

**lomography**

# Concept Report LOMOGRAPHY

**MlEi, Group 17**

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## Brief history of LOMOGRAPHY

The brand was founded by two Austrian students in the early 1990's. On their travels they by chance, came across a small, enigmatic Russian camera. Light-heartedly experimenting with their new toy, the two students were bedazzled by the outcome of their fortunate encounter; the vibrant colours, the deep saturation and the vignettes that framed the shot were unlike anything they had seen before. Upon their return, their friends were equally astonished by the photos the camera produced. People quickly started raising the demand for their own Lomo LC-A, triggering the movement of artistic and experimental photography.

Subsequently, the two students returned to St. Petersburg to set up a contract for distribution. The name was inspired by the optics manufacturer LOMO PLC of Saint Petersburg, Russia as they had a great influence in the developing of the first cameras. Behind the brand we today know as "LOMOGRAPHY", which is actually a commercial trademark of the Austrian photographic equipment company Lomografische AG, you will find a cult of practitioners using low-priced, mass-produced, 'point and shoot' cameras because of the low-tech, often artistic and unexpected results that can be produced.

The brand grew quickly after their initiation. Not before long the 10 Golden Rules had been set up as a guide to this analogue movement and way of living. Exhibitions, world congresses, parties, installations, collaborations and events further triggered the development of new products, films and accessories. LOMOGRAPHY Gallery stores were launched worldwide as well as the launch of LOMOGRAPHY.com which served as a worldwide communication hub for keen lomographers.

In staying true to their original style and values, LOMOGRAPHY has gained a noticeable place in today's market. They stir away from digital technology. Instead, they develop their methods in other ways such as using different lenses, size and formats that work to differentiate them from other camera brands.

## Analysis of LOMOGRAPHY

Investigation of the company has taken place through the setting up of an organizational structure, a vision- and mission statement, core values, target group, PESTLE and SWOT analysis, McKinsey's 7S model, and finally a marketing mix.

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## Organizational Structure

Each store has his one manager, and the manager needs to stick to the rules of LOMOGRAPHY and needs to discuss everything with their LOMOGRAPHY supervisor in Vienna.

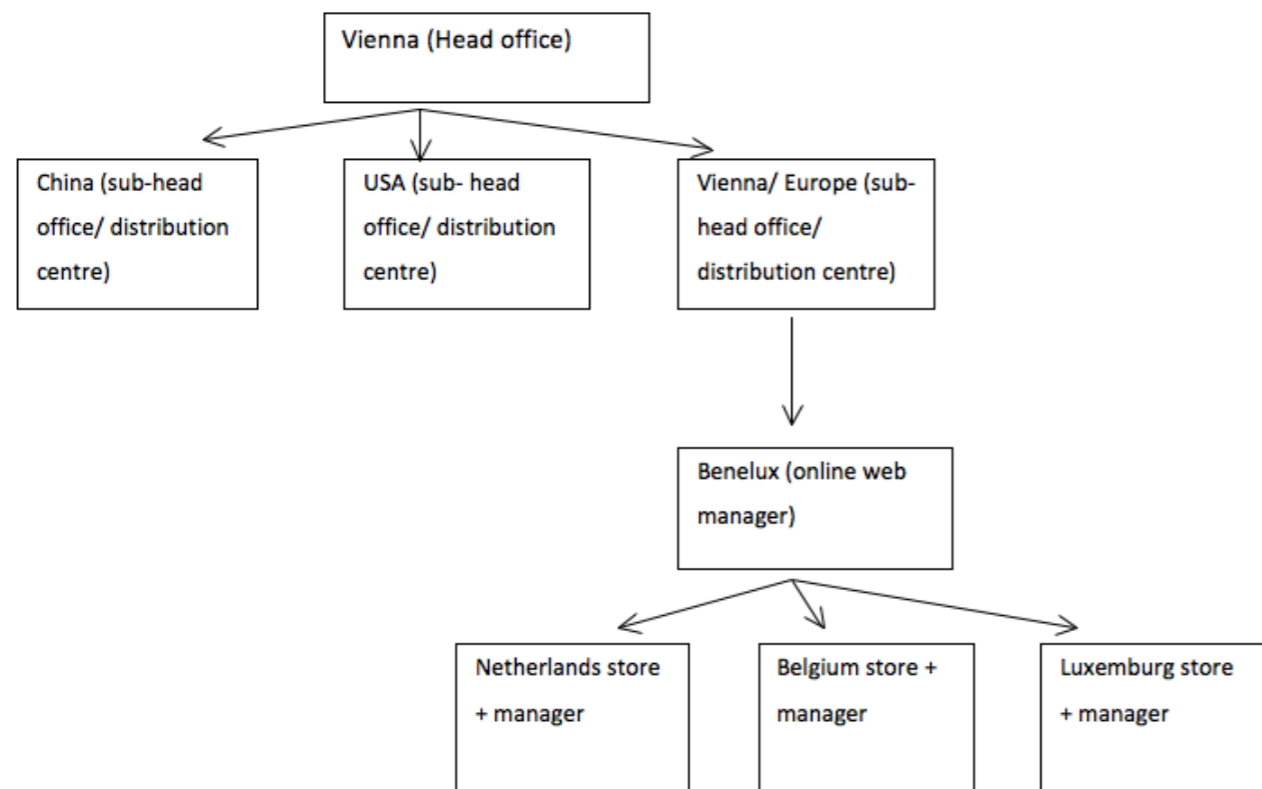
The informal way of communicating within the company makes it easy to be a flexible manager. They can do a lot by themselves but they always have to keep in contact with the head office in Vienna.

