BUSINESS FORUM IMAGING COLOGNE

March 6 – 7, 2019 in Cologne
Trends · Innovations · Networking

"Create the unseen"

presented by **photokina** IMAGING UNLIMITED

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Business Forum Imaging Cologne 2019

Great opportunities, but action required

The Business Forum Imaging Cologne 2019 was staged by photokina on March 6 and 7 under the motto "Create the Unseen" in the Congress Center East of Koelnmesse. In its tenth edition, the event once again proved its function as an established platform for the photo and imaging industry.

A conclusion of the 14 sessions can be drawn quickly: If the camera manufacturers were as innovative as the photo service providers, the industry would be much better off. Unfortunately, this is not the case, and even in retail, there is still a lot of digital action required.

To coincide with Ash Wednesday, the organizer of the Business Forum Imaging Cologne and publisher of INTERNATIONAL CONTACT, Thomas Blömer, opened the event with a veritable call to repetence, which was aimed primarily at the camera manufacturers. Referring to the current market figures published. GfK and CIPA, Blömer said significant declines in virtually all major product categories clearly demonstrated the dramatic nature of the industry. Even more dramatic, however, is the fact that the industry takes this development as an inevitable fate, rather than making the effort to develop products that consumers like and buy. The camera manufacturers, in particular, clung convulsively to their traditional concepts, confining themselves to making their new models even better and better, Blömer pointed out, adding the rhetorical question "Does anyone really believe people are reluctant to

In his welcome address, Thomas Blömer, organizer of the Business Forum Imaging Cologne and publisher of INTERNATIONAL CONTACT, found critical words for camera manufacturers who lack innovative ideas while facing declining sales.

buy new cameras because their picture quality is not good enough?"

"But if the reasons for the decline in the market are elsewhere", Blömer continued, "why, for Heaven's sake, are manufacturers desperately trying to reverse this deadly trend by building better and better cameras, rather than developing user interfaces that make their products as easy and intuitively to use than smartphones or other digital devices." If the industry would not put the convention motto "Create the Unseen" into practice rapidly, Blömer concluded, it would never become part of the quickly evolving digital economy and society.

Even smarter smartphones

Following this introduction, David Montanya, European Product Manager,

David Montanya, European Product Manager, LG Electronics Mobile Communications, gave an exciting look at the innovative technologies that are improving the photo capabilities of smartphones.

LG Electronics Mobile Communications, gave an exciting look at the innovative technologies that make the image capturing capabilities of LG smartphones better and better. In 2002, the feature to send a 0.3 megapixel photo as MMS was first introduced to mobile phones, but current smartphones record high-resolution images and 4K video, plus offering F1.6 aperture as well as professional-looking bokeh effects, and use artificial intelligence to compare subjects with similar professional photos for better image quality. But that's only the beginning, Montanya pointed out. Smartphone manufacturers such as LG are already working on generating a picture from

Markus Kick, Strategic Insights, Consumer Electronics & Photo Market, GfK, said connectivity and video capabilities are key selling points for cameras.

the images of several camera modules. As a result, they will soon be able to capture and display more distant objects in high resolution. In addition, the built-in cameras help to make smartphones even smarter. The Google Lens technology, for example, leverages

subject and object recognition as well as language processing to enable the smartphone to understand its environment better, so that it can combine reality with virtual elements. Practical example: You photograph a suit you like, and the phone immediately tells you where to buy it at what price.

Markus Kick, Strategic Insights, Consumer Electronics & Photo Market at the market research company GfK, stated while the photo functions of smartphones are essential for the consumers, manufacturers develope sophisticated camera modules and imaging applications to differentiate their products from others. On the other hand, connectivity and video capabilities have become important selling points for digital cameras. Photo retailers, said Kick, can take advantage of alternative recording devices such as smartphones or actioncams by selling accessories such as gimbals. Smartphone functions such as Google Lens, Kick added, may find realistic applications very soon. Almost half of the participants in a global GfK survey stated that the smartphone or tablet is becoming the most important tool for shopping.

