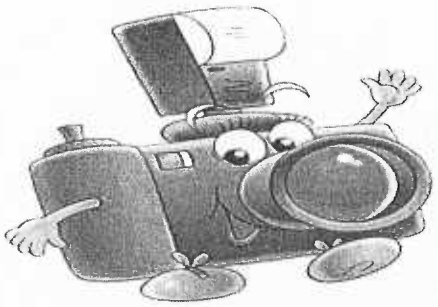

BARGAIN SHOT

Brittany Egan 4,4
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A1b: Industry Review

Digital Cameras: Attributes, Consumer Benefits, and Trends in Manufacturing/Innovation

This report provides a brief discussion concerning the characteristics and attributes of digital cameras, consumer benefits, and the technological trends in manufacturing and product innovation. In the final discussion, findings are related to business strategy.

Technical Aspects and Characteristics

A digital camera is an electronic device used to take still photographs or video. The underlying technology used in digital cameras is a digital image sensor device (Horaczek). The device converts optical images into digital code that can be rendered in many image formats including JPEG, GIF, BMP, and more. Digital cameras support advanced image capturing methods such as filtering, optical anti-aliasing, and interpolation. Most digital cameras include the following leading features: HD video recording, image stabilization, touch screens, and optical zoom with additional features including ruggedization, 3D, built in projector, and slow motion (Horaczek).

Associated Consumer Benefits

The main advantages of digital cameras for consumers are cost and convenience. Digital cameras range in price from as low as one hundred dollars up to five hundred dollars and more (Top Trends). Unlike conventional cameras, digital cameras do not require the added expense of film, because all images are digitally stored. This makes digital cameras convenient for capture, distribution, and storage. As such, digital camera advantages include things like being able to burn/copy pictures to CD or DVD, share with friends and family, use software for editing and enhancement, and print hard copy photos at home (Horaczek). For the more serious digital camera user, benefits of digital cameras include high volume imaging, rapid workflow and production, and digital manipulation.

Emerging Industry Trends

The digital camera industry is characterized by a number of trends including touch screen technology, flip cameras, high definition, SLR digital cameras, and mobile phone digital cameras. With the tremendous popularity of the iPad and other tablets and touch screen mobile phones, consumers are expecting digital cameras with touch screen controls to become the standard (Top Trends). As such, industry participants continue to try to outperform the competition by offering the best and most satisfying graphic user interfaces. While mobile phones have been moving away from the flip-open design, industry leaders like Samsung are releasing digital cameras with touch screens that can flip open and allow the photographer to capture images from any angle, even enabling the

ability to easily take self-portraits (Top Trends). The advancements in microchip technology continue to provide improvements in high definition capabilities for digital cameras. This trend will abate at no time in the near future. Industry participants will, in fact, continue vying for product differentiation advantages in this area. The same holds true for single-lens reflex (SLR) technology. Digital SLR technology conventional SLR technology, which allows the photographer to see exactly what, will be captured in the picture. The current industry trend is toward a reduction in the cost of SLR digital features. Technology integration will also continue to characterize the industry in the foreseeable future. Portable electronic devices that are multifunctional will grow in popularity with mobile phones that offer superior digital cameras becoming a consumer preference. In fact, industry insider Ed Lee of InfoTrends sees digital cameras to soon start looking like more like digital phones (Shu). With this type of integration on the horizon, Lee further predicts the importance of digital camera manufacturers adding connectivity to their products - wifi, for example (Shu).

Conclusion

In the final discussion, industry participants face an evolving technological landscape that presents many challenges and opportunities. With the many technological innovations currently taking place in the industry, it becomes very clear that industry participants will need to stay on top of the innovation curve. Product differentiation strategies will be a key to success in the marketplace. Manufacturers that can offer appealing and easy-to-use user interfaces, for example, can appeal to consumers who are trying to avoid steep learning curves. Market niche strategies; should also be considered

by industry participants. As digital camera technology continues to improve, it offers many advantages and capabilities to the serious amateur photographer, and even many professionals. Manufacturers who are able to create products that appeal to this market niche have the opportunity to create a source of sustainable competitive advantage. Finally, industry participants should take note of the trend towards affordability of digital cameras with advanced features and integrated capabilities. To remain competitively viable, it is highly advisable for manufacturers to invest sufficiently in research and development. Innovation, in other words, will continue to remain a prerequisite for success in the digital camera industry.

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