Every store manager has to hand in a daily reports by e-mail to their supervisor in Vienna.

Every store has a weekly meeting with all the staff together.

Once a year all the store managers are come together in Vienna for a week where they discuss about the treats and weaknesses of the their store, compare and work on improvements.

Once every two weeks, store managers have a meeting with their supervisor in Vienna through Skype.







## Vision

Identifying the opportunity to capture every corner of the world through authentic, lovely, crappy, beautiful and artistic lomographs in order to conserve the present for the future.

## Mission

To serve as the communication hub for Lomographers worldwide  
dedicated to creating a connection of sentimental value through  
imperfections, random expression, and unique analogue photography.

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Values

Nostalgic, charming and spontaneous.

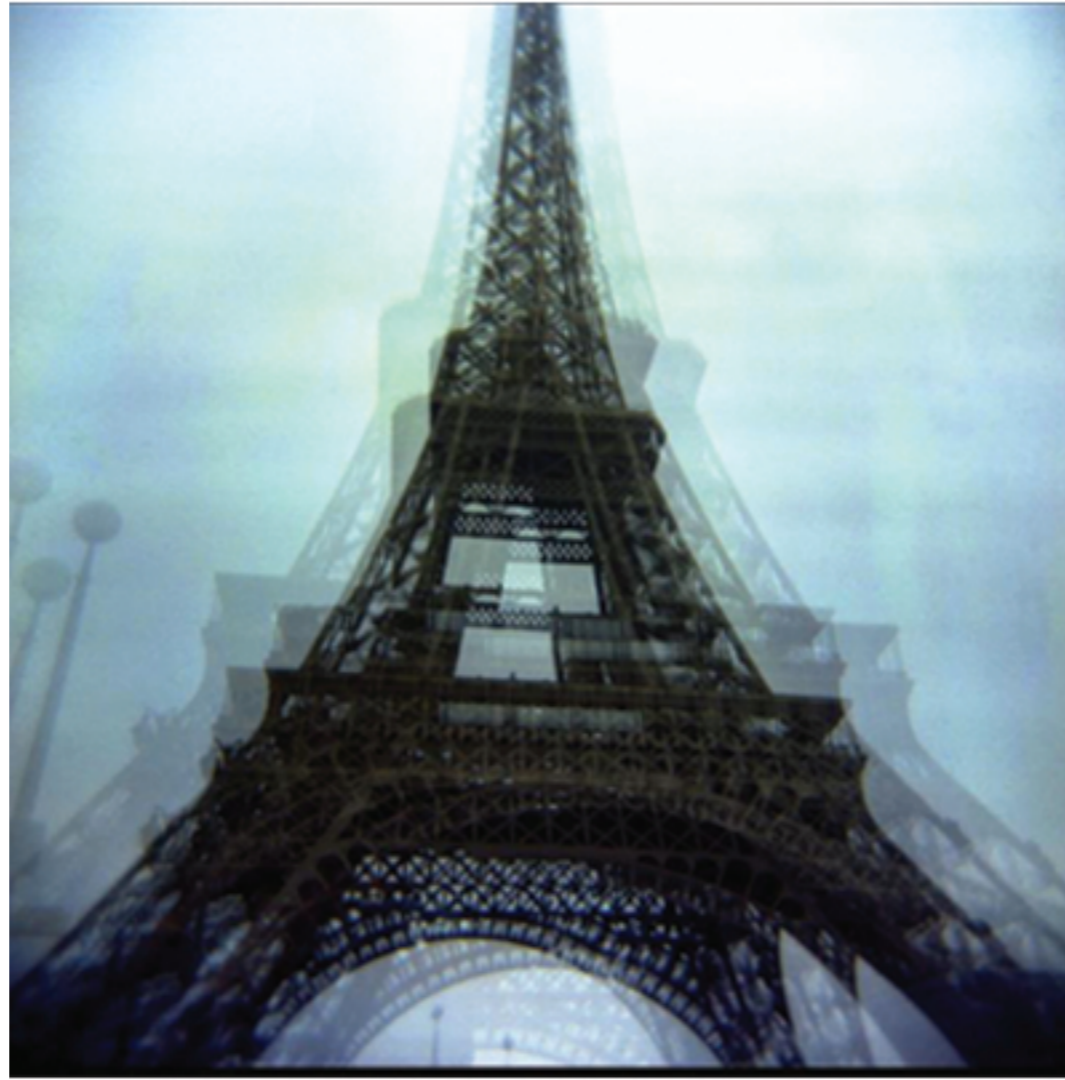
## Ambition

Growing as a global communication hub whilst maintaining LOMOGRAPHY's original style, mood and values through emphasizing nostalgic originality, charming imperfections and unpredicted spontaneity.

