

PHOTOGRAPHY

Digital is taking off but is still underused

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The spread of digital technology seems poised to radically change consumer attitudes to photography. In just a few years, the photograph has found itself pulled between two extreme worlds, one reflecting the established art and the other the revolution in image manipulation opened up by digital media. Digital technology is contributing to a radical redefinition of the role of the image, which is inevitably becoming commonplace and more ephemeral. In addition, its advent seems to herald considerable economic challenges for the photography industry and for the new industries now related to it such as computing.

For a better understanding of the effects of these changes on consumer behaviour in photography, the Association pour la Promotion de l'Image (API), an umbrella organisation covering the entire sector, commissioned CRÉDOC to carry out a survey of French attitudes to photography.

The survey shows that while the spread of digital technology has been fairly rapid, it still only concerns a consumer base of the technologically-minded and has not yet changed picture-taking practices and habits. Furthermore, the new opportunities brought by digital technology appear to be underused. Digital technology is also having a significant effect on buying behaviour: photo specialists have been brought more into competition with one another while consumers, eager for advice, are making use of a range of information sources.

■ A RECENT CRAZE

Having emerged fairly timidly onto the French market around five years ago, digital cameras are now becoming much more widespread. Last year, consumers bought 600,000 of them, taking the level of digital camera ownership to 7.2% of French households in 2002.

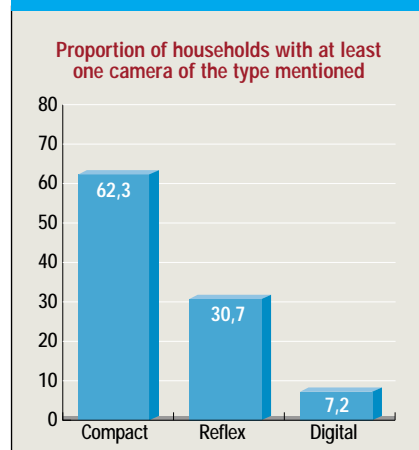
This craze cannot be attributed simply to fashion. Digital technology has already moved into the fields of sound and video and some of its advantages seem to be capable of meeting the expectations of a wide fringe of photography enthusiasts. In CRÉDOC's survey, three out of ten consumers spontaneously referred to digital as the ideal camera.

The purchase of a digital camera considerably extends the possibilities and uses that can be made of photos. By bringing cropping, touching up and the creation of montages into the domestic sphere, it offers a sufficiently wide range of possibilities to attract consumers

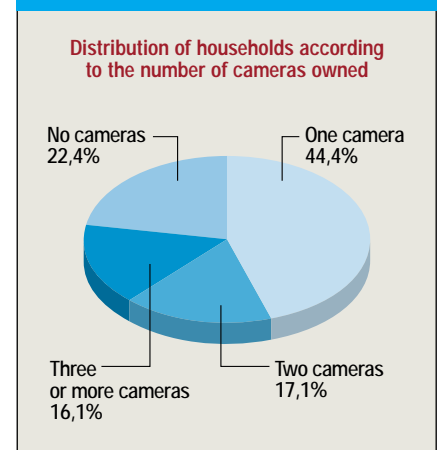
who want to get fully involved in creating personalised documents. The ease with which digital images can be shared is a second argument in favour of adopting this technology. The close association digital camera owners make between photography and the use of information technology would seem to emphasise that sharing images with friends and family – by email or on personal Web sites – is an incentive for people to take it up: 41% of digital camera users consider the ability to share images an essential function of photography.

Finally, the survey shows that users of digital cameras often associate the use of their filmless camera with a sense that photos can come free since an unsatisfactory photo can simply be erased from the camera's memory. The ability to take a whole lot of pictures appears to be seen as a way of compensating for the relatively high price of the majority of cameras.

CAMERA OWNERSHIP STILL DOMINATED BY COMPACTS



THE LEVEL OF MULTI-OWNERSHIP



■ SIGNIFICANT RESTRAINTS LINGER

Two factors contribute to holding back the growth in digital cameras. Firstly, the arrival of digital technology comes within a context of a heavily saturated market: 78% of homes already have at least one camera and a third of households have at least two types of camera, a reflex and a compact in the majority of cases.

Furthermore, the adoption of digital technology seems to be greatly constrained by what the household owns in the way of sophisticated computer equipment (scanner, colour printer, etc.) as consumers closely associate the use of digital cameras with the possibility of processing the images on computer. Few households are as yet equipped with such facilities.

