

GfK Market-i

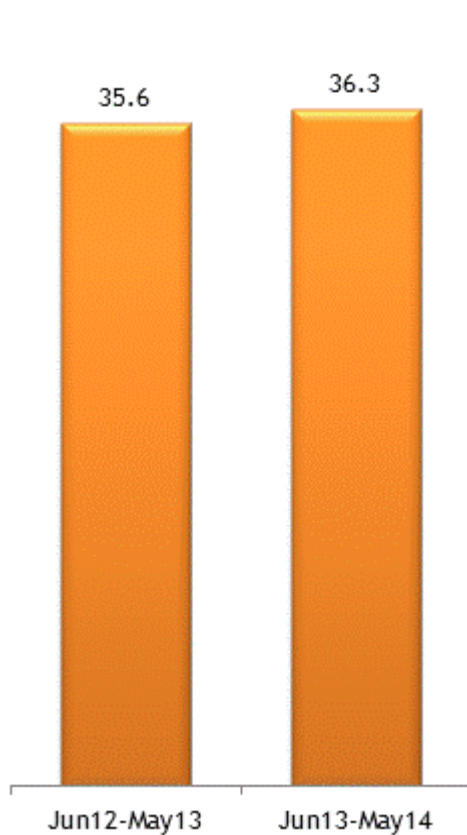
An Insight into May 2014 UK Retail Durable Sectors

www.gfk.com/uk

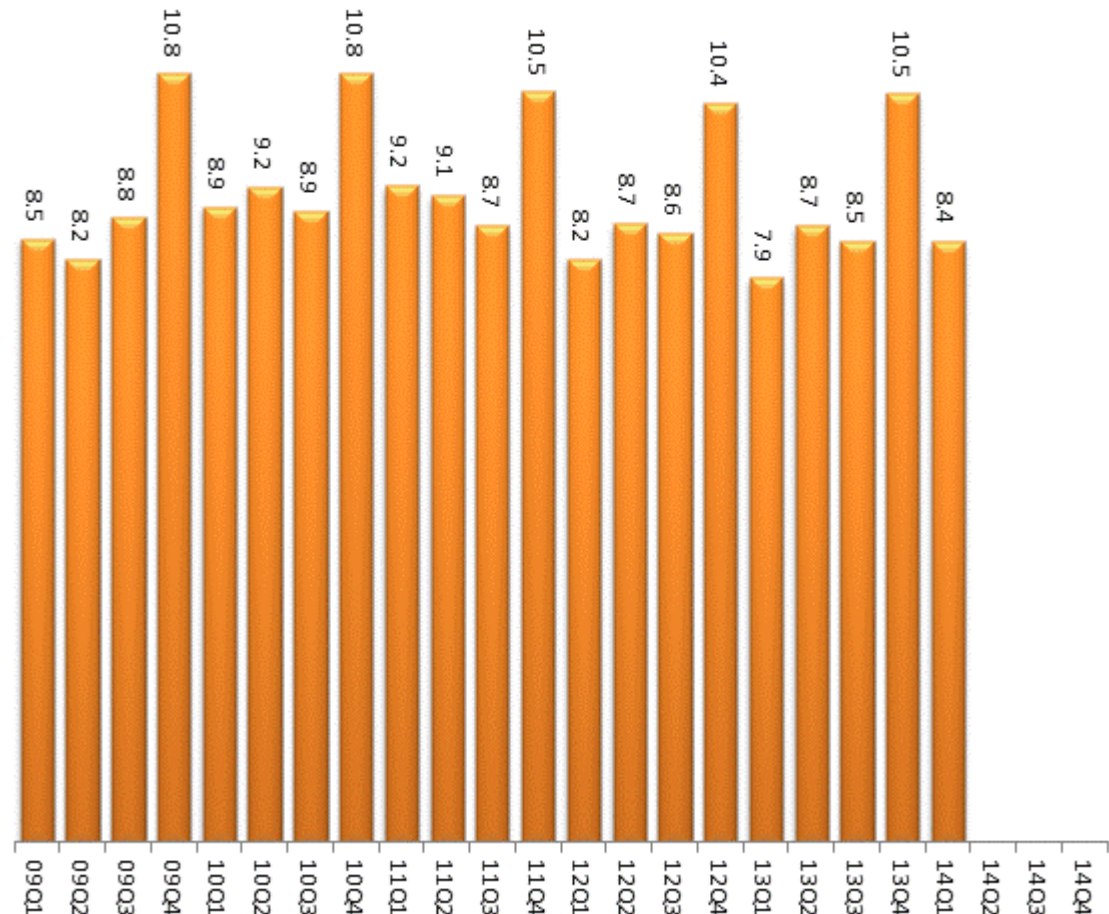
- In May 2014 the total durables market grew for the seventh consecutive month. Total market value grew 1.6% month on month, reaching £3.5bn compared to the same month last year.
- After two bumper months of value growth, the DIY/gardening sector declined 2.9% as consumers began to turn their attention to upcoming sporting events.
- The “World Cup Effect” has had a positive impact on the consumer electronics market, which grew 19.1% compared to May last year (this was the most significant growth of all the sectors). Of particular note was the televisions product category, which grew 24% as consumers brought forward their purchases in order to improve their viewing experience and took advantage of significant promotional activity amongst retailers.

How is the Total Durables Market Performing?

Market Value: Year on Year
Billions of Pounds



Market Value: Quarterly
Billions of Pounds

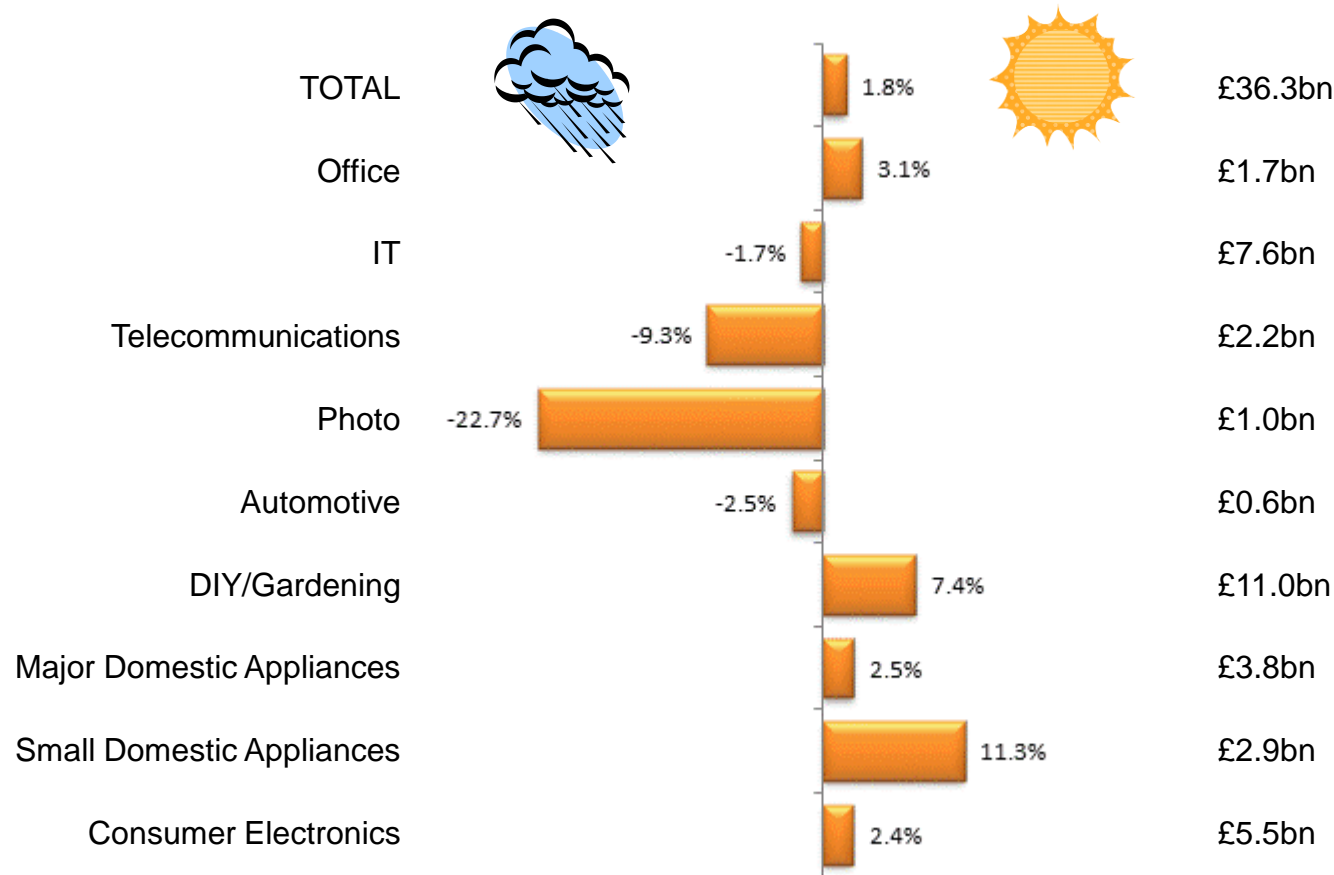


Which Sectors Have Driven the Market Year on Year?

Year on Year % Growth in Value

(the latest moving annual total versus the previous moving annual total)

Market Value
Jun13-May14

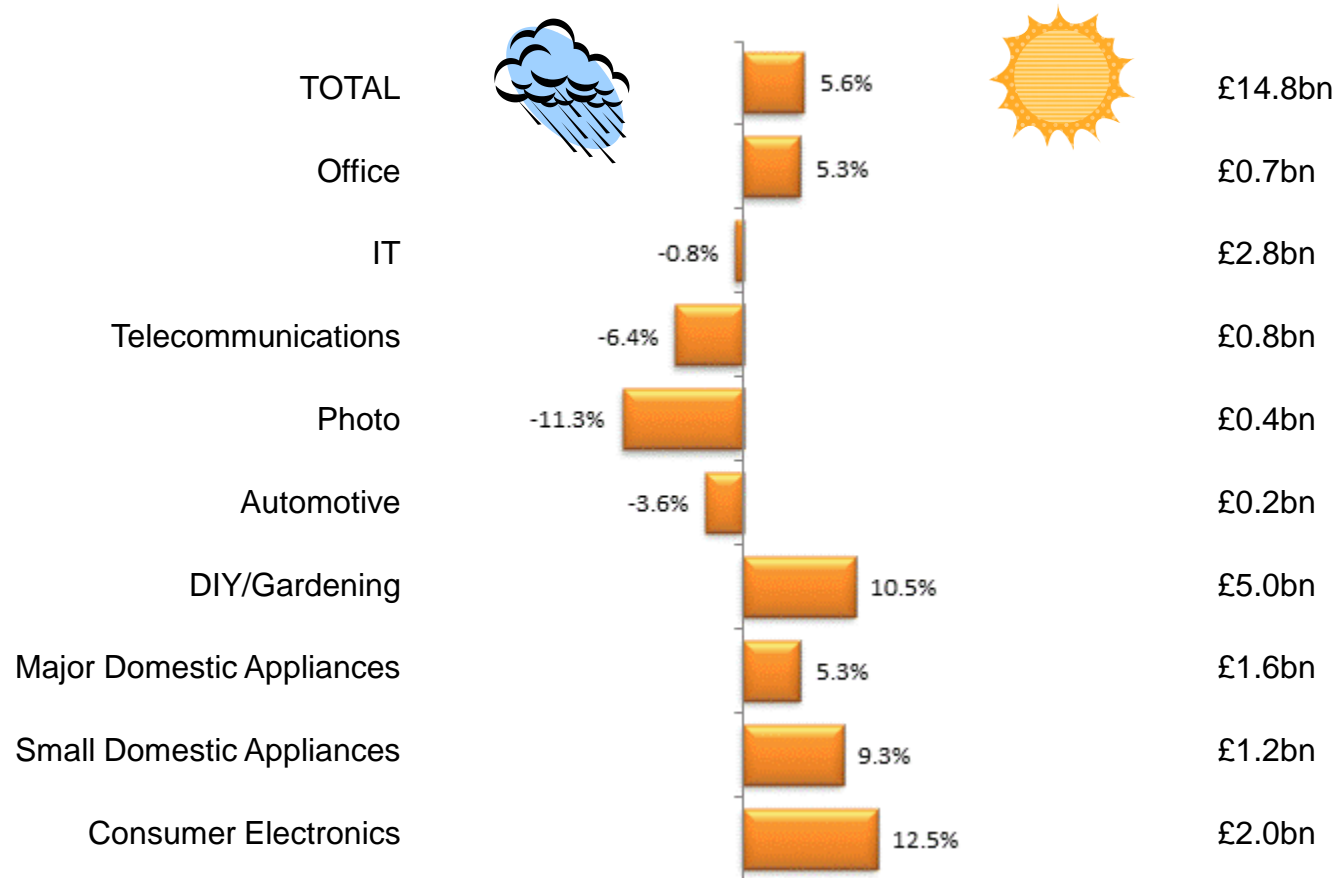


Which Sectors Have Driven the Market Year to Date?