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Tone of voice

Playful, honest & charming.



Moodboard 1: Company Mood







## Target Group

LOMOGRAPHY focuses on reaching out to the young, energetic and creative explorer. This person could be considered a traveller, but he/she is not necessarily wealthy. This person could be someone who is not privileged enough to travel the world to see and explore the world, but instead views it from a different angle, discovering places through other peoples eyes - other peoples lomographic lenses.

The key feature of the LOMOGRAPHY customer is his/her thrill for the unearthing of the nostalgic, charming and random perspectives of the world that the lomographic lenses construct.

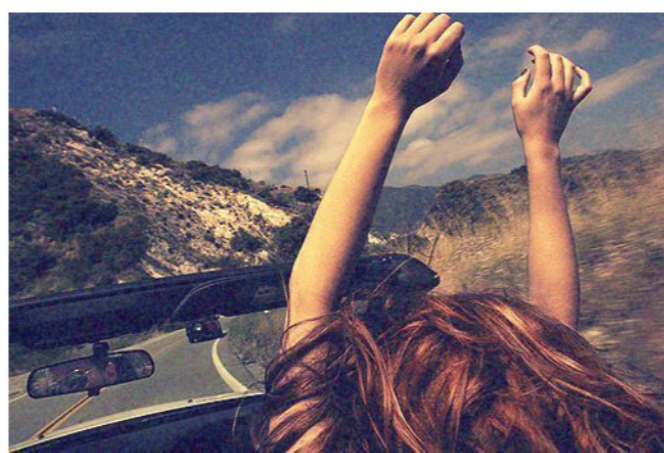
This person is someone whose priority lies in the comfort of clothing rather than design and keeping up with fashion. Nevertheless, this person takes great interest in the arts and does therefore have a good eye for aesthetical values. He/she is someone who also likes a little twist to the usual, a quirky touch to the norm. (See Moodboard 2 )

### Lomographer characteristics

- Age range between 16-20
- Average income
- Adventurous, active and experimental
- Appreciative of the arts
- Curious and playful



Moodboard 2: Target Group





## PESTLE

Using the PESTLE model, we researched the brands current market situation in regards to Political, Economic, Social, Technological, Legal and Environmental factors. We have selected the most relevant points below.

### Economic

- Decreasing global spending power due to economic crisis.
- The government in China put a raise to labour costs throughout the country. The average pay has risen by more than 20 % in the time span from September 2011 to October 2011. For LOMOGRAPHY that will mean increased production costs and therefore decreased profit.

### Social

- In reaction to the global conscience movement, LOMOGRAPHY participates in social projects to show their partaking. An example of this includes their collaboration with Viva con Agua de Sankt Pauli about which they organized one of their many online photography competitions.
- The development of social media since 1997 has triggered incorporation of new social media services giving users more possibilities to engage with and contribute to the website. These applications include 'Lomo Homes' as a base for social networking, 'Lomo blogs/lifestyle' as a server for blogs, 'Lomo wall' as a photo sharing medium and 'Folksonomies' for photo author indexing. This means that the consumer himself makes up a considerable percentage of LOMOGRAPHY's official online experience which (as will be further discussed in the Marketing Mix) is a part of their promotional strategy.

### Technological

- Digitalization has flooded the camera market with digital cameras and developments in IT. In the following years there are more developments to be expected and it is to be seen how well LOMOGRAPHY can refuse to go along with the digitalization process.

## SWOT Analysis

### Strengths

- Monopoly in their field. Their unique technique has enabled them to classify themselves as an entire field; the field of LOMOGRAPHY.
- Through the presentation of a gender-neutral product they are able to target a larger group of customers.
- Global appreciation of original concept. LOMOGRAPHY does never adapt their values or store concepts for different markets.
- Strong, accessible and graphic website and shop-design.
- Engaging consumers to actively participate in the development of the brands online presence meets the demand of recent trends of the need for affiliation.
- High level of expertise and focus in field as they are focused on single line of products.

