



Growth  
from  
Knowledge

2022 OUTLOOK

# THE STATE OF CONSUMER TECHNOLOGY AND DURABLES

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The consumer technology and durables (T&D) market is in a new phase of risk and reward, and decision makers must identify the right strategies to pull ahead: How will the most successful thrive in the new T&D landscape?

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## SOURCE DATA

### FIND OUT HOW YOUR INSIGHTS CAN BE POWERED BY OUR PRODUCTS

Consumers have turned to Tech and Durables to provide solutions during the global crisis of the past 20 months. We have seen the sector boom, with 2021 forecasted to reach \$1,414bn in global sales. The pandemic has accelerated disruption in consumer trends, e-commerce has become integral, requiring a massive acceleration of organizational agility, and with data sets coming from various sources, organizations are at risk of overload.

This state of flux brings opportunity, but at the same time, significant risk. Those who forge ahead will be those who react to the new state of consumer products boldly and with urgency, based on the best intelligence. Those who are slow

to react to shifts in market characteristics and consumer behavior, or who fail to build the capacity to predict the changes yet to happen, will find themselves falling behind—they may not know why it's happening, or even that it's happening, until it's too late.

My advice to business leaders: arm yourself with information. The expert analysis

**“2022 Code Red for Leadership: Data-centric tech and talent are essential for bold and rapid decisions”**

→ Excerpt from 'An Open Letter to the Industry'

and data contained in this report are an important starting point to understand your consumer, where the market is, and its likely direction of travel. Beyond these pages, it has become more crucial than ever that decision makers harness the power of cutting-edge, on-demand data to allow them to be responsive and purposeful in a turbulent environment.

The scale of the challenge facing retail is daunting. Incisive data allows you to plot the most efficient route through the pitfalls, and to optimize your chances of grasping the most valuable prizes: brand awareness, enhanced consumer experiences, customer loyalty, and expanded market share.



Your next step has never been more important,  
**Peter Feld | CEO**

## EXECUTIVE SUMMARY

# THE STATE OF CONSUMER TECHNOLOGY AND DURABLES 2022

This report provides a global snapshot of consumer Tech and Durables. It brings into focus key trends in consumer behavior and market forces at the close of 2021, and projects ahead to 2022.

Examining first the ways consumer lifestyles have changed in the turbulent months since early 2020, our research then demonstrates how these new attitudes, expectations, and behaviors translate to altered buying patterns. For example, in Western Europe, year-to-date growth in e-commerce jumped from 27% to 43% of the market between 2019 and 2021. Following this, we highlight the market shifts set to impact the way business is done in consumer technology and durables (T&D) in 2022.

Source: GfK Market Intelligence—Sales Tracking, Western Europe, USD (NSP) revenue growth, YTD 2021




+43%

year-to-date growth in e-commerce

Drawing on GfK data and expertise from our team of executives and analysts, we chart the trajectory for brands, alighting on the key lessons leaders must absorb to remain at the forefront of a rapidly evolving sector.

Source: GfK Market Intelligence—Sales Tracking, international (excl N America) USD (NSP) revenue growth 2021 vs. 2020



GfK forecasts a  
**+12%**  
YoY growth for T&D  
by the end of 2021

T&D is projected to experience 12% year-on-year growth by the end of 2021—and that is despite an already impressive 2020. Welcome news, but this new era must be understood to be taken advantage of. This global study explores what drives and links the shifts that are playing out in markets around the world.

For example, hybrid working is here to stay. Premium brands experienced a YoY sales value growth of 43%, compared to 17% for standard brands. Health, wellness, and hygiene are top of mind too—GfK research shows that globally, 49% of consumers actively seek out products and services that help them live a healthy lifestyle.



# KEY TAKE-OUTS

This report provides in-depth analysis of how leaders in Tech and Durables can survive and thrive in the coming twelve months. Smart companies will use data and analysis-based intelligence to manage pitfalls, and exploit opportunities.



## BOOM IS HERE, BUT DECELERATION IS COMING

Tech and Durables has shown impressive buoyancy. But since May 2021, GfK has detected the first signs of volume demand deceleration.



## DECISIONS MUST HAPPEN IN REAL-TIME

Successfully negotiating the complexity of new scenarios hinges on market intelligence, anticipatory approaches, and real-time decision making.



## BRAND STORIES MATTER MORE

Amidst inflation, the growing trend for premiumization, the increased demands for sustainability, and the evolving sales channel norms, mean that businesses must invest in their brand to cut through the noise.



## INNOVATIONS IN SALES CHANNELS WILL SHAPE THE INDUSTRY

Shoppers are choosing from a greater variety of channels than before, including social commerce, e-commerce, click-and-mortar, or in-store buying. Brands that innovate in best-in-class, seamless, consistent CX at every touchpoint will accelerate.

## CONSUMER TRENDSCAPE

# COVID-19 AND NEW LIFESTYLES

The start of the decade saw a slew of new market trends, where behaviors and lifestyle shifts were accelerated by the pandemic and lingered in its aftermath.

Consider the rise of remote and hybrid work structures, or the renewed interest in health, wellbeing, and cleanliness as two clear examples. Then, as the world grappled with a single existential threat, many were forced to imagine a worsening of climate change. As a result, sustainability concerns have never been

more present in the minds of consumers. At the same time, supply chain problems, workforce shortages, and inflationary pressures are creating new, unstable market conditions.

Despite the turbulence, our data suggest that a new epoch of economic growth may be upon

us, with global GDP hitting above its pre-pandemic high and expected to soar over 2022. Together, these factors herald a high-pressure landscape of significant risk but also great potential reward. In the coming quarters and beyond, mistakes can be punished harshly, but the possibility exists for the most agile, informed, and decisive decision makers to grow sales and market share. Businesses looking to grasp opportunities on the horizon have a demanding job.

**Understanding how to use data to predict and adapt to shifting consumer values, preferences, and behavior is more crucial than ever before.**

## LIFE, INTERRUPTED

The plans, expectations, and ambitions of consumers were shattered when the world fell into the grip of the pandemic. As global lockdowns became a reality, shoppers reevaluated their routines, careers, and consumption patterns. With travel plans dashed and the rush-hour commute deferred, new behaviors took root.



Source: GfK Consumer Life 2021, global data

Data from GfK's Consumer Life Global 2021 reveals that 2021 was a year of significant change for consumers as well as markets. Globally, 16% of people bought or sold a home in 2021, a 2-point increase on 2016. The effects of working from home are particularly important for Tech and Durables. Somewhat surprisingly, urbanization continued, with 12% moving to a city or more populated area in the last three years—9% did the reverse.

These changes meant a renewed focus on home and the self, new lifestyles to equip, new hobbies, commitments, and patterns of behavior. They represent an exciting opportunity for businesses that understand what shoppers are really looking for.

