

# The Reasons on The Worse Situation of Canon Cameras

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**Abstract.** Canon cameras have gained appeal as a result of the popularity of social media. However, the declining camera market during the epidemic has had an impact on Canon due to a decrease in non-essential purchases. The purpose of this study is to analyze why Canon's market performance has been less than stellar since the epidemic. Using Canon's global camera market as an example, market sales and segmentation data from 2020 will be analyzed. Existing academic research and papers will also be quoted to demonstrate Canon's market evaluation. Canon should incorporate more of its brand identity to address its innovation challenges. In order to address Canon's brand loyalty issue, it is proposed that Canon re-launch fresh marketing strategies and invite professionals to promote the products. To attract this customer segment, it is advised that Canon continue production of point-and-shoot cameras or expand the experience of unprofessional young people. This study's research value is to fill an academic void in the analysis of Canon's market performance, which is not as good as it once was, and to make recommendations for Canon's future development.

**Keywords:** Canon; Innovation; Brand loyalty; Professional Strategy.

## 1. Introduction

### 1.1. Research Background

The proliferation of social media platforms has engendered a fervor for documenting individuals' lives. The act of sharing photographs and video blogs (vlogs) is increasingly prevalent among the younger demographic as a popular online social activity. In response to this prevailing tendency, individuals have increasingly directed their focus toward acquiring a range of photographic equipment, such as digital single-lens reflex cameras, with the aim of capturing photographs and movies of superior quality. Canon, a prominent brand specializing in the production of imaging and information goods, has consistently maintained a dominant position in the global camera market. Furthermore, it has garnered significant acclaim from a substantial consumer base.

However, the quick breakout of COVID-19 has caused alterations in people's consumption notions, and the photography sector is no exception. This is due to rising demand for life's basics, such as medicine, rather than digital cameras. According to Statista's most recent data, global exports of digital cameras reached a low in 2020 and 2021 (Figure 1), when the epidemic was at its worst [1]. Although revenues are likely to increase over the next five years, the rate of expansion will be moderate. There is no doubt that COVID-19 had an impact on Canon, a manufacturer of digital cameras.

