



Press Release

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Urgent needs to work from home triggered strong IT/Office demand in the first half of 2020

Nuremberg, September 4, 2020 – The global (excluding North America and South Africa) IT/Office retail market reached nearly €49.7 billion in the first half of 2020 (H1 2020), a +16.7 percent increase from the same period last year. This is the first double-digit growth since the market has turned positive in 2017. Mobile PC (+25.7 percent) contributed the most to this considerable growth, followed by media tablets (+13.6 percent) and monitors (+21.8 percent). These are GfK’s findings for the global IT/Office market to be released at IFA 2020 in Berlin.

The global IT/Office market began 2020 with moderate one-digit growth in January and February. China was the first market affected by COVID-19, and the IT/Office market reacted immediately to meet consumers urgent needs with a double-digit surge from February onwards. This resulted in H1 2020 turnover growing +13.8 percent in China. As the virus spread to Western Europe and strict social regulations were implemented, this market responded in the same way, with IT/Office demand increasing by +20.5 percent. Other regions also experienced double-digit demand increase in H1 2020, only emerging Asia (excluding China) declined by -2.7 percent.

Sohjin Baek, GfK’s expert for the IT industry, comments: “COVID-19 lockdowns forced consumers to work and study at their home, which created an urgent need for basic IT equipment at the very least. The first two quarters of 2020 saw growth in IT and Office sales at nearly equal to Q4 2019, which benefited from key promotion periods including Single’s Day, Cyber Monday, Black Friday and year-end discounts and offers. Once consumers made the transition to virtual office or school in the Panic phase of the pandemic, while entertaining at home followed in the Adapt phase. This helped the gaming PC/peripherals market achieve a significant increase of +32.2 percent in H1 2020 in value terms.”

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Panic phase: Office at home and learning at home became an essential 'need'

According to GfK's Consumer Insights Engine, COVID-19 triggered 26 percent of mobile PC purchases to be made sooner than planned. Between March 9 and April 5, when France, Germany, Italy, Spain and UK were severely hit by pandemic and strict lockdown measures implemented, GfK observed a strong peak in demand for home office equipment. Mobile PC unit sales grew by +61.9 percent and printing devices by +58.4 percent compared to the same period last year. Prices dropped (-7.9 percent) across the above-mentioned countries as unit growth peaked, driven by consumers buying whatever they could lay their hands on to fill an urgent and practical need. GfK observed the same picture globally, with Mobile PC demand up by +23.8 percent in unit terms during H1 2020.

While the global market opted for mobile PC, Chinese consumers chose media tablets as well. The global growth of media tablet sales is mostly driven by China, where the cumulated H1 2020 market posted a +32.1 percent volume increase. GfK's Consumer Insights Engine stated: "39 percent of media tablets purchased in China were made by a first-time buyer". This strong surge in the Chinese market halted the global consecutive fall of the media tablet market which has been in decline since 2015.

Adapt phase: Gaming at home became a 'want'

Once consumers adjusted to lockdown, they started investing in home entertainment. GfK Entertainment research has revealed that gaming console sales ramped up since lockdown. The sales increased by +60 percent in Germany (March 16 and April 27), by +76 percent in the UK (March 16 to May 31), and by +24 in Spain (March 9 to May 31), in unit terms compared to same periods last year.

Alongside gaming console, PC gaming has been evolving from a niche segment to an entire ecosystem on its own, and this enforced time at home gave the market a massive boost. From April 6 to May 3, the demand for gaming products started surpassing non-gaming in France, Germany, Italy, Spain and UK. Within PC and peripheral categories (monitors, headsets, keyboards and mice), the gaming segment expanded +60.5 percent in value terms, 38.6 percentage points higher than the growth of non-gaming. During this period, the average price of gaming products was 1.8 times higher for mobile PC, 2.1 times higher for mice and 2.4 times higher for keyboards versus non-gaming products in those markets. This shows consumers clearly wanted gaming gear and making the purchase consciously.

GfK Distributor Panel data captured +41.2 percent volume sales growth of gaming mobile PC in five European markets mentioned above for July 2020 compared to last year. Taking into account the logistic delivery time, a comparable sales trend is expected to be visible in the retail market in the upcoming weeks.



Sohjin Baek, GfK's expert for the IT industry, concludes: "The COVID-19 outbreak and lockdown measures have effected a massive change in our lives. Previously, it was natural that home, office and school were separate places where an individual behaves in different social roles. Now all these activities can happen at home. You turn on your laptop and choose where you connect yourself. This transition from physical mobility to virtual connectivity significantly expanded the penetration of IT equipment in the household more powerfully than any marketing campaign could do. As a result, equipping oneself with an IT device has become as common as owning a smartphone. This expanded installed base of IT/Office products suggests a positive future outlook for upgrading and replacing devices. IT/Office products delivered essential solutions during the crisis and we believe this transition will remain part of the new normal."

Ends

Notes to editors

GfK regularly collects sales data in more than 70 countries worldwide for the consumer electronics, photo, telecommunications, information technology, office equipment, and major and small domestic appliance segments through its retail panels. All figures are assuming a fixed Euro exchange rate.

At this year's IFA 2020 Special Edition, GfK will be on stage at the IFA Global Press Conference on 3rd and 4th of September with inspiring openings each morning and closing remarks in the evening. GfK will also be part of the IFA Xtended Space. Find the compelling opening keynotes and end-of-day summary presentations on the dedicated [GfK homepage](#). The presentations will also be streamed live and free of charge via the IFA Xtended Space.

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GfK – extracting the signals from the noise

In a world of data overflow, disruption and misuse, picking up the right "signal from noise" is key to win. We at GfK are the trusted partner with more than 85 years of experience in combining data and science to help you make the right business decisions. Together with our attention to detail and advanced Augmented Intelligence, we provide you with world-class analytics that delivers not just descriptive data but actionable recommendations always-on at your fingertips. As a result, you can make key business decisions with confidence which help you drive sales, organizational and marketing effectiveness. That's why we promise to you "Growth from Knowledge". For more information, please visit www.gfk.com or follow GfK on Twitter www.twitter.com/GfK.