



Press Release

Urgent demand fulfilled: Global IT market records decline in 2022

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High-performance, premium, and home office segments continue to offer growth and opportunities

Nuremberg, Germany, August 30, 2022 – The global IT/office retail consumer market recorded sales of 71.4 billion US dollars in the first half of 2022. This is a minus 5 percent decline compared to the same period last year. After two successful years due to changing living conditions during the pandemic, the market is now recording the first negative trend for some time in almost all categories. While the overall market is stagnating, GfK observes that premium segments are outperforming across major categories, and expects this trend to continue throughout the second half of the year 2022.

After two years of pandemic outbreak triggering product demand to meet urgent needs, global sales of IT/office devices have now slowed over the first six months of 2022. Sales of Mobile PC, an essential “all-in-one” device, reflect this trend clearly. Regions where the market showed an immediate positive uptick in the first year of pandemic, now show a turnover decline. In Europe and Developed Asia for instance, the revenue dropped by minus 14 and minus 16 percent respectively. Sales in Latin America also slowed down, with a minus 20 percent decrease after strong sales in the first half of 2021. By contrast, South-East Asia (including India) and China saw continued sales growth, at plus 25 percent and plus 4 percent respectively. In total, global mobile PC sales declined by minus 5 percent in the first half year of 2022.

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“Even before we were talking about high inflation rates and high living costs, the electronics market had already been facing price increases since middle of the year 2020. This was due to high demand and supply shortage”, **explains Sohjin Baek, GfK expert for the global IT hardware industry.** “The urgent demand caused by lockdowns has been fulfilled, so the price increase has now started holding back consumers, who are showing a recent drop in consumer confidence. As a result, the global market is facing a deceleration in the period from January till June 2022.



Consumers with low purchase power are feeling pressured. However, we are seeing that there are more confident consumers still present, and indulging in premium or high-spec products. We expect premiumization and a shift in product mix toward more high-end products to further accelerate in 2022.”

Mobile PCs: Premium segments and features resist decline

According to consumer insights from gfknewron Consumer, 71 percent of consumers who purchased a laptop in the first quarter of 2022* recorded their income status as being high or medium high. This is a 3 percent points increase compared to the same period of previous year.

Looking at the global sales of mobile PCs in the first six months of 2022: gaming laptops (as an example of a premium segment) achieved sales growth of plus 3 percent, while non-gaming mobile PCs declined by minus 7 percent. This inclination towards premium segments or features is a trend observed across all major categories. The spend that we do see in non-gaming mobile PC sales has shifted towards thinner and lighter products. For example, products with 15.6-inch display increased sales of thinner devices below 18.0mm height by plus 2 percent, and lighter devices below 1.8kg weight by plus 21 percent in the first half of 2022. Total sales of monitors dropped slightly at minus 4 percent, but ones with a refresh rate of 144 hertz and higher delivered growth by plus 4 percent, and UHD/4k resolution monitor sales grew stronger by plus 29 percent.

Not only PC hardware products but also accessories had a challenging start into 2022. Many IT accessory categories have seen a decline in the first six months with internal SSDs (Solid State Drives) decreasing by minus 12 percent, keyboards by minus 3 percent, mice by minus 8 percent, and routers by minus 8 percent.

SSDs: Growth is coming from high-performance products

While an SSD might already be considered as premium due to its better performance, even faster models with NVMe technology have grown above the average, at plus 6 percent. And there might be further potential down the road: The first vendors have introduced SSDs with PCIe 5.0, which is expected to reach nearly double the speed for reading and writing data. The new technology might entice consumers and companies to update their existing hardware, to benefit from products supporting the new standard.

External SSDs were also able to grow further with plus 1 percent in the first half of 2022. These now represent 21 percent of SSD revenue. They partly owe their good performance to a further expansion of light and thin notebooks, which often have limited internal storage. Thus, external SSDs might very well complement these and offer further advantages with higher speed and data



security. Growth potential for external SSDs is especially driven by higher capacities of two terabyte and more.

Mobility, flexibility, and hybrid work drive success in the short and long run

Light and thin notebooks might further stimulate demand due to users increasing mobility. This trend has already been seen in input devices, such as computer keyboards and mice. For keyboards, devices with Bluetooth grew plus 25 percent, and smaller models (only 60 percent in size) grew plus 18 percent. For mice, Bluetooth models increased by 1 percent. Gaming, on the other hand, which strongly influenced growth in the past, could not continue its success story, showing a decrease of minus 6 percent for mice and minus 5 percent for keyboards.

“In a more long-term perspective, positive impulses can be expected by consumers’ on-going desire to partially work from home”, **says Ines Haaga, GfK expert for the global IT and Office industry.** “65 percent of consumers confirmed in a 2022 GfK survey that they would like to continue working from home at least once a week. Even though many of them already own IT hardware and accessories, they will want to replace or upgrade their devices in the coming years. Thus, an increased installed base will have a positive impact on the market as soon as that replacement cycle is started.”

About the method

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 retail market, with Global data excluding North America and presented in US dollars.

gfknewron is an “always-on” platform that combines market, consumer and brand data supercharged with AI-powered recommendations. It enables companies to gain actionable and connected insights and act at speed to ignite sustainable growth. The platform offers three specific modules: “gfknewron Market” for market and competitor insights, “gfknewron Consumer” for in-depth consumer understanding, and “gfknewron Predict” that delivers recommendations for companies based on market data and AI-powered intelligence.

* Data from gfknewron for 12 countries, including Brazil, China, France, Germany, Great Britain, India, Italy, Japan, Netherlands, Russian Federation, South Korea, Spain

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State of Consumer Technology & Durables Report

The new report, which provides even deeper and more detailed insights into the global TCG market, will be available for free on GfK.com from the end of September.

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