Global LCD TV sales to show slight growth in 2013

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GfK forecasts global unit sales of LCD TVs to consumers to grow 4 percent to 217 million in 2013, representing a rebound from -2 percent recorded inÂ 2012 (provisional result). This, however, is well down on the 11 percent growth achieved in 2011. Growth in emerging markets is projected to offset slight reduction across developed regions, but will slow compared to last yearâ€™s levels.

Developed markets to remain subdued

In 2013 unit sales in developed markets are forecast to remain subdued, declining -1 percent year-on-year. This represents a stabilisation of demand compared to -15 percent in 2012, but also reflects continuing low demand in markets such as Japan and Western Europe, following analogue switch-offs. High household LCD TV penetration and consumers shifting spend to smartphones and tablets have also combined to lengthen TV replacement cycles significantly since 2008. In addition to these market-specific trends, the challenging macro-economic environment in Europe that has hit end-demand in 2012 is widely expected to persist through 2013. North America is forecast to remain the strongest developed market, continuing to show the resilient and stable demand seen in the second half of 2012.

Emerging markets to show lower growth

Meanwhile, emerging markets are forecast to grow by 10 percent year-on-year, slightly down from 11 percent growth in 2012. Among these, China - previously one of the main drivers of global TV end-demand growth â€“ is projected to be flat in 2013 compared to 2012. This would follow a provisional result of slight contraction in 2012, representing a marked slowdown for Chinaâ€™s TV market from the rapid growth seen in 2011, despite the help of the Chinese governmentâ€™s current energy-saving subsidy. Enacted since mid-2012, this subsidy has accelerated the market share of LED TV models and is scheduled to terminate on 31 May 2013, although an extension is possible.

Other emerging markets are forecast to show stronger growth than China, albeit lower than in 2012. The highest growth will come from emerging markets in Asia, where CRT TVs still account for a significant proportion of total TV sales to end users. In such regions there remains large market potential from users transitioning to LCD sets, although these still command a retail price premium to CRT TVs that will need to come down to accelerate consumer adoption. Latin America is forecast to recover from an end-demand slump in the fourth quarter of 2012 to join most other emerging markets in delivering double-digit demand growth in 2013.

Strong growth in larger TVs to continue

A key trend observed by GfK throughout 2012 was an acceleration of the average size of TVs purchased at retail. Last year the average size increase was over double that recorded in prior years, and is forecast to be slightly above historical levels in 2013. This shift will continue to both drive up the average selling price of TVs and have a negative impact on unit demand. In terms of technology developments, GfK sees Ultra HD (4K x 2K resolution) receiving a greater focus than OLED, given the prohibitive costs of the latter and the more imminent arrival of the former. Ultra HD will be combined with smart and 3D features, which GfK expects to continue trending up, to create compelling and feature-rich products for consumers.