Year to Date % Growth in Value

(value so far this year versus the same period last year)

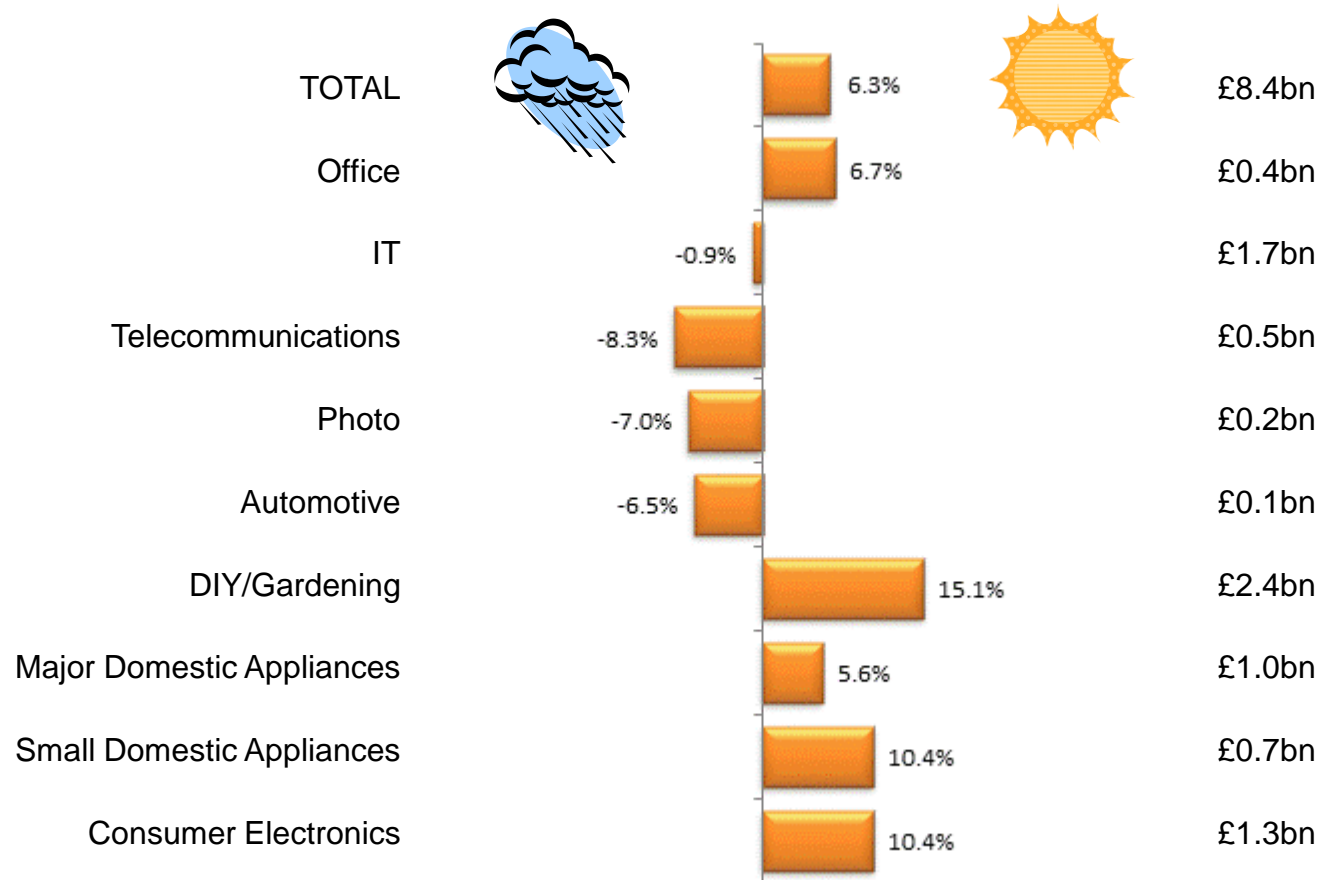
Market Value
Jan14-May14



Which Sectors Have Driven the Quarter on Quarter?

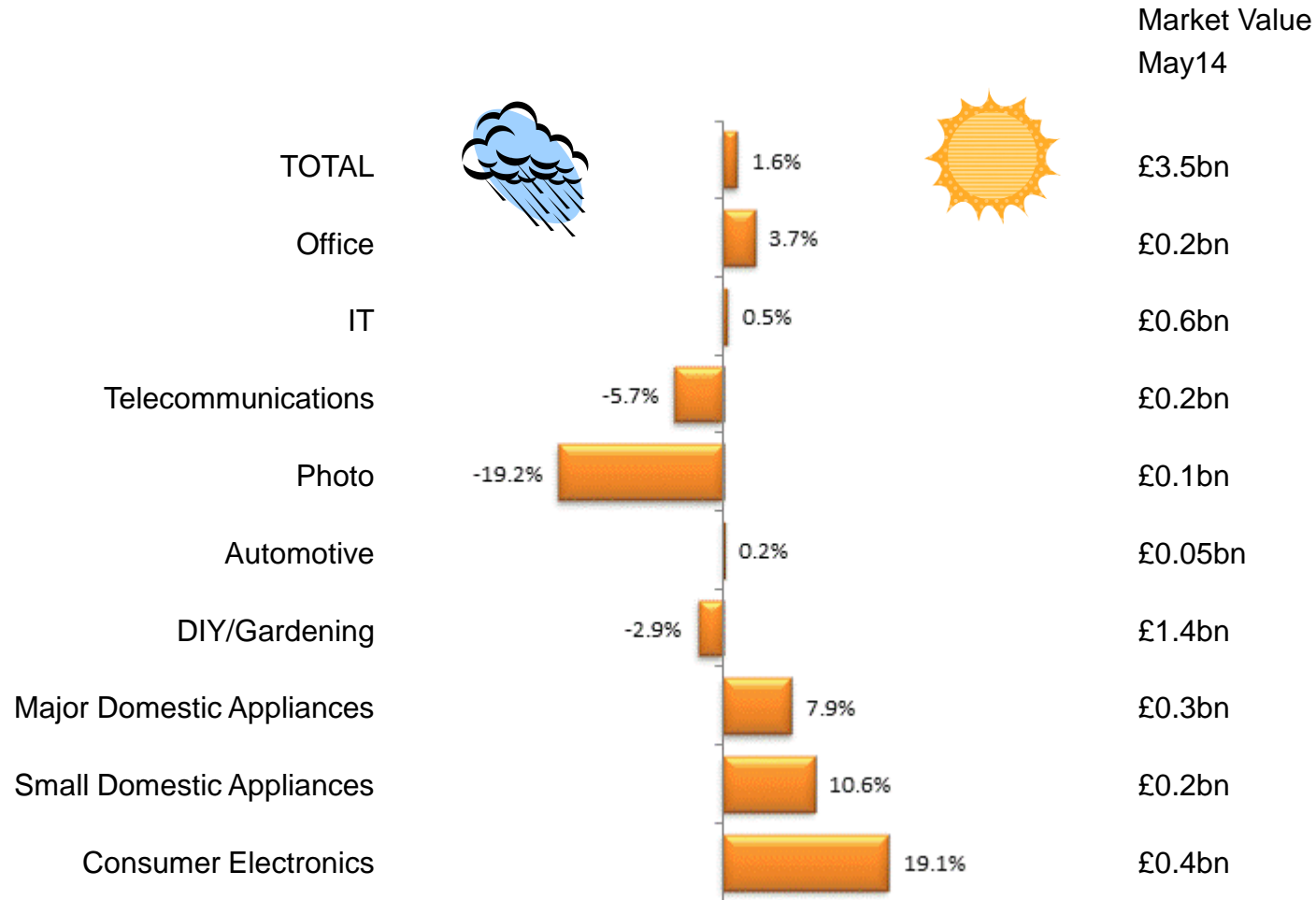
Quarter on Quarter % Growth in Value
(this quarter versus the same quarter last year)

Market Value
Jan14-Mar14



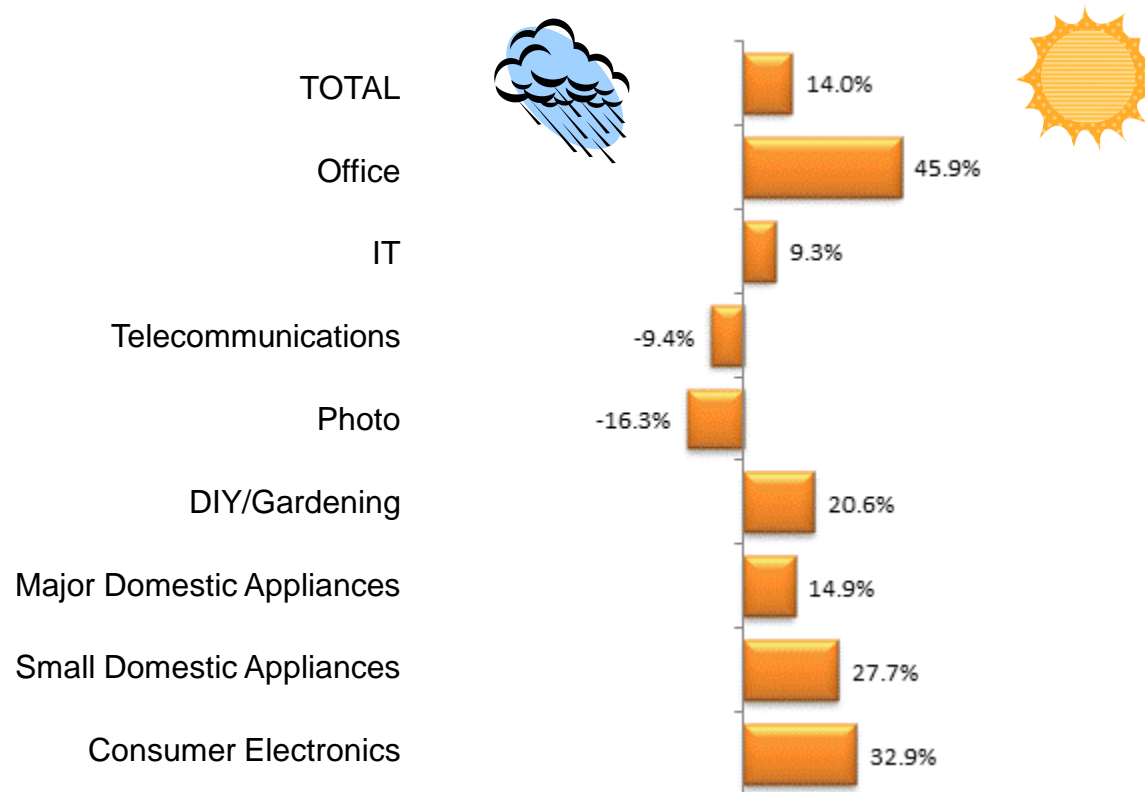
Which Sectors Have Driven the Market Month on Month?

