

# **P R E S S   R E L E A S E**

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## **Sales contradict gloom**

Toronto, Ontario - Canadians continue to demonstrate they love to take pictures. Nowhere is this better demonstrated than in the dramatic 84 percent increase in digital camera sales in 2001 compared to 2000.

Other data released today by the Canadian Image Trade Association (CITA) shows that, while digital camera sales may well have affected the sale of point and shoot photo cameras in 2001, single-use camera sales continued extremely strong growth, and increased colour photo paper sales show people are taking more pictures.

However you look at the numbers for 2001, the forecast for 2002 shows solid gains are expected in both camera sales and picture-taking.

## **DIGITAL CAMERAS**

Manufacturers shipped 431,000 digital cameras to Canada in 2001. That's an 84 percent increase over the 234,000 shipped in 2000. From 1999 to 2000, the increase was a staggering 134 percent, the largest increase in digital camera sales recorded in Canada since the Canadian Imaging Trade Association began capturing data for this category.

A "mere" 84 percent growth rate does not mean the bloom is off the rose, however. The rate of growth of digital camera sales is leveling as anticipated, as the "early adopter" rush is satiated. Now, as computers and digital imaging become much more relevant in our everyday lives, Canadians are finding more and more uses for digital images. The next few years should see continued strong growth as the "mass market" kicks in.

Better quality, more user-friendly products, and added value will drive sales of digital cameras closer to those of conventional photo camera sales.

In 2001, digital camera sales represented more than 26 percent of all camera sales in Canada. This was up from 13 percent in 2000. CITA anticipates an additional 40 to 50 percent growth in the year 2002, and a crossover of digital and photo unit sales in 2003.

In 1999, digital camera sales rose about 80 percent over previous year totals; in '98 they rose 78 percent. In 1999, digital camera sales represented 6 percent of all camera sales in Canada.

In past years, the majority of digital cameras were purchased by professional, commercial and industrial users, with the consumer market represented by what are known as "early adopters." (For the non-consumer, digital cameras continue to represent a strong value proposition, improving workflow and reducing costs in many applications. Digital camera sales to professionals, combined with a weaker advertising industry in 2001, contributed to a decrease in professional film sales.)

In the second half of 2000, consumer demand for digital cameras ramped up

significantly. Through 2001 and into 2002 it is being helped along by lower camera costs, improved camera performance, increased consumer awareness and the wider availability of consumer digital imaging output services. It certainly does not hurt that prints made from digital images captured by newer models are all but indistinguishable from pictures made by photo cameras.

Industry analysts and commentators assumed that lagging sales in consumer electronics and personal computers in the past year would affect the digital imaging market. Yet the market saturation of personal computers is precisely what appears to have driven consumers to investigate more affordable multimedia devices, such as digital cameras, that enhance the PC experience. This has been borne out by digital camera sales experienced by the major electronic retailers who single out digital cameras as one of the top performing sales categories of 2001, particularly during the peak holiday season.

Imaging is "hot" – from digital cameras to more diverse forms of photofinishing – and with falling prices coupled with improved technology, CITA sees the industry sustaining its historical rate of growth for some time to come.

### **PHOTOGRAPHIC CAMERAS**

Photographic camera sales dipped slightly in 2001.

Point and shoot (snap shot) camera sales seem to have felt the brunt of increased digital camera sales. This is in spite of significant reductions in the retail prices of point and shoot photo cameras. The unit sales decline is virtually equivalent to the increase in digital sales. This trend is likely continue, but at a slower rate. With photography there's a well-developed retail infrastructure in place to provide photofinishing services; this convenience will continue to make snap shot photography viable for many years to come.

The single lens reflex (SLR) camera continues to show its importance. In 2001, SLR unit sales increased 6 percent. The photo enthusiast is still interested in capturing quality images, using interchangeable lenses and the inherent versatility of the SLR camera.

Photo cameras sales will continue to run somewhat parallel to those of digital for the next few years.

The need for film-based cameras in developing countries will continue to provide the incentive for manufacturers to produce photo cameras.

### **CONSUMER FILM**

Due to a slowing economy and world events affecting travel, the overall total for consumer colour print film sales in 2001 was down slightly from 2000. Most of this decline was in 35 mm film sales, still healthy at 51 million rolls.

APS film sales continued to grow at more than 3 percent, reaching 6 million rolls.

