

Press release

Consumer Electronics market benefits from European football championship

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GfK TEMAX® results for Western Europe, Q2 2016

Nuremberg, August 25, 2016 – In the second quarter of 2016, the Western European Technical Consumer Goods (TCG) market grew by 2.1 percent, compared to Q2 2015. There were sales value increases in the consumer electronics (CE), major domestic appliances (MDA), small domestic appliances (SDA), and telecommunications (TC) sectors. In all other sectors, sales values declined. The overall TCG market in Western Europe in Q2 2016 generated €48.3 billion.

Western Europe: Technical consumer goods – sales value by category

	Q3 2015 M. EUR	Q4 2015 M. EUR	Q1 2016 M. EUR	Q2 2016 M. EUR	Q2 2016 / Q2 2015 / +/- %	Q1-Q2 2016 M. EUR	Q1-Q2 2016 / Q1-Q2 2015 +/- %
Consumer Electronics (CE)	6,373	10,225	7,119	6,416	9.5%	13,535	3.6%
Photography (PH)	1,351	1,554	1,129	1,231	-7.8%	2,360	-8.2%
Major Domestic Appliances (MDA)	8,435	9,197	8,328	8,060	5.1%	16,388	4.8%
Small Domestic Appliances (SDA)	3,878	5,920	4,258	3,759	3.5%	8,017	2.8%
Information Technology (IT)	13,902	18,317	13,741	12,252	-2.8%	25,993	-2.4%
Telecommunications (TC)	12,566	17,638	12,448	12,271	3.8%	24,719	3.4%
Office Equipment & Consumables (OE)	4,339	5,125	4,534	4,360	-1.4%	8,894	-1.9%
GfK TEMAX® Western Europe	50,842	67,976	51,556	48,350	2.1%	99,906	1.2%

Source: GfK TEMAX® Western Europe, GfK

Consumer Electronics

The CE sector profited from the UEFA EURO 2016 football championship. Sales values increased by 9.5 percent in Q2 2016, compared to 2015's Q2, and reached €6.4 billion.

The significant value growth came from France, where the switchover from standard-definition television (SDTV) to high-definition (HD) signals continued. This led to huge sales of set-top-boxes.

The audio products segment continued to grow, mainly driven by connected audio systems and Bluetooth docking speakers.

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Photography

In Q2 2016, the photography sector in Western Europe was worth €1.2 billion – down by 7.8 percent, compared to the same period in 2015. The Finnish, Swedish and United Kingdom (UK) markets grew in value by single digits.

High-value cameras and changeable lenses performed better, but could not compensate for the decline in the 'entry' and 'middle-range' segments.

Major Domestic Appliances

The overall sector grew by 5.1 percent in Q2 2016, compared to 2015's Q2.

All countries registered an increase in sales value in Q2 2016, compared to the same period last year. The Netherlands achieved double-digit growth – driven by all product groups, with the exception of washing machines.

Tumble dryers was a key category in Western Europe's MDA market – up by 16 percent across the territory. Also, built-in appliances contributed well and grew by 6 percent.

Small Domestic Appliances

In the second quarter of 2016, the SDA sector registered an increase of 3.5 percent, compared to Q2 2015. There were double-digit increases in the Danish, French and Spanish markets. All other markets grew by one digit, with the exception of the UK which decreased by 2.8 percent. The overall value of the SDA sector in Western Europe was €3.8 billion in Q2 2016.

Market growth was mainly driven by rechargeable handstick vacuum cleaners, fully automatic espresso machines, and electric fans.

Information Technology

IT sales achieved around €12.3 billion in Q2 2016 – a fall of 2.8 percent, compared to the same period in 2015.

In particular, the Greek market declined dramatically (down by more than 30 percent). Sales in the UK also saw a 5.7 percent decrease. Elsewhere, the French and Finnish markets achieved growth of 8.7 percent and 9.6 percent, respectively. The enduring Greek economic crisis and the high level of uncertainty after the UK Brexit vote weakened demand.

Telecommunications

In Q2 2016, the telecommunications sector rose by 3.8 percent, compared to Q2 2015. With a value of €12.3 billion, it is the TCG market's largest sector. Apart from the Danish, Greek and Finnish markets, sales rose in the rest of Western Europe.

The market share for smartphone devices (with screens of 5 inches and

above) increased significantly – up to 60 percent in Q2 2016. Correspondingly, the market share for high-end smartphones (costing more than €500) increased to 35 percent.

Office Equipment and Consumables

With a fall of 1.4 percent in Q2 2016, results continued to decline in the OE sector, compared to the same period in 2015. Healthy sales growth was, however, registered in Austria (up by 7.6 percent), Portugal (up by 4 percent), and Germany (up by 3.5 percent).

On the flip side, the Dutch and Belgian markets saw significant drops in sales value in Q2 2016.

View the GfK TEMAX® reports for all 41 individual countries, including data tables: <http://temax.gfk.com/reports/>

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Note to editors

GfK TEMAX® tracks the sales of technical consumer goods across 41 countries. The findings are based on GfK's retail panel, comprising data from around half a million retail outlets worldwide. GfK continually works to ensure its panel data is as accurate as possible, in terms of its representation of the end market.

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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