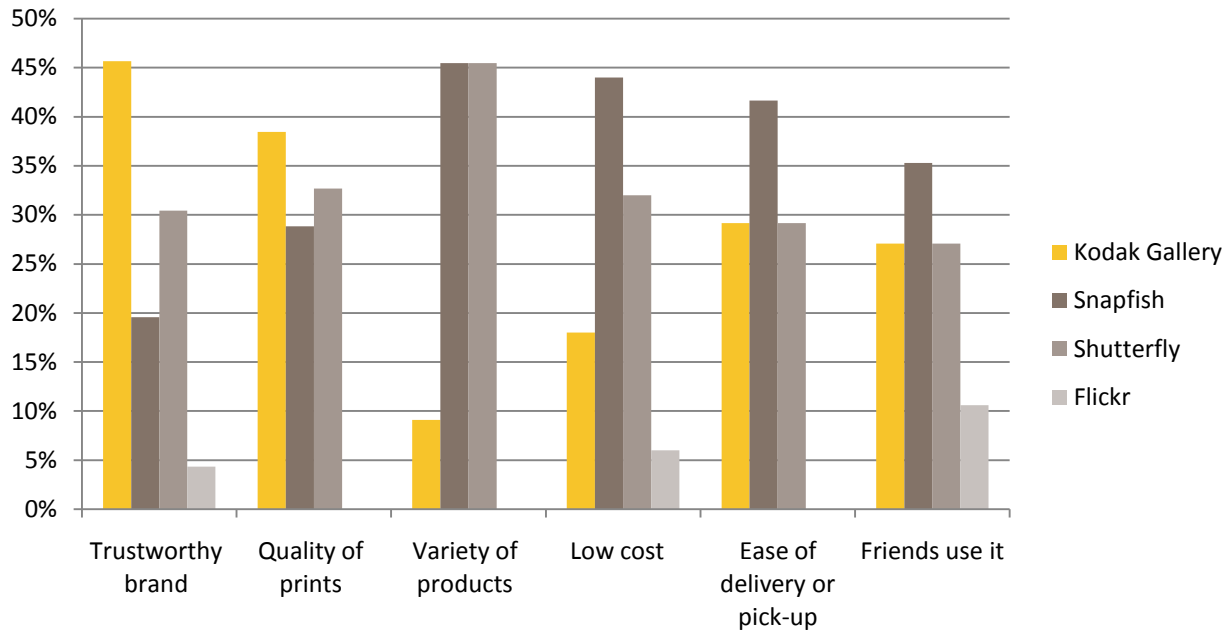
### Who/What do you take pictures of?



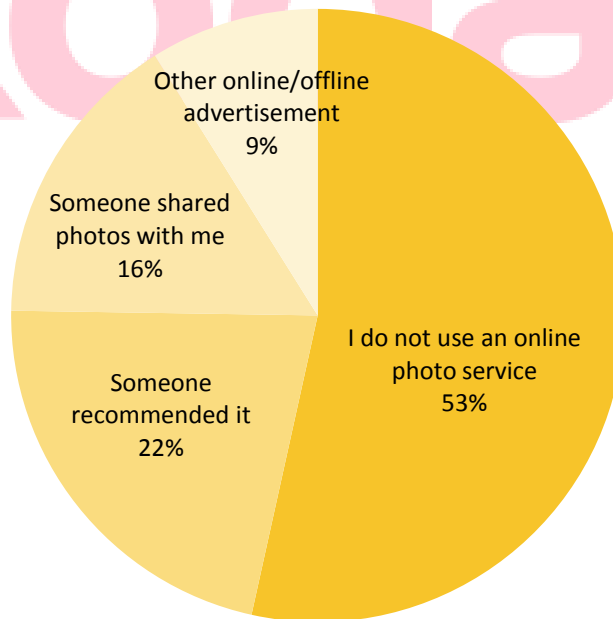
### How do you share your photos?



