



We understand our customers and the markets in which we operate, and as such, always make sure we're ahead of our competitors. Our portfolio is comprehensive and both B2C and B2B customers find a number of useful applications for our products.

**Traditional cameras now compete with a variety of new imaging products such as smartphones and tablets. How has Canon responded to this new competitive environment?**

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images and software. Ultimately, in seeking better quality, those customers are increasingly coming into contact with Canon cameras, photo printers and other solutions such as

Canon Irista, a web-based image hosting and sharing site. So, I think the different tools and devices available actually complement each other quite well.

**The retail market is also changing rapidly. How is Canon evolving its sales and marketing channels to better serve its customers today?**

The future is very much focused on developing a robust multi-channel strategy to serve customers. With electronics, most customers still seek out product advice and test products in-store prior to purchase. Increasingly though,

purchases are either made in store or online; essentially, customers can choose what is the best solution for them. It is therefore very important for brands like Canon to create 'worlds of experience' across a multitude of on and offline channels, to provide customers with the necessary information they need to satisfy their individual needs during the purchase process.

## Market snapshot

### GERMANY

Germany grew at a modest rate in 2014. The economy narrowly escaped recession in the third quarter, recording growth of 0.1% after shrinking by the same amount in quarter two. The main cause for the slow rate of domestic spending in Germany last year was poor consumer confidence, which is undoubtedly related to the negative developments affecting the Eurozone and the world economy in general.

Conditions are expected to improve gradually in 2015, with analysts anticipating quarterly growth to be around 0.3-0.4%, resulting in full-year growth of 1%. Private consumption and investment are expected to make the main contributions, as well as exports, which held up relatively well in 2014.

Unemployment rates are also at a multi-decade low for Germany and this, in combination with falling inflation, has pushed up real wage growth, which is growing at a slightly faster pace than the euro-zone average.

**Many companies in the consumer electronics industry are moving away from promoting the technological benefits of products to highlighting the lifestyle benefits. What are your thoughts on this development?**

The emotional appeal of products is certainly the right way to initially activate consumers today, but I believe marketing the actual benefits of the product to the consumer should always be the priority. If the benefits are not properly communicated, whether the product is a piece of hardware or a service, then it will not be accepted by the consumer. So, we are always trying to optimise the way in which benefits are articulated while simultaneously drawing out the associated lifestyle of the end-user, in our marketing.