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January 2009

## Web 2.0 awakens new camcorder segment

The consumer camcorder market remains one of the most complex and dynamic CE categories to date despite witnessing fairly modest unit growth in recent years. Now, the emergence of a new breed of low-cost, back-to-basics pocket video camera is connecting with a fresh base of consumers, opening the market to a host of non-traditional camcorder brands.

### Pocket video cameras lead the way

“With the death knell sounding for traditional tape-driven camcorders and DVD giving way to HDD and Flash-based devices, it’s the pocket video camera segment - the PVC - that’s really leading the charge here,” says David Watkins, a senior analyst at entertainment research house Futuresource Consulting. “Accounting for just 5% of total US, Japan and Western Europe camcorder shipments in 2006, we expect this to swell to 40% by 2010, equating to more than 7 million units shipped across the three regions next year.”

A range of factors is driving this step change, including the ever-increasing popularity of Web 2.0 sites with video upload capability, as PVCs simply plug into a computer and the video can be uploaded direct to web.

“The USA - the world’s largest video sharing population, with more than 50 video uploads per minute to YouTube alone in the first half of last year - is the biggest market for PVCs, with the UK and Germany leading the way in Western Europe,” continues Watkins. “In addition, low price points, durability and point-and-shoot functionality mean these devices appeal to a broad cross-section of the population. Sports enthusiasts and extreme sports participants, young parents, teenagers, bloggers, vloggers and online social networkers are just some of the groups blazing the trail. With embedded or removable flash memory and a stripped-down feature set, PVCs are small enough to qualify as highly portable everyday devices.”

Non-traditional camcorder brands such as Pure Digital/Flip, Aiptek and DXG are currently dominating the PVC segment and applying pressure to traditional ‘A’ brands.

### High Def camcorders on the rise

The High Definition camcorder segment is also gaining traction, with prices falling and the

emergence of sub-US\$200 HD camcorder products helping to boost shipments. Last year, HD camcorder shipments took a 20% share of the combined US, Japan and Western Europe market, up from 12% in 2007. Looking ahead, Futuresource expects HD camcorder shipments to take a 65% share of the market by 2011.

In the wider context, access to an HD display is an important factor that will help to grow future demand. According to Futuresource analysis, HD Ready and Full HD displays will have an installed base of 61% of Western European homes by the end of this year (94% for the US), increasing to 93% by 2011 (133% for the US, a figure which reflects multiple HD set ownership per household).

Moving forward, there is clearly an opportunity for the industry to further revitalise consumer interest in the camcorder segment, despite the current economic climate, and Futuresource will continue to closely monitor developments in this market.

## Diary Date

Driving Digital Content, 4-5 June 2009, London, UK

Focusing on the business opportunities presented by the continued rise of digital content delivery. Find out more at [www.futuresource-consulting.com](http://www.futuresource-consulting.com).

## Notes

Futuresource Consulting is a specialist research and knowledge-based consulting company, formed in June 2008 through a merger between Understanding & Solutions and Decision Tree Consulting (DTC). With more than 30 years' heritage, Futuresource provides its clients with expertise in consumer electronics, digital imaging, entertainment media, broadcast, optical manufacturing, storage media and IT.

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