# Record growth for portable satnav units

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GfK survey on European retail sales

Nuremberg, February 20, 2007 â€“ Four times as many portable satellite navigation units were sold in Germany in 2006 than in the year before. In Western Europe, total sales for 2006 amounted to around 7.4 million units and in 2007, this figure is anticipated to rise to 11.8 million, making this a mass market product segment and one of the major sources of revenue of the electronic entertainment sector. These are the findings of GfK Marketing Services Deutschland, who surveyed sales of portable satnav units in 13 West European countries.

Last year, two million portable satellite navigation units were sold, which is four times as many as in 2005. This puts Germany at the top of the league table for units sold, although in terms of growth, with a 300% increase, it is in second place behind Spain.

Growth up 40+%
Sales of portable satnav units impacted positively on the in-car-electronics sector, which includes car radios, amplifiers, speakers, multimedia and navigation units, resulting in a 40+% growth rate in 2006 compared with 2005. The 7.4 million units sold generated a total sales volume worth 2.7 billion Euros. This year, sales are anticipated to rise to 11.8 million units.

There were two seasonal peaks in satnav sales last year, one being the summer period from June to August, during which holiday-makers use the equipment to find their way as they drive South and the other being in the months towards the end of the year. Satellite navigation equipment, which comes under the general heading of entertainment electronics, accounts for around 8% of seasonal Christmas business, making it one of the major sources of retail sales revenue.

Equipment is becoming cheaper
As was already the case in 2005, lower sales prices have stimulated the demand for portable satnav units. At an average price of EUR 417, satnav units were most expensive in Switzerland, closely pursued by Austria, where the average price was EUR 413. In France and the UK, at around EUR 367 and EUR 364 respectively, prices were approximately one fifth lower, with units in Germany cheaper still at EUR 351.

Price levels dropped throughout the whole of Western Europe during the Christmas season last year. Prices were also lower than in December 2005, with German consumers paying an average EUR 43 less. Prices fell most steeply in Spain, where a portable satnav unit costing an average EUR 472 in December 2005 cost just EUR 287 the same time a year later. The lowest priced units in Western Europe currently cost less than EUR 200.

Disparate map requirements
Belgians place the highest value on detailed maps of Europe and three quarters of all units here are equipped with them. In Switzerland, just under two thirds of portable satnav units are equipped with detailed maps of Europe and the figure is 61% for Germany and a little over 50% in Austria. Conversely, in the Mediterranean countries and the UK , units with local maps are important, first, because so many of the inhabitants holiday by the seaside at home and also, because the Brits tend to take their car abroad rather less than other European drivers. In Spain, two thirds of the units are equipped solely with local maps, followed by the UK with 62%, Italy with 52% and France with 48%.

Navigation units are becoming the answer to everything
Manufacturers have let their imagination run wild when it comes to the functions integrated in their satnav units: dynamic route finding to avoid traffic jams, MP3 format music/audio book functions, electronic translation and hands-free facilities are just some of the additional built-in functions on offer.

The high level of consumer demand has also produced an increase in the number of suppliers in Western Europe, which was up from 42 at the end of 2005 to 93 at the end of 2006. As reception in the areas covered by digital cards becomes more extensive, the demand is likely to increase concomitantly in Eastern Europe, Asia, Latin America and countries such as Australia and South Africa.

A variety of sales channels
In some areas, there is a marked distinction in the sales channels of the individual countries. In Germany, two fifths of the units sold are sold by electrical retail specialists, making it the major distribution channel. Around a quarter of units are

sold by food discount stores, and just under one tenth by mail order companies, online specialists and department stores. In the UK, however, electrical retail specialists, motor accessory retailers and consumer markets, department stores and online mail order share the portable satnav market with around one third each. With 47%, electrical retailers account for the lionâ€™s share of unit sales in France, followed by consumer markets, which have around a quarter and motor accessory retailers, which account for 16% of sales. In Switzerland, the electrical retail specialists account for over two thirds of unit sales, followed by consumer markets, department stores and mail order, with a one fifth market share each. At 87%, the most satellite navigation units are also sold by electrical retailers in Austria.

The survey

Since 2004, GfK Marketing Services Deutschland has been monitoring the market development for portable satellite navigation equipment in 13 countries throughout Western Europe: Belgium, Denmark, Germany, Finland, France, UK, Italy, Netherlands, Austria, Portugal, Sweden, Switzerland, Spain. Four East European countries, Poland, Slovakia, the Czech Republic and Hungary were added last year and this year, Australia, Brazil, China, Greece and Turkey were included in the survey. The monthly survey of retail sales to consumers includes the number of units sold, market share data, price classes, structure of sales channels and individual item hit lists.

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