



## **NEW MARKET CREATION**

Did you know that by 2030, the global wearable action camera market is forecasted to be worth a whopping \$7.63 billion? (Statista). The seeds of the wearable action camera we know today were sown in 2002 by Nicholas D. Woodman (fondly called as Nick), the founder and CEO of GoPro. But, how did Nick achieve this? Dig deep to know more!



### **The Key Drivers of New Market Creation:**

There are 2 key drivers, or in other words, catalysts that contributed to the emergence and growth of the wearable action camera market:

**(a) Technology:** Technology played a significant role in establishing a new market space for GoPro. Technology helped Nicholas create a niche, by enabling new capabilities and addressing unmet customer needs. From a materialistic perspective, Nicholas leveraged two main sources of technological innovation:

(i) Nicholas focussed on improving the traditional camera architecture (by adding, replacing or improving the performance of technology modules), in an attempt to address the needs of action sports enthusiasts. This was achieved by: miniaturising camera components, inserting 170 degree wide-angle lenses, improving resolution, implementing electronic image stabilisation (EIS) ....

(ii) Nicholas also focussed on recombining existing technology modules, by integrating camera technology and wireless connectivity technology.

**(b) Changing Consumer Behavior/Trends:** Timing was also crucial in facilitating the creation of a new market for GoPro. The increasing popularity of social media platforms like YouTube in 2006, and the subsequent rise of user-generated content, played a pivotal role in establishing and institutionalising the wearable action camera market. It helped nurture a consumer meta community and democratised content creation, which contributed to the faster visibility, growth and acceptance of the market. "*Very.. Very lucky timing*", quoted Nick in his interview with Morgan Spurlock on Google Zeitgeist.

## **Key Decisions in Exploration and Establishment of the Market Space :**



After graduating from UC San Diego with a degree in visual arts, and two failed start-ups later, 26 year old Nick planned a five-month surfing expedition with his close friends around the coasts of Australia and Indonesia. While preparing for the expedition, Nick was keen on documenting his surfing experiences but found existing cameras bulky, impractical and inefficient. To address this void, he ingeniously tethered a 35mm camera with rubber bands to his palm, and that was Nick's Eureka moment. Nick had

identified a clear gap in the existing camera market, and eventually his surfing trip turned into an "R&D" trip. But, Nick's initial idea was not to create wrist cameras, but to produce wrist straps that surfers could use to tether their existing cameras and capture unusual shots. Nick later tested the idea during the expedition and quickly realized that the straps alone could not be the breakthrough product, and he would need to find a perfect camera (Automate, 2016). This realisation led to a key decision: shift of focus from wrist straps to wrist cameras.

5 months later, for the first time, Nick was excited to come back home from a surf trip - determined to transform his vision into reality. To develop prototypes, Nick had \$30,000 in savings, borrowed \$35,000 from his mother, sold necklaces with his wife Jill, and used his mother's sewing machine. After working 20 hours a day, 7 days a week, for months on end, in September 2004, the first wrist camera was launched. Nick then assembled a team of equally passionate individuals: who were either his travel buddies from the surf trip or went to UCSD with him. Nick and his team spent the next few months getting the camera into surf stores (Entrepreneur's Handbook, 2021), and within a year, the product took off, generating \$150 million in revenue (Wikipedia).

Few successful sales later, one day, Nick enrolled in a racing school and they wanted to charge him a couple of bucks for inserting a camera on the race car. Nick then strapped his wrist camera to the car's roll bar, and the light bulb went off: Why not get the camera off the wrist and make it mountable, allowing customers to mount the camera in anyway imaginable? And this realisation led to another key decision: the transition from wrist cameras to mountable cameras. In fact, this decision enabled GoPro to move beyond surfing and eventually become an everyday lifestyle product. Over the next few years, Nick continued to make technological jumps, leveraged key marketing strategies, even went public and grew organically based on the feedback and support received from the community, eventually revolutionising the action camera market.

Overall, Nick's identification of the action camera market and the inception of GoPro were effectual in nature, and clearly aligned with the principles of effectuation. The process was not solely outcome-driven but means-driven. Rather than seeking external resources or waiting for perfect conditions, Nick Woodman started with existing means and grew organically (*Bird-in-Hand Principle*). Nick's racing school experience is a perfect example of how he embraced surprises, and turned them into opportunities (*Lemonade Principle*). Even while building his team, Nick sought out people who shared his vision/passion (*Crazy Quilt Principle*). Additionally, Nick's non-cognitive perspective agency underpinned most of his pivotal decisions. He was naturally drawn to the elements in the environment that offered meaning to him. He was fully immersed in the environment, intuitively adapted without much cognitive deliberation, and engaged in continuous adjustments/improvisations to respond to evolving environmental conditions, enabling him to ultimately reach an "optimal grip".

### **Evolution of Market Identity and Market Boundaries :**

Overtime, the market boundaries, and eventually the market identity, of the action camera market have undergone major shifts:

**(a) Symbolic Dimension:** Initially, action cameras were primarily associated with extreme sports and adventure activities (*thanks to GoPro!*). However, as action cameras gained popularity, the market boundaries and market identities expanded beyond sports to everyday use. The action cameras caught on with scientists, soldiers, athletic coaches, journalists, surgeons, and probably jihadists too (VanityFair, 2014). In fact, dog owners are strapping the camera to their pets to see what the canines get up to on their walks, and motorcyclists are relying on it to provide video evidence should they get into accidents. (Straatosphere, 2015).

<b>5 Lessons from Nicholas Woodman</b>	
<b>01</b> FOLLOW YOUR PASSION	"Always follow your passion. Sometimes our passions lead us to do something where you meet somebody. And that meeting leads to a relationship that leads to an idea that leads to something more"
"I was so scared that I would fail again that I was totally committed to succeed"	<b>02</b> FEAR FAILURE
<b>03</b> OBSESS OVER YOUR PRODUCT	"I let myself obsess over things. To get GoPro started I moved back in with my parents and went to work seven days a week, 20 hours a day. I wrote off my personal life to make headway on it"
"I can sell anything that I totally believe in"	<b>04</b> LEARN TO SELL
<b>05</b> BE YOURSELF	"This is who we are. We don't change who or how we are because we need to be 'successful', or 'serious' or 'professional.' Be yourself and the world will love you for it."

**(b) Social Dimension:** The social dimension/membership of the market has expanded over time. Initially, the market was primarily occupied by smaller, specialised brands like GoPro. However, with the growing popularity and market potential, larger companies in the consumer electronics industry (such as Sony and Xiaomi) have entered the action camera market.

How did GoPro shape Market Boundaries?		
Claiming the Market	Demarcating the Market	Controlling the Market
<ul style="list-style-type: none"> <li>GoPro has become a cognitive referent of the action camera market</li> <li>GoPro claimed the market in two different ways:               <ol style="list-style-type: none"> <li>Adopting Templates: sense giving through metaphors i.e "Be a Hero"</li> <li>Disseminate Nicholas Woodman's founding story</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>GoPro demarcated the action camera market by lowering competition via some key strategic alliances:               <ol style="list-style-type: none"> <li>Red Bull received an equity stake in GoPro. The alliance focused on content production, distribution, cross-promotion and product innovation</li> <li>GoPro enjoys a long term partnership with IBM as a technology partner and as a delivery partner</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>GoPro has expanded the relevant market space by acquiring companies such as:               <ol style="list-style-type: none"> <li>Stupeflix: an online video editing application</li> <li>Skybotix: sensor tech startup</li> <li>Cineform: editing high-resolution footage</li> <li>Kolor: Virtual Reality Start-Up</li> </ol> </li> </ul>

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