

Tech Inspired homes: Innovations for Smart Living

March 2025

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NielsenIQ



Agenda

Macroeconomics
& TCG Overview

A close-up photograph of two hands gently cupping a small, detailed globe of the Earth. The hands are positioned on either side of the globe, with fingers slightly curled around it. The background is dark and out of focus.



NIQ GfK

Attitudes &
State of Market

A composite image showing a modern interior scene. On the left, a bed with white linens is visible. On the right, a white smart light switch with a power button and a lightbulb icon is mounted on a wall.



NIQ GfK

The „AI“ impact

A photograph showing a black, articulated robotic hand reaching out from the left, its index finger extended towards the index finger of a human hand on the right. The human hand has a visible tattoo on the forearm. The background is a plain, light-colored wall.



NIQ GfK

Macroeconomics & TCG Overview



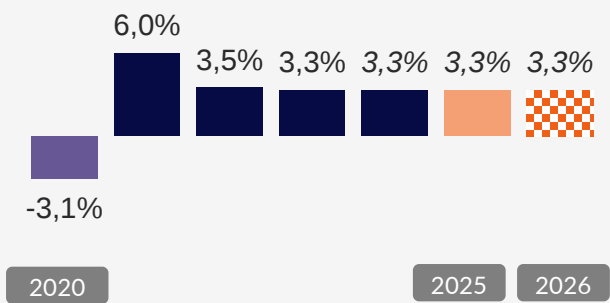
NIQ



Global GDP growth remains stable yet underwhelming, and inflation rates continue to subside

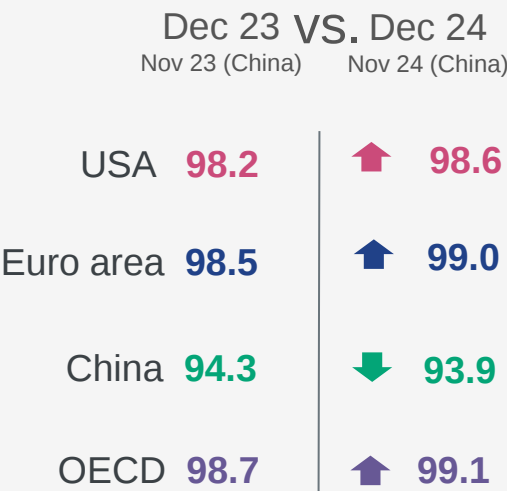
Global economy: Key macroeconomic indicators

GDP



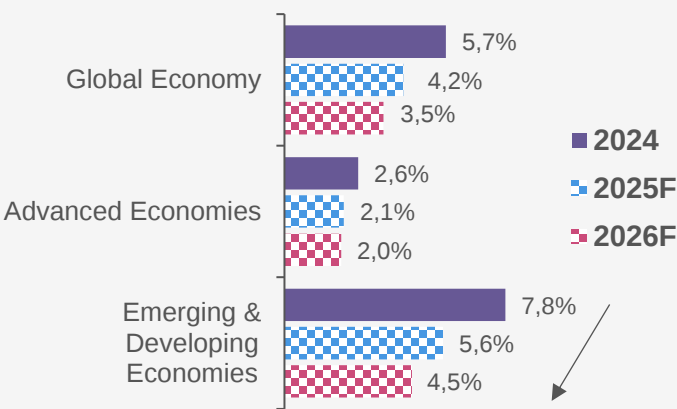
Global growth predictions remain stable
The latest January IMF Economic Outlook forecast has only increased by 0.1% pts from October

Consumer Confidence



Consumer confidence shows improvement overall, in US and Euro areas but slumps further in China (long-term average = 100)

Inflation



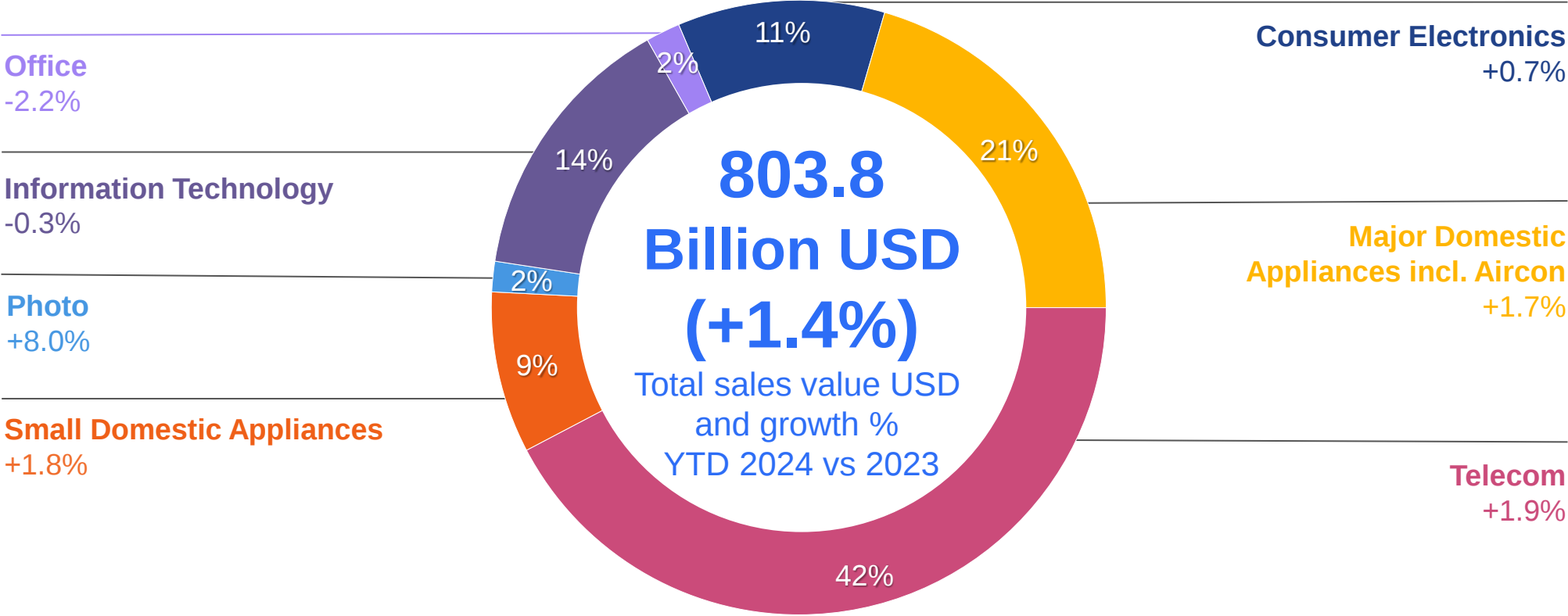
Inflation globally subsiding towards target rates. However, it is projected to reach target levels sooner in advanced economies. Emerging markets and developing economies lag.