In the immediate term, decision makers must react smartly and swiftly so they can meet their consumers where they are, maximizing sales where possible. Looking ahead to 2022, the most effective business strategies will be those that use data to grasp which changes are here to stay, strengthening their brand and carving out market share in the process.

## HYBRID WORKING IS HERE TO STAY

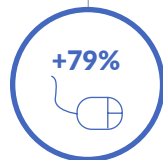
The rise of home and hybrid working structures was perhaps the most evident development caused by the pandemic, and, in total, consumer technology and durables (T&D) sector sales were 14% higher from January to July 2021 than the same period in 2019. Significantly, working remotely and, consequently, spending more time at home, is a trend that is likely to endure.

# +14%

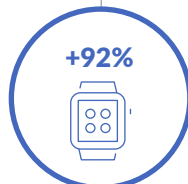
growth in T&D segments

Source: GfK Market Intelligence—Sales Tracking, international (excl N America) USD (NSP) revenue growth Jan–Jul 2021 vs. 2019)

### Entertainment & health at home



Gaming mice



Core wearables

### Eat at home



Built-in hobs



Hot bev. maker



Freezer



Microwave ovens

### Work & study at home



Notebooks



Media tablets

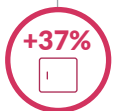


Monitors



Headsets

### Clean at home



Dishwashers



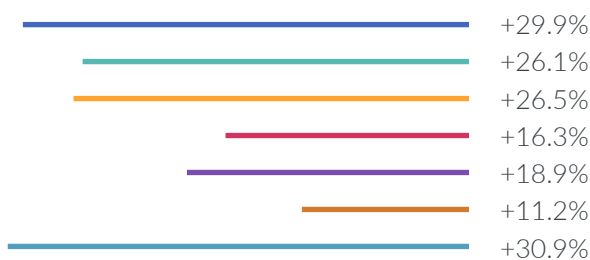
Vacuum cleaner

Notable effects include more consumer purchases of practical products associated with office life, such as swivel chairs and other office furniture, but also of products that simply make the home a more comfortable, self-contained place to be. When compared to the first seven months of 2019, January to July 2021 saw sales of hot beverage makers increase by 44%, and dishwashers 37%. There has also been a boom in work-related devices, with monitor sales up 61% and headsets 77%.

"IT in general has continued to grow strongly in the new era of hybrid working," says Warren Saunders, GfK's President Global Sales. "People realize this situation is here to stay, so they are investing in better peripherals like mice, keyboards, and tablets. Individually, people are investing in the stuff that makes their work from home (WFH) lives better."

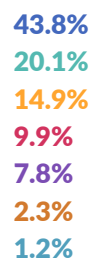
### Growth rate in %

YTD June 2020 vs. 2021



### Sales value USD (NSP) in %

YTD June 2021



**\$433bn**

Total sales value  
YTD June 2021

- Telecom
- Major Domestic Appliances incl. Aircon
- Information Technologies
- Consumer Electronics
- Small Domestic Appliances
- Office
- Photo

Source: GfK Market Intelligence—Sales Tracking, international (excl N America) USD (NSP) sales value & value growth 2021 vs. 2020. CE includes Multifunctional Technical Devices and SDA includes Personal Diagnostics)

Staying at home is currently driving double-digit growth across sectors, resulting in \$433bn—an increase of 25.8% on last year already—of global sales in the period between January and June 2021. Even after the pandemic, people are still projected to spend on T&D products that will make working from home easier, more productive, and make the home itself a more pleasant and self-contained place to be.



## PREMIUMIZATION DRIVES SALES

The Tech and Durables category is gathering extra momentum by the popularity of premium products and brands. Consumers were expecting products of increasing quality before COVID-19, but the trend has been intensified by the pandemic and the hybrid working culture that accompanied it. Consumers are opting for high-end manufacturers known for quality and smart design. The reasons are manifold: an increase in disposable income, a fervor for specific brands, and an appreciation of the importance of Tech and Durables.

These factors have meant that premium brands—those with a sales value 50% above market average (150 index points)—account for 24% of T&D sales globally, and have seen a global Jan–Jul 2021 YoY value growth of 43%. This growth reached a high of 53% in both the APAC and LATAM regions, where sales value of more budget-friendly goods grew 16% and 30% respectively—significantly less.

But taking advantage of the popularity of premium products isn't as simple as redesigning

your brand to look sleeker, or investing in upscale products. GfK Chief Marketing Officer Gonzalo Garcia Villanueva cites the crucial things to understand when rolling out a premiumization strategy in the Tech and Durables category:

“People are ready to make a conscious effort to save their funds so they can afford to invest in premium brands. As people spend less on travel and experiences, they have more disposable income, too,” he says. “We don't just want products to do what they are supposed to do, we want to be delighted by what we buy. That means appliances and products for the home must be designed well, beautifully crafted, seamless to use, or—quite simply—spark joy.”

If this sounds like a challenging brief, it gets trickier when adapting strategies for different markets: “Rolling out a premiumization strategy in France is different to rolling one out in Poland,” says Villanueva. “Each market has its nuances and differences. To successfully sell high-end products, you need to get it right with different consumers. Crucially—you need the best intelligence.”

