

Press release

Audio devices become smarter and sound better

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Nuremberg, August 29, 2018 – From January to June 2018, GfK recorded total sales of €4.5 billion for the global audio devices market. Compared to the first half of last year, this is an increase of five percent. However, there is still growth potential in smart devices with embedded voice assistants or high-performance features that enhance the listening experience. These are GfK's findings for the global audio market to be released at IFA 2018 in Berlin.

Depending on the innovation potential of the manufacturers, the developments varied in the different audio categories.

Headphones and headsets on an upward trend

Total combined revenues of headphones and mobile stereo headsets grew from January to June 2018 by 26 percent, close to €2 billion. In total, 59 million units were sold. Europe (without CIS) and APAC accounted for more than 85 percent of the global turnover.

Devices with Bluetooth technology grew their sales value by 80 percent and stood for 60 percent of the global turnover from headphones and headsets, up from 42 percent the year before. This development paves the way for devices compatible with the smartphone's voice assistant, integrating these in smart ecosystems. Considering that more and more smartphone producers are removing the headphone jack from their devices, Bluetooth enabled headphones and headsets are expected to continue their growth path.

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Independent of the connectivity features, devices combining advanced technologies like active noise cancelling and true wireless, and where the headphones consist of two separate ear pieces, witnessed huge sales value growth. APAC was at the forefront of this technology in 2017 and kept its leading role in this segment. The region accounted for more than 75 percent of the turnover with these products from January to June 2018.

The advent of the high-performing headphones and headsets for €150 and more, manifested in a 15 percent increase on the average price.

Multiroom audio keeps growing

Multiroom devices, which allow playing different songs in different rooms, grew by eleven percent. This accounted for 23 percent of the total turnover of audio home systems, radio devices, docking/mini speakers, tuners, amplifiers, receivers and loudspeakers. The technology is becoming increasingly important, considering that major tech companies are now rolling out firmware updates to support multiroom capabilities.

From streaming music to talking with the device

Devices to stream audio contents via Bluetooth or Wi-Fi are the standard today: 71 percent of the sales value originated from these products from January to June 2018.

Markus Kick, GfK expert for Consumer Electronics comments: “In 2018 we are seeing more and more audio home systems, mini speakers and soundbars with embedded voice assistant. These devices increased their sales value with triple-digit growth rates and accounted for six percent of the sales value of the streaming devices in the first half of 2018. In the last months we have seen more and more products using a detour, voice control via an additional smart speaker, to be integrated in smart ecosystems. Time will tell, whether this solution will prevail or whether it is just a bridging technology.”

Connectivity features are becoming increasingly important in the domain of in-car electronics as well. Bluetooth capable devices generated more than 50 percent of the turnover, with more and more products featuring technologies to easily connect and operate a smartphone in the car.

Online retail on the rise

In the first six months of 2018, a total of 23 percent of the global audio sales value came from online sales, compared to 21 percent in the same period last year. Especially strong online sales can be found in Europe and Developed Asia, contributing with 27 percent and 24 percent online share respectively. In contrast to other categories, the increasing online importance does not influence the demand peaks throughout the year. The peak is still around Christmas time, not in November or on other online retailer events like Black Friday.

Digital radios still popular with consumers

In the first six months of 2018, radio sets* with digital audio broadcasting (DAB) accounted for sales of €227 million, a decrease of three percent compared to same period in 2017. While turnover with digital radios for the home shrunk, car radios featuring DAB have shown an over-average growth of

six percent. The reasons are twofold: on the one hand, customers voluntarily opt for such a device to have a wider choice of radio stations. On the other hand, countries like Norway stopped the FM radio signal in favor of DAB, hence customers are forced to buy a new device. The UK is currently planning to do the same.

About GfK's methods

Through its retail panel, GfK regularly collects data in more than 80 countries worldwide on the sale of audio products as well as in-car electronics.

*Product categories included the following: Audio Home Systems, Tuners, Receivers, Clock Radios, Portable Radios, Radio Recorders, Car Radios (aftermarket).

Meet GfK at IFA in Berlin, August 31 to September 5, 2018:

Come and chat with our experts in the **GfK office** at the IFA (VIP Room 2, Großer Stern).

At IFA 2018, GfK will be publishing press releases relating to the sectors IT, TV, Smartphone, Audio, Small Domestic Appliances, Major Domestic Appliances, Smart Home and Online Retail. All information is available at: <https://www.gfk.com/press-room/press-releases/>

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