

Major household appliances industry grows 23% across Asian markets

SINGAPORE: Thanks to the economic recovery, increasing spending power of consumers in the region has been a boon to many industries, including the major household appliances sector, which has managed to bounce back from its weakened performance of yesteryear.



GfK Asia findings across nine Asian markets - Singapore, Malaysia, Thailand, Hong Kong, Taiwan, South Korea, Philippines, Vietnam, and Indonesia revealed an exponential increase of 23 and 19% respectively in overall sales and volume compared to a year* before, with various markets even registering more than 50% growth.

"With Asia leading the growth in home sales globally, it is not surprising to see heightened demands for household appliances in this part of the world as well. Developing economies in the region such as Indonesia and Philippines experienced the greatest growth with consumers here spending over 60% more on major home appliances," said Jasmine Lim, regional account director for Home Appliances at GfK Asia. "Surging demands also spurred price hikes in majority of the markets surveyed where average prices rose by 10% or more, with countries like Singapore and Indonesia hitting 19.5 and 14.5% growth respectively.

Key appliance air-conditioners

According to GfK findings, a key appliance which contributed to the good performance of the industry was air-conditioners, selling over 25% more in units and raking in 24% more in dollar value in the past 12 months. Among all the countries surveyed, the top markets which spent the most on air-conditioners, out of their total household spend on major home appliances were Taiwan (51.3%), Hong Kong (44.6%), and Singapore (42.8%).

"Besides an intense and early onset of summer in some of the markets which has led to increased air-conditioner sales, we also observed more household buying the more expensive inverter type air conditioners - reflecting a growing awareness of consumers towards its environmental-friendly and energy conservation benefits," highlighted Jasmine Lim. "This trend is especially gaining prevalence in Taiwan where nearly three in five (58%) of all air-conditioners bought are inverter-types."

Increasing spendings for higher-end products

Another emerging trend brought about by increasing spending power is consumers' preference to purchase more sophisticated, higher-end products. "For instance, our report is showing shifts in buying patterns in washing machines from double tub to single tub, top to front loaders, and also upgrading to higher capacity models," observed Lim.

Yet another example of consumers' upgrading to higher-end appliances is reflected in the refrigerator segment. In developing markets, two-door top freezer type are gradually replacing the one-door model, while in more affluent economies, there is a rising interest towards the niche segment of multi door refrigerators.

"Consumers these days are more well-informed and conscious about environmental issues, thanks to global activities such as Earth Hour and other government campaigns to raise awareness of its importance," said Lim. "As such trends persist, we can predict that the future of the home appliance industry will significantly be shaped accordingly and we can expect more environmental friendly appliances occupying a substantial proportion of the market," she concluded.

For more, visit: <https://www.bizcommunity.com>