### Tech and Durables on the road to more premium

Sales USD value growth % YoY  
Jan–Jul 2021

Global, YTD July 2021 / Key Technical Consumer Goods product groups\*



#### Premium

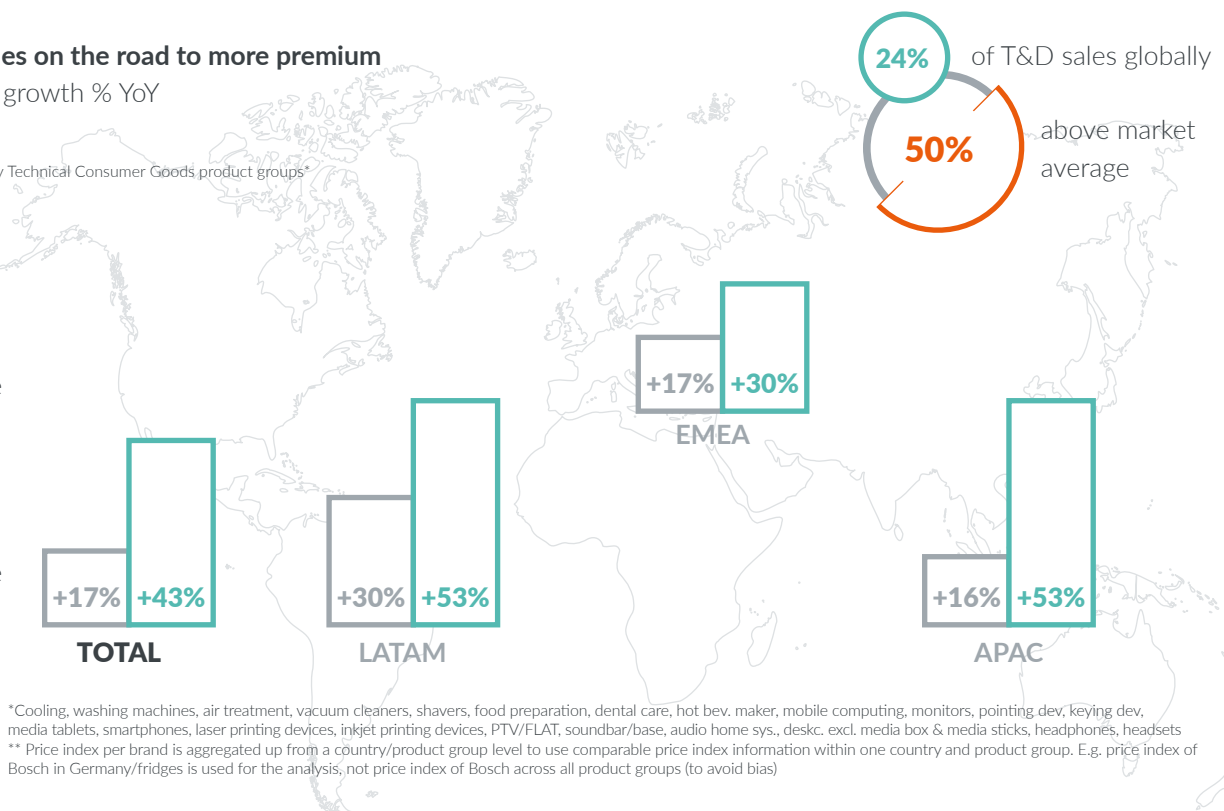
Brands with price index of >150\*\*

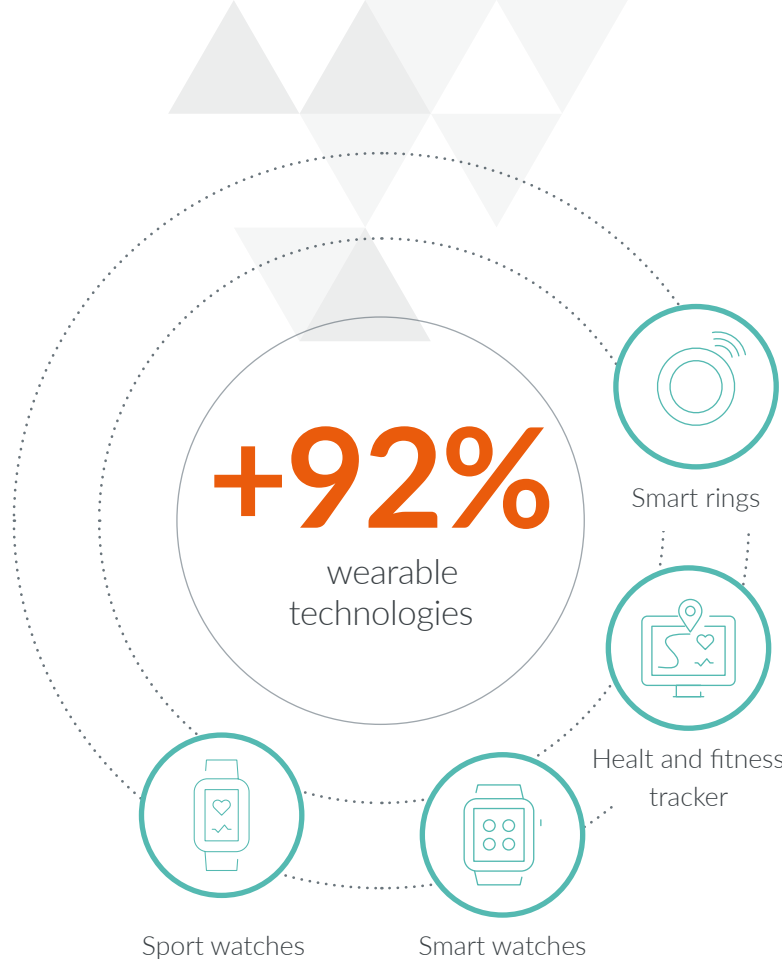


#### Standard

Brands with price index of ≤150\*\*

Source: GfK Market Intelligence—Sales Tracking, international (excl N America) USD (NSP) value growth 2021 vs. 2019)





Source: GfK Market Intelligence—Sales Tracking, international (excl N America) USD (NSP) value growth Jan–Jul 2021 vs. Jan–Jul 2019

## HEALTH, WELLNESS, AND CLEANLINESS PRODUCTS ARE IN DEMAND

The ever-more-popular health and wellness movement is another trend that has been accelerated by the COVID-19 pandemic. Globally, 49% of consumers actively seek out products and services that help them live a healthy lifestyle. This partially explains the increase in wearable technologies—a fast-growing category that jumped by 92% revenue between January and July 2021, compared to the same period in 2019—as well as the rise in air filters and sleep technologies.

Meanwhile, sales of dental equipment increased as consumers had to forego trips to the dentist, air fryers were bought as a low-fat cooking alternative, and blood pressure monitors, bio trackers, and digital thermometers all saw an uptick. In Small Domestic

Appliances, the health and wellbeing category witnessed 13% higher sales from January to June 2021 than the same period in 2020.

“It makes sense that consumers have become more aware of diseases, longevity, and health during a pandemic,” says Jan Lorbach, GfK’s Senior Global Strategic Insights Manager. “This health-conscious attitude has continued after the initial shock of COVID-19.”

**“People want to be healthier, but there is more appetite to use consumer tech to measure progress or get better results faster.”**

**Jan Lorbach,**

Senior Global Strategic Insights Manager at GfK

## CONSUMERS ARE ACTIVE AND VALUE-DRIVEN

As consumers are more aware of their impact on their environment and looking to make changes, brands are making concerted efforts to meet their expectations.

environmental pollution has emerged as the biggest worry, with 35% of people saying they are most concerned about it. Pandemics are in second place at 33%, with 29% stating they are most unnerved by the onset of climate change.

However, it is dangerous to assume every shopper who buys a sustainable product is motivated primarily by conscience. Using data can help brands unearth the real reason people choose these products, according to Saunders.

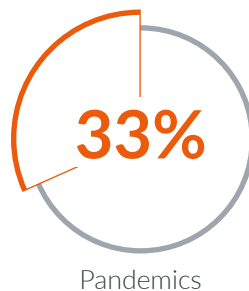
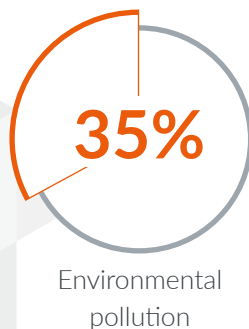
“Say people are buying washing machines that are more sustainable and use less water and energy,” he says. “Are people buying them because they’re greener, or because you can fit more clothes in the drum?”

