

Press Release

The Turkish technical consumer goods market grew 0,7% in the fourth quarter of 2018.

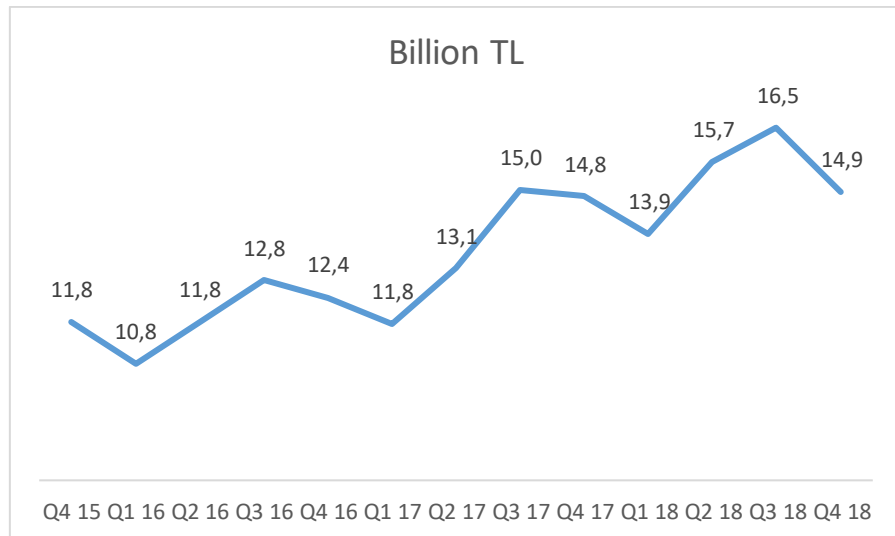
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GfK TEMAX results for Turkey, Q4 2018

Istanbul, February 11, 2019 – The technical consumer goods (TCG) market in Turkey grew 0,7 percent in Q4 2018, compared to the same quarter in 2017 and generated revenue of 14,9 billion TL. The value contribution is dominated by major domestic appliances and small domestic appliances with two digits growth rate. Consumer electronics modestly grew by single digit.

Turnover Development



Telecommunications: Slowdown in growth rates

In the fourth quarter of 2018, telecom sector shrank 20% and generated sales value of 5.7 billion TL. The biggest share in this shrinkage stemmed from the smartphone category. Smartphone market has declined by %21 in sales value in Q4 2018 compared to the same quarter in 2017. While the regulation in the new installment limitation continued until December, as of December 2018, the installment restriction was stretched, compared to the previous month, a relative increase of 25% in units was observed.

With the effect of exchange rate and installment limitation in smart phone prices, there was a market shift from premium to mid-range models and 27% decline in unit is observed in Q4 2018.

Smartwatches and headsets were able to maintain performance in the previous quarter with over 60% growth in sales value.

Information technology: Gaming has positive contribution

The overall IT sector tightened 20% during the 4th quarter of the year and generated 1.1 billion TL.

The drop in sales mostly triggered from the tablet and mobile computers due to the price increases. At the same time, mouse and keyboard sales grew by one digit compared to 2017.

Speaking of IT sector, the positive impact of gaming products needs to be taken into account since gamer and ultra-thin mobile computers grew the most.

Office equipment and consumables: CISS and small photo printer are booming

Turkey's OE sector recorded one digit decline by 1,7% in Q4 2018, compared to the same quarter in 2017 and had a value of 152 million TL.

The positive growth rate was substantially sustained from multifunctional devices and laser cartridges compared to 2017.

Continuous ink supply system is preferred due to high performance /price ratio in addition small photo printers are the new star of the printer having 3 digits growth in 2018.

Major domestic appliances: Positive effect of OTV Discount

Special consumption taxes on categories for Major Domestic Appliances had been introduced in the beginning of November and had a huge positive effect on sales of major domestic appliances in the Q4 2018.

In the fourth quarter of 2018, sector generated 4.5 billion TL and showed 55% growth compared to Q4 of 2017.

All product groups of major domestic appliances recorded huge positive growth rates but freezers and cookers showed lower growth compared to the other product groups.

The sector reached high growth in November and continued its growth in December.

Small domestic appliances: Innovation brings growth!

The SDA sector grew by 15% in Q4 2018, compared to the same quarter in 2017 and generated 1.5 bill. TL.

The developments in technology helps to enhance the models offered in the market which led to an increase in demand. Consumers seek for practical, high-tech products. The new generation Turkish coffee makers and power blenders recorded the highest growth rates.

Cyclonic filter vacuum cleaners continued to grow and rechargeable handsticks started to attract the attentions of consumers.

Consumer electronics: UHD trend remains

Consumer electronics sector recorded 2 Billion TL in the last quarter of 2018 and almost had same performance in Q4 of 2017.

As leading category, TV market maintained a positive growth rate by 1% in value compared to Q4 of 2017 whereas October figures showed a downward trend.

UHD TVs expanded its share within TV category and recorded 52% of total revenue while it was 48% in last year. Moreover, Smart TVs share increased from 70% to 73% in category.

Summary: OTV discounts saved the day!

The technical consumer goods market grew by 0,7 percent in Q4 2018, compared to the same quarter in 2017.

Due the increase in prices and new installment regulations, the sales trend saw significant negative change over the course of Q4 in 2018. IT and Telecom sectors are most affected sectors and experienced double digit decline rates in Q4 2018 compared to Q4 2017.

OTV discounts saved the technical consumer goods market. Major Domestic Appliances and Small Domestic Appliances had double digit growth rates in Q4 2018, thus compensating the loss from IT and Telecom.

Turkey: Technical consumer goods – sales value by category

	Billion TL				Q4 18 vs Q4 17	2018 (billion TL)	2018 vs 2017
	Q1 18	Q2 18	Q3 18	Q4 18			
CONSUMER ELECTRONICS	1.754	1.779	1.723	2.000	0,5%	7.255	8,1%
PHOTO	23	23	22	19	-23,6%	87	-21,4%
MAJOR DOMESTIC APPLIANCES	2.575	3.644	5.047	4.417	55,4%	15.683	11,3%
SMALL DOMESTIC APPLIANCES	1.213	1.459	1.333	1.491	15,5%	5.496	17,2%
INFORMATION TECHNOLOGY	1.279	1.115	1.165	1.172	-19,8%	4.731	-2,2%
TELECOMMUNICATIONS	6.937	7.517	7.052	5.676	-19,5%	27.182	14,7%
OFFICE EQPT. & CONSUMABLES	135	123	132	152	-1,7%	543	8,9%
TEMAX	13.917	15.660	16.474	14.927	0,7%	60.977	11,6%

Source: GfK Turkey

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