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Chart 1:

Ladies and Gentlemen,
Dear representatives of the media,
Dear industry colleagues,

A very warm welcome to the IFA global press conference here in Andalusia. Thank you for joining us and for your interest in IFA and the participating industries.

Following tradition, you have already received a lot of detailed information about the current condition of the innovative consumer electronics and home appliances markets yesterday. In the next minutes I will present to you a global overview of the market of the so called technical consumer goods. This includes consumer electronics as well as home appliances.

In this context many thanks to our long term partner GfK in supporting us with lots of market related data for this press conference and for the very interesting presentations yesterday.

Chart 2-4:

Looking at the global turnover of technical consumer goods we see increasing figures. In 2018 this market reached more than one trillion Euros for the first time. This means a plus of more than three percent. For this year we estimate a growth of one percent - a positive perspective once again.

Chart 5-8:

Let's take a look at how this forecast is spread out through the product categories:

Consumer Electronics in total is estimated with a stable turnover of 779 billion Euros.

Home Appliances will reach a turnover of 273 billion Euros in 2019.

Now, let's split a bit more into the different product groups.

The three segments of consumer electronics will perform differently in 2019:

Consumer Electronics, Photo and Telecom will remain stable.

For IT and office products we expect a minus of three percent.

Both segments of Home Appliances will grow in 2019

Major domestic appliances will reach 183 billion Euros in turnover – which means a plus of three percent.

For small domestic appliances we expect an increase of seven percent up to 90 billion Euros in 2019.

Chart 9:

How will the different global regions develop and which growth rates do we expect?

China, Europe and North America will achieve 70 percent of the global turnover.

Due to the expected growth by one percent in Europe and the decrease by one percent in China these two regions will share the number one position and have the same world market share in 2019.

The region with the biggest growth is Emerging Asia with four percent.

Chart 10-12:

Next a few figures concerning the global market of TV sets.

For 2019 the total turnover of TV sets is forecasted at 90 billion Euros. This reflects a minus of three percent. Nevertheless, we estimate quite stable sales of 214 million units at an average price of 422 Euros, which means a minus of three percent.

Asia will hold the biggest share in this market segment with 38 percent in sales and 39 percent in units.

Europe will be in second position with 26 percent in sales and 24 percent in units.

At the third position we see North America with 22 percent in sales and 21 percent in units.

Looking at the average prices, Europe is the only region that predicts a stable level, expecting average prices of 471 Euros – the highest level compared to all the other regions. The average price of all sold TV sets in North America will rank on second place at 433 Euros. This means a decrease of two percent. With 379 Euros the average price in Middle East and Africa will be nearly 100 Euros below the average price in Europe.

Without the growth of high end products and the trend to bigger screen sizes the average price of all sold TV sets would be even lower.

Chart 13:

For the last four years the average screen sizes have been increasing around the globe. You can see a continuous growth of thirteen percent. We are sure that this development will continue in the next years.

In addition to these figures we like to draw your attention to a problematic tendency in Germany's TV market which might exist in other countries as well: Results of our gfu surveys during the recent years have shown a major gap between how much money customers are willing to spend when buying a new TV set and the actual average price. 850 Euros is the average amount of money German customers are willing to spend for a new TV set. More than 40 percent even want to spend over 1,000 Euros. However, the actual average price for all sold TV sets in Germany is only 600 Euros. However these figures reveal a gap of 250 Euros – an untapped market potential. It's a pity; the industry and the retailers are not able to get more money out of the customer's wallet even though customers would be willing to spend more. We think stronger efforts of trade and industry to exploit this potential are more than desirable.

Chart 14-18:

Let us now have a more detailed look at important growing segments of the TV sets market: Ultra HD and OLED are gaining more and more attraction. Both product categories are growing strongly – in numbers of units and in turnover.

In 2019 we estimate Ultra HD TVs to achieve a share of 71 % of the total TV sales and a share of 50 percent based on sold units.

The growth of OLED TV sets will reach high double digit figures. Accordingly their market share will increase to eight percent value based and up to two percent unit wise.

Earlier in this presentation we discussed the average prices of TV sets in general. Now it's time for a closer look at these:

With 1,869 Euros the average price of an OLED TV set is 3.5 times as high as the average price of all sold TV sets around the world; which is 422 Euros.

Taking the shares of UHD TV sets and OLED TV sets in account, we get some more interesting figures:

UHD and OLED together will reach a share of 52 percent in units. However these 52 percent will gain 79 percent of the value of the global TV sets market.

According to this fact, the remaining 48 percent of all sold TV sets will have an average price of only 181 Euros.

Chart 19:

Let's now switch to the biggest segment of the consumer electronics market, the smartphones. After a long period of growth we now expect a stable development on a high level for 2019 with a global turnover of 460 billion Euros and 1.4 billion sold smartphones around the world. The average price will slightly increase up to 323 Euros.

Please keep in mind that the value rated figures of smartphone sales are based on real prices. Nevertheless, in reality customers are paying less for their devices due to discounts from the mobile phone providers.