Source: Real GDP growth annual % change, inflation, IMF Data Mapper| WEO Jan 2025 & Inflation annual percent change Global SDA Trends Report 1HY 2025-NF

Tech & Durables total market returns to growth, driven by promotions and subsidies

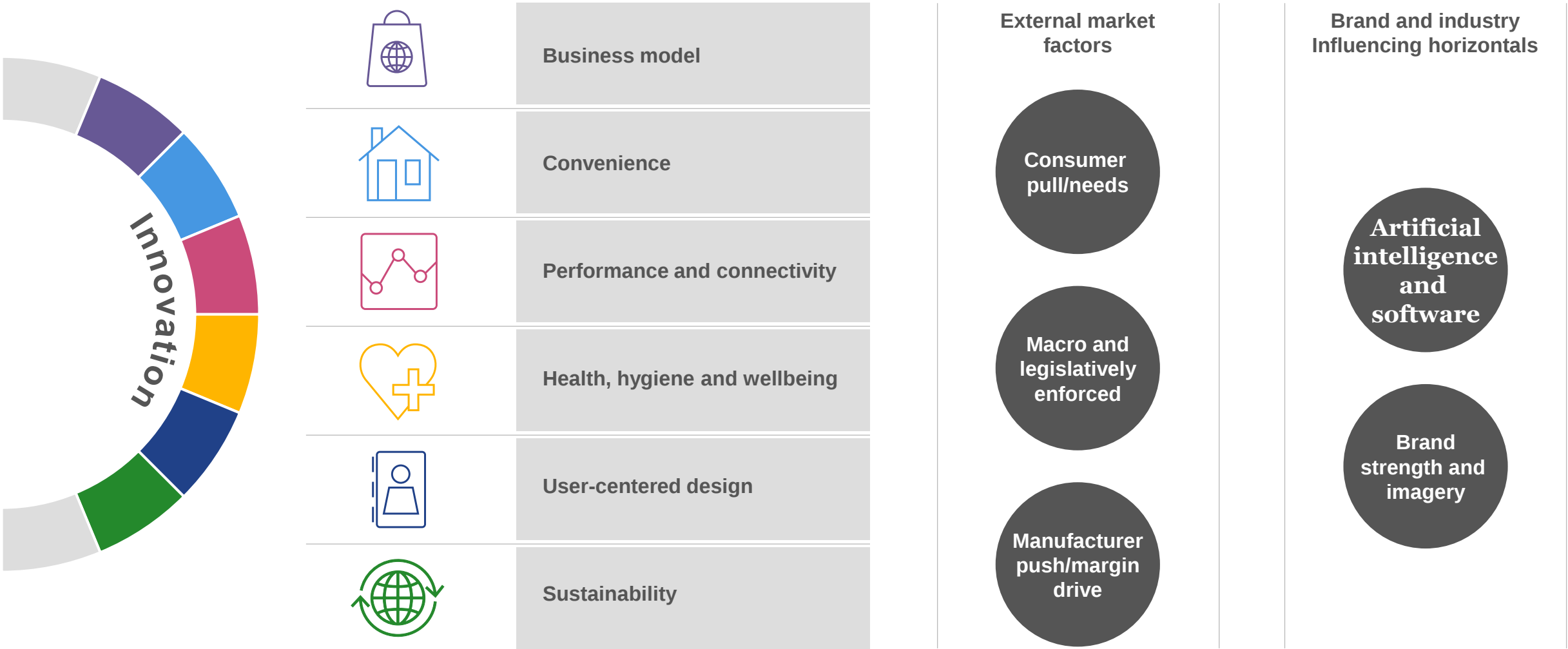
Consumers continue to rationalize purchases – political stimulation programs (e.g., China) show effect tariffs will have an impact

Global (ex. NA, RU) Tech and Durables | Sales Value USD (NSP) | Growth rate YoY (%)
Jan 2024 – Dec 2024



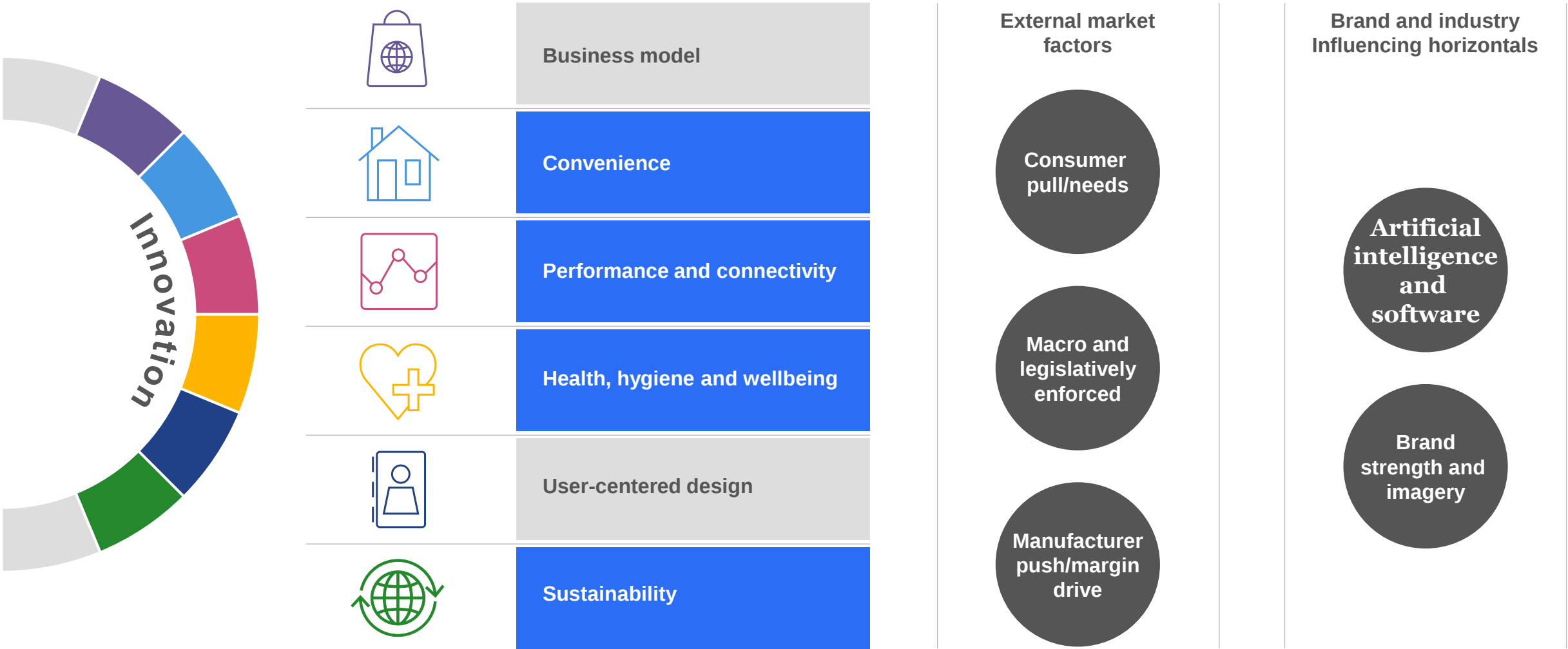
Source: GfK Market Intelligence: Sales Tracking, International Coverage (excl. North America and Russia), Sales revenue growth 2024 vs 2023
CE includes Multifunctional Technical Devices and SDA includes Personal Diagnostics
Global SDA Trends Report 1HY 2025-NF