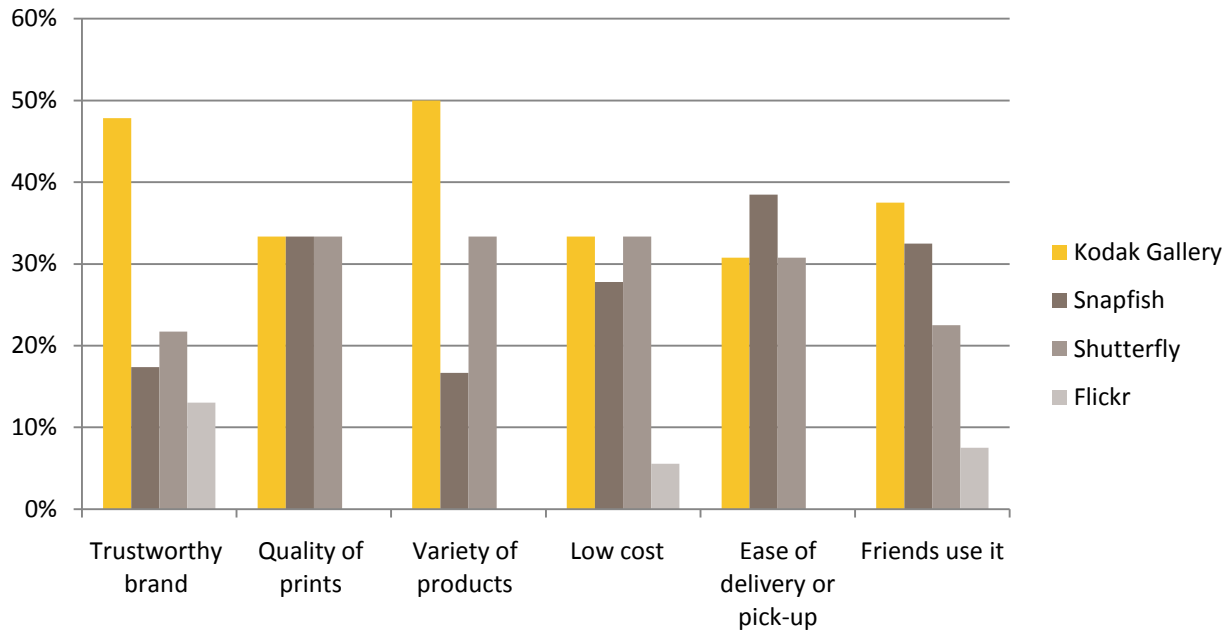
### Why do you use your current online photo service? (Moms)



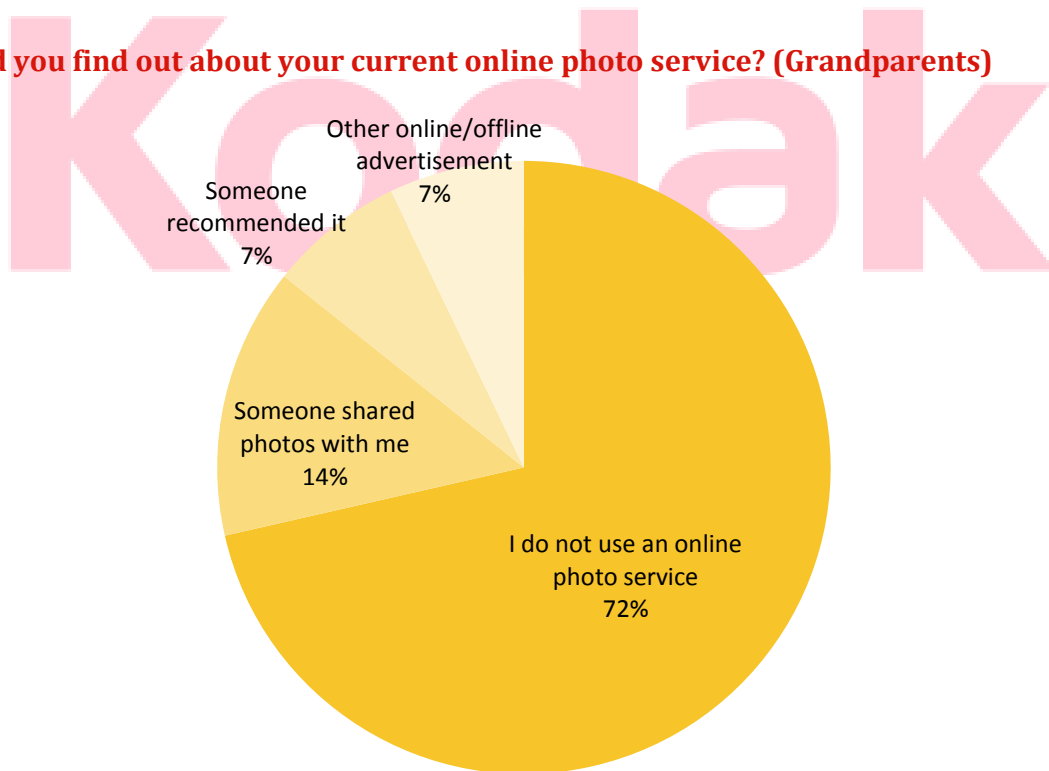
### How did you find out about your current online photo service? (Moms)



