Brand Doctor

Brand Check-up

Kodak

As of February 27, 2024

Status: Needs attention

Kodak built the first digital camera, stayed focused on film, went through Chapter 11, and now runs a small print and chemicals business under a far bigger name.

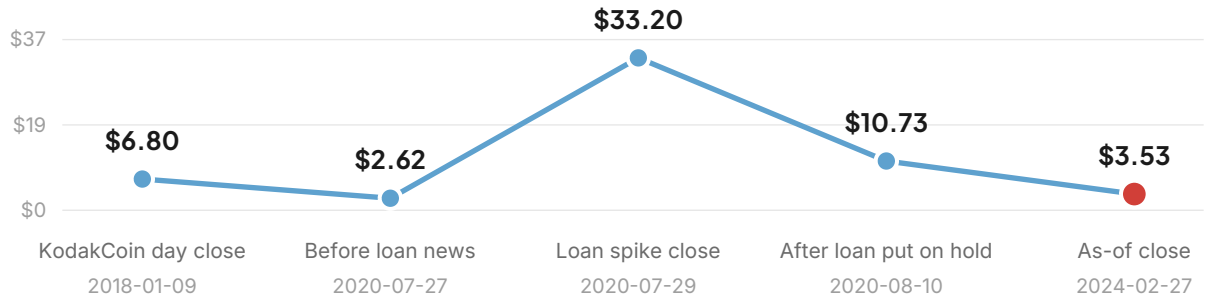
About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on February 27, 2024. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

USD, at the dates shown [9, 11, 12]



Share price

$3.53

Close, February 27, 2024 (NYSE: KODK) [12]

Change from 2020 spike

Down about 89%

Vs the $33.20 close on July 29, 2020, the day after the $765 million loan plan was announced [11, 12, 10]

Old shares' 1997 high

$94.75

Highest price for the first quarter of 1997 in Kodak's 10-K (no day given); the old EK shares were cancelled when Kodak emerged from Chapter 11 in September 2013 [3, 8]

Latest annual revenue

$1.205 billion

Full year 2022, up 5%, reported March 16, 2023; 1997 sales were $14.5 billion [13, 3]

Revenue, first nine months of 2023

$842 million

Down from $900 million a year earlier, reported November 8, 2023 [14]

Brand licensing revenue

$17 million

Brand segment (licensing the Kodak name to third parties), 2022 [13, 15]

Timeline

1975–12	Kodak engineer Steven Sasson takes and displays the first picture from his prototype digital camera. [1]
1988	Kodak's global employment peaks at 145,300. [5]
1997	The old EK shares reach $94.75, their first-quarter high; on March 21 they fall 9 1/4 points after a sales warning. [3, 4]
2004	Kodak is removed from the Dow Jones Industrial Average. [5]
2009	Kodak stops selling Kodachrome film after 74 years. [5, 6]
2012–01	Kodak files for Chapter 11, listing debts of $6.75 billion. [5, 6]
2012–12	Kodak agrees to sell and license its digital imaging patents for about $525 million. [7]
2013–09	Kodak emerges from Chapter 11 as a technology company serving imaging for business markets; the old shares are cancelled. [8]
2018–01	Shares rise 117% in a day after Kodak announces KodakCoin. [9]
2020–07	The DFC announces a letter of interest for a $765 million loan; shares close at $33.20 on July 29. The DFC puts the loan on hold on August 7. [10, 11]

Symptoms

- Shares closed at $3.53 on February 27, 2024, about 89% below the July 29, 2020 close of $33.20.
- Revenue for the first nine months of 2023 fell to $842 million from $900 million.
- About 4,200 employees at the start of 2023, against a global peak of 145,300 in 1988.
- Two large share spikes since 2013 came from announcements outside the core business: KodakCoin in 2018 and a pharmaceutical loan plan in 2020.
- Licensing the Kodak name brought in $17 million in 2022, a small part of $1.205 billion in revenue.

Diagnosis

1 Film came first

Sasson's 1975 prototype recorded 10,000 pixels, and Kodak decided to stay focused on its core film and paper business. A 2015 New York Times account says he was told Kodak could sell the camera but would not, because it would eat away at film sales. [1, 2]

2 Price pressure at the peak

In March 1997, in the same quarter as its 1997 share-price high, Kodak warned that January and February sales were below expectations. CNNMoney reported that it had lost customers to Fuji and was cutting prices. In 1997 it also announced plans to eliminate 10,000 jobs. [3, 4, 5]

3 A business model that shrank with film

The shift from film cut Kodak's sales almost in half from 2005 to 2010 and profits dried up, CNNMoney reported. Kodak stopped selling Kodachrome in 2009 and filed for Chapter 11 in January 2012 with debts of $6.75 billion. [6, 5]

4 A famous name with a narrow business behind it

Kodak emerged in 2013 serving imaging for business markets, and licensing the name brought in $17 million in 2022. Two large share spikes since then came from KodakCoin in 2018 and a $765 million pharmaceutical loan plan in 2020, both outside its core business. [8, 13, 9, 10]

Prognosis

As of February 27, 2024, Kodak is a small commercial print and chemicals company carrying one of the best-known names in photography. Revenue grew 5% in 2022 but fell in the first nine months of 2023, while net earnings for that period rose to $70 million from $19 million. Watch

whether print revenue holds up, whether advanced materials and chemicals can grow, and whether the company licenses its name only to products that fit what Kodak stands for. The share price has jumped on news outside the core business, so it is a poor guide to the health of the brand.

Treatment

- In the late 1970s and 1980s, Kodak should have given digital imaging its own unit, with targets set apart from film margins.
- Tell commercial print customers in plain terms what the Kodak name promises them today, and back it with proof.
- License the name only to products that fit what Kodak stands for, and turn down deals that borrow it for unrelated hype.
- Tie public announcements to the core business, so attention turns into customers rather than short share-price spikes.

Lessons for growing companies

Fund your own replacement

Kodak built a digital camera in 1975 and stayed focused on film and paper. Give a product that could replace your best seller its own team and its own targets.

Price pressure is an early symptom

Kodak warned on sales in March 1997, the same quarter its shares hit their 1997 high. Track discounts and lost customers, not only revenue, when you review brand health.

A spike is not a recovery

Kodak’s shares went from $2.62 to a $33.20 close in two days in 2020, then closed at $3.53 in February 2024. Judge brand health by customers and revenue, not attention.

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About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

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