What does innovation look like in T&D industry?



Source: Conceptualized by market experts of Global Strategic Insights Team @GfK. This is conceptualized by looking at some of the key categories across all key TCG and H&L sectors. How is it different from trends and themes: There will certainly be some level of overlap as some trend manifest as drivers innovation. But innovation is at a more basic level at an execution or implementation level versus a trend which is more broad
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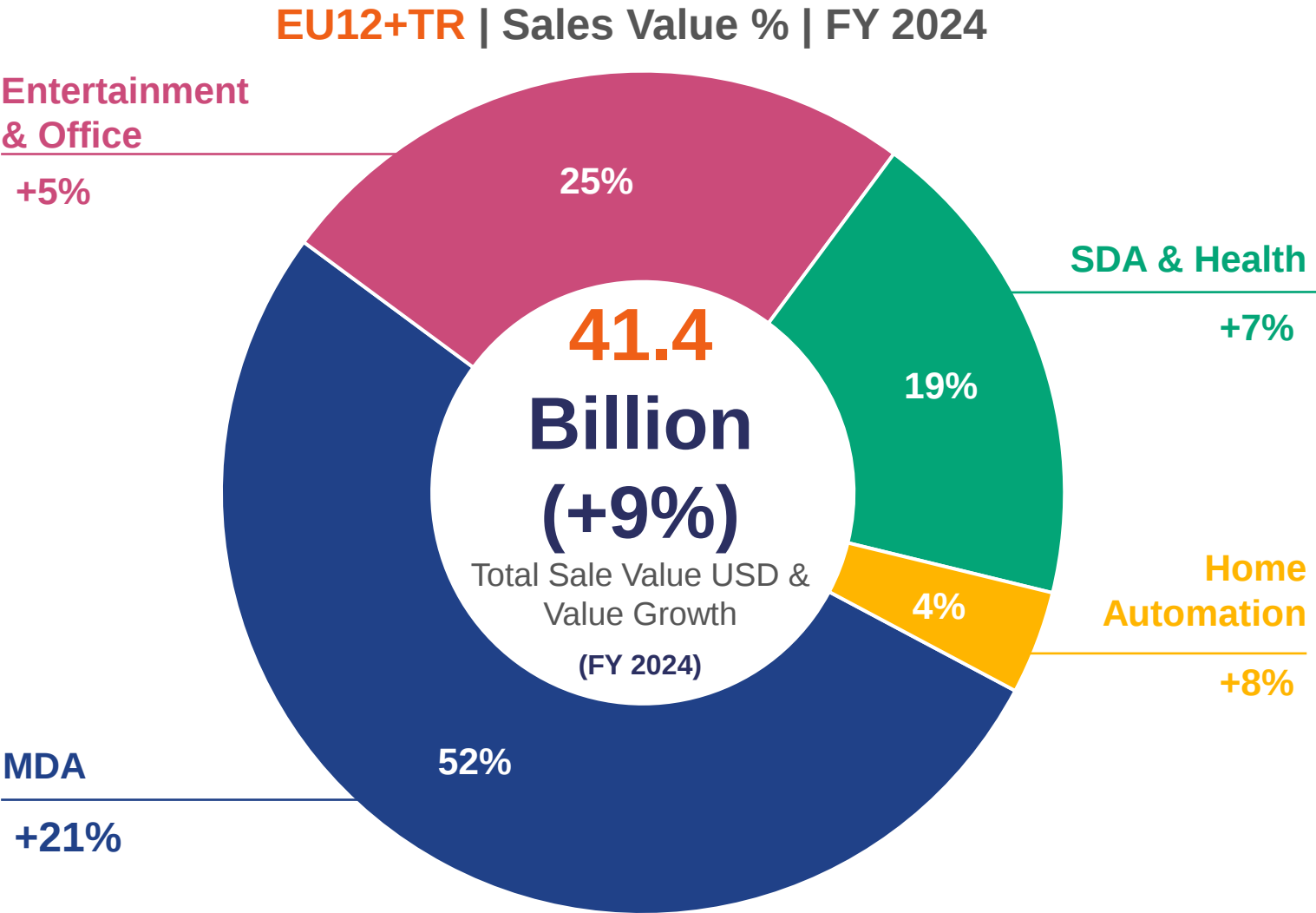
Attitudes & State of Market

