

The effect of four interest rate rises in the past six months and the absence of government stimuli have finally had an impact on Australia's appetite for the latest gadgets and home appliances, according to the latest GfK TEMAX Australia report.

Compared to the same period last year, when these markets were enjoying double-digit growth, spending in quarter one 2010, declined by 1.6%; the first decline recorded since the inaugural report in quarter three 2008. Australian consumers spent \$4.6 billion between January and March 2010, a slight decline from the \$4.68 billion recorded for January to March 2009. Key findings from the report reveal: * The popularity of smartphones is undeniable with sales enjoying a 149% increase in dollars generated. Traditional mobile phones are feeling the impact with sales down 45%. * MP3 players, DVD recorders and audio systems all experienced double digit decline in sales as newer, competitive technologies dominate. * Cooking was the only major domestic appliance category to experience growth (up 4%) with refrigeration, washing machines and dishwashers all experiencing declines. The popularity of reality cooking shows and entertaining at home post the global financial crisis could be contributing to this. * Air conditioning and fan sales dropped by more than 20%, thanks in part to the earlier arrival of warm weather last spring. * Australians are embracing digital TV with set top box sales growing 38% thanks to ongoing campaigns for the digital switchover and the appeal of high definition. * Notebook sales values dropped year on year for the first time in March. 60% of all notebooks are now sold under \$1000, contributing to less dollars being spent in this category in total. * The national love affair with coffee continues with a 23% quarterly increase for hot beverage makers. According to GfK Australia's Gwenno Hopkin, while tech goods are often seen as 'must have' items, tightening household budgets are impacting on discretionary spending. "It's fair to say that the government stimulus packages and extremely low interest rates provided an ideal climate for 2009's consumer splurge on technical goods, more so than was initially realised." "Compared to the same period last year, Australians are spending less on domestic electrical goods for the home, such as kitchen and personal appliances, and we've even seen a slowdown in spend on some of the popular consumer electronics products, such as DVD players and recorders, digital still cameras and MP3s." "It's not all doom and gloom though. The up coming soccer World Cup will coincide with better availability of new TV technologies such as 3D, LED and IPTV. Historically, major sporting events have provided a strong boost across the whole range of consumer electronics because of the interest they generate in TVs and the best viewing experience." -ends- For media enquiries please contact:

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GfK TEMAX Australia is an index developed by GfK Retail and Technology to track the consumer durables markets. GfK TEMAX is published internationally. The findings are based on surveys carried out by the retail panel of GfK Retail and Technology. The retail panel comprises data from over 200,000 retail outlets worldwide. All reports and press releases are available at www.gfktemax.com. When quoting information from this press release or any details published at www.gfktemax.com, please indicate GfK TEMAX expressly as the source. The GfK Group

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