Month on Month % Growth in Value
(this month versus the same month last year)



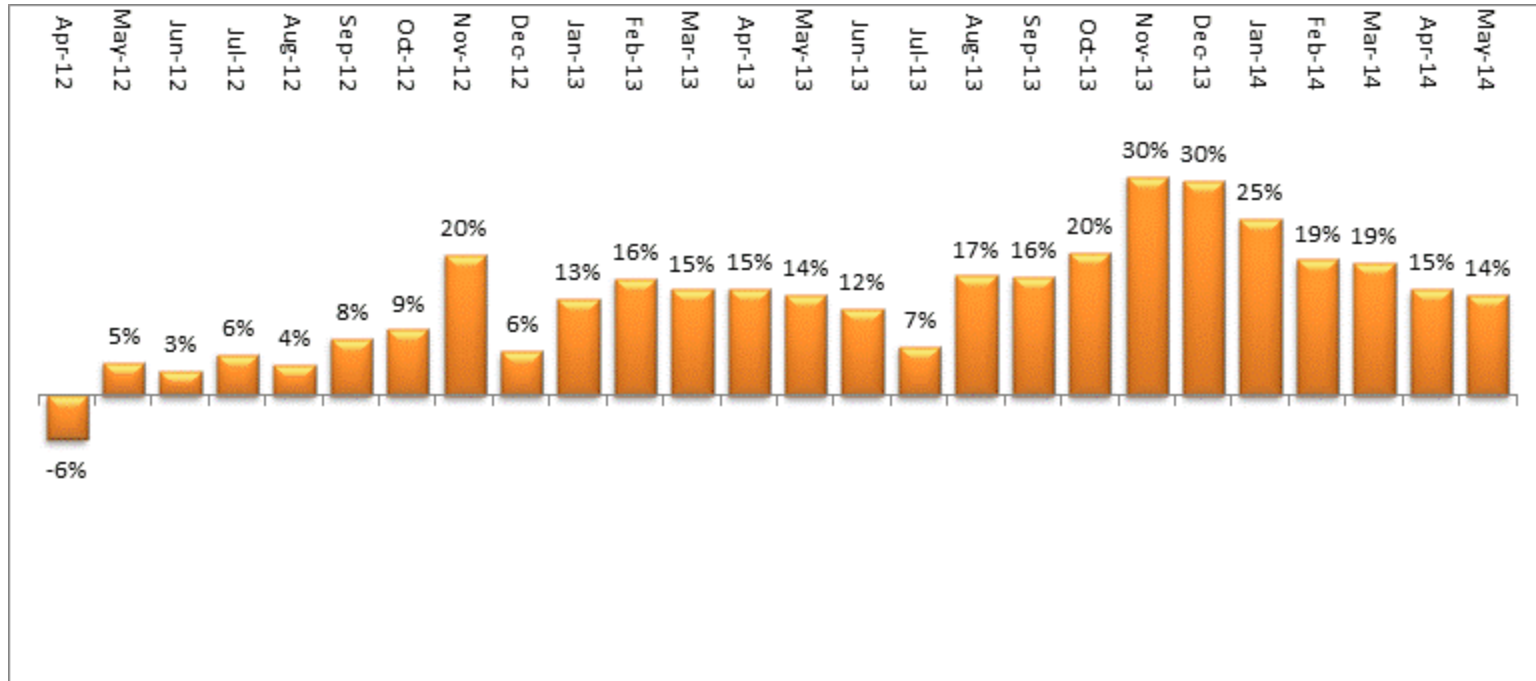
How are Online Sales Performing Month on Month?

Month on Month % Growth in Online Sales
(this month versus the same month last year)



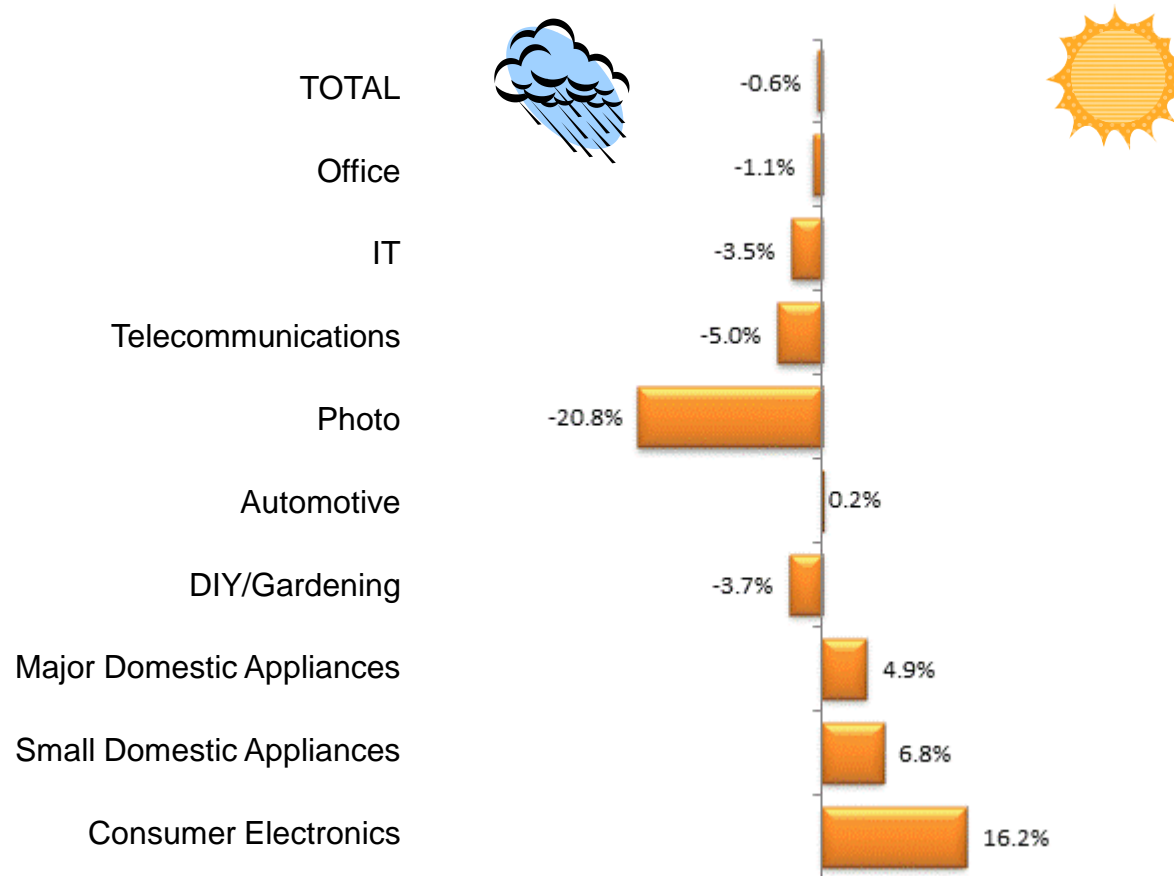
How are Online Sales Performing Over Time?

Month on Month % Growth in Online Sales
(this month versus the same month last year)



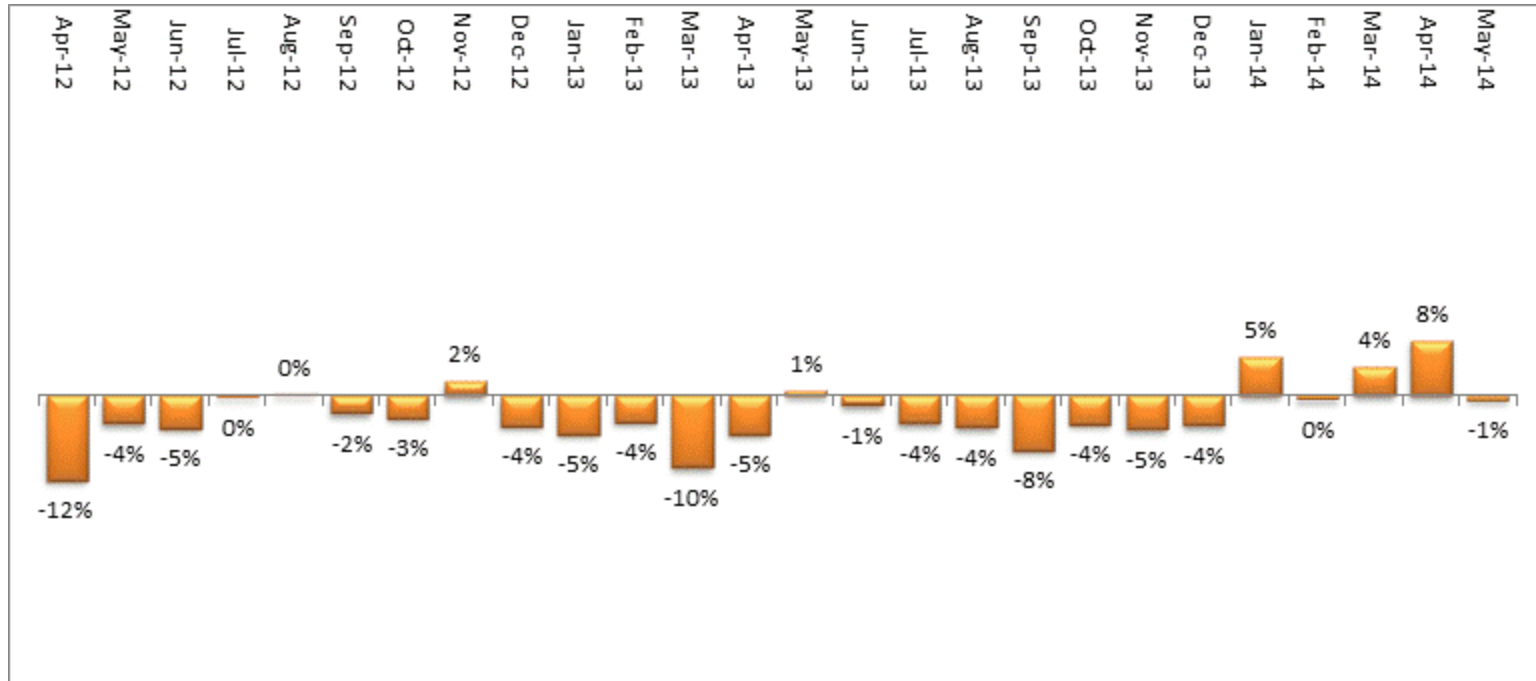
How are Offline Sales Performing Month on Month?

Month on Month % Growth in Offline Sales
(this month versus the same month last year)



How are Offline Sales Performing Over Time?

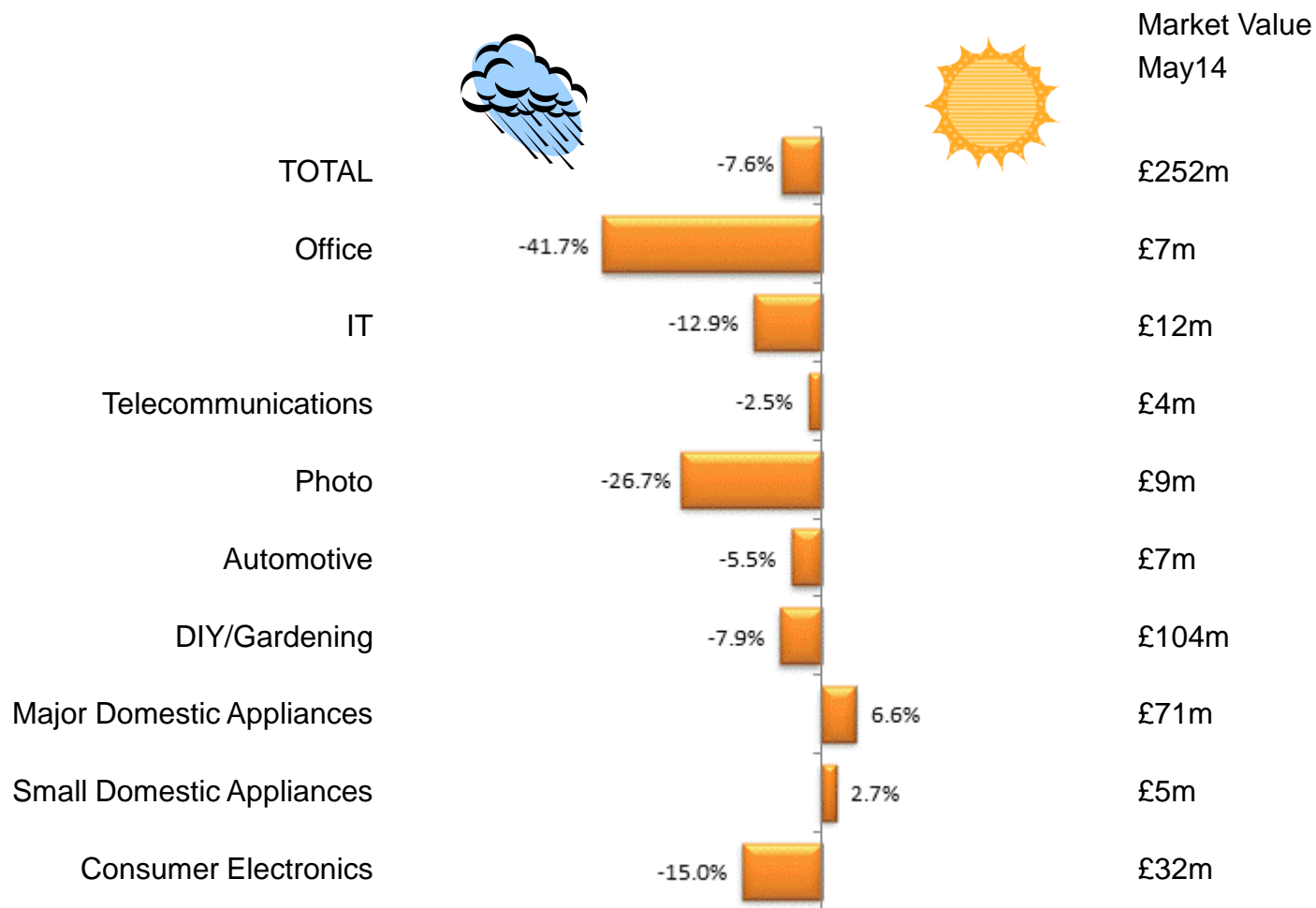
Month on Month % Growth in Offline Sales
(this month versus the same month last year)



How are Independent Retailers Performing Month on Month?