### Weaknesses

- Research verifies low brand-awareness as consumers do not recognize the brand name, they do however recognize the product.
  - High focus on single product line eliminates the possibility of the company being able to fall back on a different source of profit in times of crisis.
  - Minimal advertising limits brand awareness.
  - With regards to sustainability, as the brand takes large use of films, they cannot compete in comparison with other digital camera brands.
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### Opportunities

- Makes sense for a creative brand such as LOMOGRAPHY to invest in an ever-growing market such as in the field of fashion in order to build up the lifestyle they have developed. As stated on ibisworld.com: "the increasing accessibility of fashion to younger budget-conscious shoppers through diffusion lines and low-cost collaborations will strengthen demand over the next five years."
- In the current global atmosphere with the economic crisis, through their unusual and nostalgic methods of photography LOMOGRAPHY can, in a sense, provide their customers with products taking them back to the 'good days'.
- Great demand from the growing Asian market.
- Recent nostalgic/vintage trends in market highlight LOMOGRAPHY's values.

### Threats

- Competition with brands with similar concepts, for example the reproduction of the Polaroid film. After a double collapse the company has now been bought and will be reproduced in China by Summit Global.
- Decreasing global spending power due to economic crisis.
- The constant development of digital cameras displays a severe threat to companies such as LOMOGRAPHY as their competitor Kodak has already suffered. Production companies such as Kodak cease to produce films for analogue cameras limiting the availability of films and increasing the prices.
- Increased competition from substitutes such as Instagram, Photoshop and [www.picnik.com](http://www.picnik.com) provide consumers with editing methods producing similar effect.





## 7S Model

LOMOGRAPHY focuses its energy on creating a non-pressured atmosphere where people can come together, interact and most importantly, share their pictures and experiences. The company aims to apply this to everything they do and how it is done. The following seven points are based on general research as well as an interview with store manager Jos Kraijveld of LOMOGRAPHY's Gallery shop in Amsterdam.

### STRATEGY

The strategy LOMOGRAPHY tries to follow in order to compete in the market is engaging the consumer and meeting the need for affiliation from their behalf. Getting the consumer to contribute with their own images which are then hung up in the shops or posted on their website makes the consumer feel like a part of the brand. The consumers are also reached out to through the set-up of workshops where they can learn about the full potential, use and techniques of the cameras. The workshops are also a place for people to come and to feel welcome within the Lomographic community. In befriending their customers, LOMOGRAPHY gains great competitive advantage in the aspect of customer loyalty as well as word-of-mouth promotion. This is something many companies fail to achieve, or do not include in their values.

### STRUCTURE

The head-office of LOMOGRAPHY is based in Vienna. All the important decision-making is done there. This is where all the stores in Europe send their store-, activity- and idea reports for approval. All the store-managers come to Vienna on a monthly basis for a meeting about the headlines that are coming up for the following period.

LOMOGRAPHY uses a decentralized decision making system. An example of this is the fact that stores can individually organize events as they please. Last period, there was a theme-week about Seoul. The store in Seoul and the store in Amsterdam collaborated on this project. The goal of the project was to share cultures with each other and of course to let the community come together to have nice cultural dinners, watch theme-related movies and have fun. This was a project organized by the head-office. But with LOMOGRAPHY, the stores can also devise these kinds of projects themselves. The only thing the store has to do then is to send a plan-report to the head-office for approval.

LOMOGRAPHY has, besides the office in Vienna, offices in Asia and America as well. These offices can also make decisions about stores in their areas. If projects only reflect on the stores in America the office there will be responsible. Of course they will have to report about projects to the head-office but the responsibility lies with the office in America.

#### SYSTEM

The general company environment is very informal. An ideal example of this would be the store managers personal interview experience. As he had dressed up properly in a suit with a tie and decent shoes, he entered the room to find the interviewers dressed in shorts, sandals and basic t-shirts. This highlights how the way of working, dealing with situations within the company, even for more serious and somewhat 'formal' circumstances, and the general attitude within the company is very laid-back and informal.

In each individual store, plans, projects and sales-related goals are discussed on a weekly basis within the team of that store. Every store has great freedom to plan and organize events taking place in their own store. Not every event has to go through the Austrian headquarters but this also depends on the district. In Japan for example, according to Kraijveld, a manager could pick a location and have opened a store a week later without even informing the headquarters. This is much stricter in Europe where most big decisions go through the top-managers.

#### SHARED VALUES

The shared values of LOMOGRAPHY can clearly be seen in the general work ethic and the corporate culture of the company. Their informal way of working is the main reason for success in creating this friendly, warm and playful mood. This comes across in the atmosphere of not only their stores, but also their style of communicating. On their website, for example, they have a tendency of writing very casually to their customers, as if they were communicating with their friend. This gives the customer the feeling that they are talking to a friend - they can relax, they can play and they can experiment!

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## STYLE

LOMOGRAPHY uses a combination of a democratic and a laissez-faire leadership styles. Everybody in the company is free to bring in ideas and to work them out on their own. There are things that have to be done on a manager's command but it will always be discussed and contemplated with the employees. There is no clear hierarchical structure. Everybody has his own task and there are people who have more responsibilities than others, however, as one of their many fantastic values, the Lomographic community considers everybody to be equals.



















