

Press release

High-end TVs dragging the market upwards

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Nuremberg, August 29, 2018 – In the first half of 2018, GfK recorded total sales of €45 billion for the global market* for televisions (TV). That is about one percent more than in the same period last year, spurred by this year's FIFA World Cup in Russia. Global sales* of a total of 238 million devices are expected for 2018, which means a two percent increase compared to 2017. Furthermore, the main trends contributing to this growth are top-notch devices with high average prices, smart and connected TVs, and the recovery of emerging markets. These are GfK's findings for the global TV market to be released at IFA 2018 in Berlin.

On a regional level, LATAM fueled the global growth heavily. Those countries contributed in the first half of 2018 with a sales value growth of 25 percent towards the global turnover increase in the TV market. The region accounted for 11 percent of the global TV sales and recovered successfully from substantial losses in recent years. The regions Europe and APAC developed in a corridor between minus five percent to plus four percent.

Large screens, packed with high-end display technology

In the first half year 2018, 50+ inch TVs accounted for half of the total sales value globally. These TV sets can achieve prices of up to more than €4,000. Markus Kick, GfK expert for Consumer Electronics comments: "These premium devices feature contrast enhancing HDR or organic LED (OLED), the winning display technology in the premium price tier, with a sales value increase of more than 100 percent. Western Europe mainly drove the trend towards OLEDs, but almost all regions show three-digit growth rates. Further manufacturers are expected to join the game in the second half of 2018, adding some more dynamic in that market. In terms of the display resolution, 4K is still on the rise and the first 8K models are expected to be showcased at this year's IFA already."

The downside of this trend is that UHD resolution and larger screens are

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affecting the annual power consumption of the TVs negatively. In Europe, in the first six months of 2018, only 33 percent of all TVs sold obtained the energy efficiency class A+, showing a negative trend. A++ sales are still insignificant.

Smart and connected TVs you can talk to

With the enormous success of movie streaming platforms, and younger customers losing interest in linear TV programs, smart TVs are almost the standard today. From January to June 2018, these devices obtained a sales value share of 85 percent, up from 79 percent in 2017. On a regional level, LATAM saw 93 percent of the sales value from January to June 2018 coming from smart TVs. Only the Middle East and Africa region is lagging behind with around 66 percent value share for smart TVs.

The next step is voice-controlled TVs with more and more manufacturers coming on board and thereby increasing the reach of the digital home assistants. For now, not all voice assistants are integrated in the TV and rely on an external smart device to be voice-controlled indirectly. Time will tell whether this solution will prevail or whether it is just a bridging technology.

Online retail disrupts the global TV market

In total, 18 percent of the global TV sales value came from online sales in the first six months of 2018, up from 15 percent in the same time frame in 2017. Western Europe and emerging Asian countries contributed with 17 and 22 percent online share respectively. This increase is also reflected in the peak times throughout the year: 2015 was the last year to show a real Christmas effect, and from 2016 on the demand peak changed to November as a result of online retail sales initiatives like Black Friday. This development becomes more obvious in countries with large online retailers and their agenda of shopping festivals through the year. However, a football tournament – like this year's FIFA World Cup in Russia – shifts sales peaks even more dramatically, in this case towards May and June.

Note: *Source: GfK retail panel (70 countries) and estimation for North America

About GfK's methods

Through its retail panel, GfK regularly collects data in more than 70 countries worldwide on the sale of televisions. The GfK retail panel receives reports from 425,000 individual retailers in over 120 different sales channels. All figures relate to the overall market, i.e. all of the televisions sold in a country.



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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