Chart 20-21:

Some more figures about smartphones:

Asia will be the biggest market for smartphones with a share of 47 percent. North America comes in second place with 19 percent but with the highest growth rate. In terms of the average price North America will be number one with 475 Euros. North America also shows the highest expected growth for the average price of the sold smartphones.

Chart 22:

A huge trend in the market is voice control, I am sure you agree. It is still exciting how the figures for this product group are continuing to develop. Regarding to figures from Futuresource market research we will see a growth of 28 percent in sales and 41 percent in units in 2019.

Please note: This data is based on shipments out of the factories, not on sales in shops or online stores. This makes a difference to all the other data in my presentation reflecting actual sales.

Chart 23-24:

Considering the various regions you might first recognize that there will be a double digit growth everywhere. Taking a closer look, we see that the US will be in the leading position with 57 percent of the turnover and 55 percent in terms of units.

Looking at the shares of the rest of the world in this segment, which is around one percent in terms of value and units, you might see the huge potential of this market outside the mentioned regions.

In the Asia/Pacific region the sold smart speakers will have an average price of 41 Euros while in Europe the average price will be 94 Euros. In the US a smart speaker will sell with an average price of 64 Euros.

Chart 25:

Ladies and Gentlemen, I switch over to home appliances now.

In 2019 the major domestic appliances market will grow by 2.8 percent after a growth of 1.2 percent last year. The sales around the globe will reach 183 billion Euros.

For the last ten years this market has been growing continuously in terms of units and turnover. Only in 2012 and 2015 we have not seen growth in turnover due to currency exchange effects.

Chart 26:

Growth is basically driven by innovation and energy efficiency. A result from our annual gfu survey underlines this claim: 61 percent of all participants said they would buy a new major domestic appliance because it requires less water and energy and is therefore much more environmental friendly. Products with added value drive positive market developments. In the field of major domestic appliances “Hobs with integrated hoods”, “washing machines with steam functions” and “combi fridges no frost over 200 cm height” are convincing examples. You will find the growth rates of the general categories in brackets on this chart.

Chart 27:

Small domestic appliances will have nearly the same growth rate as last year. Seven percent of growth would adorn every product category. This is exactly the performance of small domestic appliances, in other words, the biggest increase in the market for technical consumer goods.

With its huge variety of products small domestic appliances is a very innovative segment. More and more versatile and high-performance products make everyday life more comfortable and help to save time and resources. Small domestic appliances make life healthier, richer and often more comfortable, providing positive experiences, fun and wellbeing.

Chart 28:

Small domestic appliances with the biggest growth rates expected in 2019 are shown on this chart, again compared with the complete segment in brackets: “Vacuum cleaner robots” will increase by 35 percent; “handstick vacuum cleaner rechargeable” by 47 percent and “espresso full automatic machines” by 19 percent.

Chart 29:

Increased connectivity in appliances continues to stand out as a development feature and is one of the growth drivers. This leads to even smarter and more versatile products. The functionality of connected devices is already quite high and will be enhanced even more this year.

Looking at smart major domestic appliances, the share of connected devices increased to 15 percent of the market in 2018, a growth rate of 20 percent.

Connected smart small domestic appliances grew even faster: 69 percent in 2018 while the market share reached six percent.

These figures do not include North America. I am sure that the results would be even higher with the figures from the US.

Chart 30:

In general the market for smart products is growing: Looking at the global turnover with a selection of smart products we expect a growth of nine percent up to 133 billion Euros in 2019. This figure contains Smart TV sets, smart speakers, smart audio, smart MDA and smart SDA.

We believe this trend will speed up even more in the next years.

Chart 31:

After having shown a lot of market insights based on products let us now have a look at the sales channels. It is a matter of fact that all market participants need to have cross channel concepts. This chart indicates how important this is. The share of online sales is growing around the world. For example Great Britain, China, Russia, Japan and South Africa have increasing shares of online sales with a plus of more than 40 percent as a minimum over the last four years. Thus, I am pretty sure that we’ve not yet reached the limit.

Chart 32:

In addition, online promotional events are setting the sales peak agenda for technical consumer goods. GfK has reported this effect in numerous countries over the last years. Peaks caused by sale events like “Black Friday” are now of even greater importance than the well-established Christmas peak. Last year “Black Friday” generated sales more than twice as high as the weekly average of the whole year.

Chart 33-37:

To conclude let me summarize:

The global market for technical consumer goods is still growing - especially smart and connected devices are gaining importance.

Europe, North America, Middle East & Africa will be growing markets in 2019.

The global market for technical consumer goods develops not homogenous. There are big differences from region to region concerning the penetration with new and innovative products and the average prices of the various products.

The share of online sales will continue to increase around the globe.

Promotions like “Black Friday” are gaining more and more importance.

Chart 38:

And last, but not least, I want to invite you all to visit IFA 2019 in Berlin! There is no better place to see all these products and innovations I’ve just talked about.

Thank you very much for your attention!