

European CE market ends 2010 with a positive performance

NUREMBERG, GERMANY: By the end of 2010, the European consumer electronics market had recorded positive growth of +2%, signalling the end of the impact of the financial crisis on this sector.



What has become very apparent is the stark contrast between Western and Eastern Europe. The Western European Markets, as expected, benefited significantly from the FIFA World Cup in South Africa. In the first half of 2010, market development was stimulated by consumer demand for a new, bigger, Flat-TV. In June 2010, expenditure for flat TV was a third higher than the previous year as consumers sought the larger screens and improved picture quality available for the World Cup. Fast forward one quarter and the interest in buying a new TV waned, leading to an overall decline in the sector during Q3 2010.

Nevertheless, the Flat-TV market continues to be driven by the latest innovations; Web TV is becoming increasingly popular as consumers demand internet content. They are also interested in 3D; in 2010 we expect around 800 000 3D TV-sets to have been sold in Europe. 3D content however remains scarce; 3D Blu Ray and 3D programs are as yet unavailable on any significant scale.

While Eastern European countries also enjoyed success during the World Cup in the TV markets, these regions started very poorly at the start of 2010. The impact of the financial crisis was felt harshly until the second quarter, before recovering in June and continuing to do so throughout the second half of the year.

Digital the way to go

The 'Digital Switch Over' is also influencing the market. Consumers are investing in new set top boxes as, country by country, analogue programs are gradually switched off and replaced by digital. Hi-Fi was a product area to enjoy a positive development in Q3 2010. Sales still benefit from the fact that once consumers have invested in the quality of visuals, the next step in many cases is to improve audio. Hi-Fi devices, Home theatre systems along with Hi-Fi-receivers and loudspeakers all performed well.

The CE sector benefited from development in other sectors. The success of Smartphones and tablet PCs is influencing the development of headphones. All over Western Europe headphones developed extremely positively. More than 80% of this market is accounted for by in-ear or mini headphones, dedicated to portable media players, for Smartphones or tablet PCs, but traditional headphones are now even seen commonly as an outdoor device, thanks to their fashionable style.

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