Access to the right data is vital to uncovering buyers’ true motivations:

**“Brands can plow money into a single feature, in the misconception that they are tapping into what their audience wants, only to realize—when it’s too late—that this particular function leaves people cold.”**

**Warren Saunders,**  
President Global Sales at GfK

### Biggest concerns amongst Gen Z 2021



Source: GfK Consumer Life Global 2021

→ **GfK’s Green Consumer Europe report** shows that consumers are actively searching for brands that make environmental action easy and affordable, and want to feel proud of their purchase decisions. In today’s environment, greenwashing—the act of touting sustainable credentials without substance—will be exposed and penalized.

The youngest segments surveyed had the most demanding environmental and moral principles. Research by GfK indicates that Gen Z is the most sustainability-conscious cohort yet. In 2011, 30% of millennials considered the environment when making purchase decisions. But in 2021, almost half (49%) of Gen Z does. Globally,

## TECH AND DURABLES

# EXPLOITING THE BOOM, MANAGING THE DECELERATION

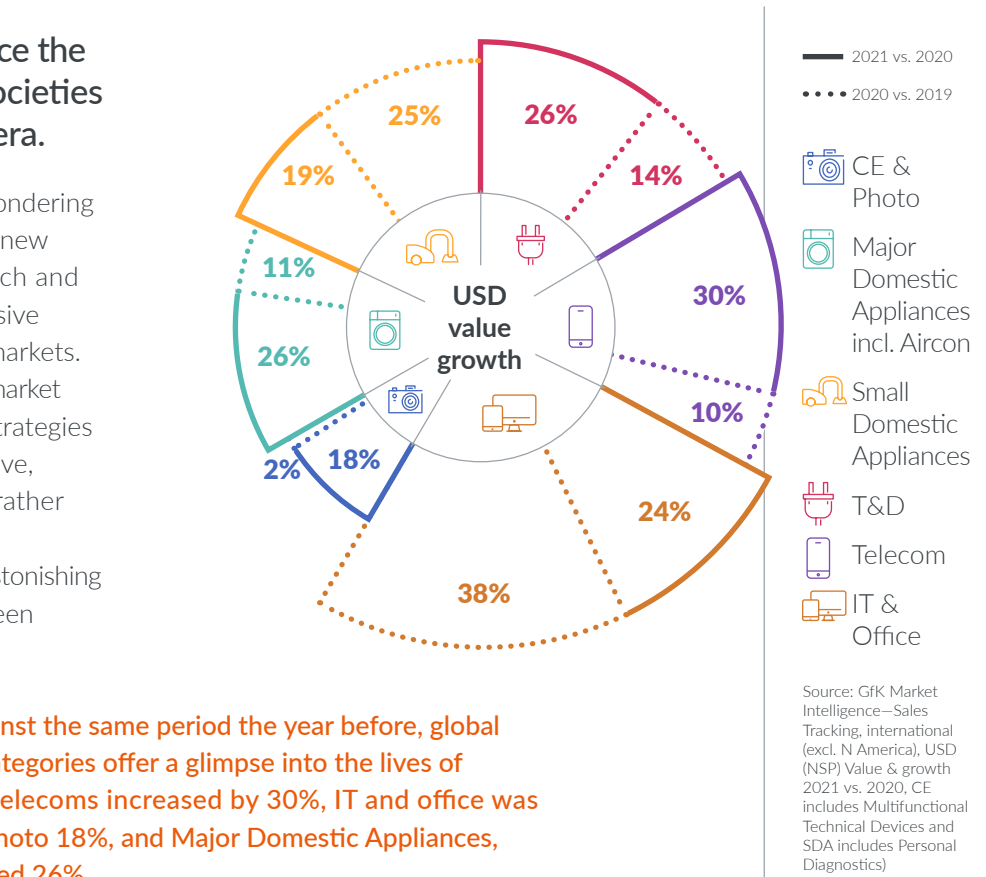
As we approach two years since the initial COVID-19 outbreak, societies are emerging into an altered era.

The pandemic left business leaders wondering whether their products would fit with new consumer lifestyles and priorities. Tech and Durables, however, is showing impressive buoyancy—particularly in developed markets. But leaders must approach these new market conditions with caution, armed with strategies that are anticipatory rather than reactive, and decisions that are substantiated rather than speculative.

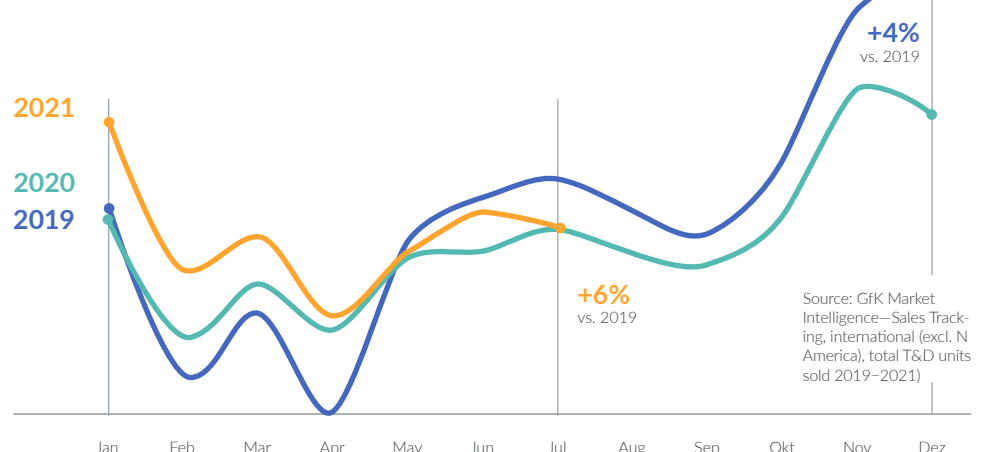
Sales levels for T&D have exhibited astonishing growth in recent years—notably between 2020 and 2021.

**Between January and June 2021 against the same period the year before, global T&D grew by 26%. Meanwhile, subcategories offer a glimpse into the lives of consumers. Over the same period, telecoms increased by 30%, IT and office was up 24%, Consumer Electronics and photo 18%, and Major Domestic Appliances, including air conditioning units, jumped 26%.**

However, while T&D is performing well, times of change can also be perilous, and businesses face headwinds as economies acclimatize to a post-pandemic world. “We are faced with a resilient yet volatile market, and the volatility lies in the details,” says Jan Lorbach. “Since May 2021, we have witnessed the first signs of volume-demand deceleration.”



