

Nikon for Superbrands Book

Market

The landscape of the photographic market has changed dramatically in the last six years and digital technology is the reason for this change.

Digital has infused the market with a fresh enthusiasm, opening photography to different sectors of consumers. Brands not traditionally linked with photography have entered the arena as competitors but it is the traditional photography brands such as Nikon that still dominate the market.

It is estimated that that in excess of four million units will be sold in the consumer digital sector during 2004: that is around two million more than film compacts, which gives some indication of the size of the digital market and highlights the shift from traditional film based products.

Although the traditional film based market is in decline, Nikon's share by volume has increased, but it is in the digital sector that Nikon is seeing the most growth. The digital camera market is incredibly buoyant with a unit increase of 82% year on year (Source: GFK), however Nikon's sales have increased by 120% showing that Nikon is maintaining its market leader status despite stiff competition from new players.

Digital has brought about a massive increase in the number of product launches each year and this dynamic market is set for further developments with the arrival of a new sub £1,000 consumer SLR sector into which Nikon has launched the D70.

Achievements

There have been many landmark moments in Nikon's history: the world's first autofocus SLR - the F3AF; the first fish-eye lens and the world's first underwater autofocus SLR.

However, the most significant achievement in Nikon's recent history has to be the launch of the D1 professional digital SLR in 1999.

Digital cameras had been around for several years, but tended to be hybrid products - the result of collaborations between manufacturers. The D1 was the first purpose built digital SLR and it revolutionised the way in which photographers, particularly photo-journalists, worked.

It was much smaller than anything else around at the time and halved prices overnight.

Other products at the time suffered from shutter delay, whilst there was no time-lapse with the D1 shutter, comparing it well with 35mm SLRs.

But it was the speed with which an image could arrive at the picture desk, ready for publication, that really shook up the press market and it was this immediacy that opened up possibilities for other areas of photography.

The D1 was a good two years ahead of any rivals and paved the way for products like the D1X, D2H, D100 and, importantly, the D70.

At the end of 2002, Nikon announced its intention to develop a range of lenses that would optimise the sensor used in its digital SLRs, rather than produce a 'full-frame' digital camera which emulates the size of a 35mm negative. Despite pressure from some circles to develop the latter, Nikon believes that its DX sensor is the way forward.

Since the early 1990s, Nikon has been a market leader with its 35mm film scanners which offer a bridge between 35mm film based photography and digital capture. The top end Super Coolscan 9000 ED is capable of results comparable to much more expensive drum scanners, whilst the entry

level Coolscan V ED, offers an affordable, high quality product for home use.

In 2003 Nikon scooped two prestigious European awards. The F75 35mm film SLR, aimed at photo enthusiasts, was awarded European Camera of the Year 2003/04 by EISA, the largest editorial multimedia organisation in Europe. At the same time, the uniquely designed Coolpix SQ digital compact was awarded 'Best Product Design in Europe' by TIPA, an organisation comprising 31 magazines from twelve European countries.

History

Nikon was founded as an optical company in 1917 and began by manufacturing binoculars. In 1920, the company set up a glass research laboratory to evolve new methods and techniques for developing and producing high quality optical glass. By the 1930s, it was manufacturing camera lenses, although it didn't produce a camera of its own until the following decade.

During World War II it produced optical equipment for government use. In 1946, production of non-military optical equipment resumed. The company's first camera, a rangefinder, was launched in 1948, and was the first product to feature the Nikon trademark.

The company fully entered the photographic market in the 1950s. Nikon's first SLR camera, the Nikon F, was launched in 1959 featuring the bayonet mount still in use today, even on Nikon's digital SLRs.

Since then, Nikon has produced many ground breaking products which have been used by professionals and amateurs alike, to capture historic as well as ordinary day to day events; Nikon cameras have travelled into space as well as to the depths of the ocean.

The company has been at the forefront of the digital revolution, from the NT1000 film transmitter in the mid 1980s, to today's D2H professional digital camera with wireless capability and the D70 consumer digital SLR.

The same optical expertise on which the company was founded remains at the heart of the business. Nikon still produces its own glass giving incredible control over the manufacture of its lenses.

Today, photography is one dimension of a multi-faceted business whose existence was born out of two simple elements: light and glass.

Product

Over 2,300 products carry the Nikon name: products as diverse as binoculars, telescopes, microscopes, spectacles sunglasses, ophthalmic equipment and hearing aids. Nikon is also a leader in the field of telemedicine.

The last few years have seen a huge adoption to digital photography. The rate of development in this product area has been phenomenal and current models bear no resemblance to the early digital cameras which were considered more as computer peripherals.

The Coolpix range gradually evolved and began to include familiar photographic features, whilst at the top end, the D1 trail-blazed the development of professional digital SLRs. Technology began to filter down and became incorporated into the Coolpix products, splitting this range into consumer and 'prosumer' models.

Prosumer cameras such as the Coolpix 8700, have put top-end digital technology within the reach of serious amateurs and enthusiasts, giving them many of the creative features found on 35 film SLRs. Entry level products such as the Coolpix 2200 and 3200, are easy to use whilst offering sophisticated features and the immediacy of digital photography.

However, although the top end Coolpix cameras offer a good range of photographic features, they are more limiting than an SLR.

The D70, Nikon's first consumer digital SLR, is poised to change that, allowing more creativity for photo enthusiasts and serious amateurs who want to use digital products.