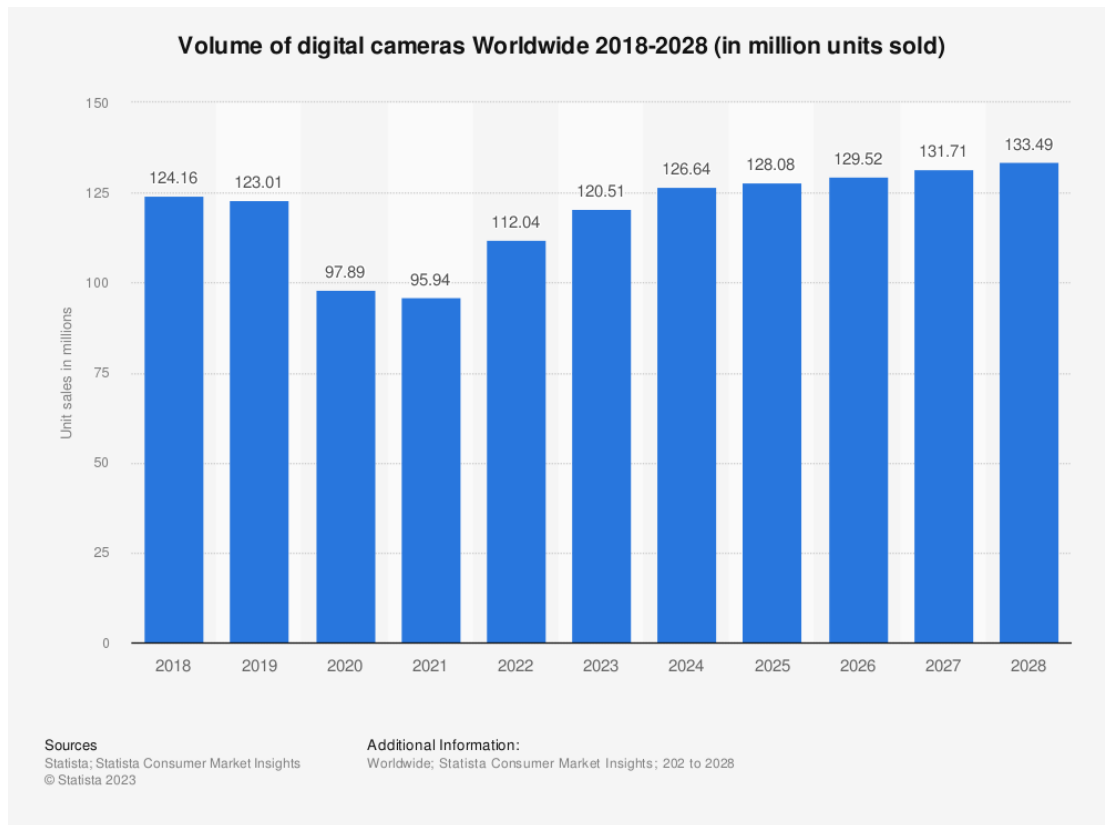


Fig. 1 Volume of digital cameras worldwide 2018 – 2028 [1].

## 1.2. Research Gap

Canon's achievements in the camera business are frequently utilized as case studies in academic studies. For example, in 2017, using Canon's Chinese market as the research object, professionals examined the unique marketing methods used by Canon to deal with the challenges posed by the considerably increasing smartphone penetration rate [2]. Furthermore, a 2021 study used Canon as a research target from 2014 to 2018 to determine whether factors such as pricing and reputation have a favorable influence on customers when making purchasing decisions [3]. Dr. Mirji and his colleagues also initiated a teamwork study in 2023, and Canon was picked as an acceptable reference for this research due to its strong employee management, which led to its success in the camera market [4].

Nonetheless, there is evidence that Canon is not as competitive as it used to be. Why is its performance worse than before the pandemic? How could Canon improve to raise its competitiveness? Few previous studies have succeeded in systematically analyzing these two problems.

Therefore, this essay will explore the problems with Canon by analyzing its recent market performance and marketing strategy. The aim is to not only fill in the gap in literature but also provide recommendations for Canon to consolidate its leading position.

