

## contentSutra.com - India's Digital News Monitor

---

### [HP's SnapFish Acquires MeraSnap In India; "It's A Customer Acquisition" Says SnapFish MD](#)

By [Nikhil Pahwa](#) - Wed 21 May 2008 11:42 PM PST

HP-owned [SnapFish](#) has acquired [MeraSnap.com](#), one among many is the nascent online photo finishing space. MeraSnap was one of the unfunded players in this segment, which includes KPCP & Sheralo Ventures funded [ZoomIn](#), Sequoia Capital and Seed Fund funded [Printo](#), [Picsquare](#) ([funding from 3 Angel Investors](#)), [iTasveer](#) with a deal with Windows Vista, and a bunch of others like eYaadein, RangeelaPhotos, PhotoMasti, 123shots etc. At present, the MeraSnap site redirects users to SnapFish.in. The value of the deal has not been disclosed. I spoke to Bala Parthasarthy, one of the founders of SnapFish and Managing Director, AsiaPac and Latin America for the HP owned company:



**Why acquire Merasnap?** MeraSnap was among the earliest players in India, and they have acquired 100,000 customers. This fits in very well with what we're looking for. We're currently in the process of migration of users to SnapFish, if they choose to do so. This is essentially a customer acquisition.

**1 lakh customers...is that since launch, the number of users in the last 5-6 months, or repeat usage?** That's the number of customers since launch. MeraSnap is one of the larger players in the market in terms of repeat usage. I don't have the exact repeat usage data.

**How has Snapfish done in India since launch? And what's the current state of the market?**

SnapFish has been getting a phenomenal response in India - and 200,000 customers since launch. I think what's worked for us is the value proposition of Rs. 2.95 for prints. We do a wide variety of prints and gifts. In terms of the state of the market - digital cameras are pretty new, but what's important for us is not the market today, but that the digital camera market is expected to grow at 20-22 percent CAGR through 2011. And there are mobile phone cameras as well. We're betting on the fact that the Internet and Broadband growth in the next 3-5 years would be significant. So we're investing in the market to stay in the market. Competition is not significant and not very large. I'm excited and pleasantly surprised that we could get 200,000 in 6 months.

**If you were able to acquire 200,000 customers in just six months, and it's still a nascent market - why acquire MeraSnap for just 100,000 customers (since inception)? Why not grow organically?**

We've done a number of these deals - MeraSnap customer value is very similar to ours. We do a rigorous ROI analysis, and we bother to acquire if base is significant enough and the effort of transitioning users is easy enough. Other players' user base were smaller.

*More on retail ops in the extended text*

**The founders haven't joined Snapfish?** No. It's a customer acquisition, not a company acquisition.

**What about an offline presence for SnapFish or MeraSnap? A retail distribution network?**

Snapfish doesn't offer any offline presence in India - neither does MeraSnap. In other markets, we print

to a retail location. We'll do that in India at some point in time.

**So why not look at someone with a vendor network to complement SnapFish?** SnapFish is not in the offline business worldwide. We're present in more than 20 countries, where we partner with retailers - around 12000 retail outlets, but its always a partnership. Partnering someone with a vendor network will make sense when we can have a large enough presence with a nationwide footprint in India.

**Are you are you planning to leverage the existing but fragmented "photo studio/lab" network that exists, or go with full fledged stores or kiosks?** HP has a fairly broad chain of stores, and we'll have a kiosk to print photos there - where one can order online and print there. we don't disclose .

**Do you have in-house printing capabilities or are you working with vendors?** We're working with vendors with HP equipment, but we don't disclose vendor deals.

**Posted in:** [Mergers & Acquisitions](#), [Photo Sharing](#)