NIQ



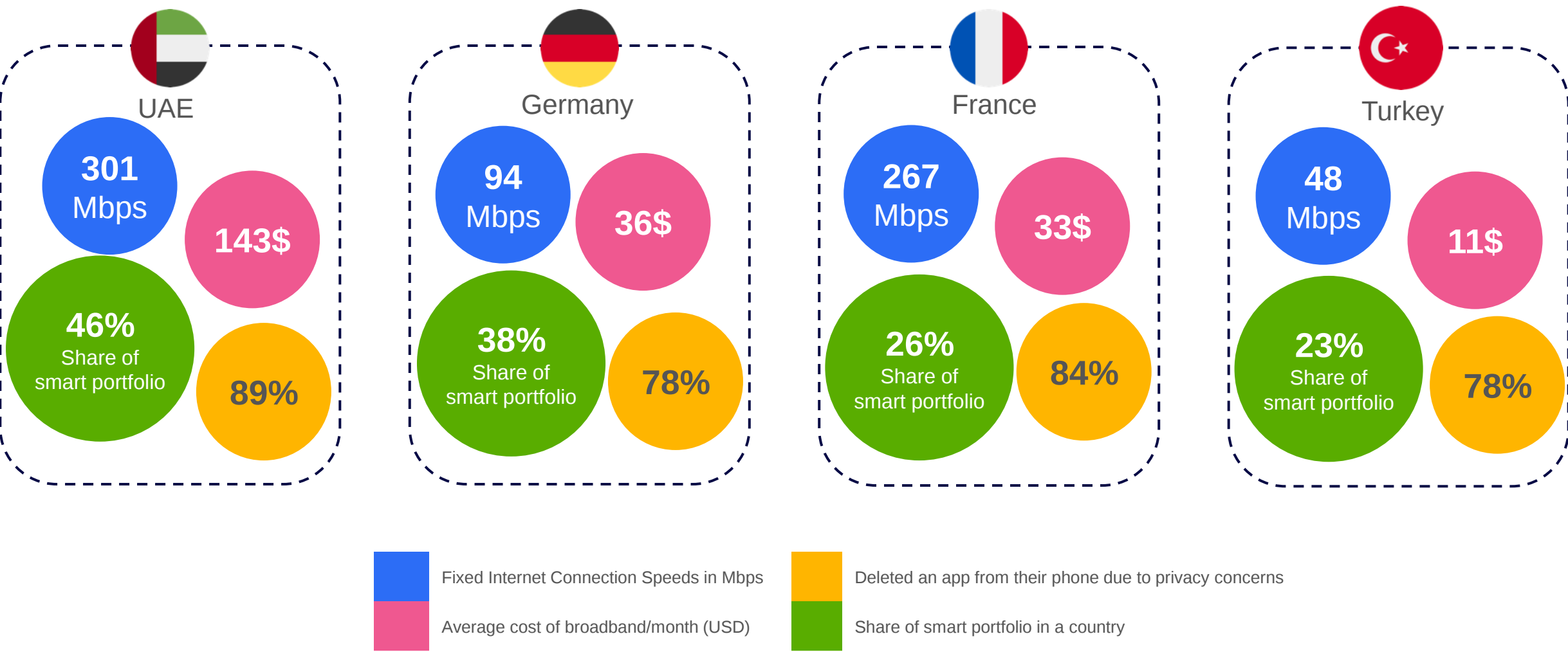
Smart Home Dynamics across EU12+TR

Post deceleration over the last two we see a strong resurgence for smart categories led by major domestic appliances sector



Source: Market Intelligence Sales Trackig Period : FY 2024 vs 2023 Countries: EU12+TR
Belgium France Germany Great Britain Italy Netherlands Spain

Internet speed is an important enabler for smart adoption, followed by lesser privacy concerns and cost of internet for faster adoption of smart products



Source: Desk Research * MI Sales Tracking Period: FY2024: All categories with Smart Connectivity Categories: VACUUM CLEANERS, TUMBLE DRYERS, WASHING MACHINES, HOT BEVER.MAKERS, AIR TREATMENT, DISHWASHERS, DENTAL CARE, FOODPREPARATION, CORE WEARABLES, DOOR COMMUNICATION, INTRUDER SECURITY, COOLING, MINI/BLUET SPEAKERS, VISUAL CAMS/DASHCAMS, PROGRAM. THERMOSTATS, DECORATIVE LUMINAIRES

What are the consumers' needs



Ease of Use and Convenience

- "It must be **easy** to install and provide stable operation"
- "**Simple** operation that offers advantages over manual use"

Safety and Privacy

- "Safety & privacy must be ensured. No **eavesdropping** allowed"
- "It must be **un-hackable**, with no possibility of personal data misuse"

Functional Integration and Compatibility

- "Must be **easy to use** via iPhone and compatible with other devices"
- "Must **seamlessly integrate** with existing smart devices"



H03c: What features or qualities would a smart device need to have for you to feel it's worth paying a premium? |
Base: familiar with Smart Home (n=1003)

