

# Results Of The GfK TEMAX® Germany For The Third Quarter Of 2011

Contributed by GfK TEMAX  
Wednesday, 16 November 2011

According to GfK Retail and Technology, the overall market for technical consumer goods in Germany experienced a sales increase of 3.5% in Q3 2011 to reach a total of EUR 12 billion on a year-on-year basis. Thus, the growth trend from the first six months continues.

This development is largely due to consumer interest in IT products such as tablets and notebooks. There were also positive trends within the Telecommunication, Major and Small Domestic Appliance markets.

## Information technology: Notebooks and tablets in demand

Sales within the IT market increased compared to the second quarter but growth was less dynamic. From July to September, the sector generated EUR 4.3 billion to record a growth of 8.2% against the same period of last year. This year, the trend towards fast-growing niche products along with the impact of cloud computing deals continued from July to September.

Notebooks are still in demand although the increasing price decline has had a dampening effect on sales growth. Tablet computers are experiencing an increase in demand with more and more manufacturers launching comparatively inexpensive products. High growth rates continued within the storage segment (e.g. external hard drives) and communication devices such as wireless routers and docking stations performed well.

## Major Domestic Appliances: Design and energy efficiency drive sector

The MDA market recorded a growth rate of 4.8% in Q3 2011 and reached a total sales volume of EUR 2 billion. The sector benefited from the ongoing trend towards high quality, design orientated products such as hoods. Additionally, energy efficiency is becoming more important. High demand for green products has led to a series of innovations such as washing machines with programs for special textiles and appliances with automatic dosing features.

As a result, the washing machines segment is experiencing increased polarization; high-end products with top quality on the one side, a growing share of devices on the entry-price level on the other side. Regarding other MDA appliances, pricing was more relaxed. Nevertheless, market development remains exciting, especially concerning innovations within the areas of energy efficiency, functionality and design.

## Telecommunication: Mobile internet increasingly popular

The third quarter of 2011 saw a return to positive growth rates for the Telecommunication market for the first time since Q4 2010, based on subsidized prices. This was mainly because of the large demand for smartphones. The rising popularity of this digital all-rounder is at the expense of more ordinary phones that do not have such diverse functions. Despite a slight dynamic slow-down, smartphones still achieved strong double digit sales growth rates. Therefore, declines in the areas of mobile phones or stand-alone fax machines were more than compensated for.

German consumers can now choose from a growing portfolio of smartphones on entry-price level. Industry and network operators now reach their new target group by selling comparatively cheap models, affordable monthly internet flat rates or pre-paid offers.

## Small Domestic Appliances: High quality product groups in demand

From July to September 2011, sales for Small Domestic Appliances achieved a total sales volume of EUR 643 million, which is a solid increase of 3.5%. However, growth rates faced a slightly negative trend towards the end of the quarter. Fully automatic coffee- and espressomachines as well as espresso capsule systems are the biggest contributors to the growth. Additionally, positive impulses came from steam generators. Further growth engines are kitchen appliances such as kitchen machines, choppers and liquidizers/handblenders.

Within the vacuum cleaner segment, robots, bagless appliances and handhelds rechargeable (handsticks) increased their sales. Online sales were a major factor in helping the SDA market experience positive development. High quality products such as kitchen machines, fully automatic coffee/espresso machines or robots are often bought over the internet. The year-end closing 2011 for the SDA market is currently hard to assess. Numerous christmas offers will surely stimulate sales. The question is, if those impulses are sufficient to outperform the high level of Q4 2010. However, the fourth quarter of 2010 was strongly affected by sales promotion.

## Photo: Market stands its ground

When compared to last year's figures, the photo market demonstrated a stable development in the third quarter of 2011. Compared to Q3 2010, there was a sales growth of 1.3% which resulted in the overall sector generating EUR 625 million. This is particularly pleasing considering 2010 saw high sales because of photokina. This year, there were no major

events.

With this in mind, the fact that digital cameras failed to maintain the strong performance of last year is not that significant. The impact of Nikon in the compact systems camera market is yet to be seen. Current developments in the photo market will also be discussed by speakers from retail and industry during the Imaging Summit on December 5 in Nuremberg.

#### Office Equipment: Development stabilizes

Compared to the second quarter of the year, the Office market is still gaining ground. With only a slight decrease of 0.5%, it largely maintains its position on a year-on-year basis. Overall, the market recorded sales of EUR 1.1 billion from July to September. Despite a lower demand for monochrome appliances, laser printers increased their sales. The relatively small calculators segment witnessed a clear positive development with strong double digit growth rates.

Although data- and video projectors are back in demand, they still recorded a slight negative trend. Consumer demand in Germany for large screen sizes remains unchanged and can be satisfied with suitable beamers. This is positive for the segment and for year-end business.

#### Consumer Electronics: negative trend weakens

Although sales of EUR 2.3 billion resulted in a decline of 3.1% for Consumer Electronics, the sector is showing signs of recovery. This is primarily due to stabilization within the TV segment, the most important in terms of sales. TV mounts, in particular, have benefitted from the trend towards larger set and have recorded double digit increases.

Portable radios have been performed exceptionally well due to the introduction of DAB+ in Germany this August. In the future, GfK Retail and Technology expects this technology to have a positive impact on the web radio market as the interest of users is growing with the variety of programs available increasing.

#### GfK TEMAX® Germany: Positive outlook for the year

GfK TEMAX® Germany recorded a sales growth of 3.5% in the third quarter 2011. Given that International financial markets have been affected by the crisis, this ongoing positive trend is very encouraging. German consumers are still optimistic with regards to their income situation. Also, they are now less inclined to save their money and tend to purchase large, expensive products. Therefore, the technical consumer goods market is expected to do well over the Christmas period.

#### The Survey

GfK TEMAX® is an index developed by GfK Retail and Technology to track the technical consumer goods markets. The findings are based on surveys carried out on a regular basis by the retail panel of GfK Retail and Technology. The retail panel comprises data from over 370,000 retail outlets worldwide. Since February 2009, GfK Retail and Technology has also been compiling the GfK TEMAX® index at international level in more than 30 countries. It is the first index that includes all of the markets for technical consumer goods in different countries. All reports and press releases are available at [www.gfktemax.com](http://www.gfktemax.com).

If information from this press release or [www.gfktemax.com](http://www.gfktemax.com) is cited, GfK TEMAX® should be explicitly indicated as the source.

#### The GfK Group

For further information, visit our website: [www.gfk.com](http://www.gfk.com).

Follow us on Twitter: [www.twitter.com/gfk\\_group](https://twitter.com/gfk_group).

Nuremberg - 15 November 2011