



Press Release

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European market for small domestic appliances records positive figures

Findings from GfK Retail and Technology for the first half of 2010

Nuremberg, September 3, 2010 – The European market for small domestic appliances has recorded positive figures for the first six months of this year. In Western Europe, sales increased by 6% in comparison to the previous year, while Eastern Europe saw growth of as much as 7%. GfK Retail and Technology present the latest key market figures from the retail panel as the IFA 2010 trade fair kicks off in Berlin.

Dynamic markets, innovative products and an altered retail landscape have reshaped the market for small domestic appliances in Western Europe. One constant in these times of change has been the solid year-on-year growth achieved in the six major Western European countries of Germany, Spain, France, the UK, Italy and the Netherlands. Sales (in euro) for the first half of 2010 stand 6% above the value for the prior year and each individual country has also recorded a significant increase.

Vacuum cleaners are in first place, with almost half of the total sales growth attributable to this product group. Food preparation appliances, coffee and espresso machines, men's shavers and epilators are also providing significant stimulus.

The market for small domestic appliances has proven to be virtually resistant to the effects of the economic and financial crisis, with the huge variety of products and providers compensating for declines in some areas. An additional factor is the innovative strength of manufacturers, which the retail sector has supported with a high level of commitment. In numerous product groups, it has also been apparent that although many consumers are not necessarily making purchases more frequently, they are spending more on new acquisitions. High grade features and the quality of the purchased model are often the deciding factors.

Furthermore, sales of premium products over the internet have increased: the sales share of online business in Western Europe currently stands at

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around 10%. However, a differentiated picture emerges between various product groups and individual countries. For example, while the share in France, Germany, the UK and the Netherlands currently stands at more than 15%, internet sales are still not particularly popular in Southern Europe.

Vacuum cleaners continue to drive growth

With a 2% increase in units sold and a 9% rise in sales revenue, the considerable growth in the vacuum cleaner product category is continuing this year. In the most important segment – cylinder vacuum cleaners – high-quality bagless appliances in particular have experienced growth. In general, a preference for branded products and trading-up are the observable trends among consumers.

In addition, the market is being boosted by the significant rise in demand for robotic vacuum cleaners, which now constitute 3% of total sales, and handstick vacuum cleaners, whose growth is primarily attributable to new products and competitors in the rechargeable handstick segment.

Coffee and espresso machines providing positive stimulus

For several years, the market for coffee and espresso machines has been a vital growth segment among small domestic appliances in Europe, recording steady, and at times double-digit, growth. The market is characterized by innovative products, and consumers who are showing acceptance of these developments, altering their drinking habits as a result. New appliances for preparing coffee, such as pad and capsule machines, have enjoyed major popularity, but the traditional filter coffee machine segment has also been able to maintain its level.

Total sales in Western Europe increased by 4% in the first half of 2010 and volume sales growth stands at 2%. This is attributable to the rising demand among consumers for higher quality appliances in the espresso segment. The highest level of growth has been recorded for espresso capsule machines, which saw an 18% increase in sales volume.

Consumers are showing great interest in “single serve solutions”, which allow one cup of coffee or espresso to be quickly and easily prepared. For also sales of coffee pad machines have recorded growth of 5%, whereas the segment of fully automatic machines has seen a decline of 6%.

Personal care products record considerable sales increase

The personal care segment, which includes men’s shavers, electric toothbrushes, epilators, hairdryers, hairstyling appliances and hair clippers, among other products, has recorded significantly positive growth in comparison to the previous year. Sales have risen by 6% in the six major Western European countries.



Following years of stagnation, the largest segment, men's shavers, has seen growth for both the upper end of the entry-level price products and the premium products. High-quality products are also in demand for epilators. The trend in the hair removal products segment is towards ever-more flexible appliances. Increased demand has also been recorded for the product groups of beard trimmers, precision groomers and body groomers.

Hairstyling appliances have been the most dynamic category for several years. New product ideas, such as combining curling tongs with straighteners and ionic brushes, are making sustained progress on this market. The trend is moving away from products that only straighten hair towards models which enable a more flexible styling.

Differentiated picture in Eastern Europe

Overall, sales revenue has risen by 7% in the six major Eastern European countries, while volume sales figures have again stabilized following the crisis-driven losses in the previous year. After considerable declines in sales last year, Ukraine and Slovakia in particular have returned to positive growth rates. Sales in Hungary and Romania declined in the first half of 2010, but on a monthly comparison a slight recovery is evident. Contrary to this trend, the market in the Czech Republic remains negative and in neighboring Poland, which was hardly affected by the crisis last year, the market for small domestic appliances is now experiencing a delayed decline.

Across individual product groups in Eastern Europe, sales increases have again been recorded for devices from the segments of food preparation appliances, coffee and espresso machines, kettles and vacuum cleaners.

The method

Through its retail panel, GfK Retail and Technology regularly collects data on small domestic appliances in the segments of beverages, kitchen appliances, personal care, home comfort products and consumables. For the Western European market, this evaluation is based on information from Germany, Spain, France, the UK, Italy and the Netherlands. For the Eastern European market, it is based on six countries: the Czech Republic, Hungary, Poland, Romania, Slovakia and the Ukraine.

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