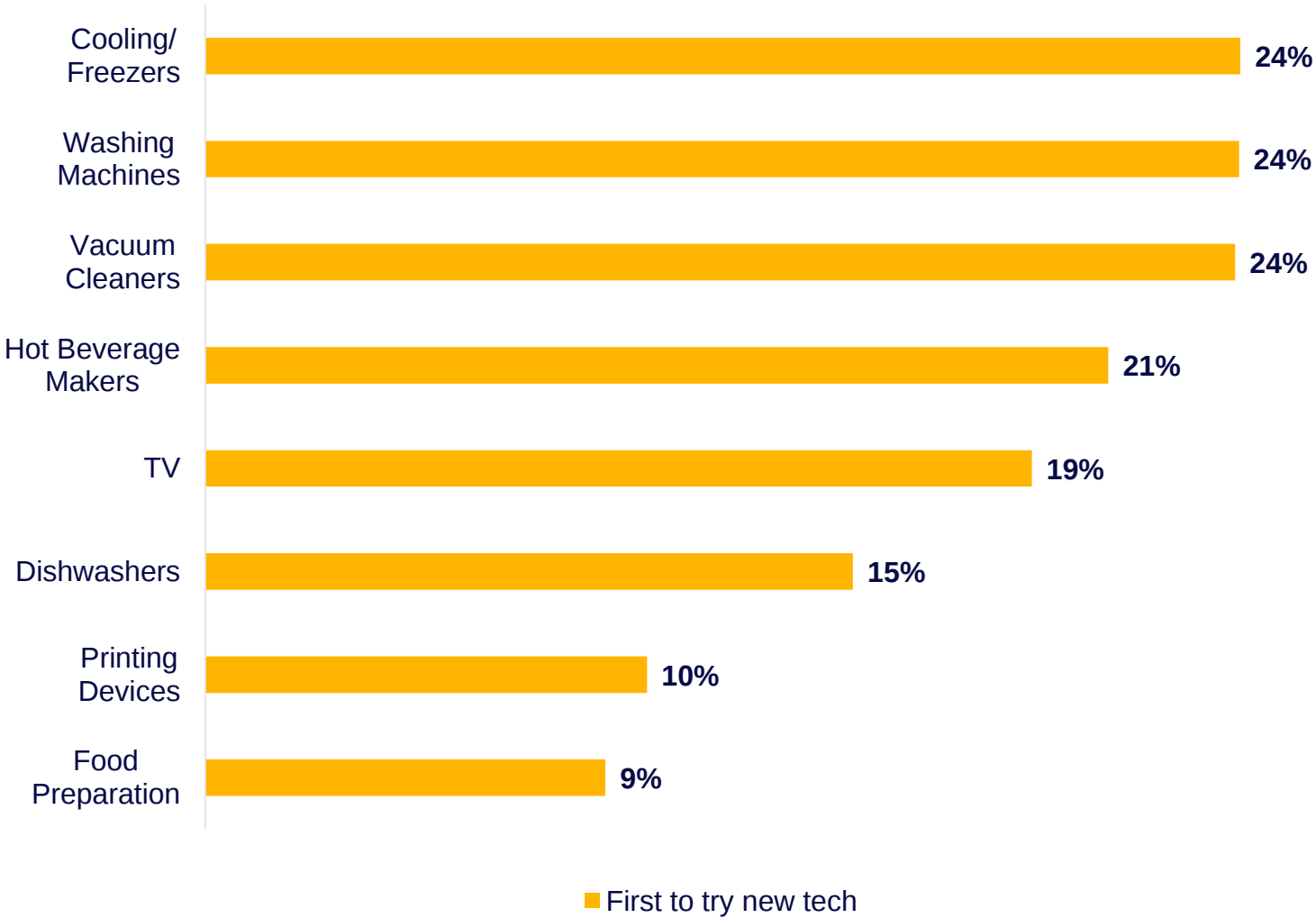
Make it **easy**

Leading edge consumers who bought smart home appliances displayed a willingness to pay for smart devices

If it provided a greater degree of **convenience** to complete their tasks



Attitudes to tech | EU9 | Tech & Durable smart products | Q1-Q3 2024



Source: gfknewron Consumer | Period: Q1-Q3 2024 | Countries:DE, FR, ES, IT GB, NL, BE, PO, TR

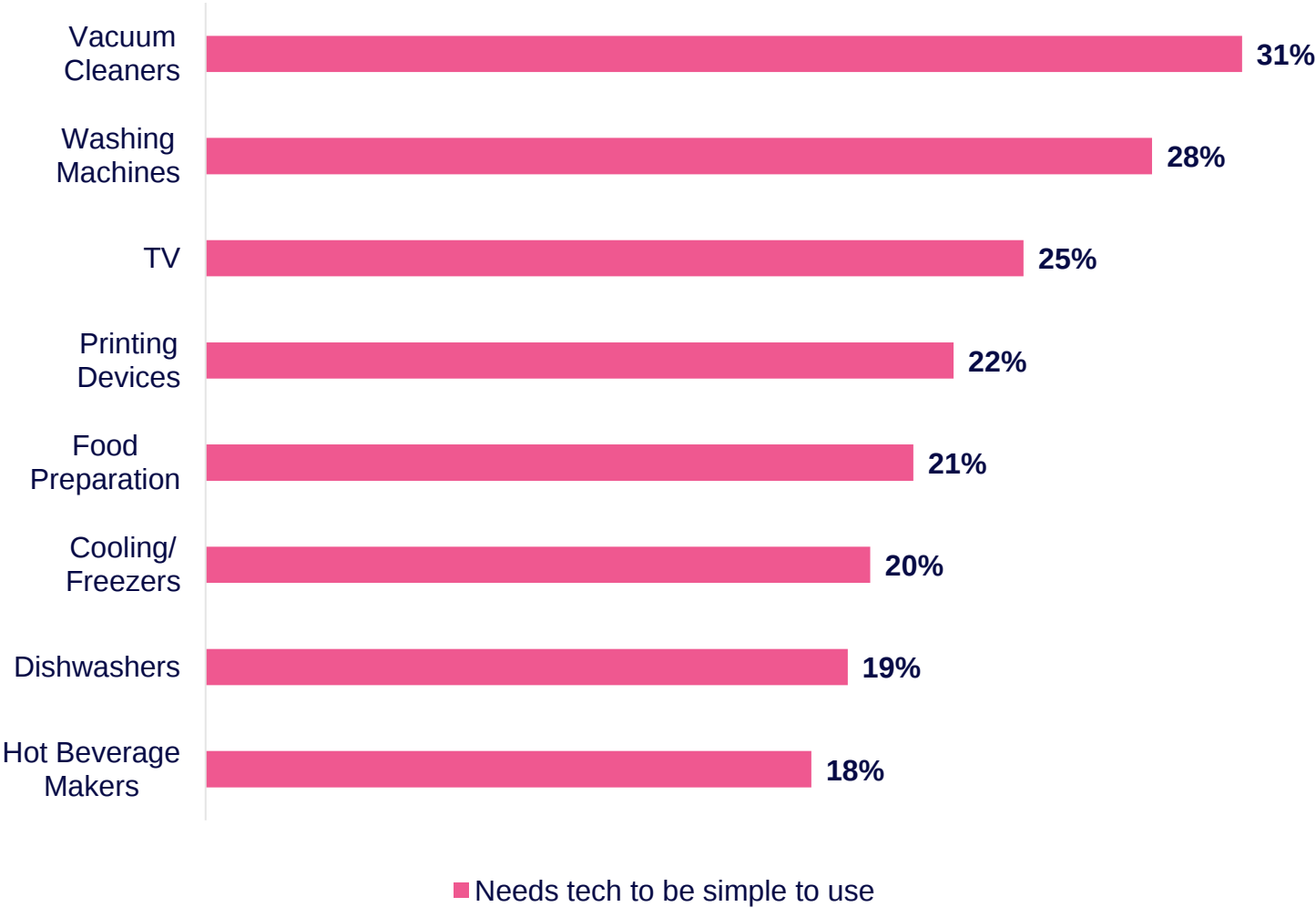
Make it simple

Consumer tendency for smart product was especially high for cleaning categories.

