

Eastman kodak company: funtime film essay



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Problem of the case CEO of Kodak had to set out new strategy for film products, because during January 17 and January 24, 1994, Kodak lost 8% in value on rumors of a price cut. Kodak was still a dominant in photo film market, but he had a lot of competitors like Fuji Co. and Konica Corp. They were offering consumers lower priced products. Market share of Kodak was falling from about 76% to 70% over the past five years. Kodak introduced new product, Funtime Film, which would be priced at lower rate the way it competitors' products do.

So he considered to gain its market share back by repositioning its film product line. Main information of the case Kodak has the biggest market share in U. S market in 1993. He had 70%, while its main competitors Fuji had 11%, Polaroid 4% Private labels 10% and other 5%. Major suppliers were Kodak, Fuji of Japan, Agfa of Germany and 3M. Kodak and Fuji sold only branded products, while both Agfa and 3M sold their products as branded products and as well as to other firms for the sale under a private label. Polaroid entered market later with its branded product which it sourced from 3M.

Both Fuji and Polaroid's U. S dollar sales grew at over 15% in the past year, compared with Kodak's 3% growth rate. There were 4 price tiers at that time. Super-premium brands were Fujicolor Reala at 4. 694 and Kodak Ektar at 4. 27\$ were main dominants. At Premium Brands Kodak Gold Plus and Agfacolor XRG were main competitors. In Economy Brands there were three brands from other companies than Kodak. And finally there was Price brands. Both Fuji and Kodak positioned themselves as superior quality providers.

But as it was mentioned a lot of people know little or nothing about photography and they use to buy films by prices, so lower cost films are more popular between such customers. So in order not to lose market share Kodak should introduce Funtime but it should not be only seasonal product and available in limited quantities. It should be a product that will get as much attention as Royal Gold and Gold Plus. Because few people might know much about photography and they do not care much about the quality or sharpness or colors.

But they do care about money so they want normal product for lower price and Kodak can give them that one by providing fulltime Funtime. And about special promotion managers at Kodak can think about something more special like “ buy two packs of Funtime package and get one free”. They should continue advertising that will make the brand Kodak more knowledgeable and attractive because still when even the pricing and quality is the same between competitors, people tend to buy the one from the company that made more impact during advertisement and which built good reputation.