



## Press Release

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### Online, premiumization and Stay@Home shaped market for technical consumer goods in 2021

Nuremberg, Germany, January 4, 2022 – 2021 was an exceptional year that presented the industry with numerous challenges.

Nevertheless, the market for technical consumer goods saw robust revenue growth of 17 percent to 726 billion US-dollars by October 2021, while unit sales lagged well behind this increase, growing by just 3 percent. The winning segment of the year was wearables, which increased its revenue by almost half compared to the same period of the previous year, with a growth of 44 percent. These are GfK findings ahead of CES 2022 in Las Vegas.

Overall, the market for technical consumer goods can look back on 2021 in a positive light. **Jan Lorbach, GfK expert on technical consumer goods, explains:** “The increase in revenue for the year as a whole is due to the strong start. While the first few months of the year saw increased demand and thus immense growth, revenue steadily leveled off over the course of the year, hovering around 2020 levels and even below in some cases.”

#### Specifics for 2021

The past year differed from previous years in many aspects, which is also evident in the structure of the market for technical consumer goods. In addition to the ongoing pandemic, the industry was dealing with chip shortages and changing consumer behavior, as well as increasing awareness on sustainability, which are reflected for example in the new EU energy labels.

#### Premiumization and Stay@Home

The decline in overall demand in the market for technical consumer goods during the year is primarily attributable to product groups with high household penetration, which at the same time have limited potential to grow further. Televisions, for example, recorded an 11 percent drop in sales compared with the same period of the previous year, from January

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to October. Despite weak demand, revenue in US-dollars for this product group remain at slightly positive levels, with televisions up by around 11 percent. This means that fewer pieces were purchased overall, but at a higher price point. On the one hand, this was due to price increases caused by supply chain interruptions and chip shortages, but also to the steadily growing trend toward premiumization. According to this, consumers were opting for larger, faster or better-equipped devices when making new purchases and are thus spending more money per purchase on average.

This contrasts with the winners in 2021: Product groups with a high potential to increase household penetration saw significant growth, especially in the areas of home office, cleaning, or meal preparation. For example, global revenue in US-dollars of dishwashers increased by 22 percent, headsets increased by 27 percent, coffee and espresso machines increased by 23 percent, and notebook computers increased by 16 percent year-over-year from January to October 2021.

### **Online retail reaches its peak**

Online retail in particular benefited from the pandemic due to lockdowns and various other restrictions. During January to October 2021, it reached an average of 34 percent of total revenue worldwide, the highest level ever recorded. Nevertheless, there was a slight saturation trend to be noted over the course of the year, not least due to restriction-relaxations and the progress of vaccinations. While online sales still accounted for 41 percent of revenue in Western Europe in May 2021, it declined slightly to 32 percent by October 2021, although remained significantly above pre-pandemic levels.

### **Health, sustainability, and new EU energy labels**

The pandemic has strongly focused consumer attention on health and hygiene topics. According to the global *GfK Consumer Life* study, 43 percent of people actively searched for products and services that help them lead a healthy lifestyle last year. This is also reflected in the sales figures for technical consumer goods: Blood pressure monitors saw a 15 percent year-on-year increase in revenue from January to October 2021, and dental care devices saw a 19 percent year-on-year increase. At the very top, the wearables segment, which includes smartwatches or fitness trackers, was able to increase its revenue by almost half at plus 44 percent.

The topic of sustainability also gained a higher priority for consumers. For several years now, CES has also focused on innovative, sustainable mobility solutions, especially electric cars. The importance of this topic to end consumers is reflected, for example, in the sales figures for tyres. Although tyres manufactured specifically for electric cars are still a niche market, sales have already risen by 35 percent in Western Europe alone from January to October 2021, which is in line with the number of new registrations of electric vehicles.



In the electrical appliances segment, the topic of sustainability primarily includes the energy efficiency classes that were newly defined by the EU at the beginning of the year. New energy labels were introduced for more uniform standards and greater efficiency, for example for washing machines, refrigerators or dishwashers, and the criteria for achieving the new levels A (highest efficiency) to G (lowest efficiency) were adjusted. But it's not just consumers who benefit from the easier-to-understand labels; manufacturers and retailers also stand to gain from better pricing options and premium placement for their appliances. For example, the average price of a washing machine rated label A in the EU in October 2021 was 662 euros, while class C sets consumers back 493 euros. In comparison, the price of the previously highest energy efficiency label A+++ in 2020 averaged 418 euros. Consumers took well to the new energy labels, and by October 2021, 22 percent of revenue in 22 EU countries\* were already generated by washing machines with an A rating.

## **Outlook 2022**

The past two years of the pandemic have shown how quickly forecasts can change. It is therefore more important than ever for companies to have current information and data that can adequately respond to rapidly changing dynamics and provide precise recommendations for action.

In addition to the ongoing pandemic, the Football World Cup in Qatar in November 2022 will have an impact on the technical consumer goods market. According to the forecast of GfK experts, an increase in sales of TVs is to be expected as the event draws closer. The challenge for the industry will be to convert the increasing demand into actual revenue, as the late timing of the World Cup means that it will coincide with the promotions generally associated with the fourth quarter and the holiday business.

Overall, GfK forecasts further growth in revenue for the technical consumer goods market in 2022. Trends such as health and sustainability, but also premiumization, will continue, which means retailers and manufacturers will have to adapt their product portfolio in the medium and long term to satisfy both new and existing customers.

## **GfK virtual session CES 2022**

On the occasion of CES in Las Vegas, GfK experts Julie Kenar, Senior Vice President GfK Automotive, and Eric Wagatha, GfK Head of Consumer Life North America, will give a virtual presentation on "The New Faces of Techno-Mobility" on January 27 at 2 pm (ET). The presentation will feature the latest findings from GfK Consumer Life and the GfK AutoMobility™ AutoTech Insights report in the US. For more information and to sign up, click [here](#).



## About the Study

Through its retail panels, GfK regularly collects POS data in more than 70 countries worldwide for the consumer electronics, photography, telecommunications, information technology, office equipment, and small and large household appliances sectors. All figures are according to GfK panel market, Global excluding North America and presented in US dollars.

\*Figures for EU22 refer to Austria, Belgium, Croatia, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, and the United Kingdom and are presented in euros.

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