

# Press Release

## Germany



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The German photographic market did show an increase of 9% in terms of value in the first half 2002. This increase is slowing down with the June/July period where it is just stable versus last year. All changes in the German market are driven by the digital camera sales which have more than doubled in terms of volume and show an increase by 64% in terms of value. This causes also a heavy increase for memo cards which as well doubled their volume sale in the first half year. Due to the heavy increase of digital and the decline of analog is currently the consumer did spend about 70% of his budget on digital camera versus 30% on analog. In terms of volume right now digital camera have not exceeded the volume of analog camera and does show a current phase of 40%. All in all, aggregated analog and digital we see a healthy growth of 9% in terms of volume and 25% in terms of value for cameras. This tendency towards digital cameras is also recognised in the assortment and structure of the German retailer. Currently a large German retailer is storing 46 different digital cameras in his shop while he is keeping 12 SLR-cameras and 38 compact cameras only. Also the innovation are driven from digital cameras currently. We have an assortment in digital cameras of more than 390 products out of which more than 70 did get introduced within the last six months.

The film market in Germany did show a decline by 9% in the first half, a drop for both 35 colornegative and colorslide, while APS is growing, thereby accounting for 10% of the business. A very good business was done for single use cameras showing an increasing of more than 40% in terms of volume in the first half. This is also a trend we can observe worldwide, single use cameras are still growing. In the film business 35 mm their are currently three major trends. One trend is the dominating of 200 ISO films accounting for 70% of the volume business and the strong growth of the 400 ISO film achieving 12% share in the first half based on volume.

The other trend is that the 36 exposures films are still expanding. Their share does account for 66% aggregated for the first half (first half 2001: 62%). Even in the period June/July it had achieved 69% volume share. Thereby 24 exposure films are declining by 15%, while 36 was increasing by 7%. The other important factor is the tendency to promotional multi packages. In the first half only 41% of the business has got sold as single pack. Close to 60% had been multi packs in which the two-pack is getting the biggest share of 32%. The market growth is applying to the increase of four-pack products which are accounting on 13% in June/July this year while there had been on 7% only last year. Therefore they are increasing by 86%. This tendency therefore is also determining the value trend of the market. The average price determined by the shift to 400/200 ISO films and 36 exposures as well as the trend to the multi package did generate an average price of 2.52 Euro in July, while the comparable average price a year ago was 2.60 Euro.

Affected by the trend to digital cameras also memo cards do show a significant increasing in volume and value in the beginning of this year. Regarding memo cards equal to silver halide films and aggregating those, the total market would be about stable in terms of value this year. Therefore we can recognize perhaps also a shift determined by digital cameras from the silver halide film to memo cards. Aggregating those products the share of memo cards do account for 18% (value) in Germany related to 72% for films.