This is followed by entertainment and office categories



Attitudes to tech | EU9 | Tech & Durable products | Q1-Q3 2024



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Energy and entertainment rank as the top product categories in the use of smart technology



Health & personal care and communication & network devices are next in line, following improved product and category definitions that more accurately reflect consumer choices

Main Smart Product Categories

Smart Product Category		2024 (n=1003)
1	Energy	67%
2	Entertainment	54%*
3	Health & Personal Care	48%
4	Communication & Network Devices	42%
5	Lighting	39%

Smart Product Category		2024 (n=1003)
6	Security	31%
7	Large Household Appliances	24%
8	Small Household Appliances	13%
9	Doors, Windows and Shades Controls	7%
10	Vitality/Self-Reliance	4%

*Smart TV not included in the Entertainment list due to its product nature *Refinement of product and category definitions to better reflect consumer choices; comparison to previous year will be showed again in the 2025 report
A02a: Which of the following Smart Home products/services are in use in your household? | Base: familiar with Smart Home (n=1003)

Energy is driven by smart meters and solar panels, while Chromecast and Apple TV lead entertainment. Interestingly, smart doorbells are gaining prominence in security

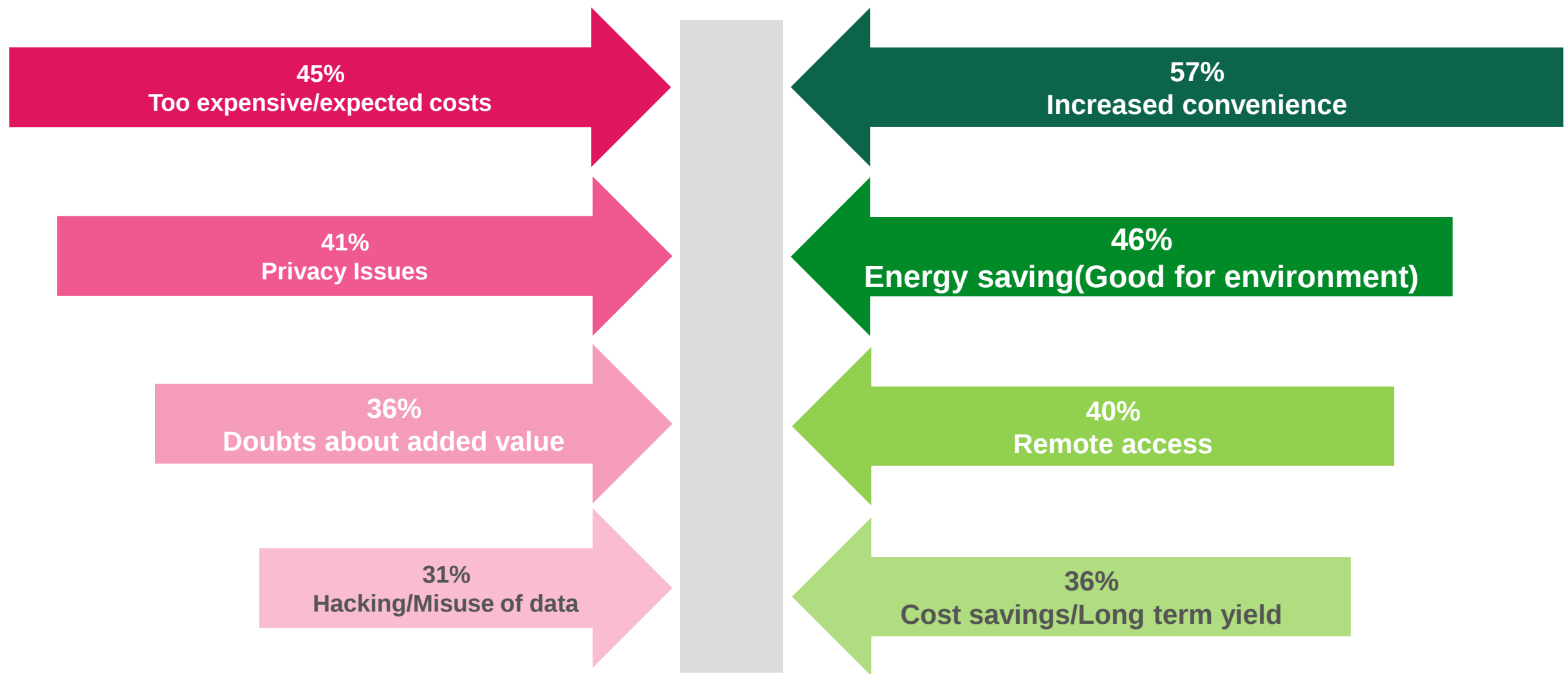
Top-3 Smart Products per Category

Smart Product Category	Top-3 Smart Product Used	2024 (n=1003)
Energy	1. Smart Meter 2. Solar Panels 3. Smart Thermostat	47% 37% 28%
Entertainment*	1. Chrome Cast/Apple TV 2. Smart Soundbar/Audio System 3. Smart Speaker	35% 20% 18%
Health & Personal Care	1. Smartwatch 2. Fitness Tracker 3. Smart Personal Scales	35% 11% 10%
Communication & Network Devices	1. Repeater and Range Extender 2. Smart Router 3. Smart Home Hub/Bridge	18% 17% 12%
Lighting	1. Smart Lighting (incl. Smart Lamps) 2. Smart Motion Sensors for Lighting	36% 13%

Smart Product Category	Top-3 Smart Product Used	2024 (n=1003)
Security	1. Smart Doorbell 2. Remote Security Cameras 3. Smart Detector (Smoke/Gas alerts)	20% 13% 8%
Large Household Appliances	1. Smart Washing Machine 2. Smart Dishwasher 3. Smart Oven	12% 7% 7%
Small Household Appliances	1. Smart Vacuum Cleaner (incl. Robot) 2. Smart Air Conditioner 3. Smart Coffee Maker (incl. Espresso)	11% 6% 2%
Doors, Windows and Shades Controls	1. Smart Blinds/Shutters 2. Smart Window Covering	5% 2%
Vitality/Self-Reliance	1. Medication Reminder (App-based) 2. Senior Wearables (Emergency) 3. Panic Button	3% 1% 1%