## Marketing Mix

### Product

LOMOGRAPHY sells more than just cameras, they sell the whole lomographic experience. With this, come the 10 Golden Rules that work as a guide to this lifestyle. These include taking it with you anywhere you go and "shooting from your hip", that is, not thinking about the object you are capturing. The last rule, maybe the most important rule, is to forget all about the rules. This highlights the brands identity as a whole as they do not take things too seriously. LOMOGRAPHY wants to give you the "feeling that the LOMO LC-A is what you've always wanted in life; your new best friend, drinking buddy, spiritual leader and lover all at the same time".

Bolstered by sales, LOMOGRAPHY began featuring new products, yet they made a point of sticking to their original values of producing atypical imagery. These features include vibrant colours, deep saturation and vignettes that frames the shot. In the remodeling of their cameras they have introduced new analogue camera's. Current models marketed by LomographischeAG include the Fisheye N°2, Diana F+, La Sardina, Sprocket Rocket, Action Sampler Clear, Holga CFN and the Pop 9 - Golden (find model descriptions in Chart 1). In addition to their cameras, the company also sells accessories to the cameras such as different lenses, special films, special backs, flashes, shutter buttons, and more. Furthermore, they have a range of bags, diaries, books, travel guides, photoalbums and keychains.

Name	Design	Description	Outcome
Fisheye N°2 (75 Euro)		-unique 170-degree view -convenient 35mm print -fisheye lens	
Diana F+ (75 Euro)		-creates dreamy, lo-fi photos on 120 film -soft-focused images -vignettes on the edges -square shots	
La Sardina (99 Euro)		-different color filters -89° field of view wide-angle lens -multiple exposure -most powerful flash ever	
Sprocket Rocket (79 Euro)		-35mm film -super-wide angle lens (30mm) -multiple exposures -panoramic	
ActionSampler Clear (29 Euro)		-four lenses whir in sequence as they take your subject's movement -35mm print	
SuperSampler (49 Euro)		-35mm camera that produces four sequential panels in one print -simple-to-use, lightweight	
Oktomat (39 Euro)		-8 scenes and 2.5 seconds to relate your micro-masterpiece	
Lomo LC-Wide (349 Euro )		-17mm Minigon/ 1 Ultra-Wide-Angle lens -choice of 3 photo formats	

### Price

You will find the best selling camera at a price of 90 euros. Other product range from 30 to 380 euros. As a brand with monopoly in their market LOMOGRAPHY would easily be able to increase their prices. However, there are two main reasons as for why they choose not to. Firstly, in targeting a young group of consumers aged 16-20, LOMOGRAPHY has to maintain their low price range in order to reach out to them. Secondly, there has always been a huge demand for the cameras which proclaims that there has never been an issue in sales. However, in order to reach out to potential consumers they choose to keep their prices affordable. They do also introduce more expensive products in order to meet the demand of their existing, older practitioners who want to bring the experimentation to the next level.

### Place

LOMOGRAPHY has over thirty stores worldwide which host exhibitions, workshops and other events several times a month. In addition, the company has a robust web-presence, which incorporates online sales with a community of devotees, a blog and an online magazine. They have also tapped into web communities on Facebook, Twitter and YouTube.

With regards to production, when the original factory in St. Petersburg, Russia, ceased production in 1997, LOMOGRAPHY shifted manufacturing to China. Nonetheless, there are two original Russian cameras still being produced in Russia.

### Promotion

As mentioned above, there has never been a need for LOMOGRAPHY to induce in mass advertising in order to increase sales. Instead, they focus on modest word-of-mouth promotion.

Their main channel of communication goes through their website. Through engaging their consumers in competitions where they are able to upload their own pictures, they serve as a meeting point for keen lomographers around the world. Through their built up member-database, they are able to send e-mails and newsletters that informs customers in different areas on local news and updates. Another aspect of their online presence is their e-magazine. Here, customers can read up on everything that is happening in the world of LOMOGRAPHY.

