

# Technology markets continue to grow in Asia

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For the total year-to-date (Jan-Nov 2010) the markets continued to witness positive growth across the board in terms of value and units in nine\* Asian countries. At -1.5%, slight price erosion persists in the telecom sector when compared to last year. In November, major domestic appliances registered the greatest growth (22.5%) in sales value, closely followed by photo (20.8%). In terms of sales units, telecom displayed the highest growth (19.1%), followed by major domestic appliance (18.6%).

## Consumer electronics

YTD 2010, the consumer electronics (CE) market has grown by 4.7% in unit terms compared with last year. The market has managed to grow by 19.7% in value terms in spite of the matured camcorder market and the declining popularity of CRT TVs. One key driver of increasing average selling price is the continual growth of the LCD TV segment across the Asian markets. This growth is bolstered by the increasing popularity of LED TVs as well as the emergence of 3D TVs. As there is still a considerable share of CRT TVs in countries such as Indonesia, Philippines, Thailand and Vietnam, the opportunity for growth within the region remains high. The DVD player and audio home systems markets have also grown, especially in value terms. This growth can be partly attributed to the increasing popularity of Blu-Ray technology amongst consumers across all Asian countries.

## Photo

Overall, the photo market has registered positive growth across all countries. Interestingly, the sales value of digital cameras has outgrown sales units, signifying an overall higher average selling price. Despite having registered the highest unit growth of 31.6% when compared to last year, the Philippines market continued to experience high price erosion, limiting the growth in value to 11.6%.

## Major domestic appliances (MDA)

MDA experienced a healthy growth of 22.5% in volume terms, the main bulk of it coming from the air conditioner category which contributed to 23.5% in volume. We also see consumers trading up to more sophisticated and economically viable appliances. For example, it has been observed that inverter air conditioners experienced high growth and gradual increases have been registered in niche segments of washing machines and refrigerators.

## Small domestic appliances (SDA)

Vacuum cleaners, food preparation and irons all boast double digit value growth YTD 2010, amounting to 23% in total for small domestic appliances. In addition to being the largest SDA category in terms of value sales, vacuum cleaners is also leading in growth with Taiwan and Singapore registering the highest increases of 39% and 35% respectively. Food preparation, the second fastest growing SDA category sees Vietnam, Singapore and Hong Kong at the forefront of value

expansion.

## Telecommunication

The telecom sector continued to command more than a third of technical consumer product spend in November 2010. Most countries tracked by GfK Asia have almost doubled or more than doubled in the share of smartphones period on period. While prices of both smartphones and mobile phones have registered declines, smartphones have continued to enjoy tremendous growth in sales units and value.

## Information technology

The YTD overall desktop computer retail market has grown by 11.3% in terms of sales value. Consumers are purchasing higher-end desktop computers, which fuelled an 11.1% increase in the average selling price, compared to the same period last year. The mobile computer market is facing a different trend, with Asian consumers purchasing cheaper netbooks instead of mainstream notebooks. This can be reflected by the moderate -3.9% decline in average selling price in this category.

However, the growing netbook trend can only be seen among the developing nations of Indonesia, Malaysia, Philippines, Thailand and Vietnam. In developed nations such as Singapore and Taiwan, consumers are setting the trend with webbooks instead. Between July-November 2010, webbook sales have amounted to US\$85 million (about R600 million) in these two countries.

## About this report:

The GfK *Market Insight (GMI) Asia Report* analyses consumer electronics, photo, information technology, major domestic appliances, small domestic appliances and telecommunication markets. The report tracks 9 countries: Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam. Only common products across the 9 countries are included in the Total Market analysis.

For a copy of the full GMI Asia report including charts and market breakdowns, contact Seraphina Wee, GfK Asia, +65 6826 8622, or email [seraphina.wee@gfk.com](mailto:seraphina.wee@gfk.com).

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