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Press Release

Technical Consumer Goods market proves its resilience to the pandemic

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Julia Richter
Public Relations
T +49 911 395 4440
julia.richter@gfk.com

GfK, one of the leading data and analytics market research companies, and gfu Consumer & Home Electronics GmbH, organizer of IFA, inform on the occasion of the IFA 2020 Special Edition about the global Consumer and Home Electronics market development in the first half of 2020.

Berlin/Frankfurt/Nuremberg, September 3, 2020– The value of the global Technical Consumer Goods (TCG) market, excluding North America and South Africa, fell to €306 billion during the COVID-19 retail shutdowns. GfK’s panel market recorded a decline of -5.8 percent for TCG global sales for the first half year of 2020 (H1 2020). Compared to other industries, this is a relatively small decline as this market benefitted from “at-home” needs and digitization during lockdown. These are findings for the global TCG market to be released at IFA 2020 Special Edition in Berlin.

Kai Hillebrandt, chairman of the supervisory board of gfu Consumer & Home Electronics GmbH, states: “Globally, the home electronics industry has proven to be very resilient globally during the COVID 19 pandemic. At around six percent, the global decline in sales in the first half of the year was very moderate compared with other sectors. This development can be explained by the industry's innovative strength and the fact that the home electronics segment is able to offer a large number of technical products for stay@home that are in high demand during the crisis: From devices for home based work and home schooling (work@home) to products for all areas of the home – like entertainment (entertain@home), food preparation (eat@home), cleaning, washing – as well as health care and well-being.”

GfK SE
Sophie-Germain-Straße 3-5
90433 Nuremberg
Germany

T +49 911 395 0

Management Board:
Peter Feld (CEO)
Lars Nordmark (CFO)

Supervisory Board Chairman:
Thomas Ebeling

Commercial register:
Nuremberg HRB 25014

According to GfK’s Consumer Pulse study, 83 percent of survey respondents changed their shopping behavior during the pandemic. The study also reveals that during the core impact months of March to June eight in ten (78 percent) of consumers were concerned about the pandemic. However, today 85 percent are concerned about the ripple effects of the pandemic on the economy. Despite the inevitable challenges

to all markets in H1 2020, the TCG market proved to be resilient, declining by only -5.8 percent as consumers turned to technology to help them cope with the crisis.

Nevin Francis, GfK expert for the TCG industry explains: “With market intelligence data across a huge range of tech and durables categories, we can analyze sales trends and relate this to our consumer research to identify current and emerging patterns of behavior and attitudes. Based on this, we can derive actionable, structured insights and predictive recommendations to help the IFA community make right decisions and to ex-tract the right signals from trillions of data points which is key to the success of any business.”

Over the last few months during what we are calling the ‘Panic’ and ‘Adapt’ phases of the pandemic, we saw a significant negative impact on sales due to retail shutdowns. There was a clear demand shift from “want” to “need” at the onset of the pandemic. The ‘at home’ experiences namely ‘office at home’, ‘eat at home’, ‘entertain at home’ and ‘clean at home’ kept the market going. The underlying trends that remained crucial even for these “at-home” experiences were performance, simplification, borderless shopping and health & hygiene. These trends will continue to be important even in the ‘New Normal’ phase.

Office at home: IT and Office sector grew in value in H1 2020

At the onset of the Panic phase, the most basic need was for continuity of work and education. The IT & Office sector grew by a steady +15 percent in value in March and +15 percent in April 2020. In comparison, the TCG sector excluding IT and Office declined by -18 percent in March and -24 percent in April 2020 in value. The weeks between March 9 and April 5 when lockdown was initiated were characterized by panic buying. Volume sales of Webcams surged by 297 percent, Monitors by 120 percent and Notebooks and computing tablets by 62 percent across France, Germany, Italy, Spain and Great Britain. This trend continued even post-lockdown. When combined with the demand for TCG products from other ‘at home’ trends, the result was quick recovery. The post-lockdown surge in sales during what GfK terms as “Revenge Shopping” resulted in consumers flocking to equip themselves for a second wave of Coronavirus. This resulted in the IT sector growing by +17.2 percent and Office by +12.1 percent in value terms globally in the first six months of 2020.

Eat at home: A boost for freezer sales, and food preparation up by +24.8 percent in H1 2020

According to GfK’s Consumer Life survey, more than half (53 percent) of consumers globally agree with the statement, “I am always looking for ways to simplify my life”. When the entire world has moved in home, any appliance which simplified life and saved consumers time spent on chores was much appreciated. In the Panic phase when lockdowns were being initiated, consumers stockpiled frozen food, driving the immediate need for freezers and this is clearly reflected in the sales figures.

For instance, in the weeks between March 2 and March 22 volume sales grew by 317 percent in Great Britain and by 185 percent in Germany. Once the stockpiling moderated, next came a steady demand for food preparation appliances. This characterizes the Adapt phase, with volume sales in the weeks between March 23 and April 26 growing by +28 percent in Germany. The trend for 'eat at home' continued steadily post-lockdown and during the Revenge Shopping phase the food preparation category grew by +24.8 percent in value terms, driving value growth in the small domestic appliance sector by +8.6 percent. While some major domestic appliance (MDA) categories also experienced sizable growth, e.g. microwave ovens (+36.8 percent), the MDA market overall experienced a value decline of -8.6 percent decline.

Entertain at home: Strong volume sales for Notebooks and IT peripherals; Gaming continues the strong trend in H1 2020

As consumers adjusted to life in lockdown, the need for 'entertain at home' kicked in. Categories such as streaming sticks grew significantly in some countries e.g. +54 percent in the Netherlands during the initial lockdown in the weeks between March 9 and April 5. Gaming notebooks witnessed strong volume sales of +55 percent and gaming monitors were up +62 percent in the first half of 2020.

However, TV sales slumped during the weeks of lockdown but returned to a strong positive growth during the Revenge Shopping phase. Overall, the TV market declined by -7 percent in value - one of the reasons being that TV is considered a big-ticket purchase. However, there was stark divide between regions, Western Europe and Developed Asia grew by 4 percent and 13 percent respectively in volume, while Emerging Asia declined by -28 percent in value terms. Strong shifts in market shares were visible on regional and local levels while elevated volatility remains after lockdowns. Overall, the consumer electronics sector including photo declined by -8.7 percent.

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.

About GfK

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”.

Press contact: Julia Richter, T +49 911 395 4440, public.relations@gfk.com

About gfu Consumer & Home Electronics GmbH

Founded in 1973 as the Society for the Promotion of Consumer Electronics in Germany, gfu organizes the IFA and operates under the name of gfu Consumer & Home Electronics GmbH. Many leading brands in the consumer electronics and home appliance industries have partnered with gfu. Our goal is to organize trade fairs and provide information about the trends and developments in the industry. To this end, gfu regularly commissions and publishes studies, conducts market research, and publishes press releases.

Press contact: Roland M. Stehle, T +49 175 2405536. stehle@gfu.de