



GfK Marketing Services Japan Ltd.
Imaging/ Photo

Global Imaging Market Overview

Press Release

PIE – Photo Imaging Expo 2008

CIPA/GfK Imaging Market Trend Seminar

On Friday Mar 21st, CIPA/GfK Market Trend Seminar, the Special Business Seminar of PIE2008 had taken place at Tokyo Big Site in Japan. Approximately 400 audiences had attended in order to share the latest global view of Digital Imaging Market. Following is the summary of each presentation, spoken by the GfK and NPD analysts.

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Global and Emerging Market (East Europe and Latin)

The Digital Camera markets around the globe did show unexpected growth says Marion Knoche at the PIE2008, CIPA/GfK Imaging Market Trend Seminar conference when she talked about the global trends in the Imaging Markets. 126 Mill DSC got sold in 2007 which does represent 18% growth. The largest market had been the US, followed by Japan and China. Most dynamic had been markets as Russia and Latin (Brazil, Chile and Argentina) with 54% growth.

Digital SLR cameras are significant driver in this market with a global growth of 44%. Besides, also compact digital cameras did significantly grow. Main driver for this had been new features in the market as well as the subject, that currently there is large number of additional buyers or replacement buyers. The expectation for further growth will depend on the innovative power of the Digital Camera Industry.

Knoche also says that besides the DSC also camera phones and camcorder need to get considered including those closely 780 mill picture taking devices got sold in 2007.

By Marion Knoche

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Japan

With the unexpected positive growth of 14%, 10.9 million units were sold in 2007. Even better news was, value growth showed 15% from 2006, higher than unit growth due to the strong sales of Digital SLR. In 2007, DSLR took 11% of total unit, 33% of total value which are the highest ratio in the world.

In terms of the features, Japan is one of the advanced markets in the world. For example, 70% of compact type models sold in Dec 2007 had more than 8 million pixels, 81% had face recognition function and 48% had more than 4 times optic zoom.

However, the replacement cycle is getting longer and longer in Japan, and today, it is 4 years according to GfK Japan's latest consumer survey. With the high penetration rate of Digital camera, it is not realistic to expect to keep the high growth rate hereafter. Not only just adding the new features, but also to mature the existing features is important for the long term marketing strategy.

By Takuro Hiraoka

Asia

Asia experienced a very healthy 20% growth in digital camera sales in 2007 compared to last year. Out of the 17 million digital cameras sold in the 13 countries that GfK audits, about 8 million were sold in China. Looking forward to 2008, we anticipate the Asian market to absorb 24 million units of digital cameras this year.

Despite continuous price erosion and intense competition, both digital compact and DSLR cameras have registered increase in sales units and value from 2006 to 2007. 16 million compact cameras were sold at an average price of USD282, whilst almost 1 million DSLRs were sold with a value of around USD1,020Million. The DSLR segment continues to be the hot segment growing exponentially with a stable price of USD1,000.

By Gwee Siew Theng

Regional Account Manager, Imaging and Communication, GfK Asia Pte Ltd.

US

2007 represented yet another peak both for digital SLR and compact digital camera units in the United States. Digital camera unit volume reached 34.4 million in 2007, an eleven percent increase from 2006. Accessories actually outpaced digital camera growth, as a greater camera install base means greater opportunity for aftermarket items as well as image printing, sharing and storing. Nearly six of every ten camera buyers in the US were on at least their second camera last year.

However, with a combination of an uncertain economic climate and a more saturated digital camera market, the American camera landscape will be more challenging in 2008. The repeat buyer will continue to demand greater value for the investment. However, moreso than other top revenue categories like LCD TVs, American digital camera buyers were motivated by brand trust. For camera manufacturers, continued marketing and advertising should help raise the value of strong camera brands in consumers' eyes.

Now representing just over half of repeat buyers in the camera marketplace, women are a prime target for more advanced cameras and accessories. NPD's Digital Camera Market Basket Study revealed that most digital camera buyers leave the store without purchasing anything more than what came with the price of the camera. Women were more likely than men to seek assistance to use their cameras to their fullest, and also more likely to desire a bundle of accessories along with their initial camera purchase. While the imaging industry will need to work harder for profits in 2008, investing in the right segments of the imaging market should help ensure loyalty and long term profitability.

By Liz Cutting

Imaging Analyst, The NPD Group

West Europe

The European markets get more and more determined by the increasing demand in Eastern Europe and particularly Russia and Poland. For 2008 Knoche expects 12 Mill DSC sales in Eastern Europe, which would early represent one quarter of the European Market.

The structure of the Features/demand does not differ between the Eastern

and Western European markets as eastern European consumer request today the same advanced products as West European products.

As the east European penetration has not yet reached the level of West Europe we still face first buyers in Eastern Europe, while in west Europe where we face a home penetration of about 60% the products bought are quite often second or even third products in the home and products turn from being family products to personal products.

By Marion Knoche

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