

Press release

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Premium products propping up global photography market

Nuremberg, September 24, 2018 – Global sales from digital cameras came to €3.9 billion in the first half of 2018. This equates to a drop of 11 percent compared to the same period last year. The number of items sold also dropped, by 15 percent. The only sector to show revenue growth and increased sales numbers was that of fully-equipped premium models. These are GfK's findings for the global photography market to be released at photokina 2018 in Cologne, Germany.

These drop-offs can, in part, be attributed to a particularly strong first half of 2017. The market was driven by new product launches and the exceptional circumstances triggered by the earthquake in Japan in spring 2016 which made for difficulties in delivering image sensors, leading consumers to buy later.

However, the photography industry has been under pressure for years. One challenge is posed by the increased quality of smartphones, meaning there is now barely any demand for traditional, basic digital cameras. The digital camera boom relied on the mass market, from which demand has disappeared. Between 2013 and 2017, global sales of digital cameras with built-in lenses shrank by an average of 30 percent per year.

Compact cameras with larger image sensors and high zoom ratios recently slowed this downward spiral and increased the average price of a compact camera from €148 in 2013 to €240 in the first half of 2018. Global revenues from compact cameras came to just under €1 billion in the first half of 2018, 21 percent below those in the same period in the previous year.

Revenues from interchangeable lens cameras dropped 8 percent in the first half of 2018 to a little over €3 billion. Within the sector of interchangeable lens cameras, premium models with 4K video capability

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and integrated WiFi saw a revenue jump of 90 percent. These premium devices therefore account for approximately 45 percent of revenue within interchangeable lens cameras.

Markus Kick, GfK's expert in photography and consumer electronics, said, "Increasing demand for high-end cameras could now slow the downward trend in the photography industry. However, this can only be achieved using products with the right equipment package. A large sensor on its own is no longer enough to guarantee market success. Manufacturers need to offer cameras sporting capabilities, with which users are familiar from their day-to-day interactions with consumer technologies. The top priorities are 4K, WiFi and Bluetooth. The capabilities of digital cameras must far outweigh those of a smartphone camera to give the photography industry the logical advantage."

The trend toward high-quality cameras is also evident in the increased significance of retail sales of camera bodies. Almost one in five interchangeable lens cameras was sold with no lens in the first half of 2018. These cameras sell for over €1,500, a much higher average price than cameras which are sold with a lens included. SLRs and mirrorless cameras are equally ranked in the statistics.

Specialist retailers are benefiting from this trend toward premium products – their share of global revenues has risen to 44 percent. Almost 70 percent of revenues from cameras priced €1,000 or above went to specialist retailers. Almost 30 percent of global revenues from cameras is now generated online, as internet sales continue to grow in significance.

This move toward high-end photography equipment is also evident in lens sales. Lens sales generated over €1 billion in revenue in the first half of 2018. Lenses for mirrorless cameras are particularly popular at the moment, with an increase in revenue of around 25 percent. In the first half of the year, more than 700,000 lenses for mirrorless cameras were sold globally and the average price has increased from €560 to €580 within a year. Fixed focal lengths are in demand and the current offering reflects this: over 80 percent of lenses available for mirrorless cameras have fixed focal lengths.

About GfK's methods

GfK uses the Retail Panel as a regular source of international point-of-sales data on photography equipment such as cameras, lenses and accessories. This assessment of the global market is based on data on cameras from 54 countries and data on lenses from 29 countries.

About GfK

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