

## Sales of digital cameras decline as consumers snap up smartphones

By Mintel Oxygen Reports 5 Jul 2012

LONDON, UK: The camera and video camera - once an essential for every summer holiday, but new research from Mintel finds fewer Brits may be packing their cameras and camcorders this summer, instead relying on the smartphone. Sales of digital cameras have fallen dramatically, declining by as much as 29% since 2006, to a value of £598m in 2011.



Furthermore, today, just under one in ten (8%) UK adults - equating to 3 million consumers - now claim that they are likely to use a smartphone instead of replacing their current camera when it breaks.

Indeed, the future is looking far from flash for the digital camera market. While the market was valued at an impressive £843m back in 2006, by 2016 it is forecast to have declined to just over half a billion (£523m). In addition, the picture is no more positive for camcorders, which have experienced a 21% decline in sales over the past five years, down from £354m in 2006 to £279m in 2011.

Samuel Gee, technology analyst at Mintel, said: "Although smartphone cameras do not typically match the quality of output of dedicated devices, the technology is consistently improving, as the quality of camera image output becomes too high for consumers to reliably distinguish between competitors. Dedicated device manufacturers investing in digital services and including social connectivity and image-editing features in upcoming devices will remain a more enticing proposition in the face of gently growing opposition."

Today, as many as 80% of all consumers capture photos with a digital camera or camcorder and some four in ten (40%) only use a digital camera or camcorder. This compares to almost half (45%) of consumers who use their smartphone to capture photo or video. Meanwhile, the traditional film-camera is used by just 8% of all Brits.

## New camera for old

In terms of purchasing, four in ten (39%) camera owners purchased a camera to replace their old one. Around a third (34%) of consumers purchased a camera for their holiday (34%) while almost one in five (18%) purchased a camera to record a specific event.

Some 21% of all camera and camcorder owners agree that smartphones are a better long term investment than a camera or camcorder owner. However, while there is a trend toward using smartphones for photo taking, over seven in ten (71%) strongly agree that the quality of photos is better on a digital camera or camcorder than a smartphone. One in five (19%) Brits have bought a compact digital in the past 12 months, with around the same number (22%) claiming they do not own one.

"As newer technology continues to improve the specifications of top-end equipment, measurements like megapixel density or the top level of optical zoom possible will become meaningless to consumers best served by less expensive, middle-of-the-field devices. Camera manufacturers must choose to either invest in a web service that complements captured photos or video, or to focus on including new, innovative hardware capabilities and modifications, to retain consumer interest." Sam continues.

Once, the photo shop was an essential port of call for any returning holiday-maker, but today just 23% of camera owners take their photos to be developed there. While around four in ten (42%) digital camera owners print their photos at home using their printer, more than a quarter (27%) of all consumers prefer to look at photos on a PC screen rather than print them out.

Finally, the report highlights the top five things consumers do with photos and videos once taken, these are - 1. Save on a computer (78%) 2. Send them by email (53%) 3. Upload to social networks (50%) 4. Print at home using a printer (42%) and 5. Burn them to a CD or DVD (36%). However, spare a thought for the holiday snaps and video coverage that probably never have their time in the sun - as today, more than a third (35%) of Brits admit to leaving them on a device.

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