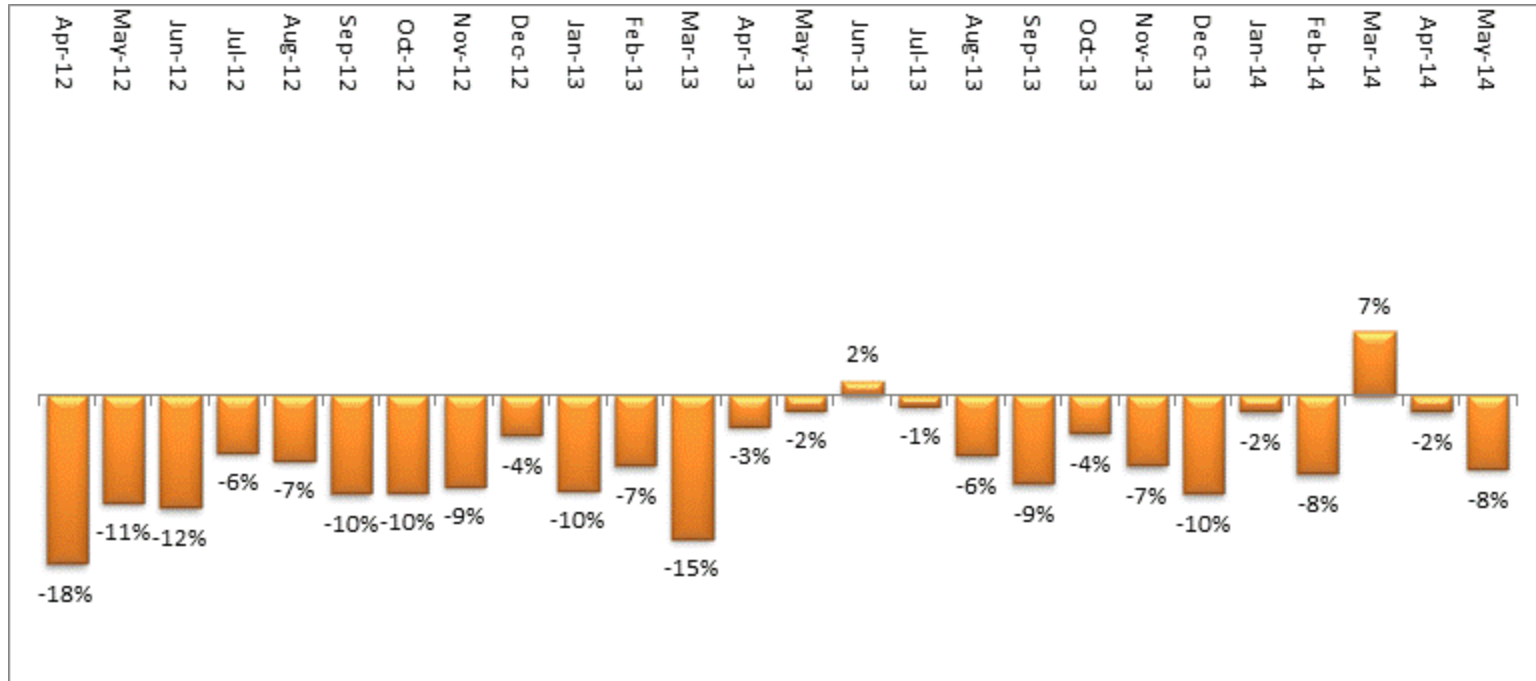


Month on Month % Growth in Independents Value
(this month versus the same month last year)



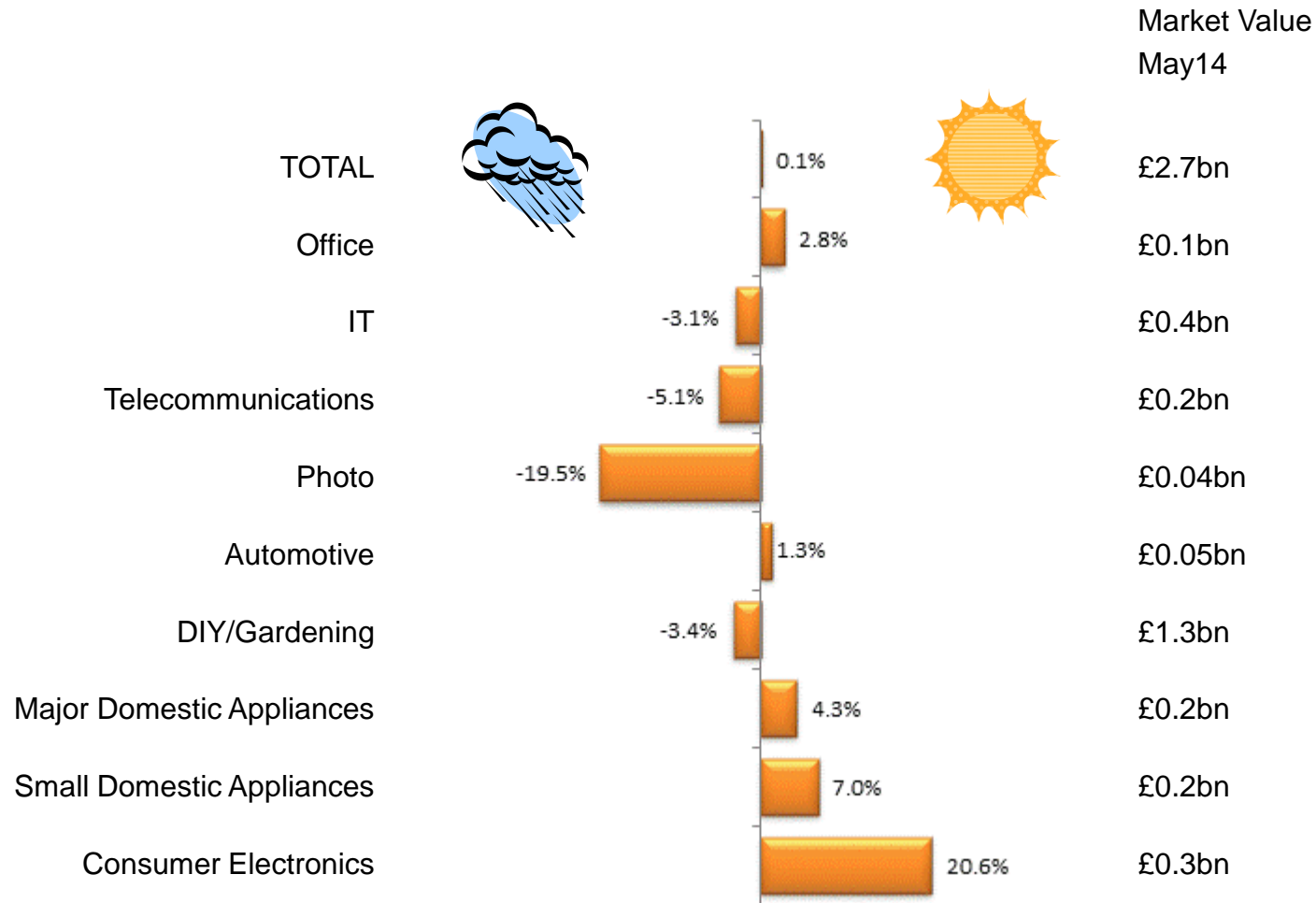
How are Independent Retailers Performing Over Time?

Month on Month % Growth in Independents Value
(this month versus the same month last year)



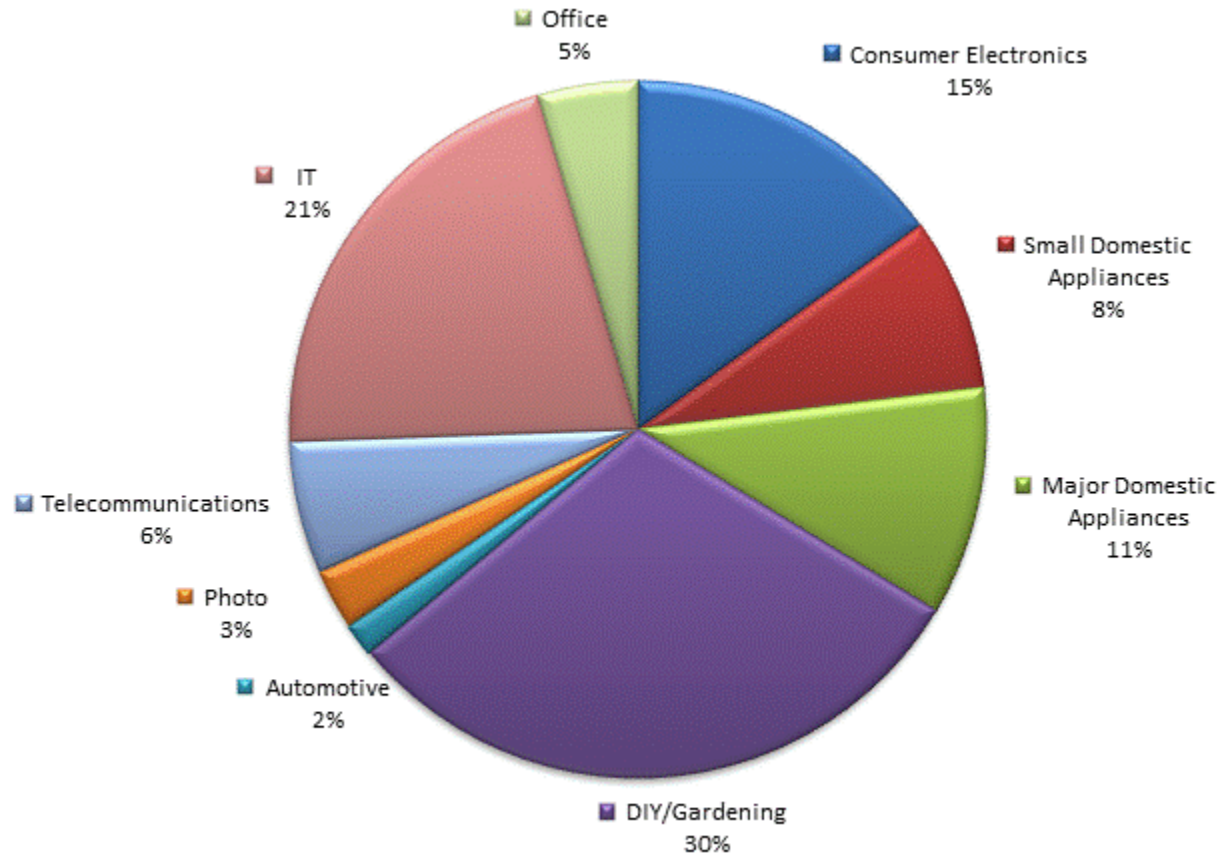
How are Chain Stores Performing Month on Month?

