

GfK: Audio Market Continues to Grow

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The global market (excluding N. America) for audio devices sees sales worth €7.9 billion in H1 2019, GfK reports-- a 15% Y-o-Y increase, with headphones and headsets as key growth drivers together with portable Bluetooth speakers and loudspeakers for the home.



The analyst also points out the growth potential of smart devices with embedded voice assistants and loudspeakers aimed at enhancing the entertainment sound at home. As such, global audio markets have the opportunity to prolong the growth trajectory with positive results almost uniformly around the globe.

The sales value of in-ear headphones is up by 55% in H1 2019, and accounts for sales worth nearly €3bn for 70% of total headphone turnover. W. Europe is the 2nd biggest market, following China. Almost 50% of wireless in-ear devices sold in 2019 are true wireless (with two separate earpieces). The global market for such headphones is up by 300% in 2019, and high consumer demand has attracted the attention of more and more brands, leading to APs dropping to €85.

Meanwhile over-ear headphone sales are up by 11%, with W. Europe as the largest market. Such headphones with wireless connectivity see "considerable" turnover growth and are becoming the global standard, with a market share of nearly 80% for over-ear headphones. As with true-wireless in-ear headphones, more players are entering the market, increasing pressure on price. The ASP for Bluetooth over-ear headphones is around €902. The

comparison to true wireless for in-ear headphones is active noise canceling technology, with turnover growing by 40%.

Multiroom device sales are up by 4% in H1 2019 as the technology becomes more affordable for the mass market. Turnover these wifi-enabled speakers is essentially flat. Vendors are increasingly equipping devices with one or more smart assistants, allowing for voice control and integration into the in-home smart device eco system. Such capability further attracts customers to invest in smart multiroom speakers, leading to over 100% and an ASP increase of 67%.

GfK also points out smart displays as a new form factor for digital home assistants. Admittedly the idea hardly new, having been around for years, but now it is becoming more of a reality. Thanks to on-board voice AIs, the displays have the potential to evolve into the central control hub for smart home devices.

According to the analyst, customers are not too happy for the audio produced by newly purchased TVs-- creating an opportunity for external speaker systems. In fact, customers are becoming more conscious about sound quality, and spend what they save on TVs on soundbars. As such, soundbar turnover for 2019 is up by 7%. Single-sold soundbars are up by 13%, while wireless subwoofers see 5% growth.

Online sales make a total of 41% of global audio sales value for H1 2019. In contrast with other categories, the increasing online importance does not influence demand peaks throughout the year. Being a classic gifting category, audio sales still peak around Christmas time, rather than November or other online retailer events such as Black Friday.

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