**Global T&D sales units 2019–2021**



## SUPPLY CHAIN CHALLENGES

### Deceleration, yes. A decline?

Categorically not. Appetite for T&D products appears to remain healthy. This said, given global and local supply chain disruption, meeting demand will become an intensified challenge for brands in the Tech and Durables sector. New logistics networks are being configured to deal with the challenge of post-pandemic globalization, and price increases may reduce demand to some degree. At the same time, new networks can take time to form, and price hikes come with their own risks to sales and market share.

Meanwhile, brands in certain market segments are at risk of overstocking to redress the balance. This would be a mistake—and indicates yet more price pressure to come in 2022. “It’s really hard to look past the supply chain challenges that will affect the consumer technology and durables market in the next three to six months,” says Saunders.

Players in other subcategories might overstock, due to a lack of visibility and foresight, warns Lisa Wiltshire, Insights & Foresights Principal at GfK: “Getting the right balance is essential,” she says.

**“The challenge is gathering the intelligence to make the right inventory calls six to twelve months in advance. Therefore, understanding consumer demand and market trends is critical. Predictive, high-frequency data is the only way to navigate the unpredictability of the current environment.”**

**Lisa Wiltshire,**

Insights & Foresights Principal at GfK

Negotiating this situation will take skill and foresight, and developing a smart channel strategy here will be key. “When you have one seller who is calling up and screaming for more stock because the market is hot and there’s a lack of product to shift, then you have another who is saying they need money to be able to ship out stuff they can’t sell, it’s up to you to determine the right move,” Saunders explains. “If you can use intelligence to bolt those elements of where you put your money and where you put your product together, that’s where success comes from.”



## INFLATIONARY PRESSURE LOOMING

**Prices in raw materials, energy, and logistics are spiraling upwards, while workforce shortages are driving up wages.**

One side effect of these conditions, analysts think, might be inflation. Consumer pressure remains on businesses to keep prices down, but this is unlikely to stop operational and raw material costs being passed on to shoppers. Businesses will have to be discerning about where, how, and to what extent they raise product prices.

As brands look to justify higher prices, this could amount to supply-side drive towards premiumization to go alongside new, demand-side consumer preferences. Add this to the fact that premium products generally carry higher margins, and this trend could be set to continue.

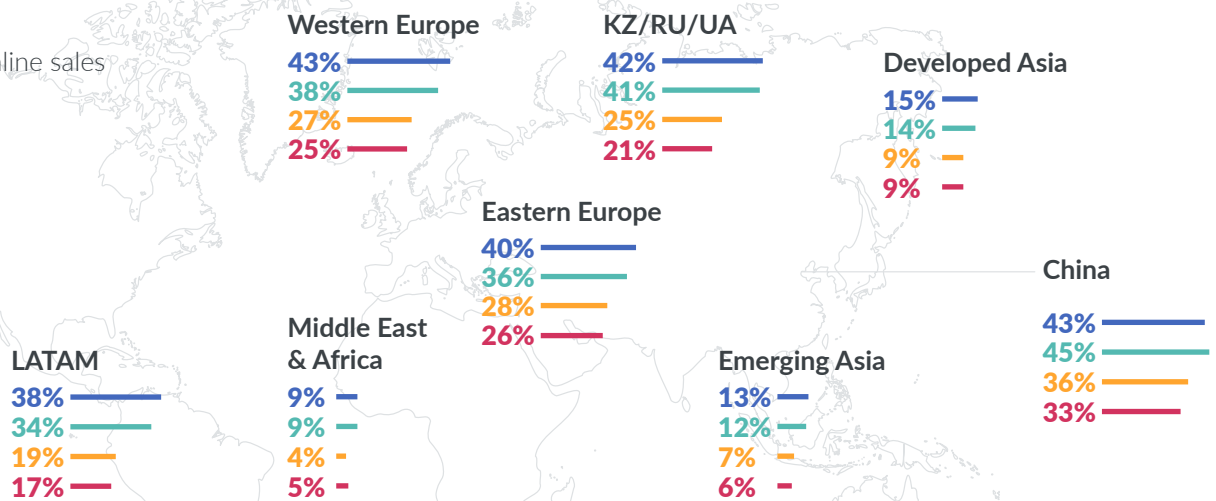
“Premiumization is often considered to be a consumer phenomenon, where customers with extra cash head upmarket to more expensive products in Tech and Durables, but it may equally be a supply issue in the current environment,” says Wiltshire. “Will a return to inflation dampen the trend towards premiumization? It’s possible that higher-income consumer groups won’t be as put off by inflationary spikes as those with less disposable income. It’s vital for brands to grasp the diverse make-up and weight of relevant consumer groups.”



## T&amp;D online

Value share % online sales

— YTD Jan–Jul 2021  
 — YTD Jan–Jul 2020  
 — YTD Jan–Jul 2019  
 — YTD Jan–Jul 2018



Source: GfK Market Intelligence – Sales Tracking, retailer market, international (excl. N America), USD (NSP) value growth % year-on-year T&D (Consumer Electronics, IT, Office Equipment, Multifunctional Technical Goods, Photo, Telecom, Small & Major Domestic Appliances, Personal Diagnostics Devices)

## E-COMMERCE BOOM

With people barred from entering physical stores, shopping habits migrated quickly online. Brands and markets that had been slow to adopt seamless e-commerce had to suddenly modify their sales strategies: Online retail in the T&D segment was up 32% from January to July this year compared with 2020.

Retailers are currently focused on offering an even better digital customer experience (CX), and the most adept brands can now actually deliver better CX online than in physical stores. Of online buyers surveyed by GfK, 51% would recommend the retailer. Of offline buyers, only 42% would. This means an effective e-commerce strategy has become an important direction that companies can take to reach consumers as the economy emerges from the pandemic.

“Strategically, there are several directions for brands in Tech and Durables to pursue,” says Villanueva. “They are brand growth, market understanding, and forecasting. But at the top of these moves is the rolling-out of e-commerce.” Indeed, there is unlikely to ever be a return to pre-pandemic levels of brick-and-mortar shopping. 63% of global shoppers purchased items online to avoid going into the store last year, and, notably, say they plan to continue this behavior.

E-commerce’s share in total T&D sales varies greatly in different territories. In Western Europe, year-to-date growth jumped from 27% to 43% between 2019 and 2021, while in China, where e-commerce was more established, T&D sales through e-commerce went from 36% of the market in 2019 to 45% in 2020, before dropping slightly to 43% in 2021.

**“In countries that have been slow to adopt e-commerce, COVID-19 has enabled them to catch up,” continues Villanueva. “Those who were reluctant to start shopping online have found that it is a good experience. The pandemic has forced the laggards to invest in e-commerce just to survive.”**

**Gonzalo Garcia Villanueva,**  
Chief Marketing Officer at GfK

It is in regions where e-commerce has been late to take hold that the starkest change can be observed. In LATAM, only 19% of T&D sales came from e-commerce in 2019, before shooting up to 34%, and 38% in 2020 and 2021 respectively.