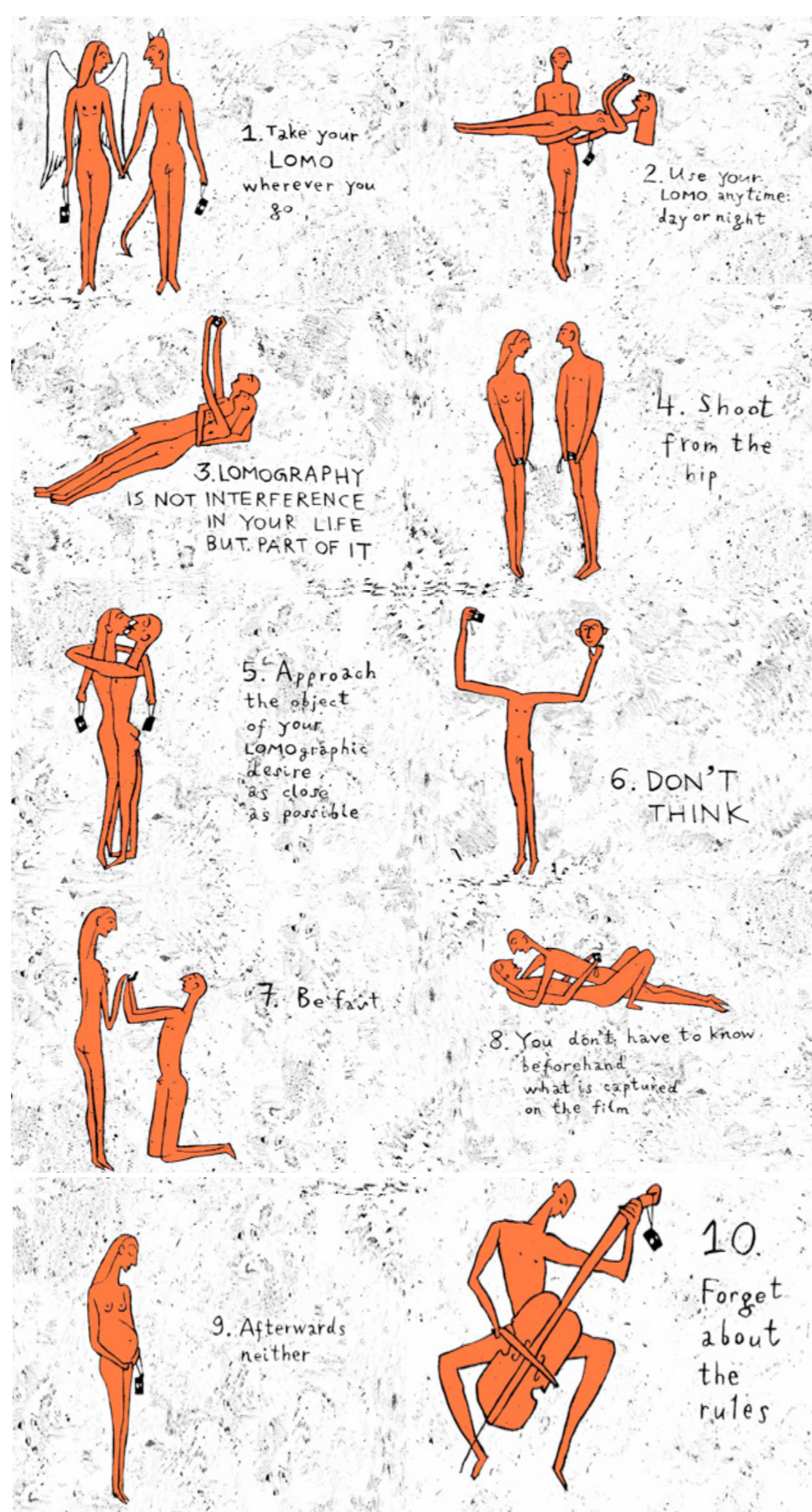
The company also hosts workshops that take place several times a month in LOMOGRAPHY Gallery Stores all over the world. At the workshops lomographers have the chance to learn more about the features of their camera in order to get the most out of their little treasure.

