

Golden autumn for technical consumer goods market

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Results of GfK TEMAX® Germany for Q3 2010

The German market for technical consumer goods remained on its growth path in the third quarter with growth of 4.0% and total sales of EUR 10.4 billion.

Information technology was the frontrunner, while small and major domestic appliances, the photographics market and consumer electronics also enjoyed positive development.

By contrast, the telecommunications market, office equipment and consumables lost ground.

The German technical consumer goods market continued on its growth path for the fourth time in a row, expanding by 4.0% year-on-year. This means that the economic recovery is being reflected in the market for technical consumer goods.

Information technology: double-digit growth

With superb sales growth of 14.4% and a total market volume of EUR 2.77 billion, the information technology segment supported the strong result of the GfK TEMAX® for the third quarter of 2010. One in every two euros is generated from sales of mobile computers, which enjoyed double-digit growth in the third quarter.

Desktop PCs recorded even stronger growth. Due to falling prices, consumers are showing particular interest in all-in-one computers, which integrate all of the relevant technology into the monitor. The product groups of monitors, workstations and servers also developed positively, benefiting in particular from sales with business customers.

Companies are investing again thanks to the relaxation of the economic situation, as well as the fact that changing over to new operating systems often requires the purchase of new equipment.

Small domestic appliances: high-quality products in demand

The market for small domestic appliances has picked up substantially. Following moderate growth in the previous quarter, this sub-market expanded by 7.5% to EUR 643 million. In many areas, there is an observable trend towards trading-up in favor of particularly well-equipped products.

These command higher average prices, hence resulting in rising sales. The highest-selling product groups are coffee and espresso machines, and in particular coffee pad machines and espresso capsule systems. In the vacuum cleaner segment, appliances with low energy consumption, wet-dry cleaners and robotic cleaners are benefiting from this trend in particular.

Among kitchen appliances, the markets for larger and higher-quality products such as food processors and kitchen machines are growing.

Major domestic appliances: success through energy efficiency

Major domestic appliances have picked up once again: following stagnation in the second quarter of 2010, the segment recorded growth of 4.1% in the third quarter and total sales of EUR 1.9 billion.

The best-selling product group "refrigerators" is showing a substantial improvement, particularly among built-in appliances. Energy-efficient products are proving a key growth driver. There is also rising demand for energy-saving A++ appliances with two doors and freezer compartments with no-frost functions.

Washing machines and dishwashers saw only moderate growth. By contrast, the market for tumble driers recorded a double-digit increase. This was also due to energy efficiency and innovative heat pump technology.

Photographics: growth driven by system cameras

The photographics market enjoyed solid growth of 3.5% in the third quarter, generating a sales volume of EUR 623 million. The largest product group, digital cameras "which account for almost three-quarters of all spending in the photographics segment" continued to experience moderate growth.

This was primarily due to lower average prices and sustained demand. System cameras "compact cameras with interchangeable lenses" contributed to growth. As a result, the interchangeable lens product group continued to develop positively.

Meanwhile, sales figures and volumes for fixed-lens cameras remained stable due to new features such as 3D imaging

and video functions and integrated GPS positioning. The positive sentiment on the market was also reflected in the success of the world's largest photographic trade fair, photokina, which was held in Cologne in late September.

Consumer electronics: attractive additional functions

The consumer electronics market grew only slightly by 0.9% to EUR 2.4 billion. Flat-screen TVs remained in demand even following the Football World Cup, with this product group accounting for every second euro spent on consumer electronics.

Moderate growth contributed to the positive overall development. In particular, functions such as Internet access, LED-backlighting, 3D-readiness, triple tuners and Full-HD-readiness are helping to keep prices stable. More than 50,000 new 3D televisions were sold in Germany in the first nine months of the year.

There was high consumer demand for Blu-ray players, often including those that can play 3D movies. Although there is still a lack of available content in this area, customers are optimistic that this will change in the near future.

Telecommunications: smartphones remain on top

The telecommunications segment generated sales of EUR 939 million in the third quarter, a decrease of 4.1%. The first nine months as a whole saw stagnation, with growth totaling 1.4%. However, the key product groups of mobile and smartphones recorded positive sales development in this period thanks to the massive demand for smartphones.

In particular, consumers are interested in devices with touchscreens and open operating systems. In the area of mobile phones, products without flip or slide mechanisms – known as candy bar designs on account of their appearance – are in demand. These two trends will define the Christmas business in mobile and smartphones.

Traditional fixed-line telephones repeated the growth recorded in the previous quarter thanks to the demand for cordless phones.

Office equipment: light and shade

The office equipment and consumables segment contracted by 6.1% in the third quarter, generating a market volume of EUR 1.1 billion. However, the picture is a mixed one. The best-selling product group, printer cartridges, again posted significantly lower sales.

By contrast, in the aftermath of the Football World Cup, data and video projectors saw double-digit growth thanks to more favorable prices and the demand for LED technology. Inkjet printers (excluding photo printers) also recorded growth, driven in particular by demand for multifunctional devices. Laser printers saw similar development.

The market for inkjet printers is being buoyed in particular by business and A3 models. In the scanner product group, meanwhile, there was growth in sales of document and film scanners.

GfK TEMAX: positive forecast for the year as a whole

With sales growth of 4.0%, the market for technical consumer goods showed continued robust growth in the third quarter of 2010, thus continuing the positive development in the year to date.

Growth of 3.6% was recorded in the first nine months. GfK Retail and Technology expects the German market for technical consumer goods to close 2010 positively thanks to the traditionally strong Christmas period and a wide range of new products.

The survey

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