

Trend to high-quality photo-products

NUREMBERG, GERMANY: Worldwide, the trend is moving towards high-quality cameras. New products with smartphone features are being offered and are winning an entirely new customer base. Japan, Russia, the Ukraine and Kazakhstan are posting double-digit growth on photo-products, while markets in Western Europe are characterised by increasing value creation.



In China, despite the huge demand for feature phones and smartphones, value trends in the imaging market have been relatively stable. Those are the key results from GfK released for the photokina trade fair in Cologne.

Worldwide, the demand for photo-products is stable. In the first half of the year, cameras posted growth of 17%. The market is growing particularly strongly in Turkey, the Middle East, Africa, and also in Asia and Latin America.

Digital cameras form the core product group within the imaging area. Globally, there has been a decline in volume sales in this market, particularly in North America. However, at the same time, sales by value remain stable which means that consumers are increasingly buying better quality products. Consistently, across all countries an increase in price of 8% has been recorded. For 2012, GfK predicts that worldwide approaching 140 million cameras will be sold. The slight drop in number compared with last year is due to stagnating volume sales of compact cameras.

However, the production statistics of the Japanese imaging industry association, CIPA (Camera & Imaging Products Association) are consistent with a world increase over the first six months of almost three%. This is mainly due to growth of 41% in sales of cameras with changeable lenses. The production numbers for compact cameras are relatively stable compared with the previous year. This is due to the fact that in the first six months there were production shortages, and at that time, products were presumably being sold from stocks, which have now been fully replenished. The CIPA production statistics also report growth of 23% in sales of changeable lenses, which correlate with similar growth in sales in the GfK figures.

Mobile imaging expands the number of customers

Smartphones and feature phones have a strong influence on the demand for digital cameras. Mobile phones are not though just to be regarded as a replacement for or competition with cameras, rather they foster interest in photography and so provide access to an expanded community of consumers. That represents a huge potential for future sales of digital cameras and is already now leading to increased demand for better quality cameras.

Mobile phones with a camera function (camera phones) are registering a worldwide sales growth of 16%, with a clear trend to smartphones. In Western Europe, there is no expansion to be seen in the market as a whole, but rather a repositioning which is very clearly visible. Increasing numbers of customers are choosing smartphones instead of simple feature phones, which provide fewer options. As a whole, that is leading to an improved position in terms of value. In Japan trends in sales of camera phones in the April-June period were downwards but to put that in perspective, sales of cameras over the same period were stable.

In certain price categories, mobile imaging is reducing sales of compact cameras, but is leading to a significant expansion in target groups such as potentially keen photographers wanting to get into the photographic market.

The Chinese pay the most for single lens reflex cameras

The situation on digital cameras is particularly interesting in China, the world's second biggest market for digital cameras, following after North America. In China the influence of mobile phones is much stronger than in the other regions of the world, because as a result of local competition, the average price of smartphones is significantly below the prices of digital cameras. Even on a worldwide comparison of price, the prices in China lie well below average. That is the reason why very few Chinese decide to buy a digital compact camera.

Nevertheless, particularly in China it can be seen that the consumer is willing to buy a higher quality product. In the Middle Kingdom, 22% more is invested in the purchase of a digital camera than in the rest of the world. This can be seen most clearly with compact system cameras and with single lens reflex cameras. In China single lens reflex cameras have a share of 18%, while by comparison in Japan, their share is 10% and worldwide (excluding North America) 12%. This means that the Chinese consumers devote ¥1 out of ¥2 spent on cameras to buying a single lens reflex camera. With a share of 51% of the total camera market in July, single lens reflex cameras are in China unbeatable. Meanwhile their share in Japan is 29%.

Expensive models are gaining importance

Compact cameras without changeable lenses have suffered everywhere in the world under the influence of mobile phones. In this market a double-digit collapse in sales has been recorded. However, the positive aspect of this is that in terms of sales value, trends are stable. The explanation is that the under €150 price group has declined by 16% in volume, while sales of 10X optical zoom have risen 27%. In the zoom product sector as a whole, 21% growth has been recorded. The price group where sales have been falling most rapidly has been €50-100, while price groups at over €150 have been gaining importance everywhere in the world.

Similarly, cameras with changeable lenses have continued to enjoy increasing popularity. In 66 countries of the world, growth of 15% in the first six months of the year has been registered. That represents for single lens reflex cameras a plus of 6%, while on compact system cameras; there was a plus of as much as 50%.

The current trends on high-value products both in the area of cameras with changeable lenses and in the compact camera sector are leading to growth in value creation. This is further increased by the accessories business, where demand is also rising. An analysis for instance of Germany shows that around 75% of all digital cameras are sold in a kit with a changeable lens and also that 50% of all lenses are sold together with a camera.

Cameras with feature phone functions are coming

Compact cameras are experiencing a huge enrichment in terms of technical applications, and the issues of connectivity and features are of key importance. Some manufacturers have announced at photokina new product features, including

being equipped with Wi-Fi, fast radio data transfer and Android distribution systems. That means that what was up to now the most important differentiating feature between cameras and camera phones, i.e. the problem of not being adequately "connected" is declining in importance. The new generation of cameras is taking on many of the features of smartphones including apps and touchscreen, but the main emphasis will be the capturing of high quality still and moving images which will make them of greater interest to the target groups of camera phone-users and also knowledgeable photographers.

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