Month on Month % Growth in Chain Stores Value
(this month versus the same month last year)



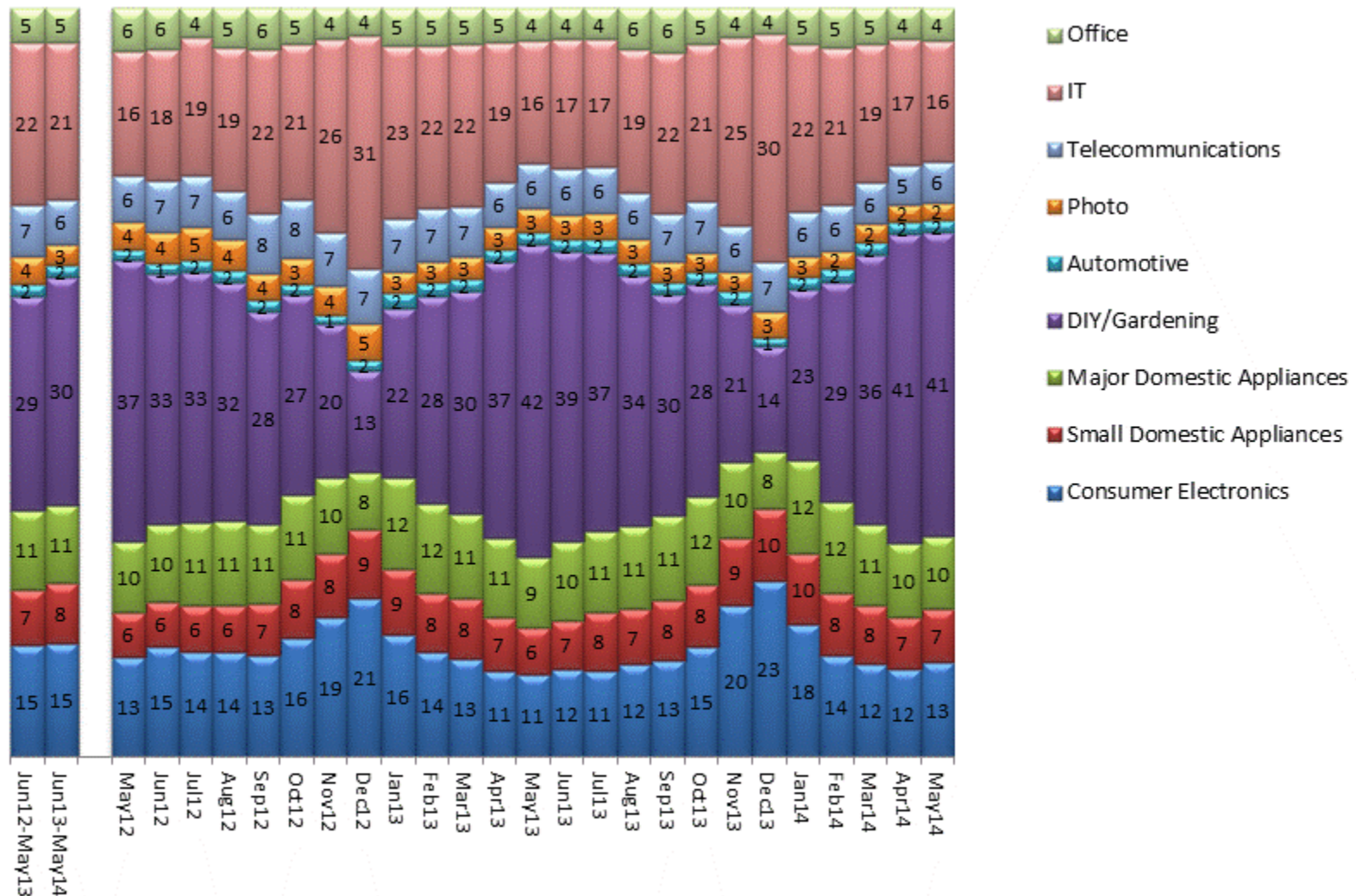
What is the Importance of Each Sector?

Total Market Value
Jun13-May14
£36.3bn

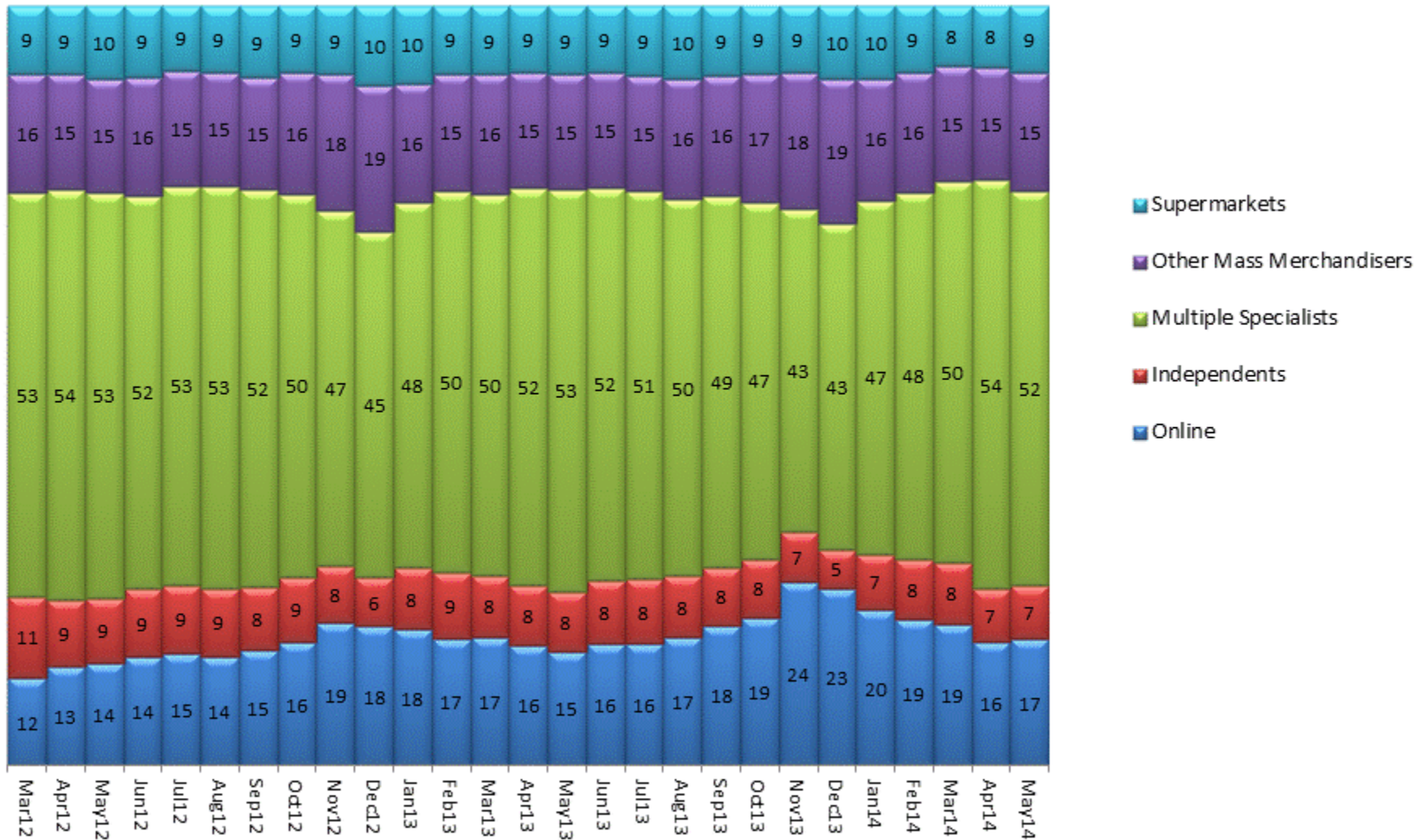


What is the Seasonality of the Sectors?

Sector Share of Total Market in Value

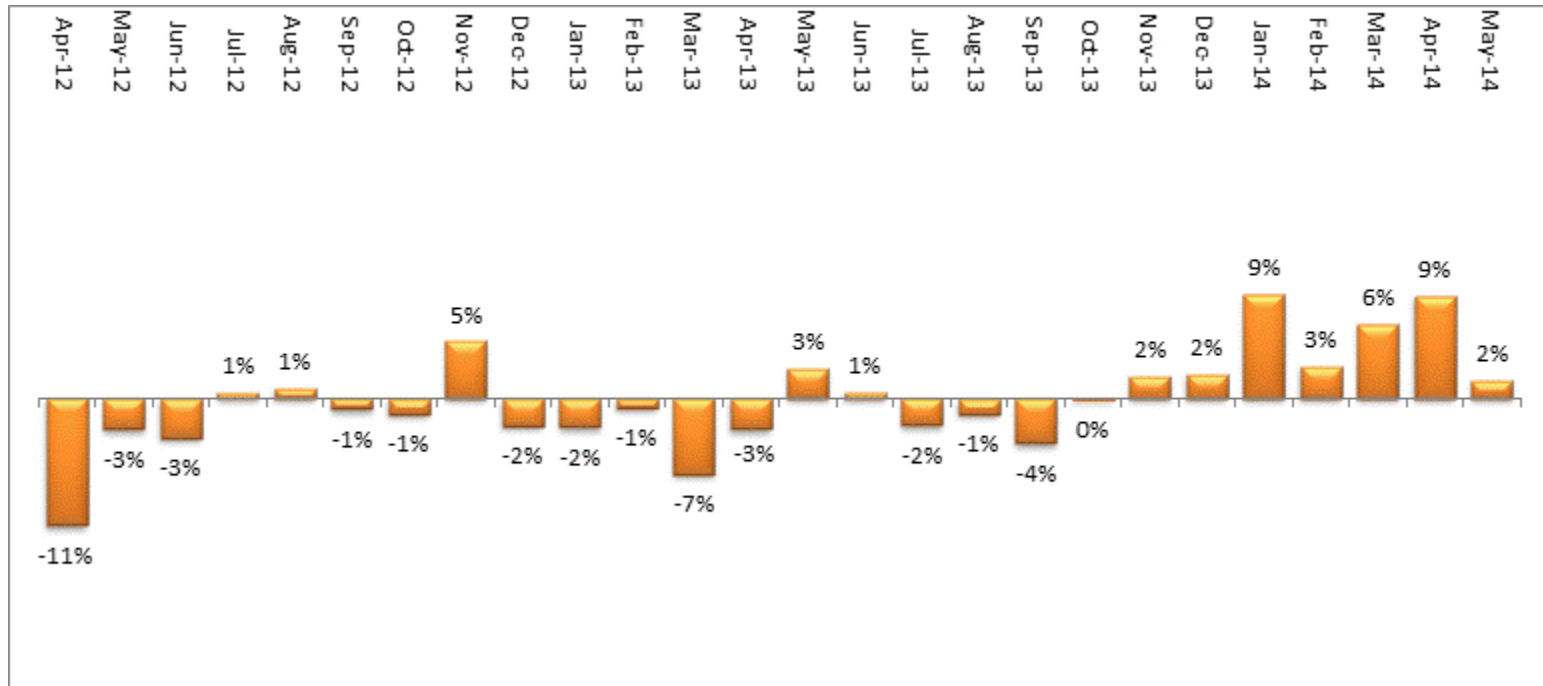


Where are Consumers Purchasing Durable Goods?



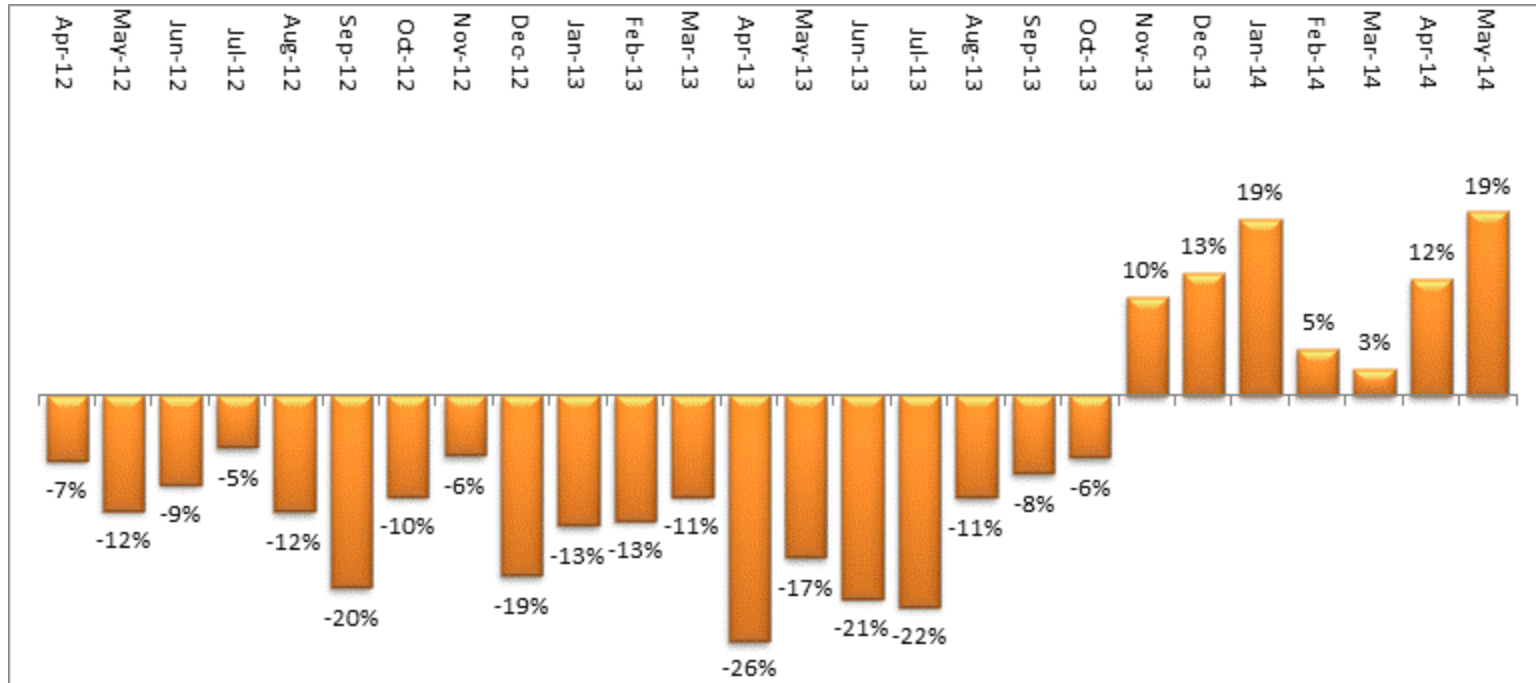
How Has the Total Durables Market Performed?

