

GRAY MARKET FUJIFILM-BRANDED PRODUCTS: A PRIMER

What are "Gray Market Products"?

Most manufacturers work with a single importer which is authorized to sell and support their products within a given country or geographic region. The importer in turn usually establishes a channel of specific, local dealers and distributors which are authorized to resell the imported products.

FUJIFILM North America Corporation is the sole authorized importer of FUJIFILM-branded digital cameras and accessories into the U.S. FUJIFILM North America Corporation pays import duties and taxes, and is the designated provider of customer service and support for all FUJIFILM-branded digital camera and accessory products in the U.S. market.

FUJIFILM-branded products that are imported and sold by third parties and methods outside of FUJIFILM North America Corporation's authorized distribution channel are referred to as "Gray Market Products". With the weakening of the U.S. dollar, and the rise of global markets and the internet, Gray Market Products have become increasingly more common in the U.S. digital camera market segment, and in the U.S. consumer electronics market in general.

How are "Gray Market Products" Different from Authorized FUJIFILM-Branded Products?

To ensure compliance with country-specific safety regulations and certifications (FCC, CE, UL, etc.) and other government requirements, manufacturers provide special packaging and product engineering designed to meet local country / region requirements.

For instance, FUJIFILM-branded products intended for sale within the U.S. market are sold with a U.S. specific warranty, a UL-certified power cable that is designed for U.S. receptacles, a UPC code on the packaging, and a battery and/or battery charger with certain features and characteristics that are competitive with others available in the U.S. market. All FUJIFILM-branded products bear a unique serial number which can be matched to production and to the specific country or region for which the product was manufactured and intended for distribution.

FUJIFILM-branded Gray Market Products will typically have a foreign or international warranty card, a general power cable that is not UL-certified or that is not designed for U.S. receptacles, no UPC code on the packaging, and/or a different battery and/or battery charger than U.S. intended FUJIFILM-branded products. The lack of or altered serial number is also an indication that a FUJIFILM-branded product is not a legitimate product intended for sale within the U.S. market.

Significance of Procuring and Owning a FUJIFILM-Branded "Gray Market Product"

Gray Market Products are not designed to be sold in the particular market to which they have been diverted and often have been engineered to different standards. As a result, Gray Market Products often cannot be supported by the authorized importer of the country to which such products have been diverted. Accordingly, the importer or reseller of a Gray Market Product will typically need to be contacted by a retailer or consumer purchasing Gray Market Products for warranty service or support. In addition, certain state laws require retailers of Gray Market Products to provide written notice to consumers at the point of sale stating among other things, whether or not the product is covered by a U.S. warranty.

In the case of FUJIFILM-branded products, FUJIFILM North America Corporation **CANNOT** provide warranty service or complimentary support or assistance with a technical issue for FUJIFILM-branded products that it has not imported. Any service or assistance will be provided by FUJIFILM North America Corporation and its authorized service centers on Gray Market Products only at current, standard service rates.

Accordingly, a FUJIFILM-branded Gray Market Product often ends up costing both the retailer and the consumer more on the back-end, and in the long run. This risk should be taken into account as part of the initial purchasing decision.