Christina Teng, Kodak Moments' Future Product Manager, Future Solutions, pointed out the smartphone boom is bringing a 5 billion devices opportunity to the printing business.

Finding pictures for printing

Dr. Ralf Wieting, Head of Application Development at Cewe, explained to the audience how Europe's leading imaging service provider uses new technologies to drive its printing business. For example, Cewe uses artificial intelligence to help people find the right images, sort them by dates, subjects and locations and of course automatically integrate them into picture products such as Cewe photo books. With voice control, this is even easier: For example, if you can tell your smartphone what you did on a single day or at a time, and which pictures belong to a particular action of event, it will enable the smart device to automatically create a photo diary that can then be printed by Cewe.

How new technologies can be leveraged to identify the right image content was also the topic of a fireside chat led by Hans Hartman, founder of the Visual 1st Conference in San Francisco, and Thomas Blömer, with Anna Dickson, Visual Lead, Image Search on Google. The digital giant has an unrelenting hunger for matching visual content, which make services like Google Maps what they are. Google finds these images largely automatically, and then initiates a licensing process to acquire the rights for the corresponding application.

How to find the "right Kodak moment" with artificial intelligence was also the theme of Christina Teng, Senior Product Manager, Future Solutions at Kodak
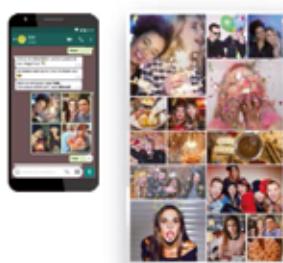
Thorsten Tourbier, Head of Marketing at allcop, presented the comapny's MagicPostr that can be ordered directly out of WhatsApp with the help of the smart chatbot Zoe.

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Moments. The virtually universal availability of smartphones and cameras offers the industry a "5-billion-device opportunity" to transform a large share of the 2,721 billion prints expected in 2021 into prints and photo products. Physical photos and keepssakes are now also popular with young people, stressed Teng. 40 percent of the generation Z (born between 1997 and 2012) had already printed or printed pictures. If you make it easier for them, it could be a lot more, Teng said.

Manfred Rau, Marketing Director at Fujifilm Imaging Products and Solutions and Fujifilm Imaging Systems in Germany, showed how it can be to get young enthusiasts excited about physical pictures. Instant cameras such as the instax, Rau explained, could do this even without artificial intelligence, since even the finest algorithms are not yet able to recognize the emotional value of an image, or at least not always. However, Rau did not want to downplay the importance of artificial intelligence, which Fujifilm also uses to improve image quality. However, there was still a long way to go from the "weak" artificial intelligences currently used for individual tasks to advanced machine learning that would be capa-

David Gross, Canon Europe's Digital Sales & Experience Senior Director, talked about effective strategies for corporate digitalization.

Manfred Rau, Marketing Manager at Fujifilm Imaging Products and Solutions and Fujifilm Imaging Systems in Germany: „The emotions people associate with a particular picture are the deciding factor whether it's printed or not."

ble of transferring the results from one area to another, Rau said. Until then, human emotions will remain the key driver for identifying images that people want to print. And the changing customer behaviour bears another great opportunity for the industry, Rau pointed out: Wall decorations and posters are no longer bought to remain on the wall for 30 years or more, since more and more people would replace them by fresher memories as time goes by.

Picture products via WhatsApp

Thorsten Tourbier, Head of Marketing at the German print service provider, allcop, also talked about photo products for young people. In fact, together with the drugstore chain dm, the company has developed the MagicPostr, which can be ordered directly out of WhatsApp. Since the recent report "Social Media and Social Messaging" by Bitkom Research shows that almost 90 percent of Germans use WhatsApp, the potential is huge. In the age group

14 to 29, practically everyone does, and in the group 30 to 49 years it is still 94 percent. In order to turn at least some of the countless images that are shared on WhatsApp into sales for the photography industry, allcop redefined AI (Artificial Intelligence), as Allgäu Intelligence, since the company's headquarters are located in the mountains of the Allgäu in Southern Germany. While the order process has a digital component with the smart ChatBot Zoé, which helps users selecting a number of snapshots and ordering the MagicPostrs, the picture product itself is not created by algorithms, but by allcop employees. As a result, the finished product will arrive at the customers as a surprise, because he or she has not

Anna Dickson, Visual Lead, Image Search at Google, explained in a chat with Hans Hartman how Google finds and licenses the right images for its services.

been able to see the product design of the display before. The satisfaction rate, emphasized Tourbier, is extremely high, although allcop offers the free return if you do not like it.