Month on Month % Growth in Total Market Value
(this month versus the same month last year)



How Has the Consumer Electronics Sector Performed?

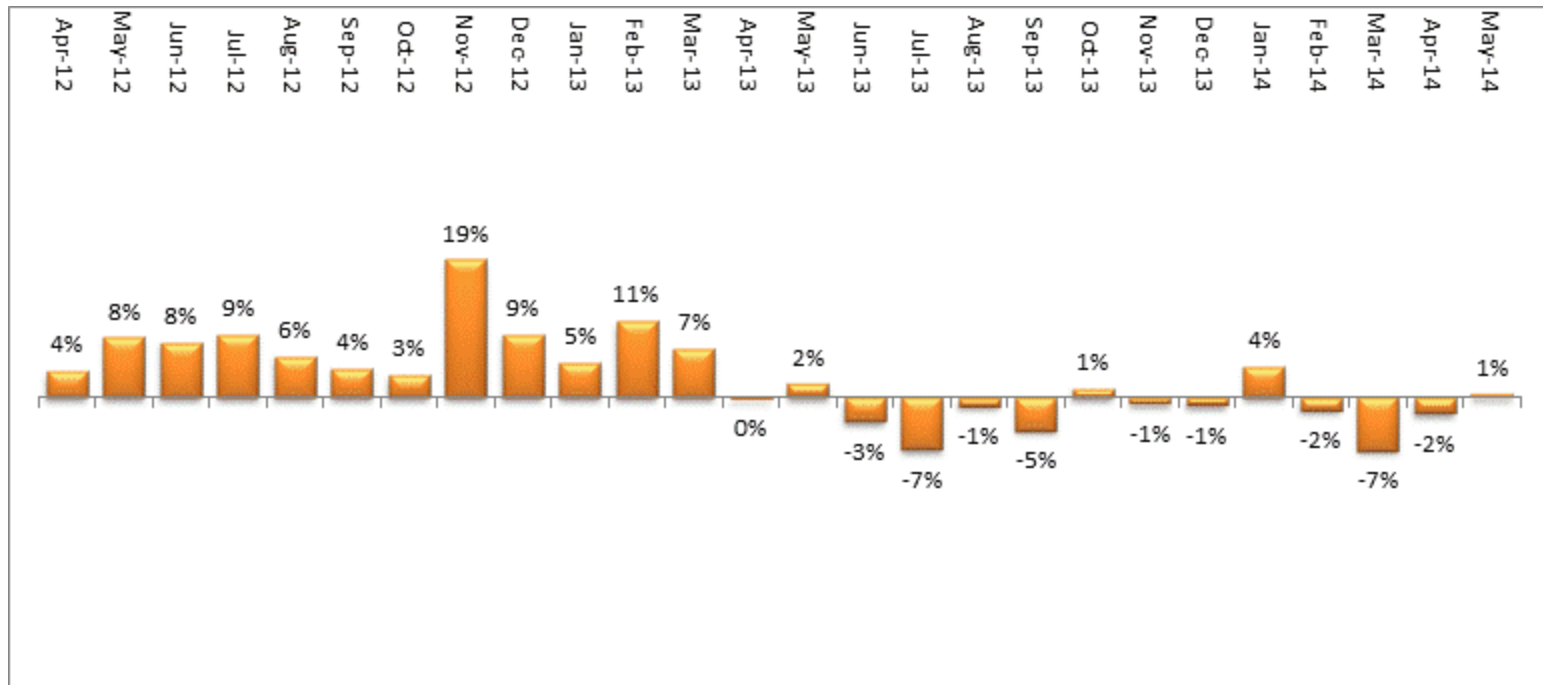
Month on Month % Growth in Sector Value
(this month versus the same month last year)



A number of product categories in the consumer electronics sector were up on May last year. In particular there were strong performances from televisions and sound bars with demand stimulated by this summer's World Cup and heavy promotional activity by retailers surrounding this key sporting event. Additionally, relatively innovative connected audio systems and wireless speakers continued to grow significantly, along with the recovering headphones market.

How Has the IT Sector Performed?

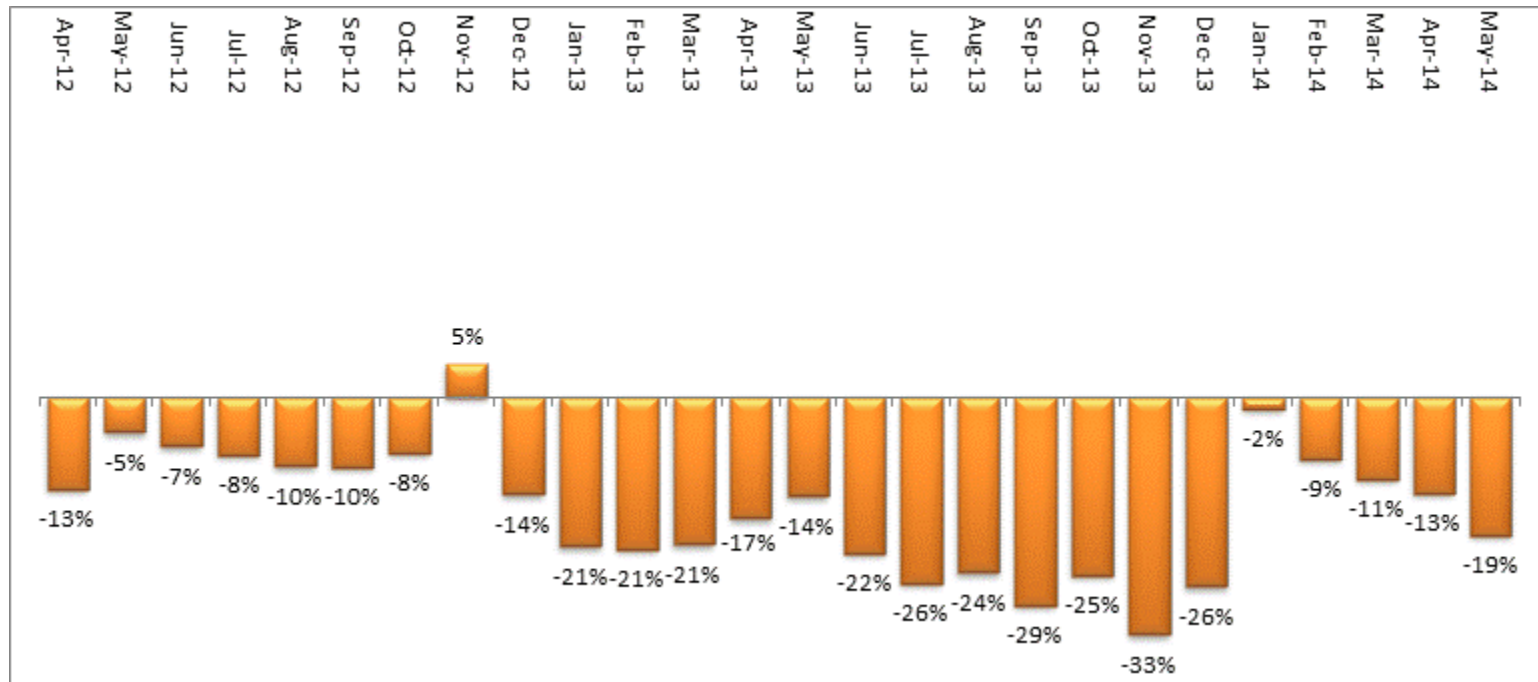
Month on Month % Growth in Sector Value
(this month versus the same month last year)



The two biggest value contributors to the IT sector (media tablets and portable computers) experienced declines compared to May last year. However, there were a number of product categories in the peripherals segment that lifted the market value back, in particular keyboards, monitors and webcams.

How Has the Photo Sector Performed?

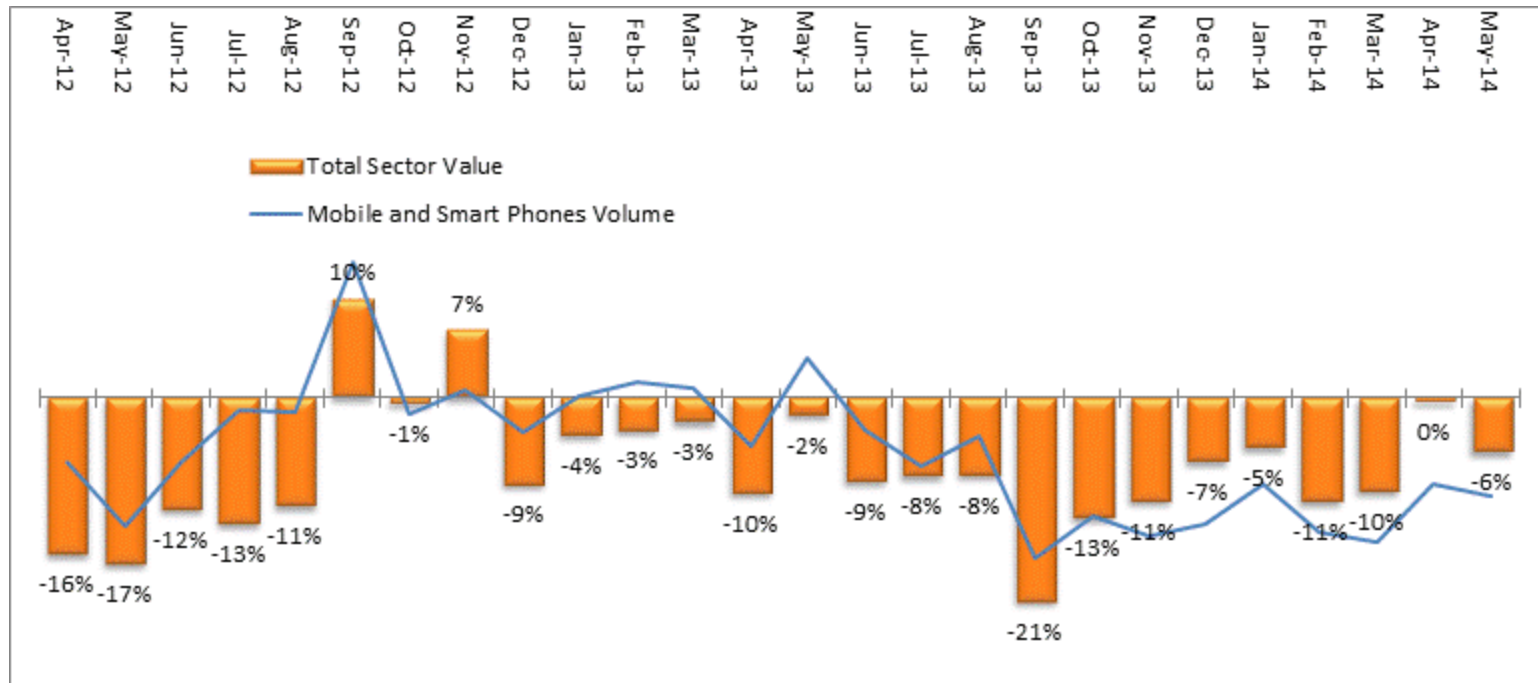
Month on Month % Growth in Sector Value
(this month versus the same month last year)



The photo sector remains in a serious long term value decline. This month sees digital cameras and memory cards decline 25% and 3% respectively compared to May last year.

How Has the Telecommunications Sector Performed?