### Why do you use your current online photo service? (Grandparents)



### How did you find out about your current online photo service? (Grandparents)



## Appendix G: Perceptual Map

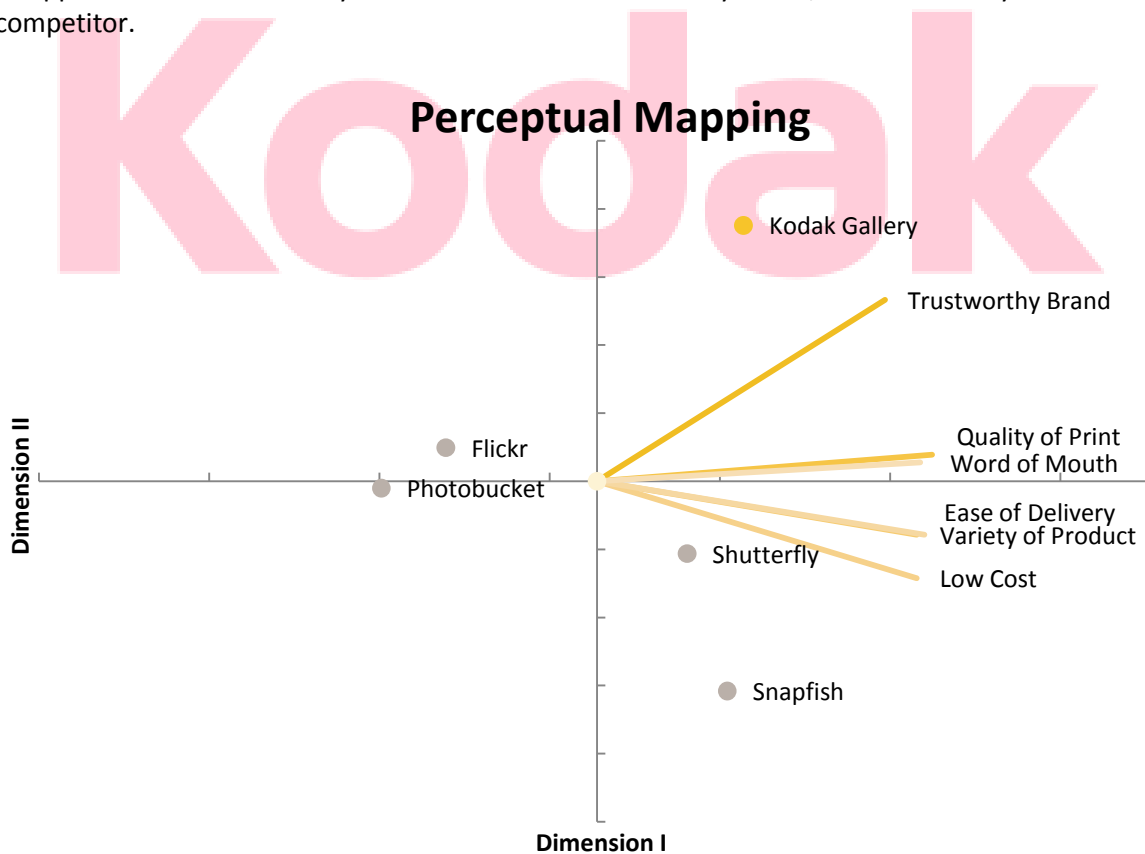
### Mapping Methodology

The perceptual mapping represents the perceptions of potential target consumers. As typical of other maps of the type, the positioning of Kodak Gallery is displayed here relative to its main competitors.

In the survey, the target consumers were asked to rate the brands in the following attributes:

- Trustworthy Brand
- Quality of Print
- Ability to Start Word of Mouth
- Ease of Delivery
- Variety of Products
- Low Cost

From the data, statistical procedures, including Multi Dimensional Scaling, Factor Analysis, and Discriminant Analysis, were run to produce the map with competitor positioning and idea vectors. Though their ratings, vectors were also developed to offer more details on specific segments. The positioning of each brand in relation to the specific attribute is the perpendicular distance the brand is away from the vector. From the map, it appears that Kodak Gallery is seen as the most trustworthy brand, while Shutterfly is seen as a low-cost competitor.



