

InvestWrite Essay

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Question: Pick two companies in the same industry and conduct research for each. For example, read the annual reports for each company, or view analysts' opinions about the companies. Are there risks that these companies disclose? What figures can help you decide which is the better stock? Are there any trends you can identify from the key statistics? Using facts from your sources, tell us which company you feel is the better investment and why. Please cite the name of each company and your sources.

Canon vs. Kodak

Last November I found myself in a dilemma when deciding which brand of cameras to buy. Planning on spending my money wisely, I began researching various companies from the cheapest to the most expensive. I arrived at a crossroads between Canon and Kodak. Kodak targets the common photographer with affordable cameras, while Canon produces higher quality professional cameras. I compared different models and styles of both, but still I could not come up with a decision. Finally, I decided to look into the companies themselves and research the history of each.

Upon each try of attempting to find information that would set one company apart from the other I came up with more advantages and disadvantages. Could I just decide based on the preference of the more popular brand based on a few consumer reports I read on the web? It's all a matter of the fact that one person's preference is different than another's—usually based on an experience a person had with the product or what the person heard about the product. I was bound and determined to get down to the companies foundation and see exactly how they work. Eastman Kodak has grown strong since its beginning in 1888 when George Eastman started it. Since the founding of this company the vision of George Eastman has stayed a constant. Canon, on the other hand, is much younger than Kodak. Founded in 1933 by two Japanese co-founders, Goro Yoshida and Saburo Uchida, the company released their first camera in 1934. From its first sale to today they have grown increasingly more successful. There are countless ways to judge which of these two companies are the better choice, but the simplest way is money.

In 2005 both companies grew significantly. Kodak's overall revenues were up six percent from the previous year (Kodak), while Canon's overall revenues were up 8.3% from the previous year (Canon Inc.). Clearly Canon had the edge over Kodak in 2005. This year, though, Canon is showing increasingly rapid growth. Stock quotes from excite.com showed that the first-of-the-year prices were around \$40 per share and now towards the end of the year the stock prices have fluctuated between \$50 and \$60 dollars per share displaying between 20 and 30 percent growth. Kodak stock prices have risen and fallen from about \$24 at the first of the year to about the same price now at the end of the year. The company's internal structuring has caused problems with their success and decreases in profits have caused the company to downsize forcing nearly 30,000 workers out of jobs (Deutsch). Canon has not shown weakness this year or previous years and growth is projected through 2010 (Canon Inc.).

By researching each company thoroughly, I found Kodak to be a risky unstable stock, while on the other hand, although the prices for Canon stock is expensive, the

projected growth is worth it. Analysts' ratings from excite.com revealed for this quarter, shares in Kodak Co. should be sold to reduce the risk of suffering losses. With Canon's stock increasing steadily, analysts are not too eager to jump on Canon either because the stock has been reaching highs in the past weeks. It is a common fact, that to make money in the stock market one must buy low and sell high, and for this reason analysts say hold onto Canon's stock. Seeing the similarities and differences between these two companies one must come to the decision of which to buy.

I know I have listed a number of facts and numbers, but facts are facts and numbers are numbers and they speak for themselves as irrefutable proof that of these two companies is clearly the better pick in this case. Canon beats Kodak nearly hands down even though Kodak had quite a good year last year but that does not make up for poor previous years. In this case the younger company beats out the older one and I would suggest Canon over Kodak. To that end, I'm buying a Canon Digital SLR camera.

Works Cited

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