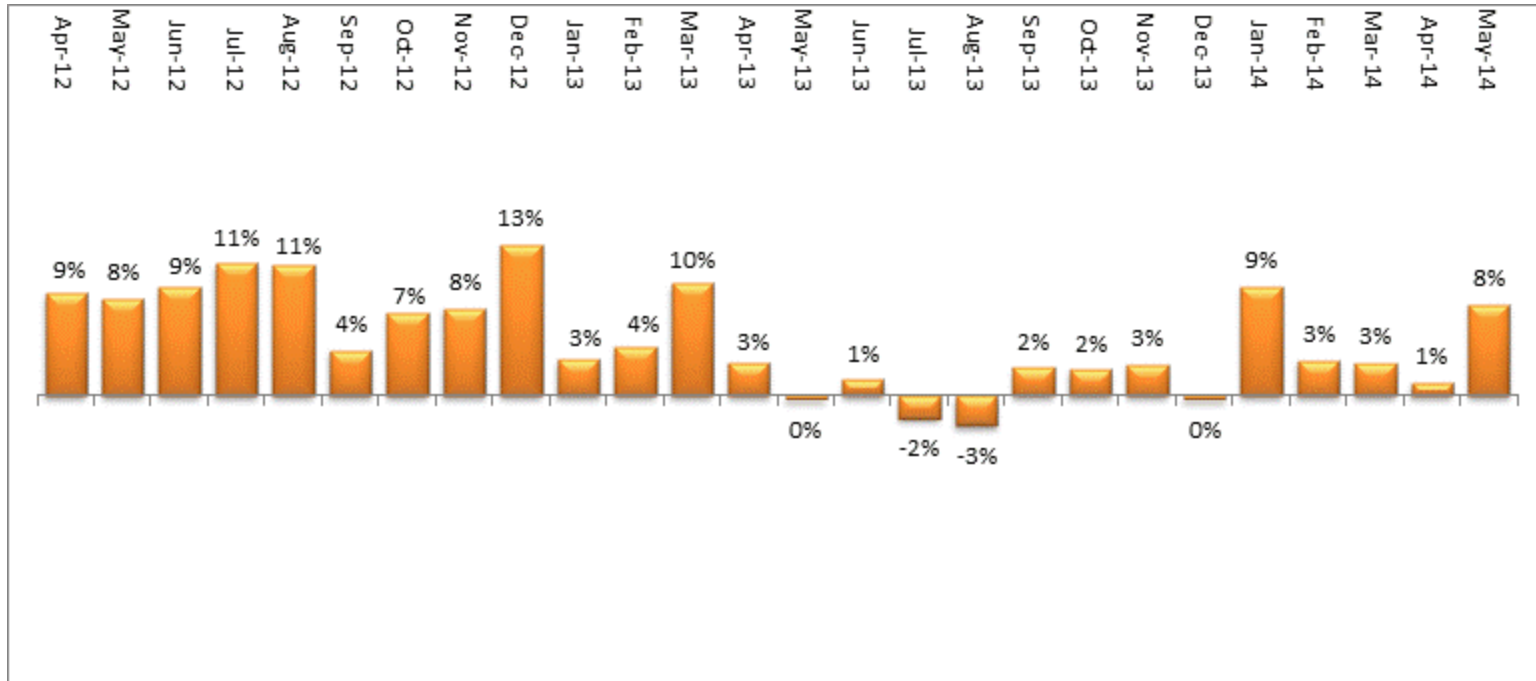
Month on Month % Growth in Sector Value
(this month versus the same month last year)



The declining sales volume of mobile and smart phones is indicative of consumers keeping their handsets for longer before upgrading. An area which appears to benefit in this case is mobile enhancements, where value increases 18% compared to the same month last year.

How Has the Major Domestic Appliances Sector Performed?

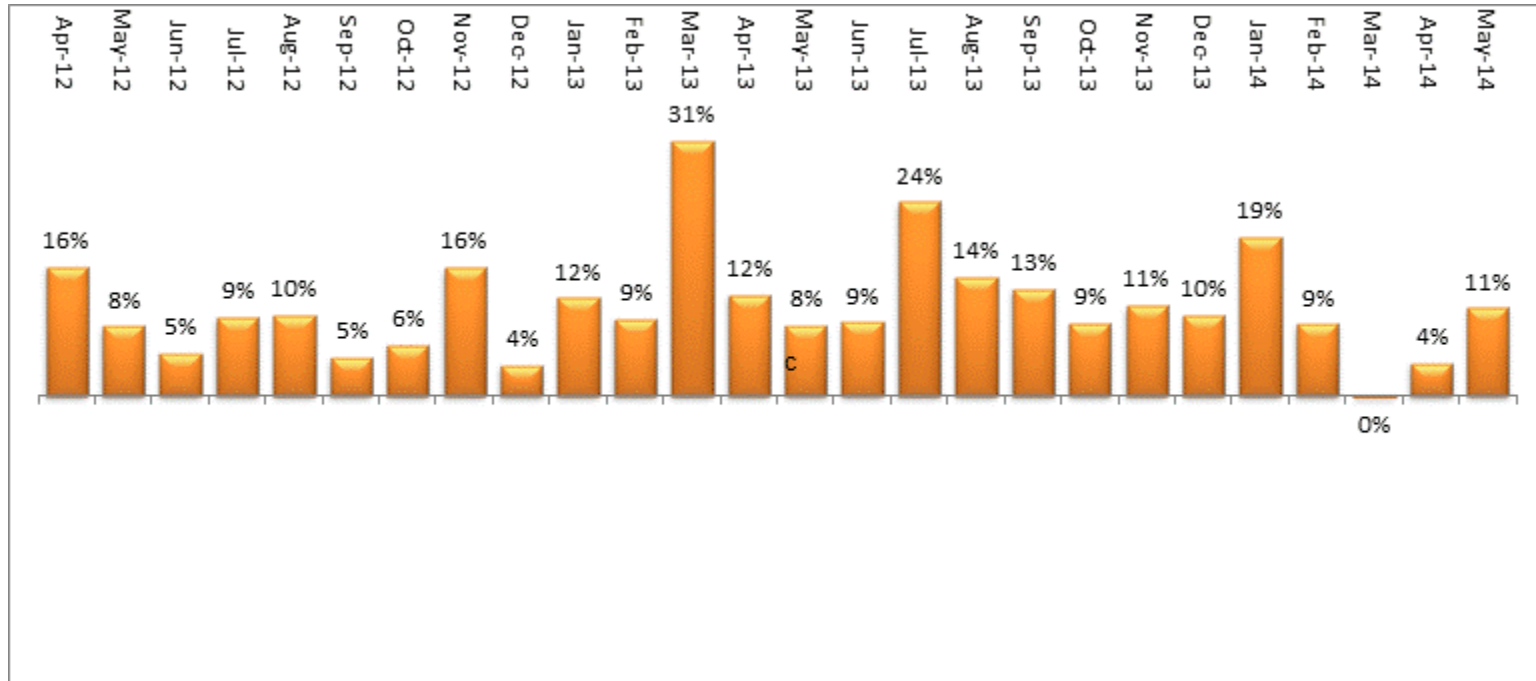
Month on Month % Growth in Sector Value
(this month versus the same month last year)



The biggest drivers of value in May for the major domestic appliances sector are cooling and cookers, which grow 14% and 10% respectively month on month. Just one product category shows a decline – hoods, down 10% compared to May last year.

How Has the Small Domestic Appliances Sector Performed?

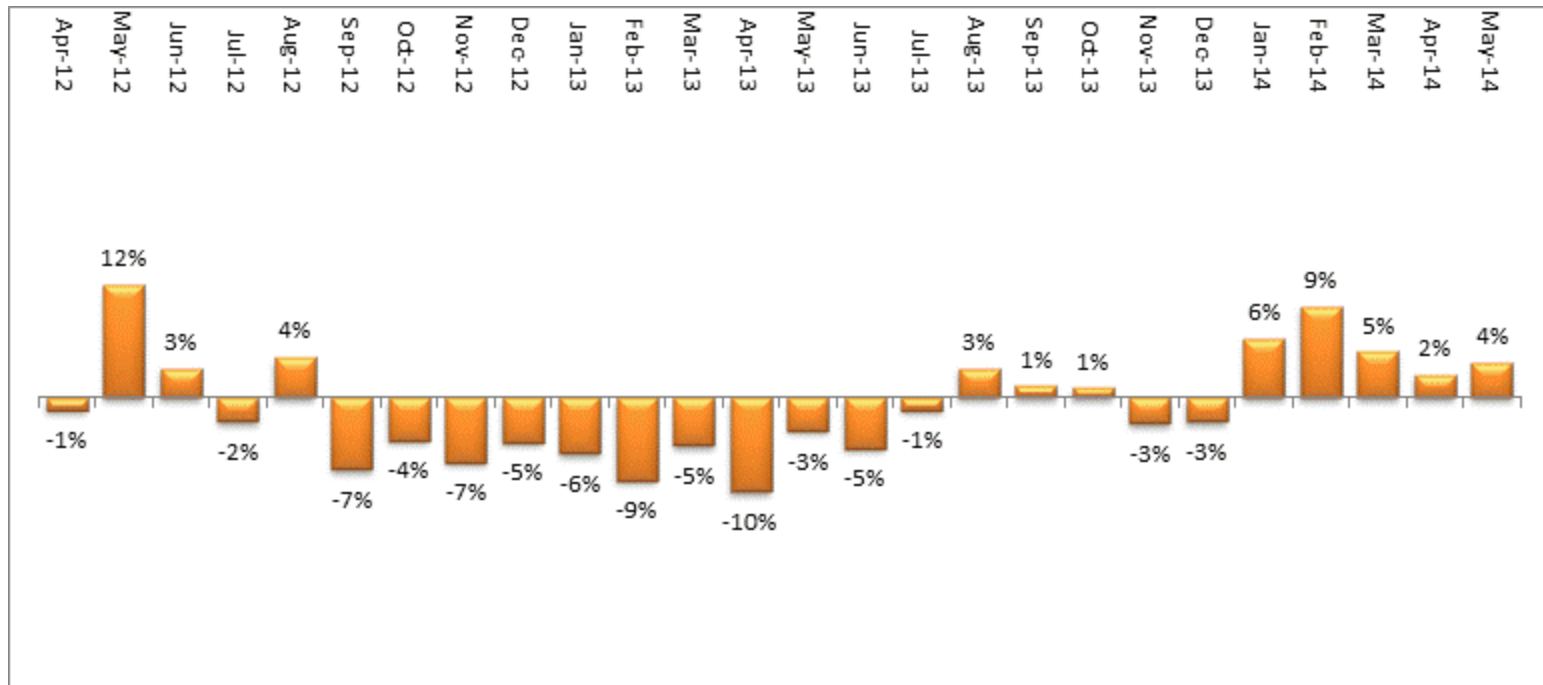
Month on Month % Growth in Sector Value
(this month versus the same month last year)



Vacuum cleaners drive most value growth in the small domestic appliances sector, up 11% month on month. Irons and shavers also perform well, up 16% and 17% compared to May 2013.

How Has the Office Sector Performed?

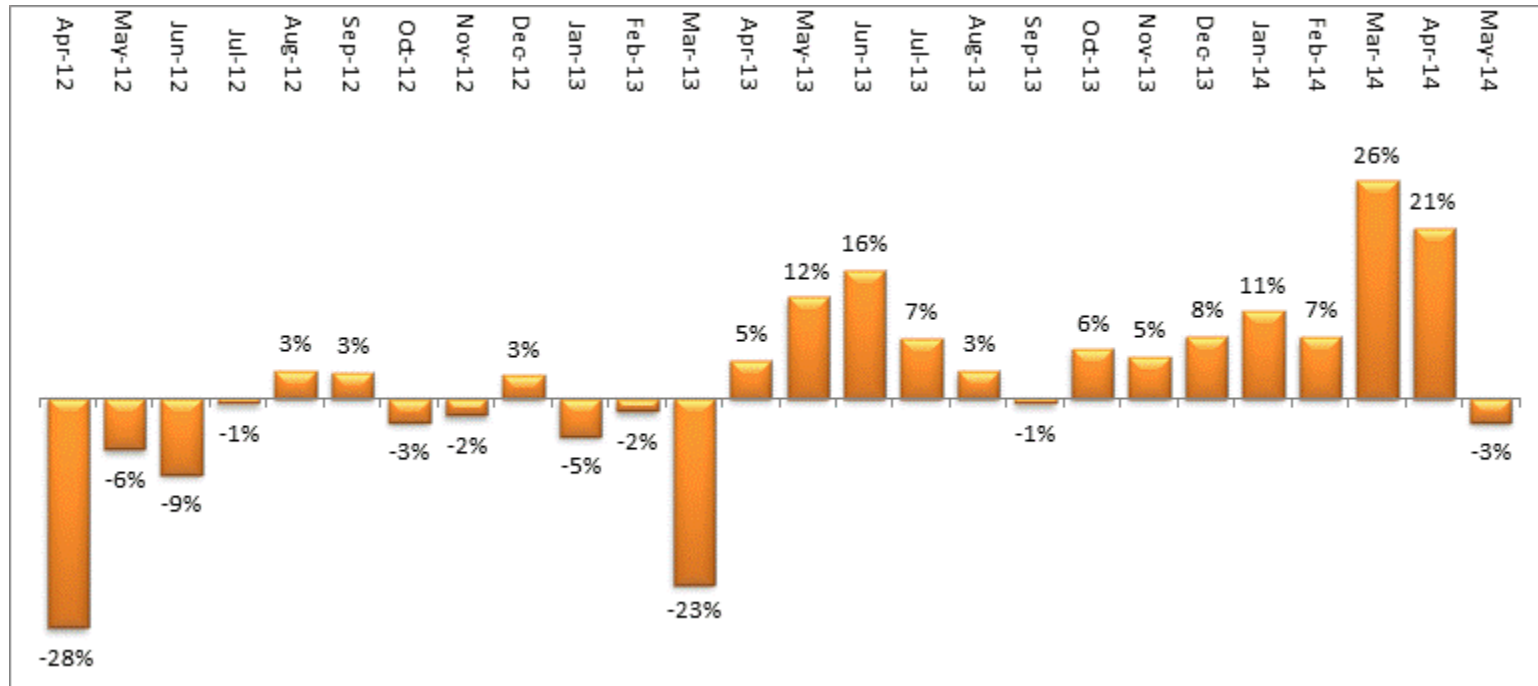
Month on Month % Growth in Sector Value
(this month versus the same month last year)



Moderate growth in the office sector continues with varied performance across the stationery product categories. Ball point pens and rollerballs grow 17% and 7% month on month, whilst colour felt pens and fountain pens both decline 2%.