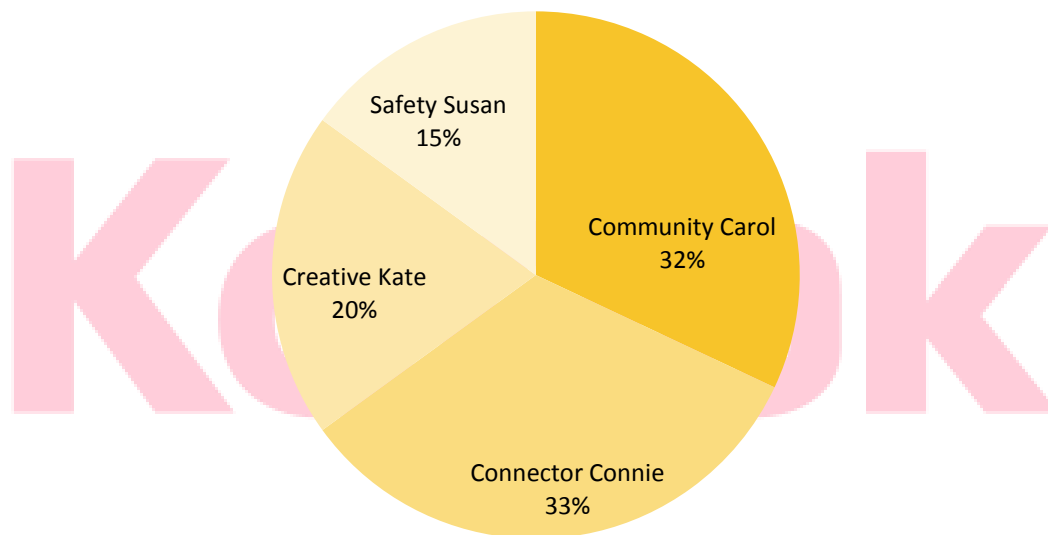
## Appendix H: Segmentation Methodology

### Segmentation Process

To segment the survey results and find consumer target groups, a series of clustering techniques such as hierarchical clustering, k-means, and discriminate analysis was employed. The data were first coded from character into either binary or ordinal data for further analysis. A correlation matrix on the full dataset revealed that factors including Variety of Gift, Ability to Share, Storage Capacity, Quality tools, Speed of Delivery, Quality of Print, Low Cost ad activity Community were important.

Using these variables, a factor analysis was then run to perceive natural segments that exist within the survey subjects. By looking at the scree plot as well as the resulting significance of each variable, it was then decided that a 2 dimensional factor analysis would be sufficient as it explains 97.1% of the total variance. At this point, a k-means clustering analysis was run on total variables, the results of which are shown in the charts below.

### Segment Sizing



### Segment Characteristics

Segment	Variety of Gifts	Ability to Share	Storage Capacity	Quality of Tools	Speed of Delivery	Quality of Prints	Low Cost	Active Community
Community Carol	1.31	3.34	2.64	2.47	2.82	3.63	2.9	1.28
Connector Connie	2.1	3.6	3.43	3.61	3.57	3.88	3.63	1.86
Creative Kate	1.22	1.53	1.61	2.86	3.42	3.8	3.44	1.25
Safety Susan	1.27	1.8	1.41	1.44	1.89	2.98	2.39	1.14



# Appendix I: ourKodak Site Mockups

## Sign-in/Sign-up Page

**ourKodak**  
Welcome Home.

20 FREE prints for new users

**ourKodak**  
Welcome Home.

username password login

**register**

Name:

Email:

Password:

Would you like to create a family page?:  Yes  No

Invite your family members:

Submit

©Kodak, 2008. All rights reserved.

## Home Page

**ourKodak**  
Welcome Home.

home family print & create

**What's New**

December 13  
Christmas is in 11 Days. [Customize a gift here.](#)

December 10  
Aunt Mary posted a new photo album: [Europe Vacation](#)

December 4  
Grandpa Bill's Birthday in 2 Days!  
Christine Smith has ID'ed you in a [photo](#)

December 1  
Uncle Robert posted a new photo album: [Thanksgiving](#)

November 28  
Michael Reese's Birthday is tomorrow!