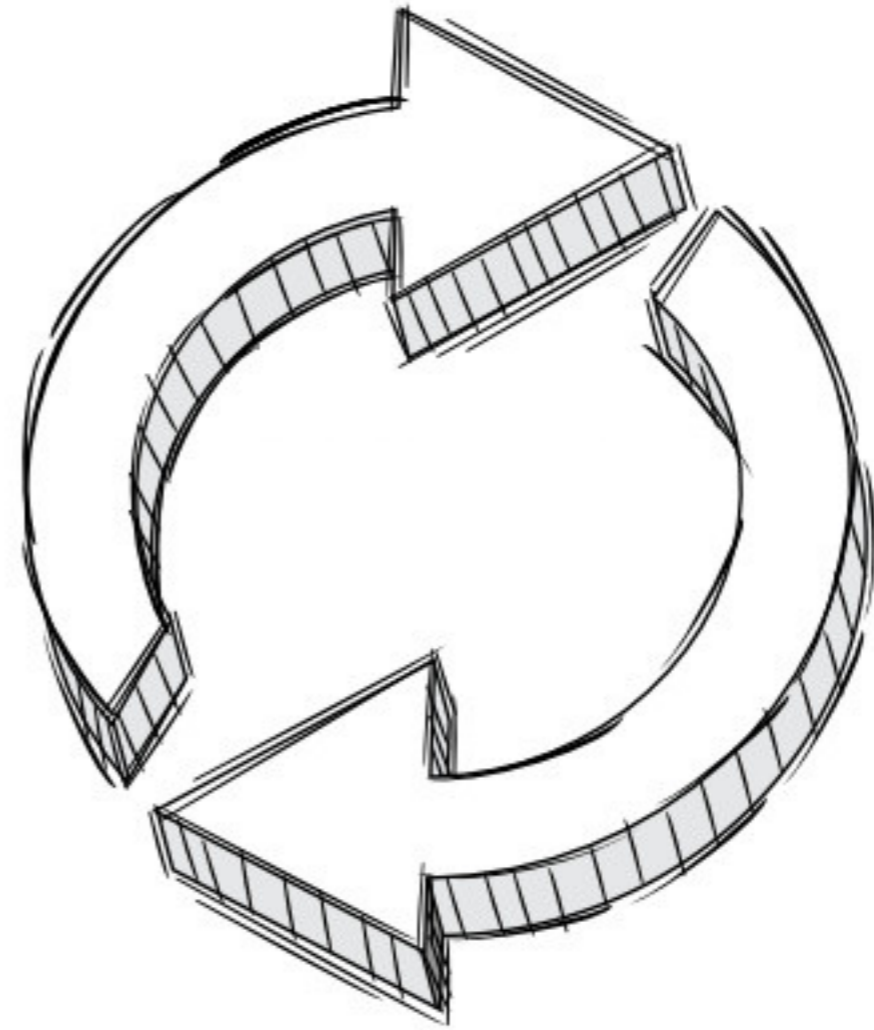
In addition to word-of-mouth promotion, LOMOGRAPHY also focuses on indirect promotion which they refer to as 'LomoAmigos'. The idea is to give away products to celebrity figures in order to trigger a demand for the product with the general public. They also give away products to be displayed in shoots and competitions in magazines such as Elle and Cosmopolitan for the same effect.

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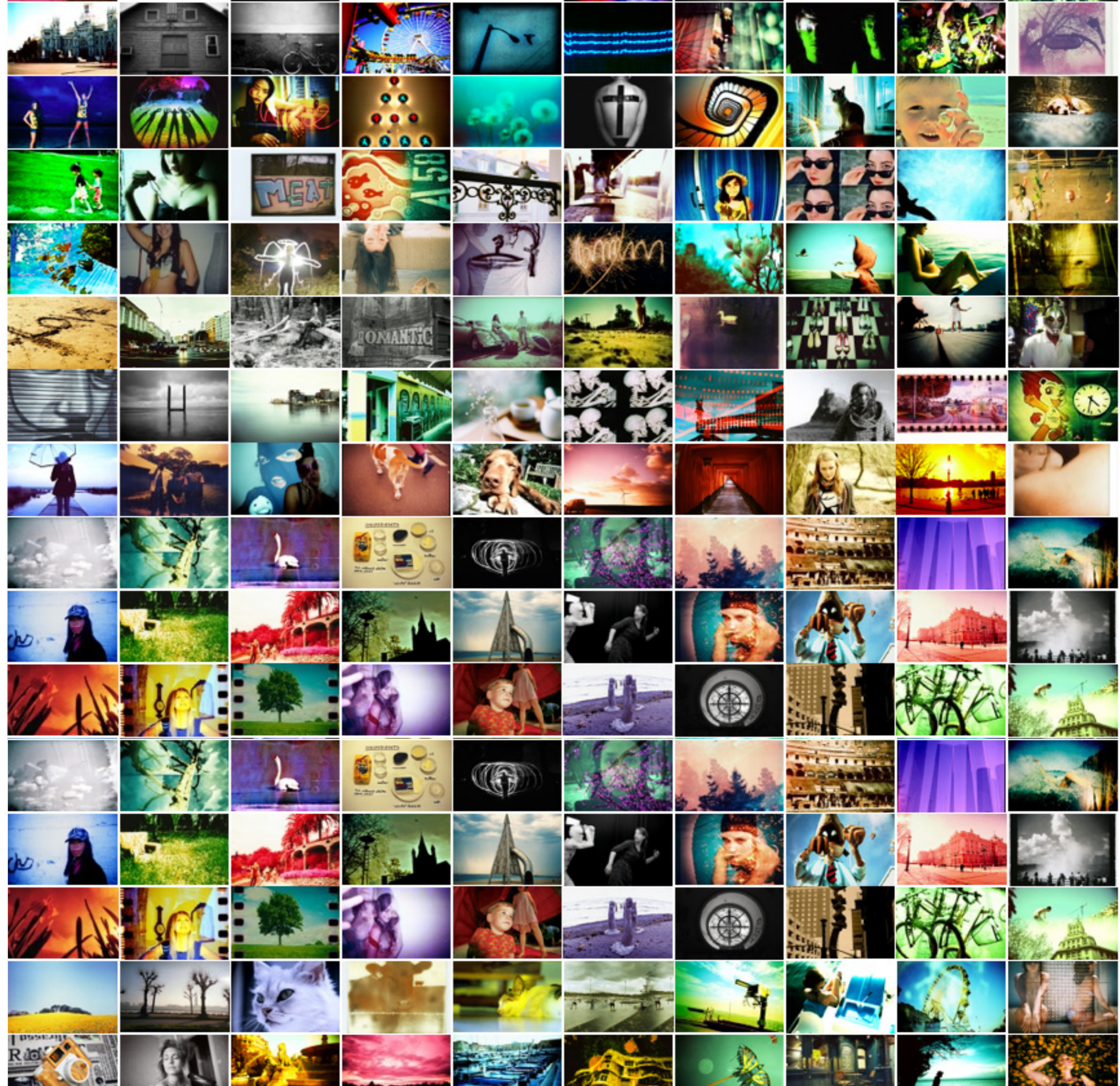