## RESILIENT RESPONDERS

# THE RIGHT BRAND ACTION

In a world where old assurances about business and commerce are being challenged on a weekly basis, success—and even survival—hinge on an organization's ability to predict trends accurately and shape strategies quickly.

Responsive and forward-thinking business leaders who invest in market analytics, AI tools, and a data-centric approach to operations and strategy will outcompete those that don't. Beyond this crucial element of business leadership in the current T&D market, there are other measures that can be implemented to boost performance.

## PRICE PROMOTION STRATEGIES

Pricing products was once considered an art form, but now the practice is more scientific. Research by GfK indicates that the world of Tech and Durables is facing a volume-demand slowdown, where the current growth rate and market volatility will eventually lose pace. Given this concern, brands and manufacturers might be tempted to slash prices to shift product. Conservatism on

promotions, however, can be a more prudent policy. On a total T&D level, low-promotion brands outperformed the rest of the market—particularly outpacing brands who favor high-promotion strategies.

Consumers want to feel the product they purchase has an intrinsically high value. Price is still an important factor in purchase decisions, so discounts can help, but any price-reducing initiatives should be supervised from a comprehensive brand perspective,

to ensure they don't damage consumers' perception of product quality and brand reputation. In a saturated market, a promotion may be more impactful than in a product group with a growing penetration, where a strong brand is a defining factor in who breaks through.

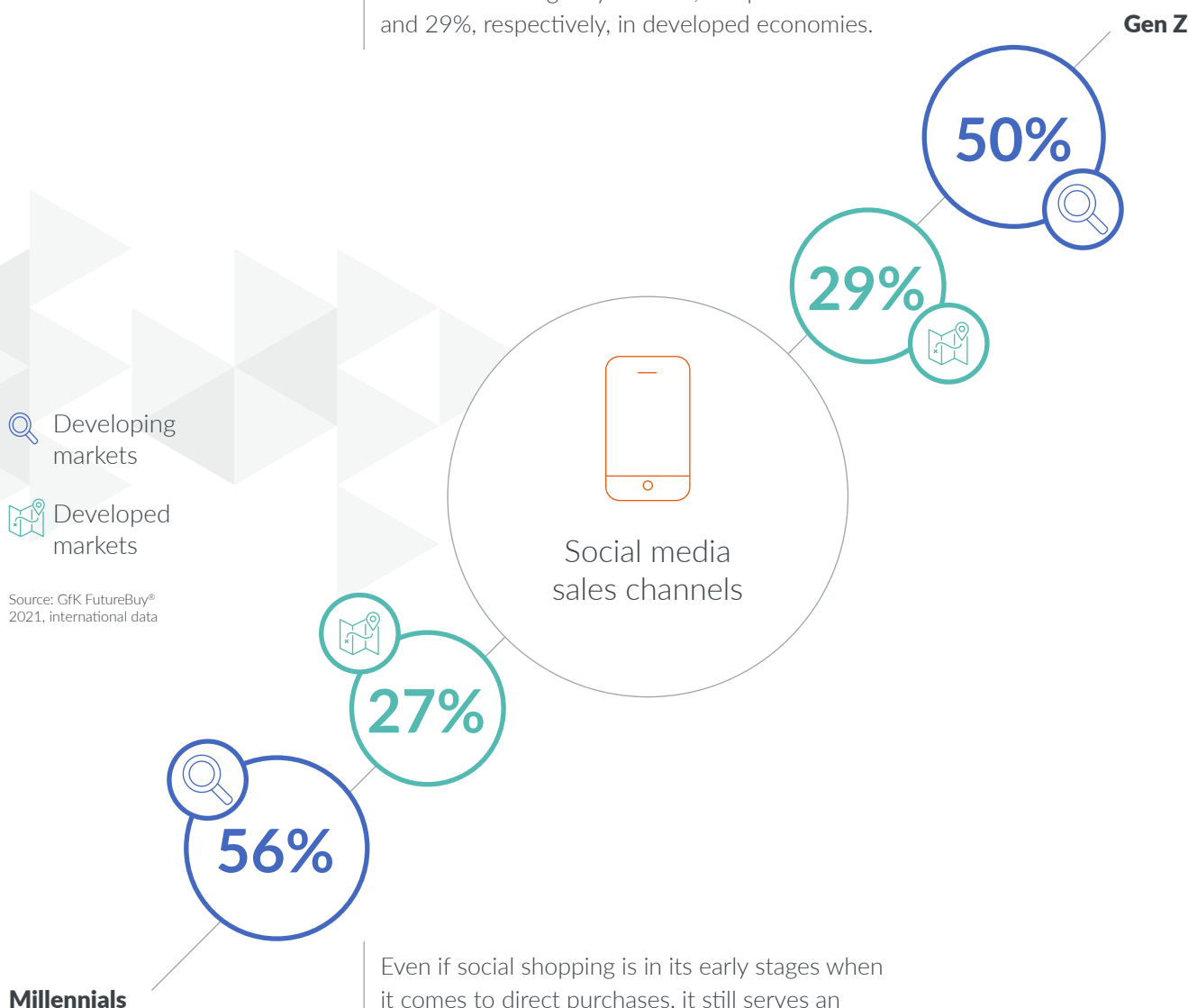
**“Offering discounts helps to clear products in the short term, but businesses should tread carefully. While promotion strategies can be effective, our research reveals instances where price reductions have negatively impacted consumers' overall perception of the brand.”**

**Gonzalo Garcia Villanueva,**  
Chief Marketing Officer at GfK

## SOCIAL COMMERCE

Increasing numbers of consumers are buying on their smartphones—and specifically through social media.

This trend is particularly noticeable when it comes to Gen Z and millennial shoppers, and is more pronounced in developing markets, where 56% of millennials and 50% of Gen Z have shopped on social media using 'Buy' buttons, compared with 27% and 29%, respectively, in developed economies.



Even if social shopping is in its early stages when it comes to direct purchases, it still serves an important role in the retail process. In developing economies, 61% of Millennials consider social media networks to be an important information source for their shopping decisions, while 43% of their contemporaries in developed markets feel the same.

## AUTHENTICALLY ACT ON VALUES

To continue to connect with audiences who find themselves dismayed by institutional inaction and the perceptible effects of climate change, brands must draw up coherent, impactful sustainability strategies. Evidence points to consumers being turned off by brands touting their commitment to sustainability—instead, people want to be shown the evidence.