Creating value with and without printing

With two panel discussions, the American analyst Hans Hartman, who participated for the first time as the official

conference partner of the Business Forum Imaging Cologne, shed light on the challenges to leverage the abundance of photos and videos for more sales in the industry. A panel with Philipp Muehlbauer (Picanova), Sofi Shvets (Let's Enhance), Quian Lin (HP) and Ziv Gillat (Perfectly Clear/Athentech) showed that one should think about printing, but als beyond. For example, the startup Let's Enhance from the Ukraine offers the option of uploading low-resolution images and retrieving them as a digitally enhanced and larger image file (up to 8x or more). Perfectly Clear has been working on automatic image enhancement for 15 years and currently processes around 11 billion photos per year.

HP uses deep learning technologies to provide print service providers with modules for automatically generating photo books that not only find the right photos, but also, for example by considering the recognizable emotions in the facial expression of people, recognize their importance to specific applications. Thus, the software can not only choose the right images, but also decide on which page of the photo book they appear best and which im-

Hans Hartman discussed with (from left) Philipp Muehlbauer (Picanova), Sofi Shvets (Let's Enhance), Quian Lin (HP) and Ziv Gillat (Perfectly Clear/Athentech), how the flood of images can create value beyond printing.

ages should be highlighted. Image service provider Picanova, which currently offers photo products under 40 brands and also personalization services to the textile and furnishings industry, has just developed a new non-printing technology. It is an automatic 3D body scanner, which is used similar to a photo booth. The customer receives a three-dimensional file, which he can use as an avatar in computer games or in AR applications.

New ideas for printing

In a second panel, Hans Hartman discussed with Marion Duchesne (mediaclip), Stefano Cutello (Pastbook), Martijn Eier (Cloudprinter) and Francesc Hostench (Jondo Europe) new ideas on how to generate additional revenue in the mature printing services market. With the Magento and Shopify modules, mediaclip has developed e-commerce solutions that make it possible for small enterprises and even individuals to sell photo products. In addition, mediaclip develops solutions to design image products directly from applications such as Apple Photos.

For seven years, Pastbook has successfully pursued the business model of offering photo books directly out of Facebook. The software automatically selects the appropriate snapshots from the users albums. While, of course, customers may change the selection, 90 percent of them order the book as suggested with an average of 150 to 200 pages.

Ideas for photo printing were the topic of another panel discussion in which Hans Hartman welcomed Francesc Hostench (Jondo Europe), Marion Duchesne (mediaclip), Martijn Eier (Cloudprinter) and Stefano Cutello (Pastbook).

Cloudprinter and Jondo are providers that make it possible to order image and print products from virtually any place in the world. Cloudprinter's application is based of a network of currently more than 160 print service providers that can produce photo books and other image products. Routing algorithms ensure that the best partner is selected.

Headquartered in the US, Jondo specializes in wall decorations made in ten locations around the world to provide retailers with affordable, efficient service.

Marc Mombauer showed how loadbee can bring original content from manufacturers into the online shops of retailers and also to the brick-and-mortar retailing location.

Digitizing business proceeses

While everybody is talking about digitization, there is still too little or even wrong action in most companies. That was the theme of David Gross, Canon Europe's Digital Sales & Experience Senior Director. Digitalization was a complex task that can easily overwhelm companies and managers, emphasized Gross. That is why it was important to make a realistic plan and to concentrate on the most important tasks, Gross

said. On the other hand, shiny toys and prestige projects could easily be dispensed with, because in the end, digitization is about securing the future of the core businesses.