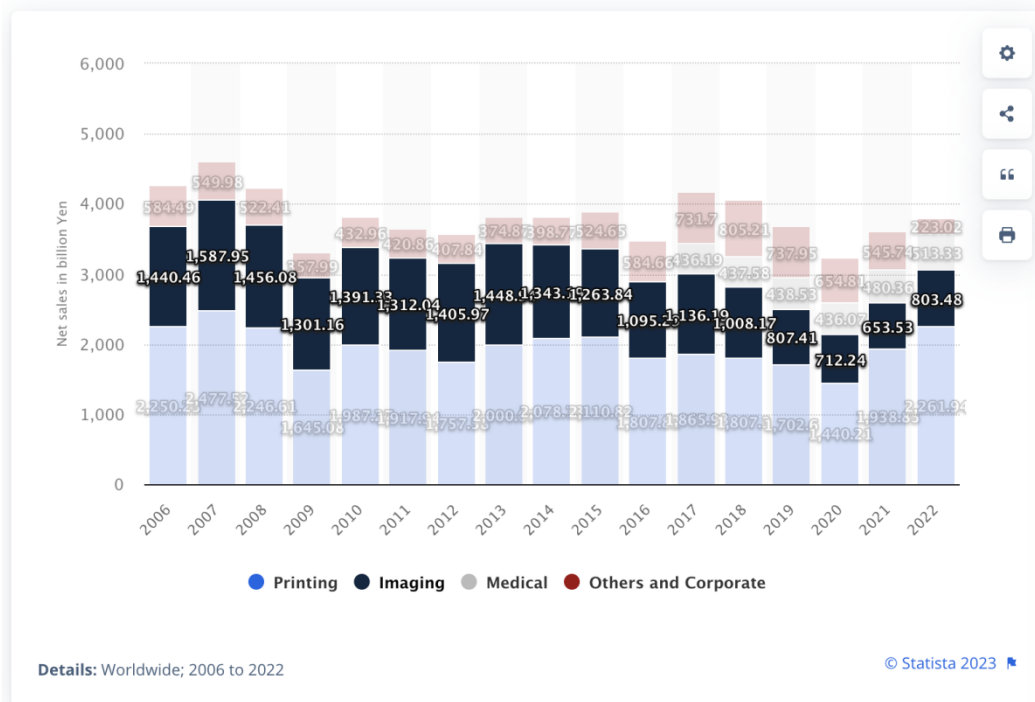
## 2. Case Description

Canon is a global leader in the manufacture and sale of imaging and information products. Canon was founded in Japan in 1937. It has previously been primarily engaged in three primary fields: personal items, office equipment, and industrial equipment. Its camera brand has always been at the forefront of digital camera technology. As a result, this study will concentrate on the Canon camera market. According to Statista, Canon will have a 45.8% market share in 2022, putting it first among the world's main digital camera manufacturers [6]. It accounted for over half of the global digital camera market.

However, Canon's market performance and competitiveness have both dropped since 2018. Canon's CEO claimed in an interview in 2018 that it was difficult to debut a product ahead of the

competition. This also implies that its brand competitiveness was declining [7]. The Figure 2 below depicts Canon's global market segment of net sales from 2006 to 2022 [8]. In terms of market segmentation, Canon's image business's net sales began to fall in 2018 and eventually reached their lowest level in 2020, during COVID-19 [8]. Following the epidemic, its camera market net sales steadily rebounded. Nonetheless, the total level has drastically decreased compared to the period preceding the pandemic—nearly half of the prior. Canon's trust score as of 2023 is 73.3, 1.4 higher than it was in 2022 [9]. In other words, the reputation of Canon in 2023 will still rise, but not much.

**Canon's net sales by segment worldwide from 2006 to 2022**  
 (in billion Yen)



**Fig. 2** Canon's net sales by segment worldwide from 2006 to 2022 [8]

Regarding Canon's current situation, it can be concluded that although Canon is still in a leading position in the camera market, its market performance has declined in recent years and its reputation has not significantly improved. Therefore, it is necessary to analyze the reasons for the current situation of this brand.

### 3. Analysis on Problem

#### 3.1. Innovation Issues

The level of innovation demonstrated by Canon in the realm of mirrorless cameras is insufficient. Canon, a prominent player in the domain of single-lens reflex cameras, faces challenges in aligning its product offerings with the evolving market dynamics, particularly in the context of mirrorless cameras.

However, Sony, whose market share is not as good as Canon's, is more competitive in this regard. There is also a study on the comparison between the two brands of Sony and Canon, which can provide more evidence. Sony's products are more portable than those of Canon, which is why Sony's specialty mirrorless cameras have the advantage over Canon and appeal to customers [12]. Besides, Sony has a higher tech focusing system and viewfinder [10]. It can be claimed that Sony has made more efforts at innovation than Canon.

In comparison to its competition, Sony, the progress of Canon's mirrorless camera can be perceived as relatively inadequate. The significance of innovation is a pertinent factor that may potentially contribute to the deterioration of Canon's competitiveness.

### **3.2. Brand Loyalty Issues**

Canon's dominant position in the market can be attributed to the unwavering support of its devoted client base. The reputation of Canon has not experienced significant improvement in recent times. Hence, the diminished competitiveness of Canon in relation to its historical performance could perhaps be attributed to the negative impact on its reputation.

From the market research, there are reports that Canon has caused customer dissatisfaction in terms of marketing methods, such as in the Chinese market. In 2023, Canon conducted hunger marketing with customers on a national promotion day. Specifically, Canon deliberately created the illusion of a camera supply shortage to attract consumers' attention and boost their purchases while increasing the scarcity and price of the cameras [11]. This practice made Chinese consumers feel cheated. Relevant studies also show that although hunger marketing is a good marketing method for a brand like Canon, it will cause dissatisfaction for potential customers due to its immorality.

As a result, it may lead to the decline of Canon's reputation. This evidence of Canon's presence in the Chinese market should be a good example.

### **3.3. Professional Issues**

As a professional camera brand, Canon is aimed at professional photographers and photography enthusiasts; however, it may sometimes ignore the needs of young consumers.

