

Canon marketing recommendations

[Business](#), [Marketing](#)



While the company's point-and-shoot digital camera sales have been hit in recent years as consumers increasingly use smartness to take casual shots, the high-margin interchangeable-lens format favored by professional photographers and enthusiasts has seen growth every year up to 2012, company officials said. Despite a rebound in operating profit for July-September from a weak quarter a year billion). That compares with an average of 378.5 billion yen based on 23 analysts' estimates according to Thomson Reuters Starting. Until recently, interchangeable-lens sales' growth was close to double figures even when the economy was bad. But now people are postponing consumption of luxury items such as cameras," Chief Financial Officer Toshiba Tanana said during a briefing in Tokyo, adding that consumers had become more sensitive to price. In July, predicting a pickup in China in the second half of the year. The company forecast operating profit would be 380 billion yen, compared with 324 billion yen for 2012. Tanana said protracted gloom in Europe was half of the reason for the downward revision.

Canon said it now sees sales of the digital interchangeable-lens format coming in 11% below its previous forecast of 9 million cameras, issued in July. Mascot Chichi, chief executive of Moll Asset Management In Tokyo, said, "The slump in interchangeable-lens cameras is not due to a structural problem such as market saturation, but solely because of the worsening of the macroeconomic environment. " "For October-December, emerging economies such as China, India and Brazil may weaken further," Chichi said.

One of the first of Japan's technology companies to report results for July-September, Canon made 90.6 billion yen in operating profit in the July-

<https://assignbuster.com/canon-marketing-recommendations/>

September quarter, up 28% from last year, when anti-Japanese sentiment in China stirred by a territorial dispute depressed sales of a range of Japanese goods. Japanese rival Nikon Corp. reports earnings on November 7. Canon's compact camera sales have long been hit by the boom in demand for smartphones that take photos. But the company left its 2013 sales forecast for compact cameras unchanged at 14 million, against 18 million in 2012. Stock in the company, this also makes products like office printers, chip making equipment and medical devices, has fallen 6.3% this year. That compares with a nearly 40% rise in the Nikkei Index, driven by growth expectations surrounding Prime Minister Shinzo Abe and the issues it faces Canon Inc. is a Japanese multinational corporation that specializes in the manufacturing of imaging and optical products, including cameras, camcorders, photocopiers, computer printers and medical equipment. Issues outlined in the above article facing Canon Inc. are the worsening micromanagement and the use of smartphones for photography, while also facing stiff competition from the likes of Nikon, Xerox and Ricoh. Marketing Recommendations The Marketing Recommendations that I propose for Canon are New Product Development, Improve its Brand Productivity and Develop Online Sales while managing their Distribution Channels. New Product Development As we can see from the article above, the growing popularity and quality of smartphones is a major issue for Canon. There are more than 1 billion smartphone users worldwide and this is expected to double by 2015. Yang, 2012) Canon having cut its operating profit outlook for the second quarter in a row and the fact that sales of its signature high-end cameras will fall this year for the first time since 2003 should invest extensively in innovation to compete with the

smartened market and launch a new product to regain lost sales from the market. Innovation is quickly moving up the agenda for all businesses, becoming a competitive necessity and the main driver for growth. (Price Waterholes Cooper, 2013) Innovation must be continued to keep up with current needs and trends and to sustain growth and profitability.

Canon should follow the New Product Development Process below when deciding what new product or service to launch while also identifying the costs of each stage to help with budgeting. See Figure 1 below. Brand Productivity Improvement The article above has revealed that Canon's profits are suffering. That is why I would commend improving the brands productivity. This focuses on profit rather than volume as the objective. There are three ways of regaining profits from a static brand like Canon. Costs, Prices and Profits.

Fixed and Variable costs can be cut, having reinvested in the brand by launching a product to compete with smartened and tablet camera users, market share should not be affected by cutting costs. Prices can be increased specifically so that the increase in the profit margin is not cancelled out by the decrease in demand. Figure 1 corporate strategy. According to Presumptuousness's there is a four stage treated to align Corporate Strategy with the Innovation Execution. 1) Define the business strategy and how the business plans to grow.) Develop an innovation strategy that defines how innovation will help achieve the business goals. 3) Configure the most appropriate innovation operating model to execute this innovation. 4) Execute this innovation operating model to achieve the

targeted business. A new product that I propose Canon should test to compete with smartened users is a Canon Tablet with a benchmark of the same if not better quality than its "Signature High End cameras" with a new Canon Photo Editing Software. I would suggest using an Android Operating System to attract other android users.

The Canon tablet should also be able to download applications like other tablets on the market. The difference between normal tablets and the Canon Tablet would be the camera quality and the target market. Canon could target the once loyal customers and media enthusiasts they had in 2003 when they launched their high end cameras. The launch of a tablet will also give Canon a foothold in the tablet market where they could then compete with Apple's pad and other tablets. Develop Online Sales while Managing Distribution Channels At the moment Canon sells their products through outlets such as Curry's and Argos etc.

I propose that Canon move to selling direct from their website while eventually cutting out the "middle man" so that they only sell online. This would allow Canon to generate a higher profit margin with the option of cutting prices as well. For example, Dell only sell direct to the customer via online website. "One of the major factors responsible for Dell's outstanding success in a fiercely competitive environment has been its decision to sell its products online." (But, 2012) Customers appreciate quick and easy ability to buy products and they require a lot of information before they purchase.

Dell can persuade customers to purchase online by providing all the information that they need. "By selling online, Dells saves money that would

have been spent on establishing relationships with stores to sell the product or losing profits to the stores. Canon could choose to do the same. By developing online sales and getting rid of unnecessary distributors I believe that Canon would be able to receive a higher profit margin while also creating better customer satisfaction and loyalty as the customer would only be dealing directly with Canon.

We can also see how successful Dells idea to only sell online has been. Every day Dell's website produces ? 2. 23 million in revenue. Those sales are generated from 700, 000 hits that originate in 30 countries in 12 languages. The typical online buyer is purchasing systems worth \$300 more than the average telephone buyer is buying, and the transactions, which are tied to Dell Computer's mainframe, are speedy and seamless. Online sales and there are knock on effects also as Canons target customers who want to purchase a product online can look elsewhere e. Browsing online for camera reviews and coming across a camera with the same review as a Canon but choosing the other brand as it can be bought online. Conclusion In conclusion I believe Canon can regain its lost profits and regain the market share it has lost due to a lack of innovation to fill potential customer needs . They can do this by innovating and developing new products, improving its brand productivity and develop online sales while managing their distribution channels. Works Cited But, D. (2012, May 1). Little Known Secrets of Dell's Marketing Strategies.