■ DISSEMINATION LIMITED TO THOSE WHO ALREADY FEEL AT HOME WITH NEW TECHNOLOGY

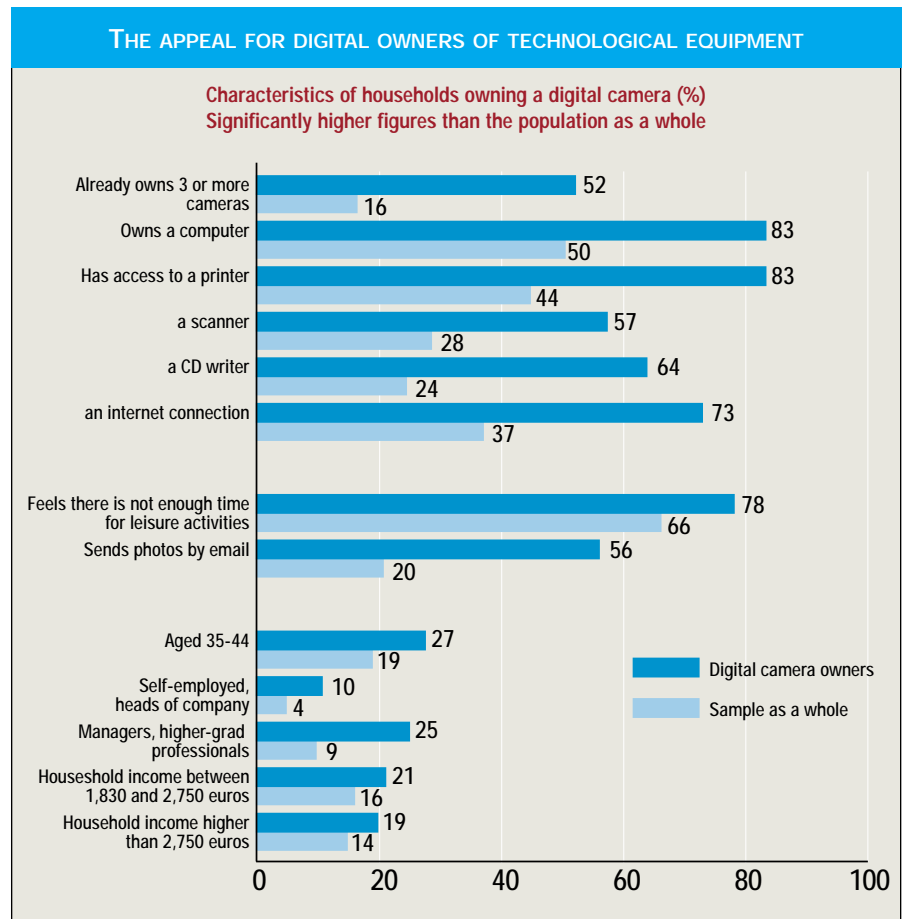
Mastering new technologies is at present an essential factor in the spread of digital cameras: more than eight out of ten digital camera users have a printer and more than seven out of ten an Internet connection. In this context, the profile of current digital camera users logically corresponds to young urban households familiar with the computer world through their work..

■ PHOTOGRAPHY USAGE IS STILL BASED ON FAMILY AND ON TRAVEL

At present the traditional practices of photography do not seem to have been fundamentally changed by the adoption of digital technology. For the majority of people, the occasions when they take photographs remain largely the traditional ones, around the family and travel (43% and 44% respectively). The habitual reasons enthusiasts use their digital cameras seem to be fairly similar to those of compact cameras users (40% and 58%).

■ POSSIBILITIES THAT REMAIN LARGELY UNDER-EXPLOITED

Furthermore, the use of photos is limited in the majority of cases (65%) to the transfer of photos onto computer and displaying them on the screen. The potentials of digital technology seem to be largely under-exploited. Cropping



and touching up pictures and the design of personalised documents require a mastery of computer software and are a pretty time-consuming activity for users, 80% of whom, in any case, say they do not have enough time for their leisure pursuits.

■ KEEN PHOTOGRAPHERS ARE NOT VERY SENSITIVE TO THE ARGUMENTS OF DIGITAL

The large majority of keen photographers remain users of reflex type cameras (70%). They are also characterised by a greater use of varied media (black and white film,

slides...). Finally, they set great store by its artistic dimension and mention the need for creativity and self-expression through what is seen as a cultural activity. For such photographers, the practice of photography is a leisure pursuit in its own right and is not necessarily related to specific occasions. The subjects chosen are consequently highly diverse: architecture, portraits, landscapes, street scenes... For now, the move from the traditional film-based camera to the digital camera in the reflex field particularly concerns professional photographers, especially in view

