Global Market Trends – TCG
(Technical Consumer Goods)

IFA Global Press Conference
2019-04-26
Friedemann Stöckle
1. **Global Market Trends TCG**  
   (Technical Consumer Goods)  
   Helicopter view on innovations in Technical Consumer Goods

2. **Smart Home**  
   Crossing the chasm – Well-crafted individual solutions within a common ecosystem possess a tangible opportunity.

3. **Consumer Electronics**  
   including Smart Phones / IT  
   Today and tomorrow: How the consumer sets the bar for innovation

4. **Home Appliances**  
   Major and Small Appliances  
   Emerging trends: From consumer needs to global trend opportunities
Global market for technical consumer goods

Source: GfK Point of Sales Tracking and total market estimation incl. North America, based on a fixed currency exchange rate
The Consumer
"I feel like I am in more control than ever before when choosing the best products to buy."

65%

Global respondents agreeing

Source: GfK FutureBuy 2018

Delivering on the experience of borderless shopping is an opportunity
5 key themes drive the technical consumer goods market

Rich experiences
- Performance
  - Rich experiences
  - High-end product features
- Simplification
  - Connected devices simplify
  - Voice assisted
- Premium
  - Aspirational products for “me”
  - Premium price
- Borderless shopping
  - Everywhere and anytime
  - Mobile shopping on the rise

Impactful
- Developing economies
  - … are maturing
- Markets are shifting

Impactful from production to innovation

Rich experiences delivered through
Consumers choose innovative products
Premium is paid for new models with an upward trend

Global Price Index* – 2009 = 100%

* Source: GfK POS Panels worldwide; North America excluded. All audited TCG Products | ** New models = max 24 months old

New models**
25% above World Average

Europe
12% above World Average

Consumers choose in Europe in 2018 even more new high-end models

** Source: GfK POS Panels worldwide; North America excluded. All audited TCG Products | ** New models = max 24 months old
Products in China transform to highly innovative up-market models

Global Price Index* – 2009 = 100%

High innovation rate and upmarket trends are observed in China in all technical consumer goods

* Source: GfK POS Panels worldwide; North America excluded. All audited TCG Products | ** New models = max 24 months old
The Innovation Cycle
Innovation rates in CE, Telco, IT extremely high  
Life cycles of home appliances are longer

Sales in 2018: Shares* in value by year of product launch

<table>
<thead>
<tr>
<th>Year of product launch</th>
<th>Consumer Electronics</th>
<th>Telecom</th>
<th>Information Technology</th>
<th>Major Domestic Appliances</th>
<th>Small Domestic Appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>33</td>
<td>43</td>
<td>40</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>2017</td>
<td>49</td>
<td>48</td>
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<td>36</td>
<td>32</td>
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<tr>
<td>2016</td>
<td>11</td>
<td>8</td>
<td>6</td>
<td>23</td>
<td>19</td>
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<td>2015</td>
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<td>Before 2015</td>
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</tbody>
</table>

* Source: GfK POS Panels worldwide; North America excluded.
PTV show extremely high innovation shares in Europe

PTV sales in 2018: Shares* in value by year of product launch

<table>
<thead>
<tr>
<th>Year of product launch</th>
<th>Total*</th>
<th>25 Ctr. Europe</th>
<th>ASIA</th>
<th>Middle East /Africa</th>
<th>LATAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50</td>
<td>43</td>
<td>30</td>
<td>27</td>
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<tr>
<td>2018</td>
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<tr>
<td>2017</td>
<td>10</td>
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<td>2016</td>
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<tr>
<td>Before 2015</td>
<td>34</td>
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* Source: GfK POS Panels worldwide; North America excluded.
For refrigerators, Asia is leading with new models

Refrigerators sales in 2018: Shares* in value by year of product launch

Total*

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<tr>
<td>Asia</td>
<td>18</td>
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<tr>
<td>Ctr. Europe</td>
<td>11</td>
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<tr>
<td>Middle East /Africa</td>
<td>12</td>
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<tr>
<td>LATAM</td>
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* Source: GfK POS Panels worldwide; North America excluded.
High-end in Europe on the rise – esp. through innovative products in all product categories

### 25 Ctr. Europe | Value shares* selected product groups

<table>
<thead>
<tr>
<th>Product</th>
<th>2010</th>
<th>2014</th>
<th>2018</th>
<th>2018 Product launch 2018 only</th>
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<tbody>
<tr>
<td><strong>PTV/FLAT</strong></td>
<td></td>
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<tr>
<td>Ø Price</td>
<td>514</td>
<td>434</td>
<td>459</td>
<td>505</td>
</tr>
<tr>
<td>&gt;= 800 EUR</td>
<td>35</td>
<td>31</td>
<td>35</td>
<td>39</td>
</tr>
<tr>
<td>500 &lt; 800 EUR</td>
<td>28</td>
<td>22</td>
<td>23</td>
<td>24</td>
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<tr>
<td><strong>Smart / Mobile-Phones</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Ø Price</td>
<td>154</td>
<td>222</td>
<td>315</td>
<td>363</td>
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<tr>
<td>&gt;= 800 EUR</td>
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<td></td>
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<tr>
<td>500 &lt; 800 EUR</td>
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<tr>
<td><strong>Vacuum Cleaners</strong></td>
<td></td>
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<tr>
<td>Ø Price</td>
<td>103</td>
<td>116</td>
<td>143</td>
<td>204</td>
</tr>
<tr>
<td>&gt;= 800 EUR</td>
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</tbody>
</table>

* Source: GfK POS Panels Europe 25 countries

Innovation Empowers Markets

Global TCG Markets

Consumer …
is in control

Products …
permanently used – some many times every day

Innovation …
focus on performance, simplification, and premium

… centricity and wants it “now”

… with smart benefits connected and voice assisted products create new benefits

… empowers markets value creation for consumers, retailers and manufacturers
Global Market Trends TCG with Friedemann Stöckle

IFA Global Press Conference 2019
Friday, April 26
1:30-2:05 PM | Room 1

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