For 2002, CITA is forecasting growth in all consumer film categories, for an overall roll growth of 2 percent, with APS being the strongest with a 5 percent growth rate for the year.

Higher film speeds are catching on with the consumer, especially because of the remarkable quality in prints produced by these films. Of all rolls of film sold in 2001, 42 percent of them were either 400-speed or 800-speed (ISO 400, ISO 800). This is a 17 percent growth rate for these films in 2001. Still the crowd favourite is 200-speed film (ISO 200) at 49 percent of the market, although its share declined by 13 percent.

## **SINGLE-USE CAMERAS**

While point and shoot photo camera sales declined in 2001, sales of single-use cameras jumped 26 percent to 6.5 million units. For 2002, the growth in single-use camera sales is forecast to be 12 percent.

Inexpensive, available almost everywhere, these one-time-use cameras are returned intact to the photofinisher, dismantled, the film removed and processed, and the camera body parts recycled. They are great to use at the beach, where a regular camera might get wet or dirty; can save the day when someone leaves the camera at home; are great for kids; and are a delight for those who hate to load film into a camera.

And their results are remarkable. Which is why so many are purchased.

In 2001, it was the single-use camera with flash which captured all the category growth, now representing 74 percent of all units purchased, up from a 64 percent share in 2000.

Sales of the slightly more expensive single-use cameras (high speed film and flash) has produced greater customer satisfaction - the resulting photos are generally better.

## **COLOUR PAPER**

If you take photos, you need to make prints. Despite a small decline in the sale of film in 2001, the consumption of colour paper increased by 1 percent in 2001, to 51 million square meters. Sales of colour roll paper have increased steadily over the years, with growth in 2002 expected to be slightly higher (2+ percent).

It is interesting to note that the extra growth in colour paper sales is due to the growing popularity of having colour photo prints made from digital images.

## **PROFESSIONAL FILM**

Professional photographers took fewer pictures on film last year, continuing the weak demand for film witnessed in 2000.

Sales of professional colour negative film (for making prints) in sheet film form was down 5 percent in 2001, however this follows a 25 percent decline in 2000.

Within the medium-format roll category, 120 roll sales were down 13 percent, with 220 roll sales off 3 percent, both compared to 2000.

Colour negative film in 35 mm rolls saw volume decline 17 percent in 2001, after experiencing modest (2 percent) growth in 2000.

On the colour reversal (slide) film side, sheet film sales declined 24 percent last year. This is a continuation of the downward trend in this format, with sales down 5 percent in 2000 and down 8 percent in '99.

Sales of 120 reversal film roll declined 22 percent in 2001, following a 6 percent reduction in 2000.

For 35 mm professional slide film, sales fell 12 percent last year, in contrast to a modest 2 percent increase in 2000.

Continued softening in the economy, combined with increased digital utilization as well as substitutions between film formats, will continue to create softer demand for professional film products.

## **FILM SCANNERS**

Film scanners offer a convenient way for photo camera users to convert their existing film images into high quality digital content.

With the introduction of advanced, higher resolution units at prices that more and more consumers can afford, the film scanner market continued to do well in 2001, exhibiting a healthy 26 percent growth compared to 2000.

CITA is expecting continued growth in this sector in 2002.

## **BINOCULARS**

For the first time in many years, overall binocular sales in Canada declined. This may be indicative of a maturing market, because, while sales were down, the price paid per unit was actually higher. CITA is suggesting this is the result of a more discriminating buyer, one willing to pay more for a better-quality binocular.

Of note, while sales of full-size binocular models were down, sales of compact models rose by 7 percent. Canadians continued their outdoor pursuits, from bird watching, hiking and camping, to eco-travel, boating and stadium sports.

While a drooping economy did have an effect on telescope and spotting scope sales late in the year, for the entire year the increase in sales for these two categories was an impressive 26 percent.

*Founded in 1955, the Canadian Imaging Trade Association is the association of manufacturers/importers and distributors of photographic/electronic imaging equipment and sensitized materials.*

### *For further information:*

Dori Gospodaric, General Manager  
Canadian Imaging Trade Association  
145 Upper Canada Dr.  
Toronto, ON, M2P 1S9  
(416) 226-2750  
fax (416) 226-3347  
email: [cita@idirect.com](mailto:cita@idirect.com)