Research by GfK shows that while consumers were once put off by green products that cost more than less ethical ones, price is declining as a barrier to

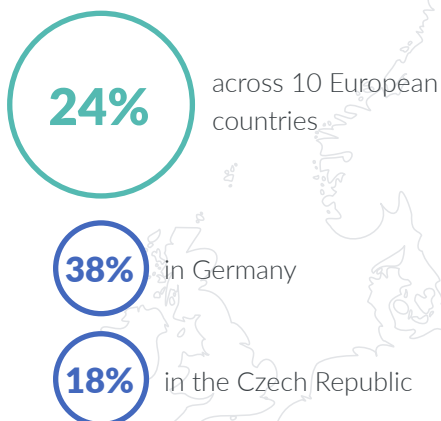
green consumption. In 2011, 61% of global respondents agreed that “the environmentally friendly alternatives for many of the products I use are too expensive.” In 2020, 52% agreed with this statement.

Meanwhile, a new EU initiative pertaining to the energy consumption of appliances came into force in March 2021. A new labeling system means that it is easier to discern which appliances are the most green, and use the least energy. A lettering system from A to G has replaced the complex A+++ to D

ranking. Lorbach also draws attention to the French Repair Index, the first guide to show how easily repairable certain electronics products are, and hence, how unlikely they are to end up in landfill or need recycling. Brands aligning with efforts such as these are likely to land increasingly well with consumers.

The circular economy—where materials and products are reused and upcycled—is emerging as an effective environmental initiative. Research by GfK indicates that circular business models resonate with consumers’ desire to act.

### Shoppers who are making significant steps to reduce their plastic waste



Source: GfK Sustainability and Concern Report 2021, EU10 data (Czechia, France, Germany, Ireland, Italy, Poland, Portugal, Slovakia, Spain, United Kingdom)

Shoppers who “feel responsible and are making significant steps to reduce their plastic waste, and know which companies have a genuine environmental concern” now represent 24% of consumers across 10 European countries studied by GfK—ranging from 18% in the Czech Republic to 38% in Germany.

## INVEST IN BRAND BUILDING

One crucial step business leaders can take to increase their chances for success in 2022 and beyond is to invest in telling compelling, authentic brand stories that resonate with their customers.

"It is imperative businesses ensure their brands become known for the right things," says Madalina Carstea, Head of Global Sales, Brand and Marketing Intelligence at GfK.

Carstea emphasizes that "brand is the primary driver of premium," and that brand building must focus on what is relevant to consumers. Articulating a purpose and standing for values such as sustainability forms a bedrock, but brands must understand exactly what brand values and characteristics will resonate with their core consumer segments. Some brands' consumers care about premium and sustainability, but others do not. Some shop entirely online, some barely at all. You have to understand what really drives your consumer if you want to communicate efficient, powerful messaging that will bring shoppers to you in this unpredictable market.

"Businesses have to do their research about what consumers care about. For some companies, their commitment to sustainability is something they should be communicating, but for others, their consumers may simply be more interested in other things," Carstea says.

**"The first thing brands have to do is understand what their shopper stands for, and what motivates their purchase decisions. It may not be sustainability."**

**Madalina Carstea,**

Head of Global Sales, Brand and Marketing Intelligence at GfK

"My advice to clients would be to stay close to their customers, truly understand (not just assume) what is relevant to them, and invest in their brand accordingly," Carstea continues. "In the current volatile environment, and with growing inflationary pressures in certain categories, it's unlikely business will be able to avoid raising prices, so it is incumbent on businesses to justify a premium through effective brand positioning and communication."

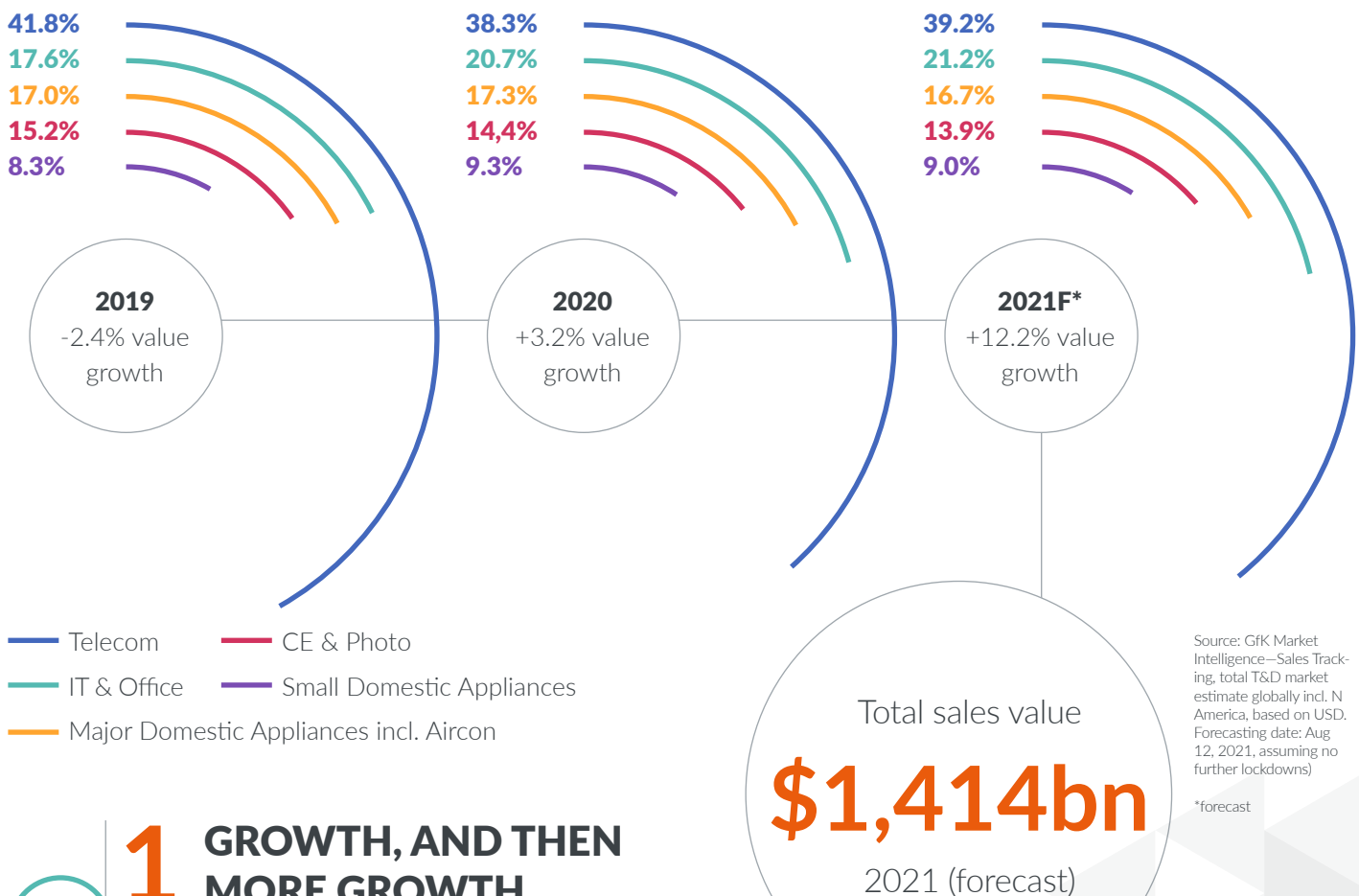


## WHAT'S NEXT

# TECH AND DURABLES IN 2022

The global tech and durables market is complex and turbulent, but several things are evident. At least for now, markets are bouncing back with record growth. Manufacturers are experiencing obstacles as they try to satisfy demand, and purchasing patterns are becoming more digitized. What do these developments mean for business leaders in the coming year?

