

# Press release

## Year of recovery for the Australian Technical Consumer Goods market

February 22, 2016

GfK Retail and Technology  
T +61 2 9900 2888

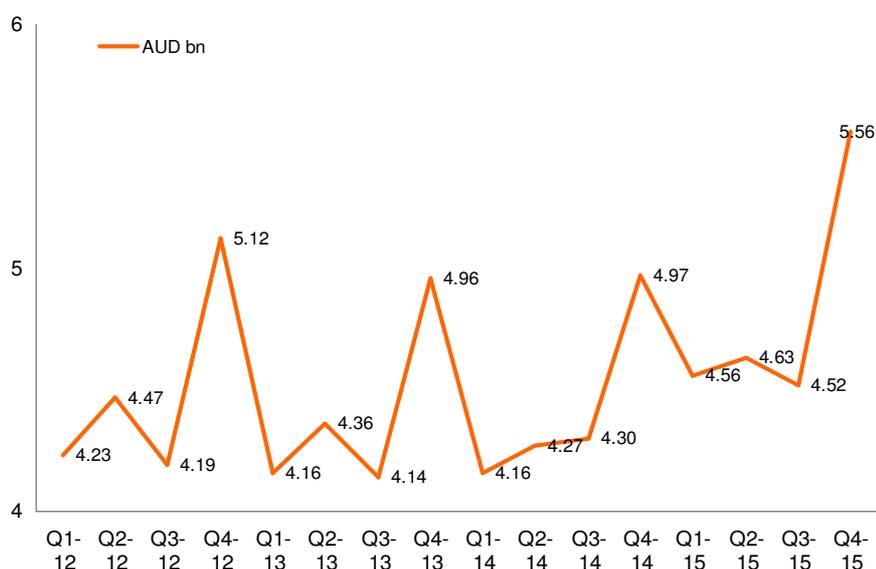
### Results for GfK TEMAX® Australia for the fourth quarter of 2015

Sydney, February 22, 2016 – In Q4 2015, the Australian Technical Consumer Goods (TCG) market recorded its strongest growth of the year with value sales up by 11.8%, compared to Q4 2014. With all four quarters consistently outperforming the previous year, the TCG market in 2015 reached AUD19.3 billion – the highest-ever annual value spend reported by GfK TEMAX® Australia.

Despite uncertainties surrounding the global financial market and the Chinese economy, record low interest rates and stronger than expected employment supported growth in household consumption. Inflation, at just 1.7% in 2015, is expected to remain low, suggesting that the current state of low interest rates and moderate economic growth will continue – at least into the near future.

The key drivers of the TCG market in 2015 – Telecommunications (TC), Major Domestic Appliances (MDA), and Small Domestic Appliances (SDA) – performed particularly well again in the fourth quarter. Indeed, all sectors tracked in GfK TEMAX® Australia recorded value growth in Q4 2015.

### How the sales volume of Technical Consumer Goods in Australia has developed



GfK Retail and Technology  
Australia Pty Ltd  
Level 7, 107 Mount St  
North Sydney NSW 2060  
Australia

T +61 2 9900 2888  
F +61 2 9900 2828  
www.gfk.com  
www.gfkr.com

Managing Director:  
Mrs. Catherine Eddy

ABN: 90 056 061 495

Source: GfK TEMAX® Australia, GfK

### **Telecommunications: Christmas boost for prepaid smartphones and wearables**

The TC sector was both the largest, and the fastest-growing sector in both Q4 (up by 25%), and for the whole of 2015 (up by 22%). Accounting for 31% of all value sales within the TCG market, the key components of this growth were prepaid smartphones, and a successful Christmas period for the wearables segment.

Within the prepaid smartphones segment, 19% of the total annual volume occurred in the final six weeks of the year. In Q4 2015, sales of prepaid smartphones increased by 42%. This was fueled by pricing promotions during the key Christmas period, with overall price falls of 10%, compared to Q4 2014.

During the same period, the heavy retailer focus on wearables led to value growth of over 100%. The introduction of more premium smartwatch devices had a very positive impact on the overall value of this popular segment.

### **Major Domestic Appliances: value growth across the board**

2015 was a very strong year for the MDA sector with a sales uplift of 9%, compared to 2014. In Q4 2015, all segments generated sales growth, including freezers, which had shown relatively weak demand in recent years.

Washing and laundry segments performed particularly strongly, experiencing double-digit annual growth. This result was driven by the demand for larger capacities and higher-priced segments, such as front-loading washers, and heat-pump dryers. Despite the weaker Australian dollar, the average selling price of heat-pump models fell in the last quarter of 2015, as the market matured and the competition intensified. However, the average price remained at three times the level than that for the overall dryers segment.