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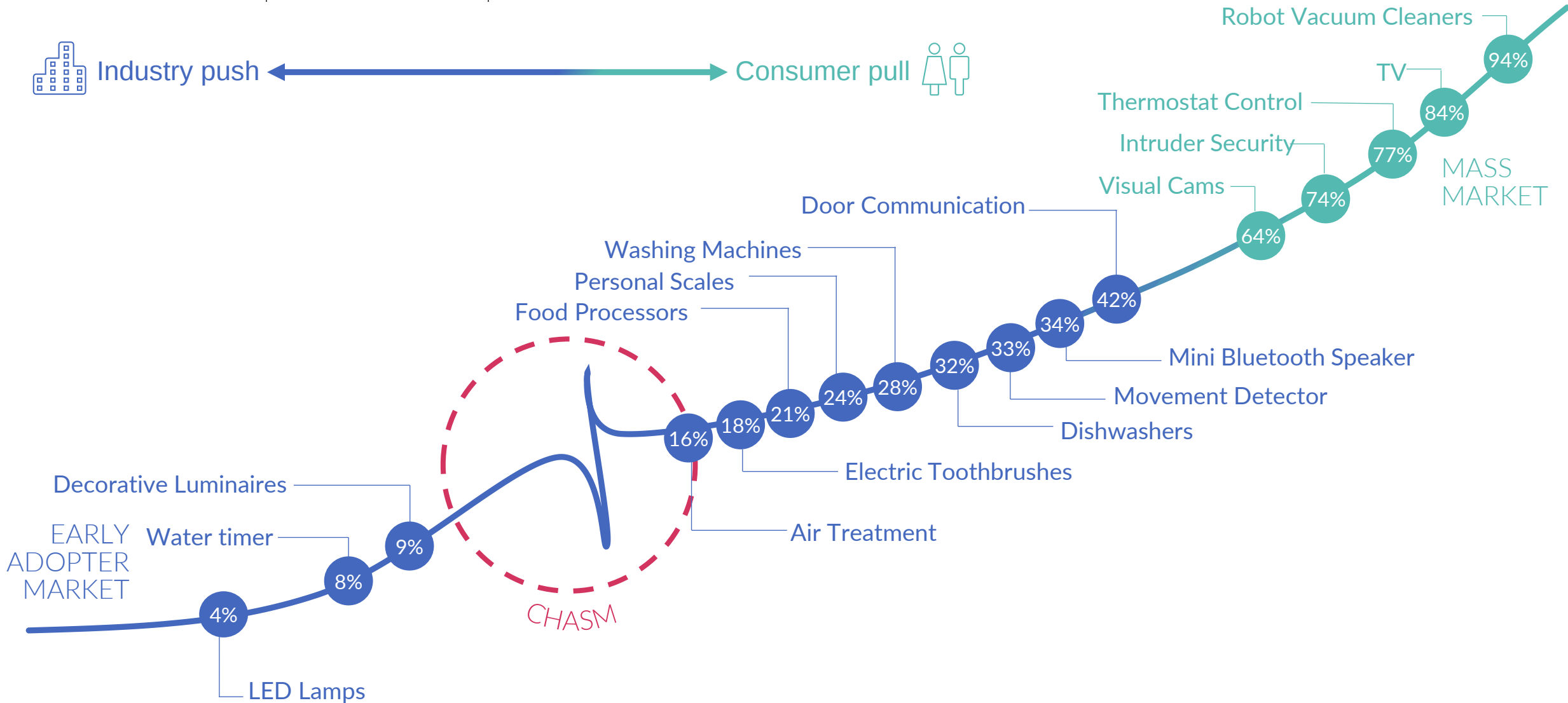
Pros need to outweigh the cons or at least address the core concerns of the consumer



A03: What are the most important advantages you expect from Smart Home solutions? | Base: familiar with Smart Home (n=1003) A04: What are the main barriers that might prevent you from purchasing or using Smart Home solutions? | Base: familiar with Smart Home (n=1003)

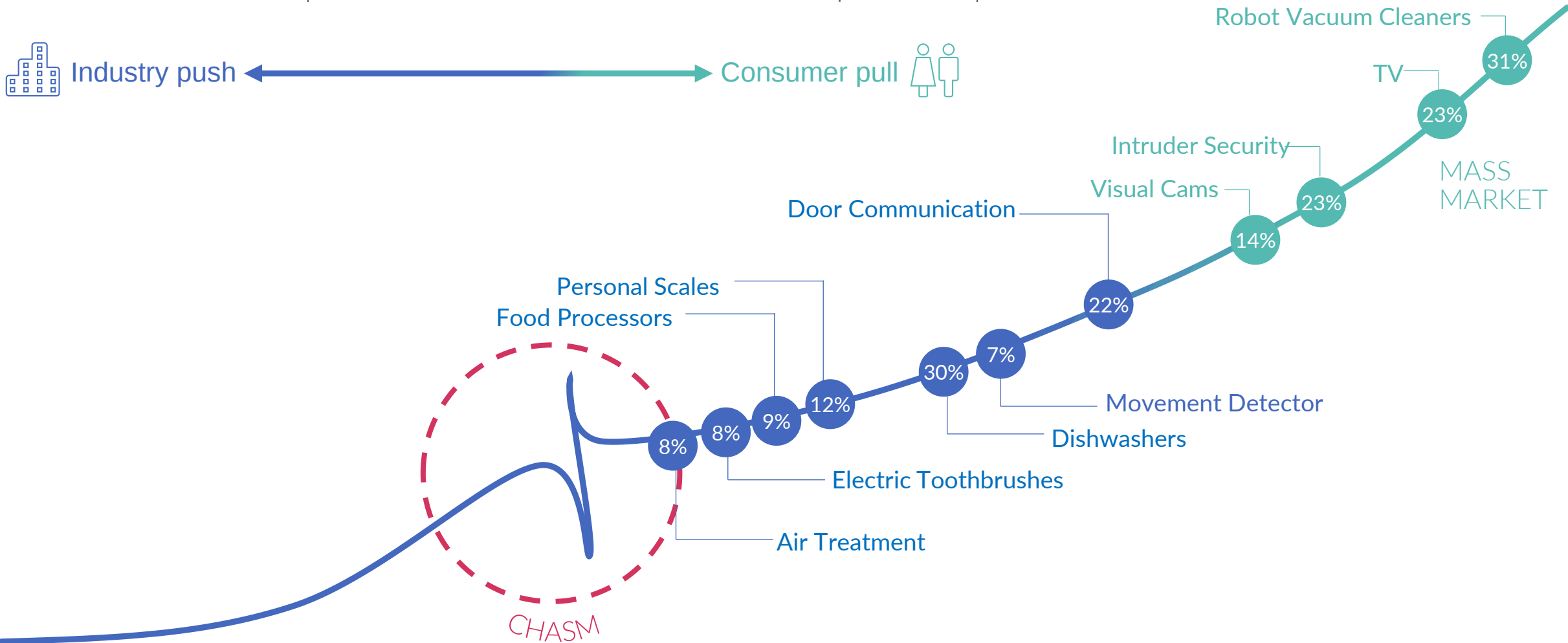
Relevant use cases are key to achieve mass market adoption