Digital retailing

Three speeches on the second day focused on digitization in the retail sector. For example, Marc Mombauer, PR Manager of loadbee, introduced the company's Internet platform that is capable of automatically delivering the suppliers' original content to the online shops of retailers, and also to the stationary PoS. For example, a variety of materials, from the datasheet right through to products videos, can be made available for virtual or physical sales counselling. More than 300 brands (including the German home apppliances giant BSH) are already working with loadbee, reaching more than 500 dealers in 36 countries on the platform. In 2018, the platform played out 750 million pieces digital content. The Düsseldorf-based start-up LiSA Retail Innovation focuses on the use of live video in customer communication. Its

André Hunziker, founder and CEO of PNA International, made it clear that excuses such as "no idea, no time or no budget for digitization" can no longer apply today.

Christian Underwood, Chief Marketing Officer of the start-up LiSA Retail Innovation, spoke about the importance of live videos in digital customer service.

Chief Marketing Officer, Christian Underwood, showed how jewelery chains, premium department stores and shopping centers are already advising their customers live over the Internet and, of course, generating sales, while the return rate in the online business is significantly reduced. The importance of virtual live advice is likely to increase significantly in the next few years. Underwood expects more than 10 percent of Internet traffic (without gaming

applications) to be live video by 2021. With André Hunziker, the founder and CEO of PNA International returned to the Business Forum Imaging Cologne. He followed up on his presentation in 2017, showing how intelligent software can be used to reach customers automatically over the Internet and, of course, to generate sales. With the right concepts and partners, this was possible for virtually every entrepreneur, Hunziker emphasized, rejecting frequent excuses such as "no idea, no time or no budget for digitization". Even public funding was relatively easy to achieve, the told the audience.

The real goal: the digital customer

The Business Forum Imaging Cologne 2019 was not just about digitization, artificial intelligence as well as concepts and strategies for image service providers, manufacturers and retailers. After all, the actual target of all activities is the customer. Firstly, this customer is today always connected; secondly, he or she has little in common with with previous generations: This was the basis of Professor Rudolf Aunkofer, Director of the Institute for Information & Supply Chain Management (iSCM) at the University of Applied Management, Ismaning. In developed countries such as Germany, the household penetration with advanced technical products were extremely high, explained the scientist. For example, 93 percent of the population owned a smartphone. Growth could therefore only be achieved by increasing the value and prices of the merchandise, Aunkofer pointed out. This was best done by interacting with the connected customer through digital and social media. However, as Aun-

kofer emphasized, this could also create opportunities for brick-and-mortar retailers, because more and more people are researching product information online just to make the actual purchase offline – but only, if they are given a reason to visit a retailing location. This reason, according to Aunkofer, was primarily the expert advice and he shop's assortment. In particular, the latest novelties are suited best to guide customers into the shop. This way, even short-lived trend products and gadgets could increase the customer frequency. Anyone who wants to connect customers permanently with a business needs to adjust to their changed behavior and, if necessary, to use the instruments that are preferred by the particular target group, emphasized Aunkofer. Most customers are reluctant to accept the services provided by automated systems or sales robots. And in the end, product availability or reliable delivery at the agreed time remains the Alpha and Omega of sucessful retailing – also in the digital age.

There is not much time left

Since its foundation in 2009 as an innovation platform for the photo and imaging industry, the Business Forum Imaging Cologne has been committed

Professor Rudolf Aunkofer, Director of the Institute for Information & Supply Chain Management (iSCM) at the University of Applied Management, Ismaning, introduced not only the connected customers, but also ideas how to win them.

to promoting concepts and ideas that overcome the traditional boundaries of the industry. The diverse and high-caliber program this year made it clear: There is little time left for the imaging industry, the service providers and the specialty retailers to position themselves as an essential part of the digital society.

On the other hand, it has also been shown that there are more than enough opportunities for everybody in imaging. In 2020, photokina and the Business Forum Imaging Cologne will again give the sector an important impetus.

Almost as important as the lectures: the networking at the sponsor stands, in the breaks and at the evening event.