### **Small Domestic Appliances: healthy summer lifestyle choices**

The SDA sector continued its strong performance in Q4 2015 with growth of 8%, compared to Q4 2014. Improving by 11.2%, compared to the whole of 2014, the SDA sector was the second-best annual performer, after Telecommunications.

Throughout the year and also in Q4 2015, vacuum cleaners and food preparation equipment were the main growth categories. Also, the popularity of high-end personal blenders continued to dominate the Christmas period.

In Q4, growth was also registered in the electric cooking pots category, in particular multi-cookers which are popular for their versatile usage in the kitchen. In the personal care products segment, hair clippers saw much stronger value growth – up by 39%, compared to Q4 2014 – due to a shift towards higher-priced, premium-branded models.

### **Information Technology: ended the year on a positive note**

From a relatively weak performance in Q3 2015, the Information Technology (IT) sector returned to growth in the final quarter, with value sales growing by 2%, compared to Q4 2014. While growth in Q4 2015 was not sufficient to compensate for declines in earlier quarters (resulting in an annual decline of 0.9%), there were some notable trends at play within the sector that were masked by the overall performance.

The largest category – portable PCs, consisting of devices running full operating systems – recorded consistent, double-digit growth throughout 2015. Models with smaller screen sizes outperformed the traditional, 15-inches segment, with more than half of all dollars spent on portable PCs in 2015 coming from devices with smaller screens. Also, 2-in-1 devices contributed to the recovery of the category, and accounted for a quarter of the value of the portable PCs segment in 2015. The strong demand for portable PCs also helped to stimulate demand for peripherals, such as mice and monitors.

### **Consumer Electronics: a bumper final quarter, led by high-end TVs**

In Q4 2015, Consumer Electronics (CE) experienced one of its most positive sales quarters for a while, with value growth of 7%, compared to Q4 2014. This helped the sector to record its first annual value sales growth since 2009, in spite of a continued decline in unit sales.

Within the key TVs market, the Christmas period is traditionally characterized by sales of gift-driven, lower-end, smaller-screen TVs. However, in Q4 2015 there was a boost for larger, and higher-end models. Ultra-high definition (UHD)/4K, and TVs with screens larger than 55 inches, increased their market share supported by a strong manufacturer and retailer focus, together with some very attractive promotions. More than a third of all TVs purchased in Q4 had a screen size of 55 inches or above.

In the audio category, the strongest performing segments in Q4 2015 were headphones, soundbars, multi-room systems, and mini speakers. All experienced strong double-digit value sales growth; the latter driven by a high, gift-driven spike in Bluetooth models in December.

### **GfK TEMAX® Australia: rate of growth expected to slow in 2016**

2015 was a stand-out year for the Australian TCG market, with key sectors recording exceptional growth – not seen for many years. It would be unrealistic to expect similar rates of growth to continue in 2016, particularly as the overall annual success of 2015 was heavily dependent on the TC sector.

Performances of newer categories such as wearables, drones, and 'smart home' products will be key for sustaining the level of spending in the Australian TCG market in 2016.

## Summary in table format

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q4 15 /Q4 14	Q1-4 2015	Q1-4 15 /Q1-4 14
	M.AUD	M.AUD	M.AUD	M.AUD	+/-%	M.AUD	+/-%
Consumer Electronics (CE)	678	634	698	870	7.0%	2,879	0.8%
Photo (PH)	95	108	113	140	1.8%	457	-2.4%
Major Domestic Appliances (MDA)	844	859	899	907	8.6%	3,508	9.1%
Small Domestic Appliances (SDA)	443	568	507	602	8.1%	2,120	11.2%
Information Technology (IT)	906	882	833	988	1.8%	3,609	-0.9%
Telecommunication (TC)	1,411	1,405	1,294	1,885	25.7%	5,995	21.9%
Office Equipment & Consumables (OE)	183	178	179	166	3.8%	706	1.8%
GfK TEMAX® Australia	4,561	4,633	4,522	5,559	11.8%	19,274	8.9%

Source: GfK TEMAX® Australia, GfK

## The Survey

GfK TEMAX® is an index developed by GfK 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. The retail panel comprises data from over 425,000 retail outlets worldwide. Since February 2009, GfK 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.

Further information:

Eshani DeSilva, T +61 2 9900 2818, [eshani.desilva@gfk.com](mailto:eshani.desilva@gfk.com)

Gwenno Hopkin, T +61 2 9900 2856, [gwenno.hopkin@gfk.com](mailto:gwenno.hopkin@gfk.com)

## 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 80 years of 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.

To find out more, visit [www.gfk.com](http://www.gfk.com) or follow GfK on Twitter: [https://twitter.com/GfK\\_en](https://twitter.com/GfK_en)

Responsible under press legislation  
GfK SE, Corporate Communications  
Marion Eisenblätter  
Nordwestring 101  
D-90419 Nuremberg



Tel. +49 911 395-2645  
[press@gfk.com](mailto:press@gfk.com)