

Press release

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New record sales expected in the market for major domestic appliances

Nuremberg, August 30, 2017 – GfK expects total sales of €180 billion in 2017 for the global major domestic appliances (MDA) market. That is a good five percent more than last year. In Europe, it is built-in household appliances that are responsible for the record sales numbers. These are GfK's findings for the global MDA market on the occasion of IFA 2017 in Berlin.

Whereas the global sales increase last year was only 0.5 percent, this year there will most likely be considerable growth. Currently, it is developments in **Russia** that are particularly exceptional. After sales of major domestic appliances fell by nearly 40 percent since late 2014, the region has recorded strong sales growth of about eight percent in the first half of 2017. In this early stage of market recovery, Russian consumers are mostly focused on low-cost offers in middle and low price segments, while the premium segment has been relatively weak thus far. Sales of about €4.1 billion are expected for Russia for the full year, compared with €3.5 billion the previous year.

Positive development in Europe

Thanks to low interest rates and a good economic situation, consumers in **Western Europe** are also digging a bit deeper into their pockets when purchasing new ovens, refrigerators or dishwashers. While overall sales in this region were stagnant for the first half of the year, an increase of about three percent was recorded for built-in appliances. Premium segments like ovens with an integrated steam function (up 5.4 percent), flexible induction hobs (up 28.7 percent) or integrated hob extractors (up 122 percent) and built-in dishwasher (up 3.7 percent) sold especially well. A sales increase of three to four percent to about €16 billion is expected in this region for the second half of the year too.

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In **Eastern Europe** (excluding Russia), the industry enjoyed strong increases in sales during the first half of 2017 similar to those in Western Europe. Countries like Poland (up 8.5 percent) and Hungary (up 10.5 percent) were at the forefront of this development in the region. The sales of tumble dryers developed especially positively throughout the region. 29 percent more appliances were sold in the first half of the year than during that same period in the previous year. In Eastern Europe fewer households are equipped with tumble dryers than in Western Europe. Therefore, further above-average growth can be expected in this segment in upcoming years.

Chinese consumers relying on connection and online purchases

Smart home appliances achieved a major increase in sales in Europe of more than 100 percent compared to the first half of the previous year. As a result, the European market volume based on sales of these appliances will grow to about two billion euro this year. Despite this strong development this market is still in its early stages. Compared with the total sales generated by major domestic appliances, the share of smart home appliances currently represents just four percent in Europe. Asian consumers are already much more willing to buy in this segment. In China alone, the sales volume for smart home appliances is about €4.5 billion, making it more than double what it is in Europe.

Thanks to growing incomes and an increasingly consumption-oriented middle class, demand for household appliances in **China** increased during the first half of this year by nearly ten percent (measured in the local currency). A fundamental reason for this positive trend was a sharp rise in online purchases. While sales in offline trade were slightly down as they were last year, the sales increase in online purchases was more than 60 percent compared to the first half of 2016. This means that in China already one third of household appliance sales are generated online. Built-in appliances like ovens or dishwashers make up a small but strongly growing segment, which this year impressed with growth rates of 40 to 60 percent. Previously rather undiscovered, these products could decisively shape the future growth of this market.

About GfK's methods

Through its retail panel, GfK regularly collects data in over 80 countries worldwide on major domestic appliances such as washing machines, dryers, dishwashers, refrigerators, freezers, cookers and ovens, hobs, range hoods and microwaves. Except where noted otherwise, all numbers in this text refer to the time period of January to June 2017. Growth rate in percent refers to revenue compared to the corresponding previous year period. Major domestic appliances here means the market excluding air conditioners.

GfK activities at the IFA, September 1-6, 2017, Berlin:

- 1) The **GfK Info Point** at the IFA press center provides all the information published by GfK during IFA.
- 2) Come and chat with our experts in the **GfK office** at the IFA (VIP Room 2, Großer Stern).
- 3) **GfK Technical Innovation Conference** "Digital Transformation" on August 31, 1-3 pm, IFA, Marshall Haus Trade Fair Grounds Berlin. You can download the agenda here: <http://www.gfk.com/insights/event/ifa-2017-digital-transformation/>

On the occasion of IFA 2017, GfK will be publishing press releases relating to the sectors IT, TV, Smartphone & Wearables, Audio, Small Domestic Appliances and Major Domestic Appliances. All information is available here: <http://www.gfk.com/de/presse/press-releases/>

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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