How Has the DIY/Gardening Sector Performed?

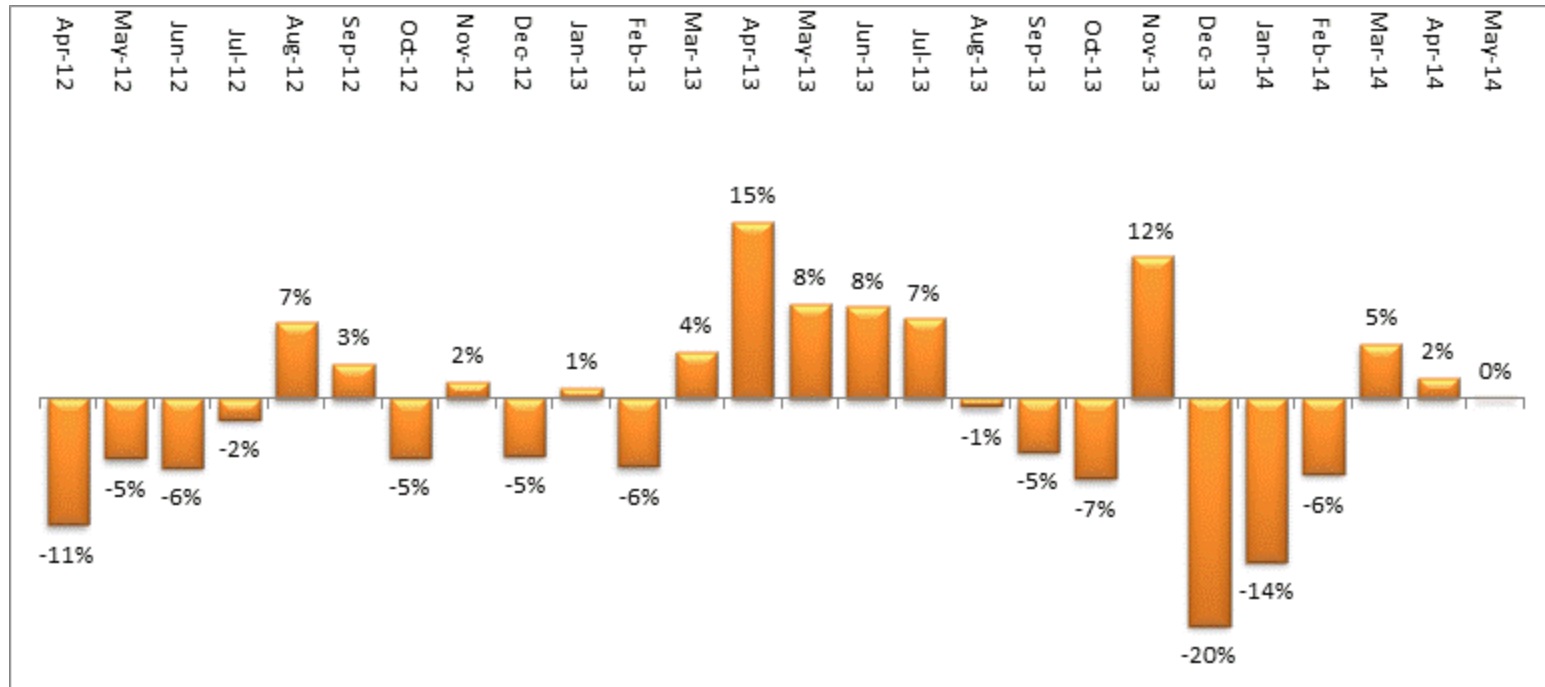
Month on Month % Growth in Sector Value
(this month versus the same month last year)



After favourable weather in March and April boosted sales in the gardening segment, the momentum was lost in May. Significant fallers were growing media (down 16% month on month) and fertilizers (down 13% month on month)..

How Has the Automotive Sector Performed?

Month on Month % Growth in Sector Value
(this month versus the same month last year)



Mixed results across the automotive product categories made for a flat market month on month in May. Paint care products grew 8% whilst engine oils declined 4% compared to May last year.

For Further Insight and Enquiries:

Natasha Fernando | natasha.fernando@gfk.com | 020 7890 9822

© GfK 2014 | Market-I (Tracks performance at sector level for total retail market – see pages 31-32 for sector definition)

Useful Information

Distribution Channels Tracked

Product Categories Tracked

Distribution Channels Tracked in the UK



Accurately tracking a universe of 67,000 shops via live electronic point of sale data delivered by the retailer on a weekly or monthly basis.

All major distribution channels are covered:

- Computer Shops
- Pure Players
- Telecommunications Specialists
- Supermarkets
- Variety Chains
- Mail Order Houses
- Department Stores
- Book Stores
- Stationers and Consumable Specialists
- DIY Superstores, DIY Specialists and Garden Centres
- Kitchen Specialists
- Car Accessories Retailers, Car Dealers and Car Audio Specialists
- Electrical Specialists
- Photo Specialists
- Chemists
- Jewellers
- Tyre Specialists

Product Categories Tracked



Automotive

Anti-Freeze
Brake Cleaners
Carburettor Cleaners
Car De-Icer
Chrome/Aluminium Cleaners
Contact Spray/Rust Releasers
Engine Cleaners/Degreasers
Engine Oils
Engine and Petrol Additives
Exhaust Repair/Maintenance
General Cleaners
Glass Cleaners/Rain Repellents
Paint Care Products
Plastic/Synthetic Cleaners
Screen Wash
Technical Lubricants
Temporary Tyre Repair
Tyre Cleaners
Upholstery Cleaners
Wheel Cleaners

Major Domestic Appliances

Cookers and Ovens
Fridges/Fridge Freezers
Dishwashers
Freezers
Hobs
Hoods
Microwave Ovens
Spin Dryers
Tumble Dryers
Washing Machines

DIY/Gardening

ALERT DETECTORS
AXES AND ACCESSORIES
BENCHTOP MINI TOOLS
BENCHTOP TOOLS
BOLT CUTTERS
CHISELS/BOLSTERS
COMPACT FLUORESCENT LAMPS
DECORATIVE GARDEN PRESERVES
DECORATIVE EQUIPMENT
DECORATIVE PLASTER
DIY ADHESIVE TAPES
DIY ADHESIVES
DRILLS AND BRACES
ELECTRIC CROW BARS
ELECTRIC DRILLS
ELECTRIC GLUE GUNS
ELECTRIC HEAT GUNS
ELECTRIC POWER FILES
ELECTRIC SCRAPERS
ELECTRIC LASER LEVELS
ELECTRIC ANGLE GRINDERS
ELECTRIC PLANERS
ELECTRIC ROUTERS
ELECTRIC SANDERS
ELECTRIC SAWS
ELECTRIC TACKERS
ELECTRIC PAINT ROLLERS
ELECTRIC ROTARY HAMMERS
DIY RULERS
SCREW DRIVERS
SEALANTS
SEALERS AND WATERPROOFERS
SHOWERS
SOCKETS AND RATCHETS
SOIL CONDITIONER
SPECIAL HAND TOOLS
SPECIAL PAINTS

ELECTRIC SCREW DRIVERS
ELECTRIC SPRAY GUNS
ELECTRIC WALLPAPER STRIPPERS
EMULSION PAINT
FERTILIZERS
FILLERS
FLUORESCENT LAMPS
GARDEN HAND TOOLS
GARDEN HAND SHEARS
GRIPPING TOOLS
GROWING MEDIA
HALOGEN LAMPS
HAMMERS
HAND LAWNMOWERS
HAND FILES
HAND PLANERS
HAND SAWS
HOUSEHOLD INSECTICIDES
HIGH PRESSURE CLEANERS
HOSE END ATTACHMENTS
HOSES AND STORAGE
INCANDESCENT LAMPS
INTRUDER SECURITY
KNIVES AND BLADES
LAWN SEED
LAWN SPREADER
LED LAMPS
LEVELS
STAPLE GUNS
TILE ADHESIVES
TILE GROUT
TILES
TOOLSETS AND STORAGE
TRIM PAINT
TRIMMERS/BRUSHCUTTERS
VARNISH
WALL COVERINGS

MARKING OUT TOOLS
MEASURING TAPES
METAL PAINTS
MINI TOOLS
MOULDINGS AND COVINGS
MULTI TOOLS
WOOD FINISH
OUTDOOR BARBEQUES
PAINT BRUSHES
PAINTING AIDS
PAINT AND VARNISH REMOVER
PLANT AUXILIARY PRODUCTS
PLANT PROTECTION
PLIERS
POWERED CHAIN SAWS
POWERED LAWNMOWERS
POWERED SCARIFIERS
POWERED BLOW VACS
POWER TOOL ACCESSORIES
POWERED GRASS SHEARS
POWERED HEDGE TRIMMERS
POWERED SHREDDERS
PRIMERS/UNDERCOATS
PRUNING SAWS
PU FOAM
PUMPS
RENOVATION CLEANERS
RIVETERS
WALL DECORATIONS
WATER TIMERS
WILD BIRD CARE
WOOD FILLERS
WOOD STAIN
WOOD TREATMENT
WORKBENCHES
WRENCHES

Product Categories Tracked



Office

Binding Systems
Laminating Accessories
Calculators
Laminating Systems
Lettering Machinery
Office Adhesives
Repositionable Notes
Shredders
Office Adhesive Tapes
Ballpoint Pens
Laser Cartridges
Inkjet Cartridges
Coated Paper
Colour Feltpens
Colouring Pencils
Compasses

Office Paper

Pencil Cases
Correction Products
Crayons
Fountain Pens
Graphite Pencils
Highlighters
Markers
Mechanical Pencils
OHP Pens
Rollerballs
Staplers
Writing Feltpens
Scissors
Stationery Accessories

Small Domestic Appliances

Blood Pressure Monitors
Bread Makers
Digital Thermometers
Food Steamers
Fun Cooking
Mini Ovens
Air Conditioners
Air Treatment
Bakeware
Can Openers
Juice Extractors
Coffee Grinders
Hot Beverage Makers
Deep Fryers
Dental Care Products
Electric Blankets
Electric Heating
Electric Knives

Electric Beauty
Food Preparation
Hair Dryers
Hair Styling
Hair Clippers
Ice Cream Makers
Irons
Kettles
Pans
Personal Scales
Pots
Pressure Cookers
Rice Cookers
Sandwich Toasters
Shavers
Toasters
Steam Cleaners
Vacuum Cleaners

IT

Desktop Computers
Mobile Computers
Media Tablets
Monitors
Printers
Multifunctional Devices
Data/Video Projectors
Facsimiles
Scanners
Web Cameras
Communication Cards
CD/DVD Writers
Keying Devices
PC/Mini Speakers
Pointing Devices
TV Cards/Tuners
Storage Devices
Communication Devices
Power Management
Software
Gaming and Leisure Devices
Electronic Assistants

Telecommunications

Fixed Line Telephones
Headsets
Mobile Phone Accessories
Mobile Phone Handsets
Mobile Phone Tariffs
Smart Phones

Consumer Electronics

CD Recording Media
Video Tapes
DVD Recording Media
CRT Televisions
TV Recorders
Video Recorders
Portable Televisions
Panel Televisions
Set Top Boxes
DVD Players/Recorders
Digital TV Accessories
Battery Chargers
Dry Batteries
USB Memory
Camcorders
MD Players/Recorders
Turntables
Loudspeakers
CD Players/Recorders
Audio Home Systems
Amplifiers
Receivers
Tuners
Radio Recorders
Portable Radios
Clock Radios
Dictation Systems
Headphones
Headphone Stereors
Universal Remote Controls
Digital Portable Audio Players
Digital Portable Video Players
Car Audio
Car Speakers
Car Navigation
Car Vision
Videogames Consoles
Camcorder Powerpacks
Torches
MP3 Accessories

Photo

Imaging Accessories
Binoculars
Non-Digital Cameras
Interchangeable Lenses
Digital Cameras
Films
Memory Cards
Image Displays