**albums**

Add Photos Manage Albums Edit Preferences

Turkey Day  
Dec. 1 2008  
Family

San Francisco  
Nov. 15 2008  
Family

Summer 2008  
Sept. 10 2008  
Family

**tutorials**

Sort by Topic Search Eat

Father's Day Gifts  
Oct. 28 2008

Get the most out of your cameraphone  
Jul. 6 2008

Scrapbooking 101  
Apr. 7 2008

**favorites**

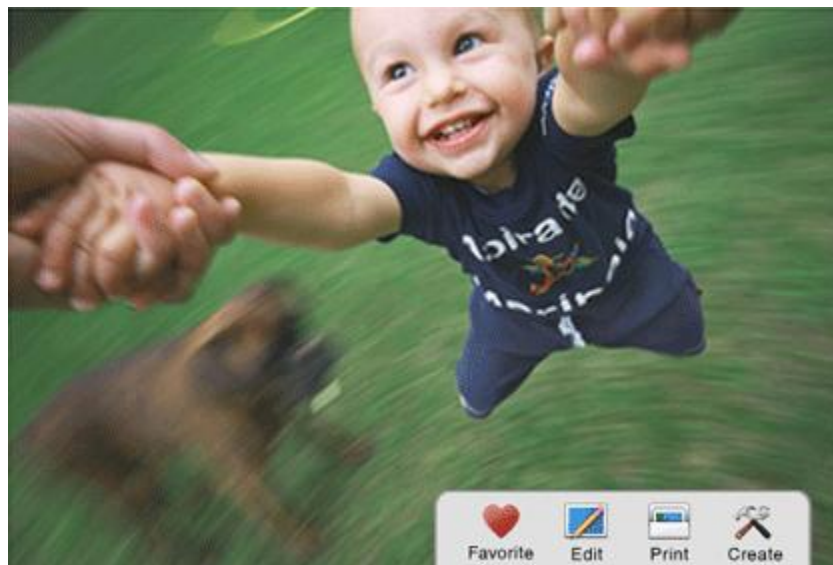
My Favorites Family Favorites Favorite Gifts

©Kodak, 2008. All rights reserved.

# Family Page

The screenshot shows the 'ourKodak' website interface. At the top left is the logo 'ourKodak' with the tagline 'Welcome Home.'. To the right are navigation buttons for 'home', 'family', and 'print & create'. Below the logo is a calendar for December 2008 with a pop-up for 'Dad's Birthday' on the 20th. A 'What's New' section on the left lists recent events like 'Christmas is in 11 Days' and 'Aunt Mary posted a new photo album: Europe Vacation'. The main content area features a large framed photo of a baby being held, and below it, an 'albums' section with three thumbnails: 'Turkey Day Dec. 1 2008 Family', 'San Francisco Nov. 15 2008 Family', and 'Summer 2008 Sept. 10 2008 Family'. At the bottom is a 'favorites' section with a grid of photo thumbnails. A copyright notice '©Kodak, 2008. All rights reserved.' is at the bottom center.

