

Press release

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The global market for consumer electronics continues to grow

Nuremberg, 7 January 2019 – The global market for consumer electronics ended the year 2018 with a six percent increase in sales while total sales of around €138 billion were recorded. All regions were able to make significant gains. GfK predicts growth of around four percent for 2019. There is still potential in smart devices equipped with upmarket features and integrated voice assistants. These are the results regarding the global market for consumer electronics produced by GfK for CES 2019 in Las Vegas.

The demand for consumer electronics on markets across the globe is influenced by global 'mega-trends', such as the increasing trend for premium devices. According to current GfK studies, almost half of consumers prefer to own fewer, but higher quality technological devices.

Markus Kick, a GfK expert in consumer electronics, comments: "Manufacturers need to stay abreast of the trend towards premium devices and, correspondingly, offer products equipped with upmarket features. Given increasing saturation rates, sales potential can still be increased here. The factor which will determine success is the intuitive operability of the devices. Ever more consumers quickly lose interest in electronic devices if they are not easy to operate. The ease of use of different technological components is, then, a decisive purchase criterion."

The global TV market is profiting from high-end devices

With a sales volume of more than €100 billion in 2018, the market for television equipment accounted for around three quarters of consumer electronics turnover globally and grew by more than five percent. This growth was largely due to high-end devices with a screen size of at least 50 inches. More than half of global TV revenues came from this segment in 2018. In this regard, display panels with organic light diodes (OLED) are becoming increasingly popular. OLED is the leading display technology in

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the premium segment, with growth rates above 100 percent. OLED devices' share in total TV revenues currently amounts to between five and ten percent, and an increasing number of manufacturers are edging into this market, causing prices to fall. In Western Europe, the leading OLED region globally, the average price has fallen in the last year by around €300 to just under €2,100. The most frequently purchased models are already available for around €1,500. With regard to screen resolution, 4K is still on the rise and the first 8K models are already on the market.

Headphones and portable Bluetooth loudspeakers as engine of growth on the audio market

Total global revenue for headphones and mobile stereo headsets increased by almost 40 percent in 2018 to around €14 billion. More than half of the revenue was generated by devices with Bluetooth technology. Since smartphone manufacturers are increasingly eliminating headphone jacks from devices, Bluetooth capable headphones and headsets will continue on their growth trend. True wireless headphones with two separate earbuds are the technology of the hour in this regard. In 2018, they generated a larger share of revenue than the long-established noise-canceling headphones segment. With the emergence of high-performance earphones and headsets for €150 and more, there was an accompanying increase of more than 20 percent in the average price.

Portable loudspeakers that can be connected with a smartphone via Bluetooth grew by 15 percent to almost €5 billion. This segment is also clearly aiming towards the premium sector: the price classes above €150 accounted for just under one third of total revenue. With respect to technologies that protect loudspeakers from the elements, only splash-proof and waterproof devices have positioned themselves on the market. The majority of devices sold still come without such protection. This function does not appear to be a decisive selling point.

Multiroom audio will become the standard; 'smart' is the new success factor

The first signs of deterioration in the market for multi-room devices that allow different songs to be played in different rooms became visible: the revenue from loudspeakers and audio accessories which only offer this function decreased in 2018. Driven by the platform providers' ever growing hardware range, 'smart' functions in audio devices are increasingly a basic condition for revenue growth. Apart from normal loudspeakers, also other form factors like soundbars or smart screens, which combine voice assistants based on artificial intelligence with visual feedback, are increasingly on the rise. These devices have the potential to become the central management unit of the smart home, and prove that voice control alone may not yet offer the convenience of intuitive operability that consumers expect from their technological products today.



About GfK's methods

GfK regularly collects sales data in more than 70 countries worldwide as part of the retail panel regarding products in the consumer electronics sector such as televisions, audio products and in-car electronics. All figures are related to the overall market, i.e. all of the devices sold in a country's consumer electronics sector. Revenues are given based on a fixed exchange rate.

GfK is publishing press releases on the topics of consumer electronics and the overall technical consumer goods market on the occasion of the CES Las Vegas. You can find all the information at:
<https://www.gfk.com/press-room/press-releases/>

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