

Smartphones and panel TVs lift South Africa's consumer tech market in Q2 2018

Issued by [GfK – An NIQ Company](#)

11 Sep 2018

Revenues in South Africa's technical consumer goods market climbed 8% year-on-year in the second quarter of 2018, boosted by a 16% rise in the telecommunications sector and a 17,4% increase in small domestic appliances, according to point of sale data from market research firm, [GfK South Africa](#). The data also shows that the major domestic appliances and consumer IT segments grew by 3% and 6.6% respectively.



The smartphone segment, one of the biggest contributors to South Africa's technical consumer goods market, was given a boost by growth in sales of larger display devices together with the continued adoption of entry-level smartphones. Hot air fryers continued to drive the expansion of the small domestic appliance market as consumers opted for healthier lifestyles.

"The South African consumer technology market is holding up reasonably well under difficult economic conditions. Consumer confidence in Q2 2018 was significantly up compared to Q2 2017, which helped to lift sales in the consumer technical goods market," says Kali Moahloli, Commercial Head for Market Insights at GfK South Africa.

"In the telecommunications and IT sector, consumers are looking for value, and vendors are responding with affordable products. Tier-two manufacturers are doing well with value-for-money smartphones with large displays, while we saw strong sales for entry-level (sub-R4000) mobile computers," says Moahloli.

In the IT segment, sales in the media tablet category continued to deteriorate with a 42% drop in unit sales, while smartphones' value overall increased by 16%. Revenues in the consumer electronics sector grew 7.8%, driven by strong demand for ultrahigh definition and large screen panel televisions. However, revenues in audio home systems, receivers and headphone categories all dropped sharply.

Other highlights from Q2 2018 include the following:

- Kettles and toasters – the first and fourth largest categories in small domestic appliance units and value – registered double-digit growth in unit sales due to an increase in average selling price and robust consumer demand.
- Entry-level and mid-range units made up 45% of the value of Q2 2018 desktop sales, compared to 28% in Q2 of 2017.
- The monitor market performed well, thanks to better desktop sales and a growing selection of high-value monitors from major brands.
- The photography category enjoyed double-digit year-on-year growth during the second quarter of 2018, lifted by good sales of high-end models and printing cameras. Mid-range cameras did not perform well, however, with consumers sticking to their smartphones for casual photography.
- The office equipment category has continued its decline, falling 5.4% in value. A sharp, double-digit fall in printer cartridge sales and fierce price competition were major factors in this.

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