

The global market for digital camera is projected to surpass 138 million units by the year 2015, driven by increasing demand for digital single lens reflex (SLR) cameras. Demand for digital cameras is likely to witness robust growth in Asia-Pacific region, led by the rising income levels and growing affluence of consumers.

Digital cameras represent one of the most popular consumer electronics products, globally, having benefited immensely from the digitization of consumer electronic products. However, the global economic meltdown has hampered the vigorous growth in the market. The volume shipments of digital cameras witnessed a substantial decline due to opposing economic conditions, while revenues witnessed a downward slide as consumers opted for low margin models and manufacturers sought to stimulate sales by reducing prices.

Sales of digital cameras exhibited slight recovery across major global markets during late 2009 and early 2010, driven by strong performance in the single lens reflex segment and growth across emerging regional markets. The increased demand for touch screen and HD cameras also contributed to the rise in sales of compact digital cameras. Nevertheless, recovery in revenue terms is likely to take a longer time, as consumers are unlikely to opt for purchasing expensive, high-margin cameras, which are major contributors to revenue growth. Such a scenario offers potential opportunity for manufacturers offering low cost cameras.

The United States, Europe and Asia-Pacific collectively account for a large share of the global market, as stated by the new market research report on digital cameras. The Americas, Europe, Middle East and Africa regions bore the effect of the adverse economic conditions. Asian markets exhibited resilience to the adversities, due to the relatively lower saturation levels in the SLR market as well as owing to the strength of China's consumer electronics market. With US and Europe showing mature market conditions, China, India, and Russia offer potential growth opportunities for manufacturers of digital cameras. Purchases of new cameras would be significantly influenced by consumer interest in novel technologies such as touch screen user

interface, HD video, wireless connectivity, advanced image detection technologies, and advanced zoom lenses.

Single lens reflex cameras, a segment of the digital cameras market, is witnessing growth at a faster pace, due to the better quality of photographs achieved through the devices. Digital SLRs market offers huge growth opportunities due to digitization, easy usage, falling prices, and strong demand in emerging markets. China, India, and countries from Eastern Europe are witnessing growth in the digital SLR cameras market, although the pace of growth has been adversely affected in the US and Japanese markets.

The North American digital camera market is experiencing lukewarm growth primarily because of the saturating market for compact cameras. The consumers in the US and Canada due to the higher spending capacity started adopting digital compact cameras much earlier than consumers in other parts of the world. As a result the ownership level of the compact cameras has reached a developed level among the consumers in these countries. Because of the growing market, the demand from the first time buyers has been consistently declining during 2006-2012 in the US and Canada. However, these consumers are seeking to upgrade their old compact cameras with new advanced interchangeable lens cameras with higher quality imaging capability. This trend has grown significantly in last few years and is influencing the digital camera market of the region positively.

The camera companies are also introducing innovative features such as Wi-Fi, Bluetooth, interface for social networking sites and others so as to profitably convert the replace demand from the consumers in the region. These companies are diverting their marketing budgets in product development and promotion of the interchangeable lens cameras which include DSLRs and mirror less cameras. The interchangeable lens cameras are expected to contribute more than 50% of the total digital camera revenue in the region in coming five years.

The adoption of the digital cameras among the consumers of these countries started much earlier because of the high spending power. The high level of ownership of the digital cameras especially the compact cameras among the consumers has resulted in significant decline in their demand which has reflected in the drop in the shipments as well.

According to the report, the shipments of the digital cameras in future years in the region would be largely driven by the growth in the consumer demand for the interchangeable lens cameras. The contribution of the interchangeable lens cameras is expected to increase to 57.7% by 2017.

Consumer demand for Wi-Fi capabilities in digital cameras, similar to those in smartphones for instant photo sharing, continues to increase, particularly in certain brands, according to Market Insight Corp.'s latest findings.

In a sample of more than 59,000 shoppers visiting MyProductAdvisor.com, 7.9% rated Wi-Fi as a very desirable camera feature in the first quarter of 2012, compared to 7.4%, 6.4%, 5.9%, and 5.5% during the previous four quarters. Shoppers who expressed a strong preference for the Fujifilm brand showed the largest increase in Wi-Fi interest, with 17.1% indicating it to be very desirable in the first quarter of 2012—a 25% jump from the previous quarter and fully double the percentage who rated it very desirable during the same quarter of the previous year. Those shoppers with a preference for the Samsung brand also showed high interest in Wi-Fi, with 17.5% rating it very desirable in the first quarter of 2012, compared to 12.8% during the same quarter in 2011. However, according to the findings, shoppers who preferred other digital camera brands showed lower Wi-Fi desirability ratings and more modest increases over the time period.

The demand of the digital cameras is rapidly shifting from the developed countries to the emerging nations. The reason behind the shift in demand is because in developed countries demand for digital camera is reaching maturity stage with high ownership level of digital cameras among the consumers. Equally, the dispersion level of digital cameras is very low in emerging economies such as India and Brazil which is resulting in growing demand from the first time buyers. The shipment of the digital cameras

globally has grown at a CAGR of 3% during 2006-2012, where shipments of ~ million units were recorded in 2012 which increased from ~ million units in 2006. The global digital camera market has experienced a marginal growth during last six years majorly because of the declining consumer demand in the developed countries, economic slowdown in the European region and negative impact of the growing smartphone adoption by the consumers worldwide. The market is dominated by Asia which accounts for a large portion of the shipments in 2012 of the digital camera market worldwide; followed by Europe, North America and Latin America.

The Asian region has emerged as the fastest growing market in the global digital camera industry in recent years. This is majorly because of the low diffusion level of the digital cameras in countries such as India and China. The Indian digital camera market has experienced a strong growth over the last six years in which the market has grown at a CAGR of 9% during 2006-2012.

The digital camera market of China is estimated to experience a strong growth through 2017 on account of high demand for cameras with interchangeable lenses. The market is projected to grow at a CAGR of 21.9% during 2012-2017. Similarly, the mirror less interchangeable lens camera market of South Korea has increased at a vigorous CAGR of 32.6% during the two year period from 2010-2012. The interchangeable lens market in Asia has also grown significantly in recent years owing to the growing consumer demand for the interchangeable lens cameras. The shipments of the interchangeable lenses to the region have grown at a CAGR of 31.8% during 2006-2012. The growing maturity in the market owing to the high digital camera ownership levels among the consumers is the prime factor for the decline in the shipments of the digital cameras during last six years. The North America digital camera market is estimated to grow marginally during 2012-2017 where the shipment of the digital cameras is expected to increase. The European digital camera market is shrinking with growing maturity of the market and increasing adoption of the smartphones by the consumers. The region is the second largest market in the world after Asia and represents 34.4% of the total shipments of digital cameras made in the world in 2012. The countries in Western Europe such as United Kingdom, France and Germany have been the largest markets

for the shipments of the digital cameras in European region. The moderate growth of the market has largely been driven by the consumer demand for DSLR cameras and newly introduced mirror less interchangeable lens cameras and maturing market for the compact point & shoot cameras. The digital camera market of Latin America is projected to grow strongly during coming years because of the high consumer demand for both the built-in lens cameras as well as interchangeable lens cameras. The shipments of the digital cameras are estimated to grow at a CAGR of 22.5% during 2012-2017. The significant increase in the shipments of the digital cameras would increase the contribution of Latin America to the total shipments of digital cameras worldwide to 20.8% by 2017.

Reference:

<http://www.kenresearch.com/consumer-products--retail/specialty-retail-products/351-95/Global-Digital-Camera-Industry.html>