## Global consumer technology and durables market



## 1 GROWTH, AND THEN MORE GROWTH

GfK forecasts predict a 12% year-on-year growth for T&D by the end of 2021. But irrespective of this increase, this sector is a crowded and fast-moving marketplace—meaning a portion of this sought-after category can only be won with data that is smart, timely, and actionable.



## 2 PREMIUM BRANDS DRIVE THE MARKET

But simply investing in quality materials or marketing your brand as premium isn't enough. Shoppers opting for high-caliber products do so for a disparate set of reasons, and these reasons vary widely between countries, markets, and product categories. Investing in data is vital when it comes to gauging what motivates consumers to choose premium products—whether it's brand, superior materials, functionality, or something else.



## 3 PRICE PROMOTION STRATEGIES SHOULD BE CONSERVATIVE

Many companies will be tempted to roll out price promotion strategies as volume demand loses pace. But marketing products below value could erode brand appeal and lead to a drop in perception, leading in turn to significant long-term damage as more and more consumers seek premium products. Use market analytics to draw up the right channel strategy and be confident of where profits are uncovered. Data and AI can predict the timely and smart moment and geography to deploy products when demand re-emerges. This will also safeguard against the risk of overstock.



## 4 STRONG, RESONANT BRANDS WILL FLOURISH

A tight, compelling brand position that communicates product benefits and brand values authentically is key to justifying rising prices and differentiating your business in a volatile market. Never forget, decision makers must be discerning about the exact nature of this brand position and value system—those with an informed understanding of what their target consumer truly wants will rise above those who rely on instinct.



## 5 INNOVATIONS IN SALES CHANNELS WILL SHAPE THE INDUSTRY

Emerging from months of enforced e-commerce, shoppers know what they want and are free to cherry-pick which parts of the retail process they choose to experience. Whether this is through social commerce, e-commerce, click-and-mortar, or in-store buying, the shape of retail in 2022 will provide a valuable window into the future of T&D. Emphasis should be placed on providing consumers with best-in-class, seamless, consistent CX at every touchpoint.



## 6 CONSUMER INTELLIGENCE WILL DRIVE THE SUCCESS STORIES

The businesses that shape the future of Tech and Durables will be those that first pick up on the early signals developing in their respective markets and act quickly—and radically—to meet consumers where they are. Vast swaths of up-to-date data must be analyzed, the most pertinent insights extracted, and decisions made based on those insights. Crucially, intelligence must be gathered from reputable, reliable sources, shaped also by those with the knowledge to identify what is pertinent.

## CONCLUSION

# ADVANTAGE THROUGH DATA AND INTELLIGENCE

As this report has demonstrated, a new set of trends, behaviors, and market characteristics is in the ascendency. The world of Tech and Durables is facing an era of acceleration, where seismic shifts occur suddenly and—seemingly—without warning. To thrive in such an environment, organizations must more regularly and thoroughly engage in truth-seeking, accept unwelcome facts, and act bravely when necessary.

But how to ensure that your organization can be active rather than passive? To create a future where the potential of your products, services, and brand is realized, the answer lies in intelligence. Key stakeholders must usher in a culture where substantiated facts are prioritized over accepted norms, gut instincts, and group-think. This means challenging assumptions, understanding new consumer behavior, accurately forecasting market trends, and drawing up clear-sighted new strategies that take advantage of rebounding—if fleeting—growth.

In 2022, your organization is no longer standing on the fringe of a new decade—this is the end of the beginning. Leaders at the helm of companies in Tech and Durables are faced with an array of urgent choices in how they design out, and mitigate the chances

of, failure. Success lies in the ability to address uncomfortable questions, quickly alight upon unknowns—and turn them into knowns. This pertains to the specifics: How many units are deployed in which markets and through which channel? As well as the broader questions: Is our product solving the most pressing problems? Is our brand resonating with today's consumers?

The savviest will mitigate the proportion of decisions made without substantiation.

Those that tip the ratio in favor of market analytics, intelligent data, and AI tools will overcome competitors, and cement a place in their category.

**In this new future, acquiring the right intelligence—and acting appropriately—will dictate who wins, and who falls behind.**

## SOURCE DATA

# FIND OUT HOW YOUR INSIGHTS CAN BE POWERED BY OUR PRODUCTS

The data and insights in this report have been brought to you from the following suite of products together with GfK's expertise. Please click on the product name to link through to the relevant product page.

gfknewron is the unparalleled, always-on platform that radically transforms data-centric decision making and enables teams to gain actionable and connected insights, collaborate effectively, and act at speed to ignite sustainable growth. It is a single access point that combines market, consumer and brand intelligence supercharged with AI-powered recommendations that show you how to shape what happens next.

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**Know your market so you can win it.**

Plan ahead with a full picture of what sold where and when. gfknewron Market enables you to stay ahead of markets and competitors, identify growth opportunities, and address issues quickly with your point of sales data in all depths and breadths.

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# FIND OUT HOW YOUR INSIGHTS CAN BE POWERED BY OUR PRODUCTS

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## GfK Market Intelligence: Sales Tracking

We have built the world's largest retail panel, giving actual sales data from retailers and resellers. Our point of sales tracking shows what is selling, where, when, at what price point and which channels—helping you measure your market share and brand performance, and benchmark it against your competition.

→ Learn more

## GfK Consumer Life

GfK Consumer Life is the longest-running and most comprehensive study of changing values and lifestyles around the world. The 25+ country database and related perspectives provide a rich understanding of key markets and categories.

→ Learn more

## GfK FutureBuy®

GfK's FutureBuy® study provides a unique view—looking across online and in-person shopping. Every year, shoppers in 25 countries share their buying habits, the channels and touchpoints they use, their interactions with retailers, and how they include technology in their purchase journey.

→ Learn more

## GfK Consumer Panel

Our Consumer Panel solutions gather information directly from regular households, to capture behavior changes and understand how these may affect your market opportunities. Our unrivalled depth of continuous coverage across multiple countries ensures that you'll have access to the most accurate single-source intelligence about what consumer goods shoppers actually buy and why.





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