The craze among French consumers for the single-use camera

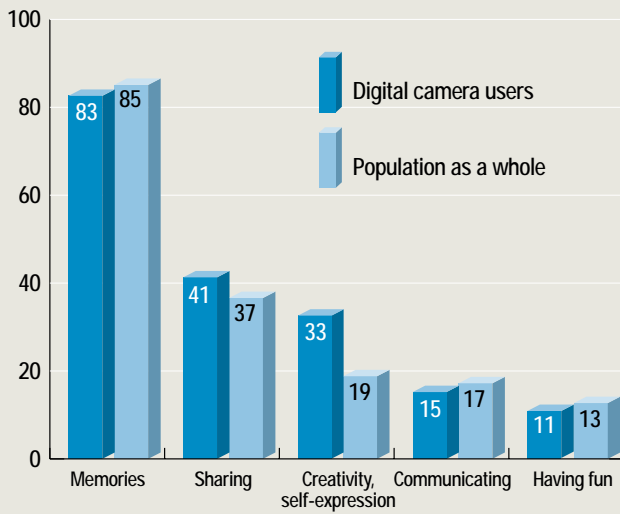
In photographic consumption, French people are distinguished by their consumption of single-use "point and click" cameras, which is generally higher than their European neighbours. With over 20 million units sold each year, France accounts for over 40% of European consumption of single-use cameras.

In the majority of cases, the single-use camera is an addition to the traditional photographic equipment of the household. In fact, over 70% of users of single-use cameras already own at least one camera. This option allows them to have a substitute for their main camera, usually for security or practical reasons.

In other cases, the single-use camera allows people to compensate for the lack of equipment and favours occasional use. The growth in sales of single-use cameras has certainly contributed to an increase in the practice of photography, particularly amongst children.

THE ADOPTION OF DIGITAL TECHNOLOGY DOES NOT CHANGE THE REASONS FOR TAKING PHOTOGRAPHS

Function accorded to photography (more than one answer possible)



Source: CREDOC-API Survey, 2002

of the high cost of equipment. The image of digital technology among experienced amateurs contrasts with this. In fact, while they are relatively well-informed about the possibilities digital technology offers, they tend to express scepticism about the objective technical performances of the cameras that use this new technology. A distinctly higher proportion than average (26% of enthusiasts compared to 9%) believe that their latest photos would not have worked as well with a digital camera.

The artistic use of photography by enthusiasts thus seems to reflect a significant discrepancy with the current use of digital cameras which is more in line with the use of compact cameras.

The survey assesses the proportion of these enthusiasts at a little under 5% of all photographers. However, their economic influence and the upmarket positioning of their expectations make them a customer base that those in the industry will take care not to neglect.

■ DIGITAL TECHNOLOGY DEALS THE CARDS AGAIN

The economic consequences of the spread of digital technology on the way the photography industry operates are considerable. In the first place, digital cameras require memory cards, and this eliminates the need for traditional films.

In addition, the ability of the digital camera to immediately display the

result of the photograph taken constitutes a setback. The image, by nature more ephemeral, is liable to lose its interest after a sufficiently short lapse of time to induce the photographer to delete it and replace it with a new one. And even when the images do survive this initial filter, the means of conserving them tends to be on computer media (CD Roms, hard disks...). Finally, the level of processing of photographs into pictures printed on photographic paper seems relatively low: only a minority of users printed at least a few of the pictures conserved in memory. These prints are furthermore usually done on a home printer.

The photographic practices of digital camera owners therefore involve a significant reduction in the use of specialist service providers.

■ OUTLETS: SPECIALISTS ARE MEETING WITH MORE COMPETITION

The purchase of a digital camera derives from behaviour which differs quite markedly from the purchase of traditional cameras. In the

first place, sales of digital cameras are increasingly drifting away from the photographic specialists, who nevertheless still represent a third of purchases. So, more than 40% of digital cameras have been bought from non-specialised household goods stores. The significant overlap of digital cameras with computer and electronic equipment is the essential reason for this shift towards distributors who offer a wider range of electronic goods. E-commerce is also competing with the traditional distribution channels and accounts for nearly 10% of digital camera sales. The relative success of on-line trading in this field is largely explained by the tendency of early buyers of these cameras to be technologically-minded. The emergence of digital technology is therefore contributing to a significant expansion in the competitive range of outlets.

■ AN INTENSE SEARCH FOR INFORMATION AND ADVICE

In spite of a certain level of technical expertise, the early buyers of digital cameras demonstrate a strong need for guidance, as can be seen by the success of magazines, sometimes outside the realms of photography, or Internet forums devoted to the subject. This strong thirst for information is largely due to the variety and complexity of what is available, but also to the constant arrival of new and more advanced innovations.