# Icon Toolbar

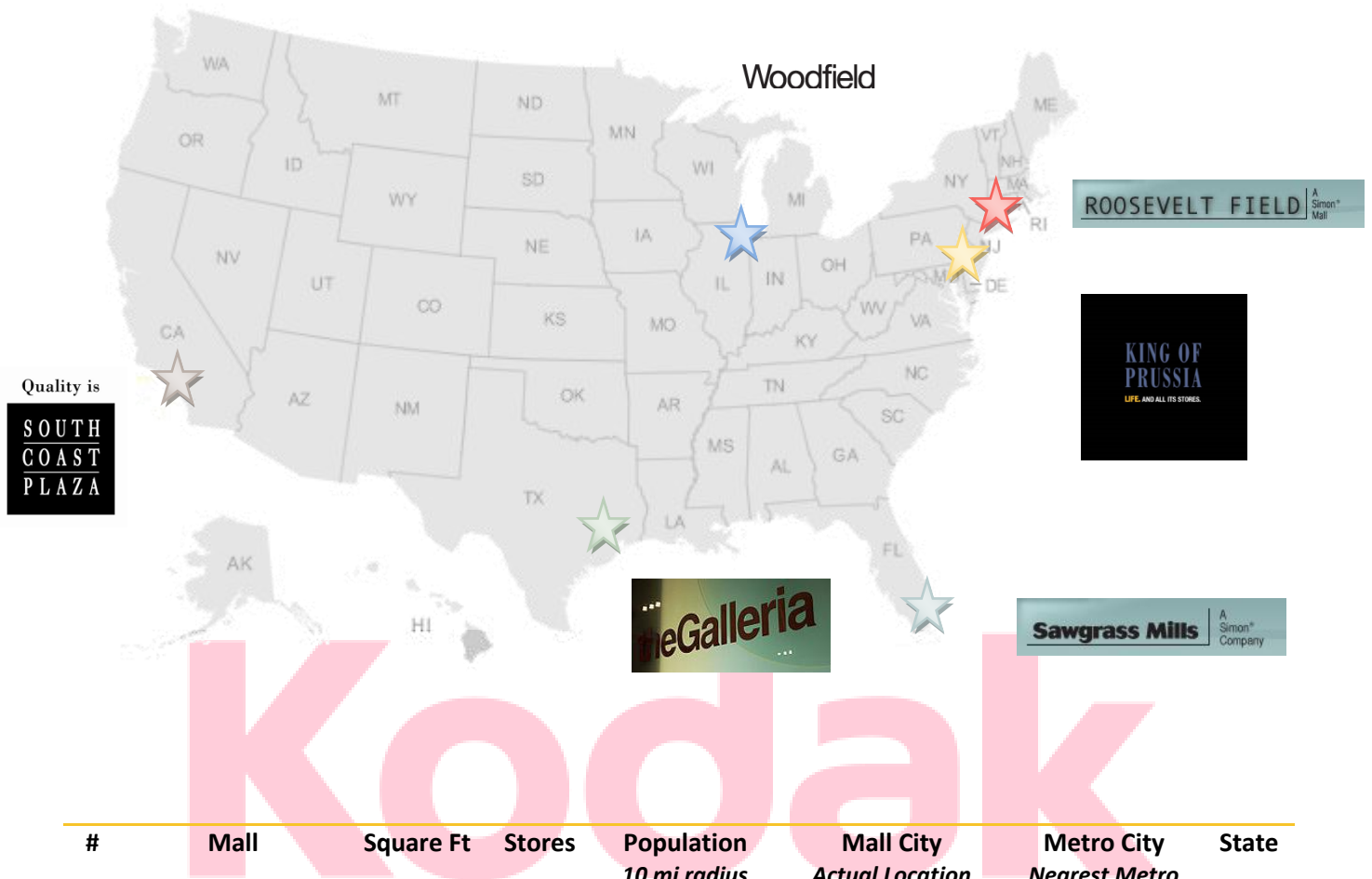


## Appendix J: Selected Ad-Campaign Mockup

The screenshot shows the iVillage website interface. At the top, there is a navigation bar with a search box, a sign-in field, and a link for new members. Below this is a banner for 'Our Kodak' featuring a collage of photos. The main content area is titled 'Pregnancy & Parenting' and includes a sidebar with navigation links, a central article titled 'Every Mom Needs One' with an image of two women, and a 'Your Tool Kit' section listing various pregnancy-related tools. A large 'ourKodak' logo is also visible on the right side of the page.

