

GoPro Acquisition Analysis

Strengthening Market Leadership and Unlocking Growth Potential

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One of GoPro's largest competitors should acquire GoPro. This approach would not only eliminate a major competitor but also provide the buyer access to GoPro's strong brand equity, loyal customer base, advanced technology, and expansive distribution network. Such an acquisition could strengthen the buyer's position in the rapidly growing action camera market.

The global action camera market, especially in China, is undergoing explosive growth. In 2022, the market generated \$5.91 billion in revenue and is projected to reach \$21.30 billion by 2030 (260% growth rate).¹ Particularly in China, the revenue is expected to grow from \$508.8 million in 2022 to \$2.31 billion in 2030 (354% growth rate).² A key factor behind this surge is the growing popularity of outdoor recreation, fueled by social media influencers. In China, lifestyle-sharing platforms such as Xiaohongshu have played an important role in promoting outdoor activities, with cycling-related content alone received over 1.3 billion views.³ Rising enthusiasm for outdoor activities is pushing consumers to invest more in outdoor gear, including action cameras. On top of this, the Chinese government has introduced policies to develop the outdoor recreation sector into a \$410 billion industry by 2025.⁴ These supportive policies are fueling the market's growth at an impressive pace. The opportunities within the action camera market are immense and still largely untapped.

GoPro's well-recognized brand name and its loyal customers would strengthen the acquirer's credibility and leadership in the global market. In a survey I conducted among students at Bowdoin College, 81% of 43 respondents identified GoPro as the first brand associated with action cameras. This perception aligns with GoPro's current dominant 47% global market share.⁵ The brand recognition would help the acquirer gain trust from customers and capture the rapidly growing market more efficiently. Additionally, GoPro experienced steady growth in its subscriber base throughout 2024, culminating in 2.56 million subscribers by the most recent quarter; meanwhile, subscription

¹ "Global Action Camera Market Size & Outlook, 2030," n.d., <https://www.grandviewresearch.com/industry-analysis/action-camera-market>.

² "China Action Camera Market Size & Outlook, 2022-2030," n.d., <https://www.grandviewresearch.com/horizon/outlook/action-camera-market/china>.

³ "China's Outdoor Sports Boom Driving Business Growth," The State Council of the People's Republic of China, January 5, 2024, https://english.www.gov.cn/archive/statistics/202401/05/content_WS6597a30fc6d0868f4e8e2c74.html.

⁴ 庞博, "Notice from the National Development and Reform Commission on Issuing the 'Action Plan for Promoting the Construction and Service Improvement of Outdoor Sports Facilities (2023-2025)' 国家发展改革委关于印发《促进户外运动设施建设与服务提升行动方案 (2023-2025 年)》的通知," 中华人民共和国中央人民政府, October 17, 2023, https://www.gov.cn/zhengce/zhengceku/202311/content_6913978.htm.

⁵ Saisuman Revankar, "Action Camera Statistics by Revenue and Market Share," *Electro IQ* (blog), October 14, 2024, <https://electroiq.com/stats/action-camera-statistics/>.

revenue demonstrated consistent growth, reaching \$27.5 million in the same period.⁶ A steady and growing subscriber base provides the acquirer with three strategic advantages—consistent revenue generation, enhanced customer engagement, and increased influence in the market. This combination of a strong brand identity, dominant market share, and steadily growing subscription revenue would help the acquirer capitalize on immediate and long-term growth in the action camera market.

GoPro's strong intellectual property and extensive distribution network provide a significant advantage in increasing market penetration. Acquiring GoPro would also mean gaining access to GoPro's user-focused innovations, including Emmy Award-winning In-Camera Sensor and Software Stabilization technology.⁷ The integration of GoPro's innovative technology with the acquirer's technological capabilities could pave the way for developing more competitive products to capture additional market share. Furthermore, GoPro products are currently available in 25,000 retail locations, with plans to add 3,000–6,000 outlets by the end of 2025.⁸ This enormous distribution network would benefit the acquirer by enhancing market access and reaching a broader audience to meet the growing demand for action cameras.

In conclusion, GoPro is significantly undervalued, and any competitor that chooses to acquire the company would gain a substantial advantage in the rapidly expanding action camera market.

⁶ “GoPro Announces First Quarter Results,” PR Newswire, May 7, 2024, <https://www.prnewswire.com/news-releases/gopro-announces-first-quarter-results-302138740.html>; “GoPro Announces Second Quarter Results,” PR Newswire, August 6, 2024, <https://www.prnewswire.com/news-releases/gopro-announces-second-quarter-results-302215925.html>; “GoPro Announces Third Quarter Results,” PR Newswire, November 7, 2024, <https://www.prnewswire.com/news-releases/gopro-announces-third-quarter-results-302299331.html>.

⁷ “GoPro Wins Second Emmy® Award for Groundbreaking Digital Imaging Technology,” GoPro, February 1, 2022, <https://gopro.com/en/us/news/gopro-wins-second-emmy-award>.

⁸ “GoPro Stock Plummets 65% in the Past Year: What Should Investors Do?,” Zacks Equity Research, January 6, 2025, <https://www.zacks.com/stock/news/2392150/gopro-stock-plummets-65-in-the-past-year-what-should-investors-do>.