The criteria for choosing products used by digital camera buyers therefore present very particular characteristics. The search for external advice seems more intense, both from specialists and more informally from friends and family (22% compared with 10% for camera buyers as a whole). Advertising, of a fairly informative nature, and the

DIGITAL TECHNOLOGY USES NEW DISTRIBUTION CHANNELS

Share of outlets according to type of camera

	Digital	Compact	Reflex	Single-use
Specialist shop chain (Phox, Camara...)	16	20	25	3
Other specialist photo shop	16	27	30	14
Hypermarket	6	16	8	34
Supermarket	3	12	10	38
Household goods specialist store (Darty, Fnac...)	44	13	12	3
Internet	9	0	1	0

Source: CREDOC-API Survey, 2002

DIGITAL CAMERAS INTENSIFY THE NEED FOR INFORMATION

Sources of information consulted before purchase of a camera

	Digital	Compact	Reflex	Single-use
Advertising	28	19	13	24
Advice from friend or family	22	6	12	11
Additional info. on the internet	16	0	1	0
Visit to a shop	13	27	22	29
Advice from specialist magazines	9	0	9	0
Advice from a specialist	6	2	2	0
Advice from salesperson	3	15	8	2
Choice on the spot	0	17	14	21
Distributor's catalogue	0	5	4	0
Manufacturer's brochure	0	1	5	0
Tests, benchtests	0	1	1	0

Source: CREDOC-API Survey, 2002

Internet also seem to be effective vehicles of communication aimed at potential customers.

■ THE SPREAD OF DIGITAL TECHNOLOGY WILL GRADUALLY CAUSE THESE PARTICULARITIES TO FADE AWAY

The digital era is only just beginning. For the moment, the potentials of this technology are under-

exploited both in terms of use and in terms of consumption.

However, the practice of digital photography seems to indicate that its spread is likely to proceed towards a customer base seeking simplicity and flexibility of use without necessarily being unwilling to handle equipment with a strongly technological connotation. The

current evolution of the offering towards products which are more user-friendly in terms of equipment-user interface is likely to favour this spread.

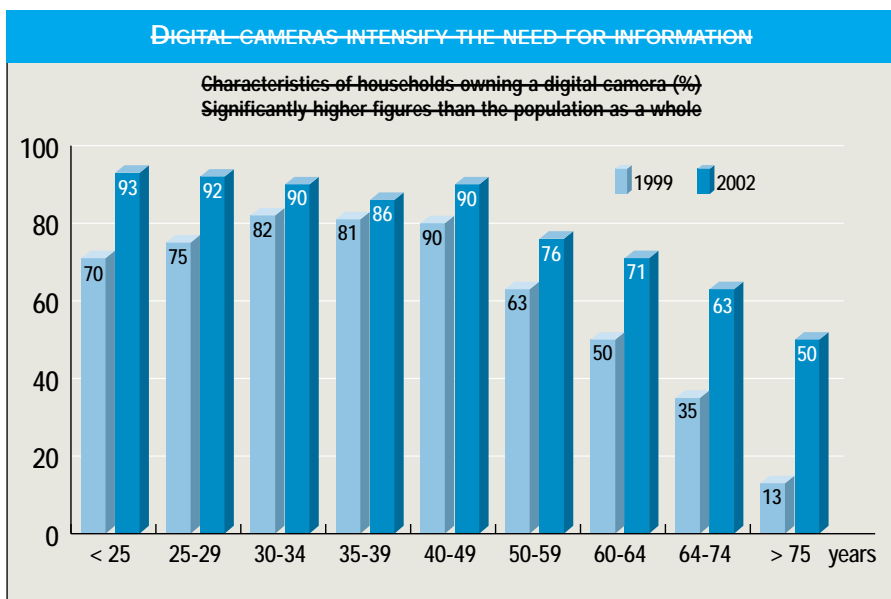
On this assumption, the criteria for camera choice and their manner of purchase is likely to move significantly closer to the behaviour shown by current users of compact cameras. The technological object is likely to become increasingly commonplace and consumers are likely to feel more reassured about the compatibility between the possibilities offered by the digital camera and their normal photographic practices.

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For further information...

The full survey is available from the Association pour la Promotion de l'Image.



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Email: api@federation-image.fr

For 3350 € ex. tax.
Purchase order available on
www.federation-image.fr.

Purchase order for the API/Crédoc survey

The full API/Crédoc 2002 survey is on sale at the price of 3,300 euros ex. tax. It also includes the results of polls and surveys carried out with a selected sample as well as with focus groups which were set up for the purpose of this survey. Dispatched by return of post on receipt of your payment.

Confidential document for the sole use of the purchaser which may not be communicated to third parties. All buyers of the API/Crédoc survey are deemed to have signed a contract of confidentiality.

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