

Press release

Glimmers of hope for the global Consumer Technology and Durables market in 2024

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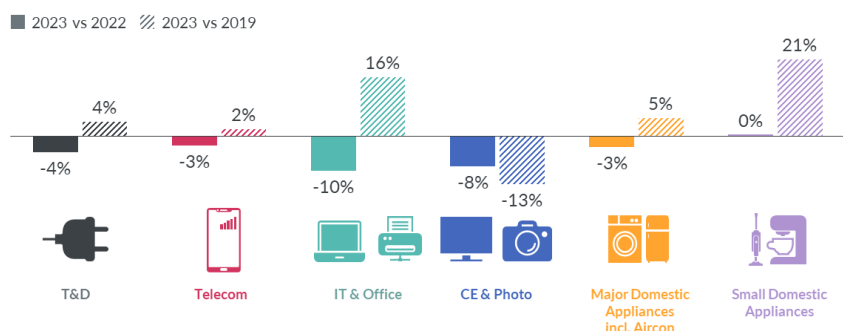
Global T&D market expected to turn slightly positive again

Nuremberg, January 4, 2024 – CES, billed as the most powerful tech event in the world, marks the start of the new year for the Consumer Technology and Durables (T&D) market. For GfK's experts, it's a time to assess the global T&D results and developing trends coming out of the year just gone and to look ahead to what the new year will bring. While 2023, marked by multiple crises, did not quite live up to expectations of recovery, the global T&D market is expected to turn positive again in 2024.

“Early on, we predicted that 2023 would be a challenging year for the global T&D market due to ongoing inflation and pandemic-related saturation effects. This was compounded by geopolitical tensions and wars, as well as persistently low global consumer confidence and reluctance to spend. As a result, the global T&D market is expected to end 2023 with a decline of minus 3 percent compared to 2022”, **explains Ines Haaga, GfK’s insights expert for Consumer Technology and Durables.**

Although the year-on-year revenue for 2023 looks rather bleak, it is still above the pre-pandemic level of 2019. This is mainly driven by the IT and Small Domestic Appliances (SDA) sectors, which performed well above 2019 revenues at plus 16 percent and plus 21 percent, respectively. Consumer Electronics (CE), on the other hand, remained weak.

Global T&D market results January - October overall and categories*:



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Price and premium – two drivers of consumer demand in 2023

According to the global GfK Consumer Life study, **price** was an increasingly important factor in consumers' purchasing decisions in 2023. Retailers and manufacturers responded by extending promotional periods and offering more products at a discount. This, in turn, gave consumers the opportunity to purchase higher-specification products that they could not afford at normal prices.

Alongside these price-conscious consumers, crisis-resistant customers with higher incomes have remained in the market. This has meant that **premium** products have continued to outperform the market average over the last year. Demand was particularly strong for appliances with features that make life easier, such as wet and dry vacuum cleaners. These grew by plus 2 percent year-on-year in the first ten months of 2023, while vacuum cleaners in general declined by minus 2 percent. Products that cater for individual's specific lifestyles also performed better, such as hot air fryers for healthier-cooking (plus 42 percent growth versus plus 38 percent for fryers in general) or Bluetooth keyboards for clutter-free home offices (plus 17 percent growth versus minus 2 percent for computer keyboards in general).

Outlook for 2024

"After two years of decline, we expect the global T&D market to finally turn positive again in 2024, albeit at a small scale", **predicts Ines Haaga**.

The following trends and developments are expected to drive growth in 2024:

- Almost four years after the pandemic, **replacement cycles** will kick in, especially for faster-moving categories such as smartphones and mobile PCs. Accordingly, the **Telecom category is expected to see growth** in 2024 due to new purchases, with the trend continuing towards premium devices.
- Long-term sales tracking shows that more TV sets are sold in the run-up to major sporting events. The 2024 Olympic Games and European Football Championship will therefore have a **positive impact on the Consumer Electronics category**.
- **Global divergence in market performance** was already evident in 2023. The T&D market in the Middle East and Africa benefited from current developments (plus 7 percent in revenue in the first ten months compared to the previous year). However, China's market struggled with deflation, the real estate crisis and low consumer confidence (minus 6 percent in revenue). This **global divergence is expected to increase in 2024** as national GDP (Gross Domestic Product)** continues to grow in emerging regions like India, while China and the US slow compared to 2023.
- Inflation is expected to fall further in 2024, which will **boost global consumer confidence**. However, interest rates will remain high, creating a barrier to investment for both consumers and businesses.



"Price will remain an important purchase criterion for consumers in 2024", **comments Ines Haaga.**
"The results from key promotional events in 2023 prove that price promotions continue to drive sales. However, competing on price alone is challenging. Our recommendation for retailers and manufacturers is to ensure that their brand value remains stable in the eyes of consumers and to focus on features that deliver the right value for money."

About the method

Through its **retail panels**, GfK regularly collects POS (point of sales) 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, with global data excluding North America and presented in US dollars, except stated otherwise.

* Source: GfK Market Intelligence Sales Tracking, International Coverage (excl. North America), Sales revenue growth in USD; Jan - Oct 2023 vs Jan - Oct 2022 & Jan - Oct 2019

** GDP forecast, source: [IMF](#)

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