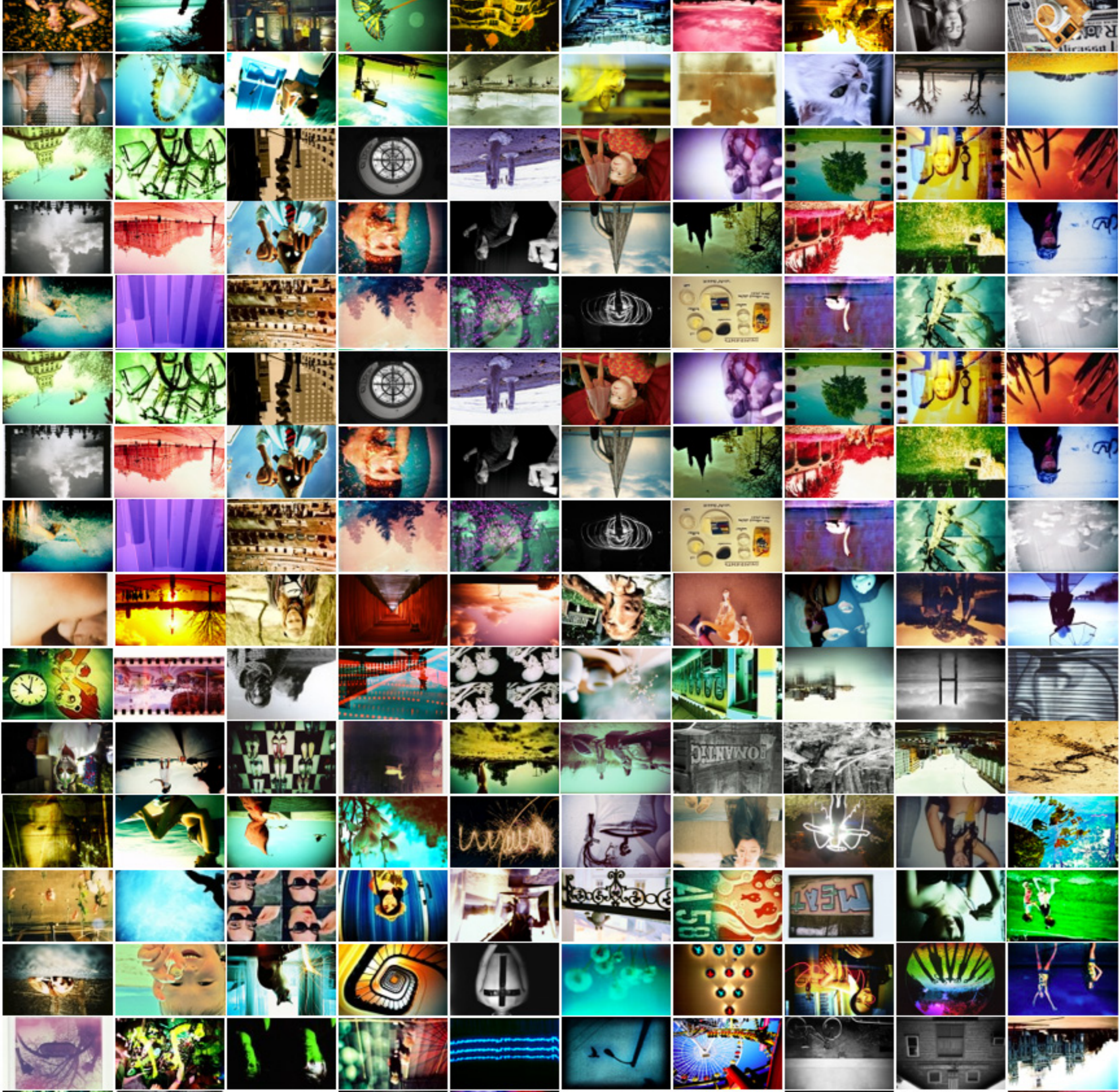
# The Ten Golden Rules





CLOSE  
&  
FLIP OVER





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