# Kodak

## Appendix K: Mall Tour



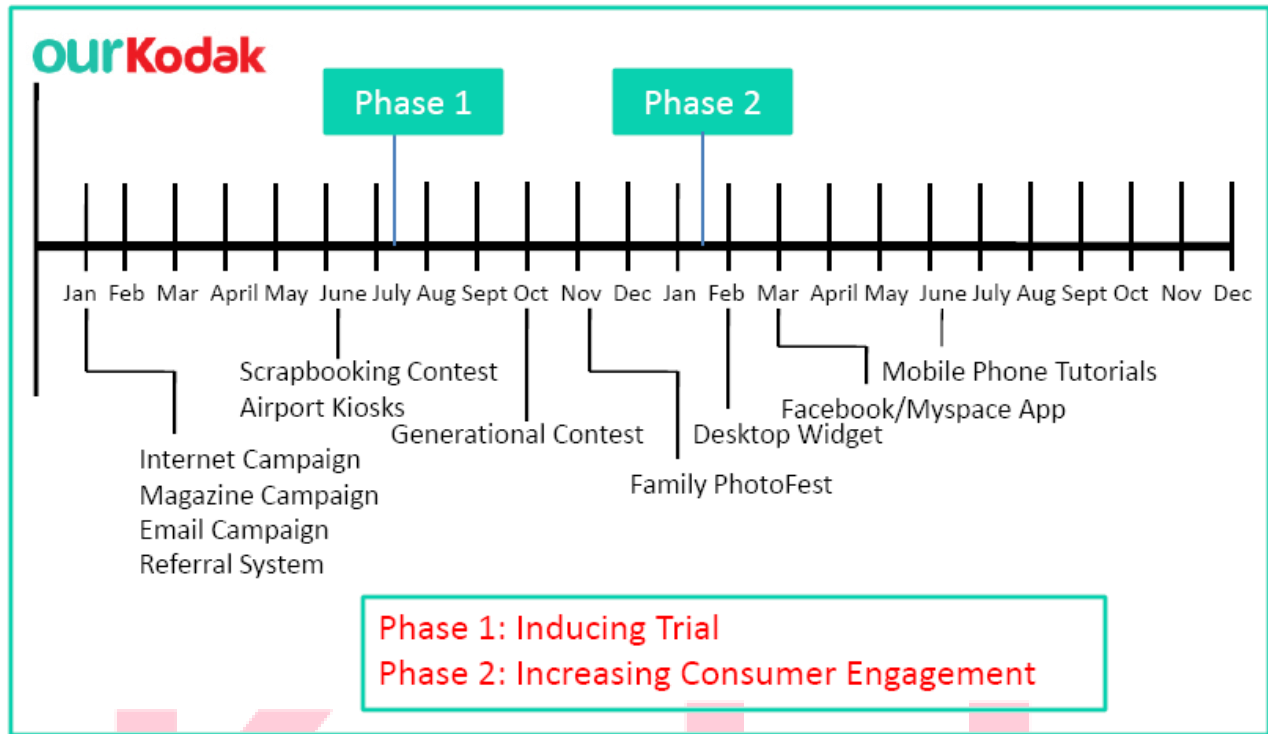
#	Mall	Square Ft	Stores	Population 10 mi radius	Mall City Actual Location	Metro City Nearest Metro	State
1	Roosevelt Field	2,244,581	294	1,818,796	Garden City	NYC	NY
2	King of Prussia	2,793,200	400	548,077	King of Prussia	Philadelphia	PA
3	Woodfield Mall	2,224,000	300	952,075	Schaumburg	Chicago	IL
4	Sawgrass Mills	2,383,906	350	858,550	Sunrise	Ft. Lauderdale	FL
5	The Galleria	2,298,420	375	1,574,493	Houston	Houston	TX
6	South Coast Plaza	2,700,000	280	1,632,274	Costa Mesa	Los Angeles	CA

[http://en.wikipedia.org/wiki/List\\_of\\_largest\\_shopping\\_malls\\_in\\_the\\_United\\_States](http://en.wikipedia.org/wiki/List_of_largest_shopping_malls_in_the_United_States)