It handles and behaves like a film camera but with a high-quality digital output and all the benefits of the medium and, because it fits into the Nikon system, it gives versatility through expandability.

It has enough features and benefits to satisfy the serious amateur yet it is easy enough for a less experienced photographer to use, plus its compact and lightweight design make it easy to carry around.

The most important breakthrough however, is the price: at below £1,000, the D70 makes digital SLR photography available to a more mass-market audience and is an important landmark for the company.

Recent Developments

The on-going developments of the D series digital SLRs are the most important in recent years for Nikon.

The launch in 2003 of the D2H high speed digital SLR, aimed at sports and news photographers, took digital capture a step further: it's the first non-custom built product to offer wireless shooting. Using the D2H with Nikon's WT-1 wireless transmitter, images can be available for download by a client within minutes of capture.

The system was put to the test at the RAC World Rally in Wales, within days of the camera going on sale. Photographers from the agency World Rally Pix working in a remote forest 40 miles away from the Press Centre in Cardiff, had their images on the worldrallypix.com website ready for distribution within 90 seconds of capture.

The D70 is a real breakthrough, bringing digital technology previously only available to professional photographers, to the mass market.

Nikon continues to introduce new products into its Coolpix range of digital cameras, including products with cutting edge stylish designs such as the award winning Coolpix SQ.

Film SLRs remain an important part of the business and the F75 is testament to this, offering enthusiast photographers a sophisticated specification at a value for money price point.

In 2003, three new Coolscan film scanners were announced with marked improvements over their predecessors.

Promotion

Over the last three years, advertising has focused mainly on promoting the brand with campaigns that have encompassed print and TV.

The first campaign in the brand initiative was a print execution which focused on the end result, making use of strong, evocative images.

Three TV campaigns have followed, each taking advantage of the Christmas buying period. The first campaign, comprising a 30 second commercial, was composed of still images and used the strapline 'The Future of Photography.'

The second campaign developed the Future of Photography theme further by showing a series of events which demonstrated that the future might be more predictable than we think and that Nikon would still be the camera of choice.

Nikon's November 2003 TV campaign showed a softening of approach with the commercial 'Hidden Smiles'. This pushed Coolpix consumer digital compacts and showed the ease and speed of digital.

Nikon has an active programme of consumer promotions designed to increase footfall into dealerships and which often incentivise counter sales staff by allowing them to take part as well.

Free Flights and CashBack have proved to be highly successful mechanics and have been used on several occasions to promote individual products and ranges.

The internet plays an increasing role in the programme as demonstrated by the On-Line for a Gift and a promotion for the D100 digital SLR.

A newsletter, In Touch, is emailed to registered Nikon users and information is specifically targeted to their needs and interests.

Nikon Pro is a quarterly magazine aimed at professional users and this too has recently developed an on-line version.

The internet featured heavily in Nikon's 2003 multi-media Christmas campaign, targeting the growing number of people who use the web as a research tool before making a purchase. The campaign included banner advertising at key portals for routes to purchase, as well as web optimisation which is on going.

Nikon has also worked with partners on promotions, the most recent of which was Marmite for its Extreme Photography competition for which customers were invited to send in images of people eating the spread in extreme places. The competition was an ideal way for Nikon to promote the fun element of digital photography.

The biggest promotion run by Nikon to date, was Coolpix Adventures in summer 2003. It used a very simple mechanic: memory cards were mailed to half a million people profiled as potential digital buyers, to excite them with the prospect of digital photography.

The recipients were encouraged to go in store, insert the card into a Nikon Coolpix camera and to see if the image on the card matched any one of the £1.5 million worth of prizes on offer, from cameras to dream holidays.

Coolpix Adventures proved very successful resulting in a significant footfall into dealerships.

Nikon's training programme is the supportive side to the company's promotional activity, allowing one to one communication with its customers.

A dedicated team of trainers provide a series of workshops and seminars to help customers get the most from their Nikon products.

Nikon Pro is a quarterly magazine aimed at professional users. Content is also available online.

Brand Values

Nikon has been developing leading imaging technologies for many years and is associated with superior quality and reliability. In March 2003, the Nikon Corporation introduced a new brand symbol and concept - 'transforming imagination into creativity.'

'At the heart of the image' is the new brand statement reflecting the company's aim to empower people to realise their creative potential through photography.



The company aims to ensure that when people use its products, they 'experience' Nikon, and feel confident, therefore the products and services should always deliver the assurance of premium quality, setting new standards in imaging.

The essence of the brand is passion and inspiration combined with quality and reliability.

Things you didn't know about Nikon

Nikon's German Service Centre recently received an F5 for a routine service and discovered that it had achieved 1,092,904 shutter releases without fault - equivalent to 34 hours of continuous shooting at eight frames per second.

Nikon cameras have been used in temperatures of below -50 degrees centigrade, during a parachute jump from over 8,000 metres and by professional divers at depths of over 100 metres.

Mike McCartney, member of the sixties group, Scaffold, composed the song 'Thank You Very Much', now used to advertise Cadbury's Roses, whilst waiting on the phone to thank brother Paul for his Christmas gift of a Nikon F.

Astronauts on the 1988 Discovery space shuttle recorded the mission on modified versions of established camera models including the Nikon F3 35mm SLR.