

Press Release

Small Domestic Appliances Grow with Innovations

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Small Domestic Appliances Markets 2016 Overview: Global vs Nigeria

In 2016, the Small Domestic Appliances (SDA) market experienced growth worldwide. Total global revenue was around 61 billion USD with a 5% growth over 2015. In Nigeria however, the market for SDAs experienced an 18% decline in units compared to previous year. This was due largely to the recession in the country in 2016 resulting in a negative growth rate.

Different factors had an effect on Technology products and domestic appliances; market growth and “innovation” was SDA’s growth driver. SDA continued its growth in Europe and Asia benefiting from the regions’ relatively stable economies. Furthermore, rechargeable handheld vacuum cleaners, robot vacuum cleaners and fully automatic espresso machines were amongst the best performing product groups. The Nigerian market however is yet to adopt these products, thus our tracking is limited to food preparation and Electric irons.

In many countries, premium and multifunctional devices experienced growth rates. The digitalization and connectivity trends that impact the whole world, consumers and products had an effect on the SDA sector as well. Many products are getting “smarter” and digital and becoming a part of the new connected ecosystem. Smart home products like digital toothbrushes with mobile connectivity, espresso machines and smart scales are starting to get adopted by consumers and shows high growth rates.

Nigeria recorded a slight decline in sales revenue for Food Preparation and Irons amounting to over 4 million USD. The organized retail segment continues to grow with the construction of more malls, chain stores and hypermarkets. This channel now contributes close to 30% turnover for consumer durables which provides an opportunity for growth in the SDA market as Nigeria slowly comes out of recession.

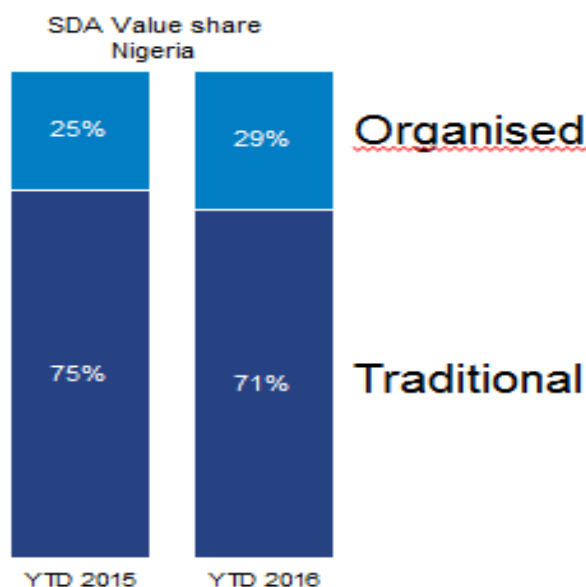
2017 Overview: External factors affecting the market

2017 had a slow start for technical consumer goods. Almost all sectors including Major Domestic Appliances (MDA) experienced negative growths compared to 2016. Major factors were record high FX rates, weak purchasing power and high inflation.

These growth rates were caused by prices skyrocketing with a decline in brand loyalty as consumers sourced for cheaper alternatives.

2017 Overview: Still to come...

SDA market will be affected by innovative and smart products like last year. There is a huge potential with over 30 million households in Nigeria and a population of 180 million.



The traditional market in Nigeria is huge but the organized continues to grow in value yearly and this is a huge opportunity for retailer expansion.

GfK POS (Point of Sales) Tracking

Global figures are derived from GfK POS data. GfK forecasts end-demand consumer purchases rather than manufacturer shipments. Market sizes are built up by point-of-sale (POS) tracking in 90+ markets with updates on a weekly and monthly basis. For the US, GfK employs proprietary market modeling and consumer research rather than POS to produce its market forecasts.

GfK POS panel is based on the sales data gathered from over 425.000 outlets worldwide. A panel study is the periodic study where sales and price trends of product groups, features, etc... are audited in the defined sales channels in retail. GfK Nigeria POS Panel audits approximately 14 product groups in 5 sectors; Telecom, Information Technologies, Consumer Electronics, Small Domestic Appliances and Major Domestic Appliances.

GfK

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