Research shows that the price of Canon cameras is higher than other brands because the cost of mid-level models can be prohibitive [10]. Although many photographers prefer Canon because of its functions, it is unaffordable for non-professional young people who try to use a camera to record their lives. However, smartphones have more features than cameras and are applicable to life, so it is easy to understand why people may not buy Canon. In other words, Canon's audience may be limited to certain professions. This may lead to the loss of some customers.

It is hard to demonstrate that Canon never made an effort because of their 'point-and-shoot cameras'. Unluckily, although they used to produce 'point-and-shoot cameras' and claimed to continue producing them, this series of cameras has been nearly discontinued since 2019.

## **4. Suggestions**

### **4.1. Suggestions on Innovation Strategy**

One potential solution to address Canon's perceived lack of innovation is to implement the following strategies: While Canon lags behind Sony in terms of mirrorless camera advancements, it has the potential to imbue its products with a greater sense of brand distinctiveness. Aaker's research on brand personality reveals that Canon's brand personality can be aptly characterized as "excitement" [12]. This can be attributed to Canon's renowned reputation for lens variance throughout the period of single-lens technology. The small spittoon, for instance, exhibits notable characteristics in both its visual attributes and practical utility. This has the potential to bolster Canon's brand perception among consumers. The preservation of the attributes of lenses from the initial single-lens reflex camera era can be attributed to the advancements made in mirrorless camera technology. The newly introduced products exhibit variation in their design since they belong to the category of mirrorless cameras.

### **4.2. Suggestions on Brand Loyalty**

To enhance its reputation, Canon has the potential to reintroduce novel consumption strategies, such as offering complimentary camera care services for a limited duration or implementing discounted sales of camera packages. This phenomenon has the potential to not only enhance

consumers' inclination to make purchases but also mitigate the likelihood of customers forming unfavorable perceptions of the brand.

An additional proposal for enhancing Canon's reputation involves engaging a greater number of photography specialists to endorse and advocate for Canon goods, given the considerable financial investment required to purchase a new camera and assess its effectiveness.

The aforementioned proposals are derived from the theoretical framework known as the six principles of persuasion. By leveraging the principles of reciprocity psychology among consumers and their confidence in experts, it becomes feasible to alter individuals' negative perceptions of Canon and effectively convince them to resume consumption [13].

### 4.3. Suggestions on Professional Strategy

Canon's neglect of unprofessional young consumers also means their limitation on camera audiences. Therefore, a better suggestion for Canon is to pay attention to the camera needs of this group.

However, the problem is that these young people may only have curiosity but do not have a long-term passion to buy and use cameras. What Canon can do is resume the production and development of point-and-shoot cameras. The limitation is that there is still a lack of solid research showing whether point-and-shoot cameras are worth investing in in today's mirrorless camera era.

In addition, in the face of young people's preference for using mobile phones to record their lives and the current social consensus that cameras are not as practical as mobile phones, Canon can also offer relevant free teaching courses and lectures or set up more offline experience stores to change people's perception of camera bias. The six principles of persuasion theory on 'liking' and 'consensus' still work on the suggestions based on a lack of attention to a more unprofessional audience [13].

## 5. Conclusion

With the backdrop of people's decreased demand for cameras as a result of COVID-19, this study uses Canon's market performance from 2020 to the present as the research object and investigates the reasons for Canon's poor market performance, despite the fact that it remains the market leader in the camera market. The study discovers that Canon lacks innovation in the mirrorless industry by analyzing Sony. Based on promotional actions in the Chinese market, it is possible that Canon's reputation will suffer as consumer loyalty declines. Furthermore, by examining the restrictions of its audience, it is possible to determine that Canon is not competitive enough.

This study aims to address the existing academic void in the analysis of Canon's market performance in the aftermath of the pandemic. Moreover, it presents three distinct approaches to address the existing challenges faced by Canon. This study not only confirms the credibility of brand personality theory and the six principles of persuasion theory but also offers insights for the future development of Canon. When mining Canon City's brand loyalty challenges, it is difficult for this article to synthesize and sort out the global market condition. As a result, future research might examine customer loyalty in other Canon markets around the world to circumvent this limitation. Another problem with this research is that it just makes suggestions for Canon based on current theories and does not provide a precise examination of the real scenario. As a result, future research must assess the present state of the camera industry to determine whether the recommendations stated in this study are reliable.

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