<http://www.icsc.org/apps/dmm.php>

<http://www.easterncr.edu/depts/amerst/MallsLarge.htm>

## Appendix L: IMC Timeline



# Kodak

## Appendix M: Detailed Financial Estimates

	<u>Quantity</u>	<u>Price</u>	<u>Cost</u>
<b>Welcome Home Internet Campaign</b>			<b>\$ 320,000</b>
Banner Ads	60,000,000 Views	\$5/1,000 Views <sup>1</sup>	\$ 300,000
Ad Creation	1 Double Banner Ad	\$20,000/ad	\$ 20,000
<b>Welcome Home Print Campaign</b>			<b>\$ 241,975</b>
Full Page Ad in People Magazine	1 Full Page Ad	\$241,975/ad <sup>2</sup>	\$ 241,975
<b>Kodak Gallery is Moving Campaign</b>			<b>\$ 175,000</b>
Redemption of Discount Codes	700,000 Redemptions	\$0.25/Redemption <sup>3</sup>	\$ 175,000
<b>What's Your Kodak Story</b>	3000 Entrants		<b>\$ 1,200</b>
Redemption of Discount Codes	300 Redemptions	\$.50/Redemption <sup>4</sup>	\$ 150
Prizes	3 Top Prizes	\$350/Prize	\$ 1,050
<b>Kodak Moments for a Captive Audience</b>	10 Airports		<b>\$ 15,000</b>
Kodak Kiosks	10 Kiosks	\$1500/Kiosk <sup>5</sup>	\$ 15,000
<b>Family Photo Fest</b>	12 Days		<b>\$ 69,360</b>
Portable Living Room			\$ 8,000
<i>Food</i>	12 Days Catering	\$500/Day	\$ 6,000
<i>Furniture</i>	2 Sofa Sets	\$1000/Set	\$ 2,000
<i>Fireplace</i>	1 Fireplace	\$500/Fireplace	\$ 500
Kodak Codes Card			\$ 3,600
<i>Printing of Cards</i>	60,000 Cards	\$0.01/Card <sup>6</sup>	\$ 600
<i>Redemption of Free Prints</i>	30,000 Redemptions	\$0.10/Redemption <sup>7</sup>	\$ 3,000
Kodak Kiosks	10 Kiosks	\$1500/Kiosk <sup>5</sup>	\$ 15,000
Kodak Moment Opportunities			\$ 6,760
<i>Hired Day Labor</i>	384 Labor Hours	\$15/hour	\$ 5,760
<i>Backdrops</i>	10 Backdrops	\$100/Backdrop	\$ 1,000
Travel Costs			\$ 24,000
<i>Bus Rental</i>	6 weeks	\$3000/week	\$ 18,000
<i>Fuel, Maintenance, etc.</i>	6 weeks	\$1000/week	\$ 6,000
Tour Managers	2 Managers	\$6000/Manager	\$ 12,000
<b>Kodak through the Generations</b>			<b>\$ 2,400</b>
Prizes	12 Cameras	\$200/Camera <sup>8</sup>	\$ 2,400
<b>Come Home Referral System</b>			<b>\$ 175,000</b>
Redemption of Discount Codes	700,000 Redemptions	\$0.25/Redemption <sup>3</sup>	\$ 175,000
<b>TOTAL COST</b>			<b>\$ 999,935</b>

1 GoogleAdwords

2 Standard Rate &amp; Data Service (SRDS)

3 Assuming 1% redemption rate; average \$1 savings/redemption; \$0.25 cost to Kodak/consumer \$

4 Assuming 1% redemption rate; average \$2 savings/redemption; \$0.25 cost to Kodak/consumer \$

5 www.kiosk.com

6 Kodak Printing Costs

7 Assuming 50% redemption

8 \$300 retail price, assuming 33% margins

## Appendix N: Citations

- i AMA Collegiate Case Competition 2008-2009 Prompt. "Kodak Gallery: The Next Generation." Pg 4.
- ii "Scrapbooking Industry Statistics". [http://scrapbooking.lovetoknow.com/Scrapbooking\\_Industry\\_Statistics](http://scrapbooking.lovetoknow.com/Scrapbooking_Industry_Statistics).
- iii <http://www.crunchgear.com/2008/09/29/are-camera-phones-poised-to-replace-point-and-shoots/#comments>, "Are camera phones poised to replace point and shoots?", 29 September 2008.
- iv "How Women and Men Use the Internet." Pew Internet & American Life Project. 28 Dec 2005.
- v Source: Mintel/U.S. Census Bureau, interim population projections released 2004 and population estimates
- vi "College Students Online: Driving Change in Internet and Mobile Usage." eMarketer. 2008 Sept.
- vii "Facts For Figures: Mother's Day." US Census Bureau. 2 May 2005. 5 Dec. 2008 <[http://www.census.gov/Press-Release/www/releases/archives/facts\\_for\\_features\\_special\\_editions/004109.html](http://www.census.gov/Press-Release/www/releases/archives/facts_for_features_special_editions/004109.html)>.
- viii Gogoi, Pallavi. "I Am Woman, Hear Me Shop". BusinessWeek 14 Feb 2005:
- ix "Grandparents Spend Billions on Their Grandchildren". Marketing Vox. <<http://www.marketingvox.com/grandparents-spending-billions-on-their-grandchildren>>.
- x "Grandparents Spend Billions on Their Grandchildren". Marketing Vox. <<http://www.marketingvox.com/grandparents-spending-billions-on-their-grandchildren>>.
- xi Grandparents.com and Focallyst: *Meet the Grandparents: Introducing Today's First Time and Seasoned Grandparents*
- xii Website Traffic Comparisons from [www.Alexa.com](http://www.Alexa.com)
- xiii AMA Case Competition Prompt. "Kodak Gallery: The Next Generation". Pg 4.

# Kodak