Home Appliances and emerging trends

From consumer needs to global trend opportunities

IFA Global Press Conference
26th of April 2019, Huelva
Norbert Herzog | Global Strategic Insights
Global market for Major & Small domestic Appliances: Regional split 2018

Source: GfK Point of Sales Tracking and total market estimation incl. North America, based on a fixed currency exchange rate
Global market for Major & Small domestic Appliances: Regional split 2018

Asia and Europe account for two thirds of the global turnover

Global MDA & SDA

Turnover €262bn
Growth Rate +3%

Emerging Asia

+20% SDA

+1% MDA

Europe
€86bn +3%

Asia-Pacific
€93bn +3%

North America
€51bn ±0%

Latin America
€17bn +6%

Middle East & Africa
€15bn +3%

Global MDA/SDA Market
Source: GfK Point of Sales Tracking and total market estimation incl. North America, based on a fixed currency exchange rate

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5 Key Themes in Home Appliances

**Rich Experiences**

*delivered through*

**Performance**
- Enablement of rich experiences
- Manifestation via high-end features

**Simplification**
- Simplify recurrent tasks
- Smart
- Voice Assistants bring next level connectivity

**Premium**
- Aspirational Products express Identity
- Pamper the “Me”

**Borderless Shopping**
- Shopping 24/7 everywhere
- Omnichannel
- Mobile shopping on the rise

**Well-being**
- Compensating (urban) pollution
- Air and water quality
- Sleep

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SDA specific

Impactful from Production to Innovation

Developing Economies
- High impact
- Risk: Fluctuation
- Maturing economies expand regionally
Rich experienced delivered through **Simplification**
Simplification to activate the consumer willingness to spend

“I am prepared to pay more for products that make my life easier.”

43%↑
global respondents agreeing

Vacuum Cleaner
Robots

Sales Value Growth

2016 2017 2018

Robots

Total

35%

17%

Washdryer >5kg
drying capacity

Sales Value Growth

2016 2017 2018

Washdryer >5kg drying

Total

25%

-1%

Major Domestic Appliances with Steam*

Sales Value Growth

2016 2017 2018

MDA Steam

Total

30%

-2%

Source: GfK Consumer Life Study 2018, GfK Point of Sales Tracking; * Cooking, Dishwasher, Microwaves, Tumble Dryers and Washing Machines

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Smart small appliances are still behind large appliances. Laundry and personal care is leading the dynamics.

**Smart:** Most relevant Home Appliances product groups

- **Smart MDA**
  - 2015: 4%
  - 2018: 16%

- **Smart SDA**
  - 2015: 1%
  - 2018: 10%

<table>
<thead>
<tr>
<th>Product Group</th>
<th>Sales Value %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tumble Dryers</td>
<td>30%</td>
</tr>
<tr>
<td>Washing Machines</td>
<td>28%</td>
</tr>
<tr>
<td>Air Treatment</td>
<td>31%</td>
</tr>
<tr>
<td>Personal Scales</td>
<td>22%</td>
</tr>
</tbody>
</table>
Rich experienced delivered through **Premium**
Consumer Identity and Aspirations mirrored by Premium Products

“It is important to indulge or pamper myself on a regular basis.”

GfK Consumer Life Study 2018

42% of global respondents agreeing

Q4: up 100+%  
Q4 APAC: up 800+%  

Handstick Rech. > 500$: +65%  
Vacuum Cleaner <500$: +11%  

Hair Styler >= 100$: +59%  
Hair Stylers <100$: -1%  

Pistol Grip Hairdryer >=300$: +75%  
Hairdryers <300$: +5%  

Source: GfK POS Retail Panel, GfK Consumer Life : 2018 , All figures are growth rates for Jan-Dec 2018  
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Consumer identity and aspirations mirrored by premium products

“It is important to indulge or pamper myself on a regular basis.”
GfK Consumer Life Study 2018

Source: GfK Consumer Life Study 2018, GfK Point of Sales Tracking; all figures are growth rates for Jan-Dec 2018, Sales Value EUR
Rich experienced delivered through Borderless Shopping

Delivering on the experience of borderless shopping is an opportunity
Online landscape: Country specific online retail enables borderless shopping in the past years.

“I really need the shops and services I use to be available at all times.”

GfK Consumer Life Study 2018

38% ↑

global respondents agreeing
Traditional retailers leveraged their leap of faith in the online world but mobile shopping blurs the borders between channels.

"My smartphone / tablet is quickly becoming my most important shopping tool"

Source: GfK Consumer Life Study 2018, GfK Point of Sales Tracking

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Key Themes in Home Appliances

Rich Experiences
delivered through

- Simplification
  - Simplify recurrent tasks
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  - Voice Assistants bring next level connectivity

- Premium
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Impactful
from Production to Innovation

Developing Economies
- High impact
- Risk: Fluctuation
- Maturing economies expand regionally
Developing economies and their influence on the global MDA market

High impact of fluctuating demand

Impactful
Regional sales unit share

Rest of world
30%
64%
6%
China
Brazil

Fluctuating
Regional sales unit growth %

Source: GfK Point of Sales Tracking
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Developing economies and their maturing role: From production economy to a significant global player

China as the home of an increasing number of global brands

**Export**

China’s smartphone makers increasingly tap into the international markets (2016: 31%)

**Acquisitions**

Chinese MDA brands strengthen their footprint via acquisitions with significant impact in Europe

<table>
<thead>
<tr>
<th>Region</th>
<th>Pre-acquisition 2017 (unit %)</th>
<th>Post-acquisition 2018 (unit %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WE</td>
<td>1.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td>CEE</td>
<td>0.6%</td>
<td>13.1%</td>
</tr>
</tbody>
</table>

Source: GfK Point of Sales Tracking
### Key Take-Aways GfK Power Briefing

<table>
<thead>
<tr>
<th>Performance</th>
<th>POWER FOR EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplification</td>
<td>CONVENIENCE AND CONNECTIVITY</td>
</tr>
<tr>
<td>Premium</td>
<td>INNOVATION EMPOWERS MARKETS</td>
</tr>
<tr>
<td>Borderless shopping</td>
<td>CONSUMER EXPECTS OMNICHANNEL</td>
</tr>
<tr>
<td>Developing Economies</td>
<td>IMPACTFUL FLUCTUATING MATURING</td>
</tr>
</tbody>
</table>

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Home Appliances & emerging trends with Norbert Herzog

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Friday, April 26
3:55-4:15 PM | Room 1

Norbert.Herzog@GfK.com | www.GfK.com | TEMAX.GfK.com