

What to expect from GoPro's big drone unveiling

September 19 2016, by Paresh Dave, Los Angeles Times

Action camera-maker GoPro Inc. gets its big chance to rebound from a disastrous year when it unveils its first drone and other new products Monday.

The company's [share price](#) has plunged more than 70 percent since last July's release of a delayed and overpriced camera. GoPro has lost money three straight quarters and is set to report its first annual loss this year.

Analysts say GoPro may unveil a small, camera-toting [drone](#) that automatically trails surfers, snowboarders and other extreme sports enthusiasts, whose embrace of the company's early models fueled its rise. If it's a hit, the new gadget could reset the company's image with customers and investors, and prove crucial in sparing the firm from having to sell to a larger company.

"Can they show last year's misstep was a mistake and going forward they have products right?" said Michael Pachter, an analyst at Wedbush Securities. "This is a make or break moment."

It's also potentially a major turn for the nascent consumer drone industry, which has largely been dominated by drone-focused startups such as DJI, Yuneec and Parrot. A large, 14-year-old camera company entering the market shows drones are ready to be more than toys.

"The key to really massive adoption of these technologies is just solving some of the societal concerns about safety, security and privacy," said

Ben Marcus, chief executive of drone maps provider AirMap. "The less intimidating they look and the easier they are to operate, the more adoption we'll see. I'm hoping GoPro's drone brings a little bit more comfort."

Few details have leaked about the drone, dubbed Karma by the company. The purported quadcopter appears to make a fleeting appearance in a video released by the company.

Teaser videos suggest Karma is smaller than its top-end competitors, has a gimbal for image stabilization and can be "maneuvered in tight spaces," Oppenheimer analyst Andrew Uerkwitz said in a report.

Pachter mused that Karma would sync with a clip that users could attach to their clothing or body, allowing the drone and the camera mounted on it to track their movement without the need to steer it via a controller.

"I got the distinct impression that you're not going to be carrying a big wireless controller with an antenna while you're on your surfboard," he said.

Karma's battery life (top drones can fly for about 25 minutes) and price will be similar to existing high-end drones, but stand out from those of rivals based on versatility, Goldman Sachs analyst Simona Jankowski said in a report this week. It would work with the Hero5, the camera expected to be announced Monday, and older models.

She speculated a price of about \$750 for the drone, which could bring the total with the camera to more than \$1,000.

GoPro could sell 100,000 drones this holiday season, enough to return the company to profitability in this year's final quarter, Pachter estimated.

The company has sold more than 20 million cameras in its history, but questions linger about whether they can get cheaper or cooler enough to get more people to buy one. Jankowski noted the latest model would include better audio, more capture options and a "more contemporary design."

Guesses about what else is in store have included GPS functionality, a cellular chip, sensors for speed and altitude and 8K video resolution.

Monday's event is set to deliver long-anticipated updates to GoPro's editing software and more news about a slate of sports and travel shows the company is producing, analysts said.

Investors are giving the company the benefit of the doubt heading into the announcement, with shares Friday rising 5.7 percent, or \$0.80, to close at \$14.96.

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Citation: What to expect from GoPro's big drone unveiling (2016, September 19) retrieved 3 July 2024 from <https://phys.org/news/2016-09-gopro-big-drone-unveiling.html>

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