EU13 countries | Sales Units % | Jan-Dec 2024



Security and cleaning seems to be two areas

EU12+TR countries | Sales units share increase of smart portfolio | 2019 to 2024



Appliances

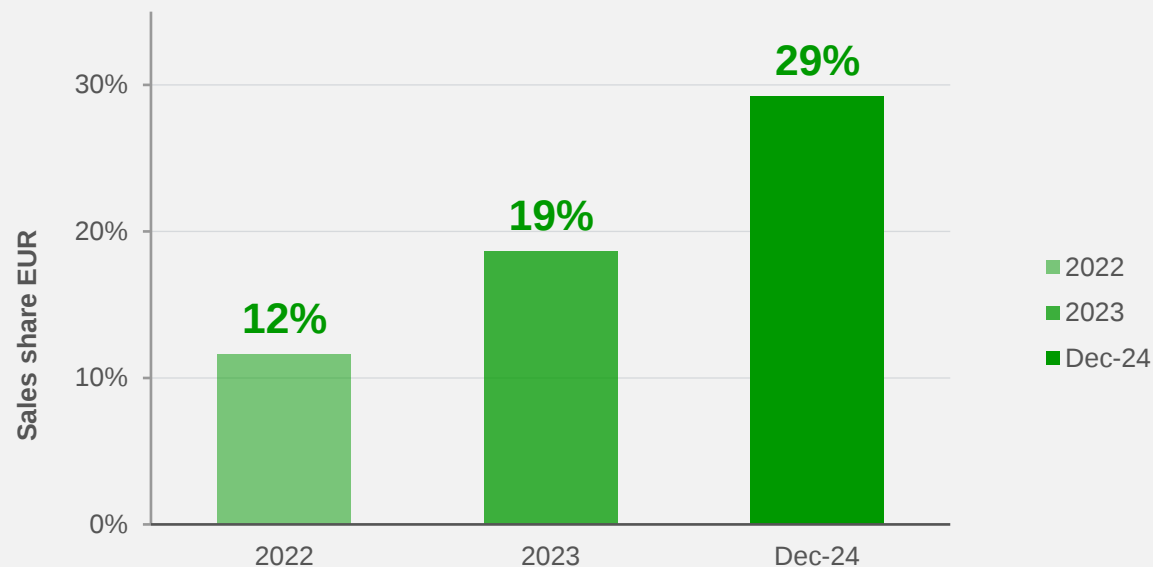
Consumers care about energy efficiency in major home appliances

Buying behaviour mirrors the growing attitude towards sustainability

The new energy label (introduced in March 2021 in the EU) remains a pivotal anchor point for consumers' decision making. As that provides more clarity about energy consumption for a regular heavy usage appliance.

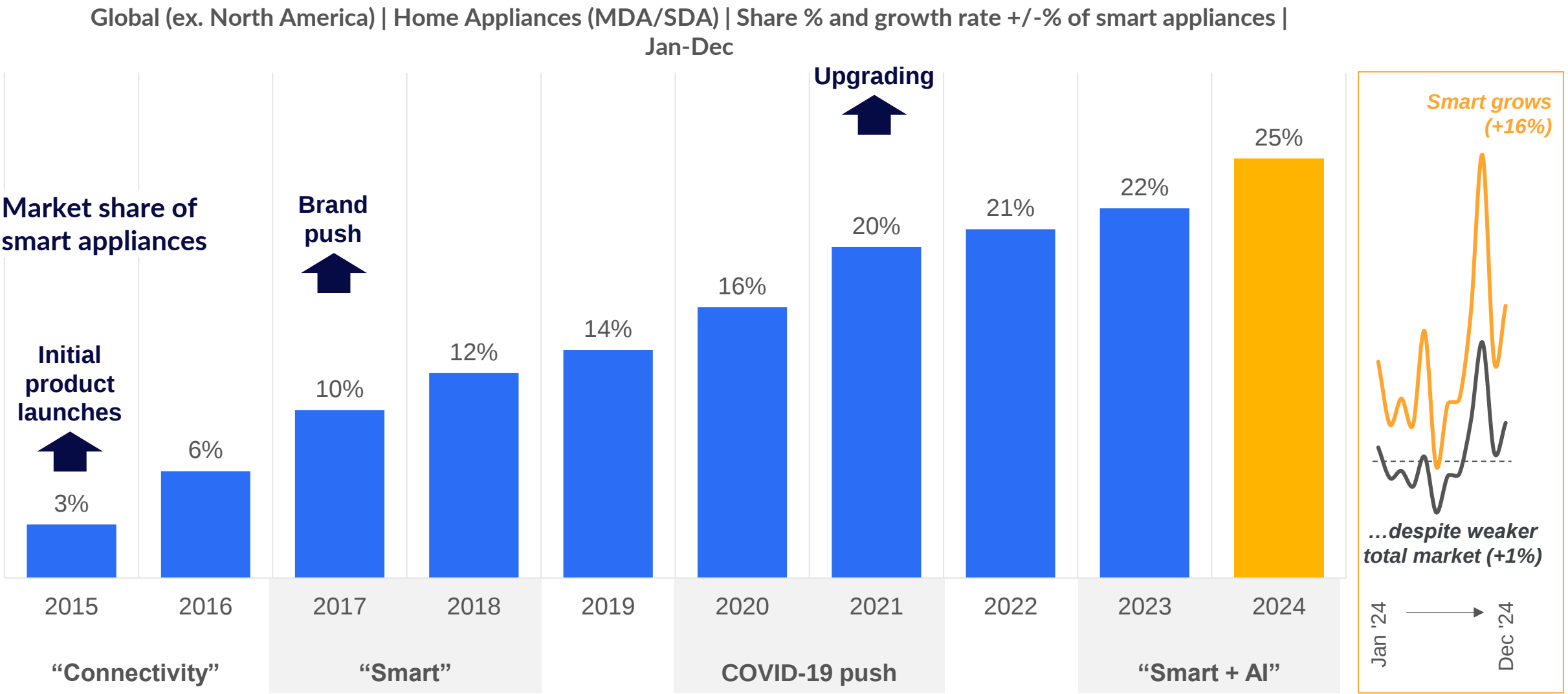
- Sales share of “A-class” significantly increased
- In certain categories/countries the share of “A-class” is **even above 80%**
- Prices for best-in-class energy label products become more affordable

Best energy class “A” - sales share in Europe
(Washing machines, fridges, freezers, dishwashers)



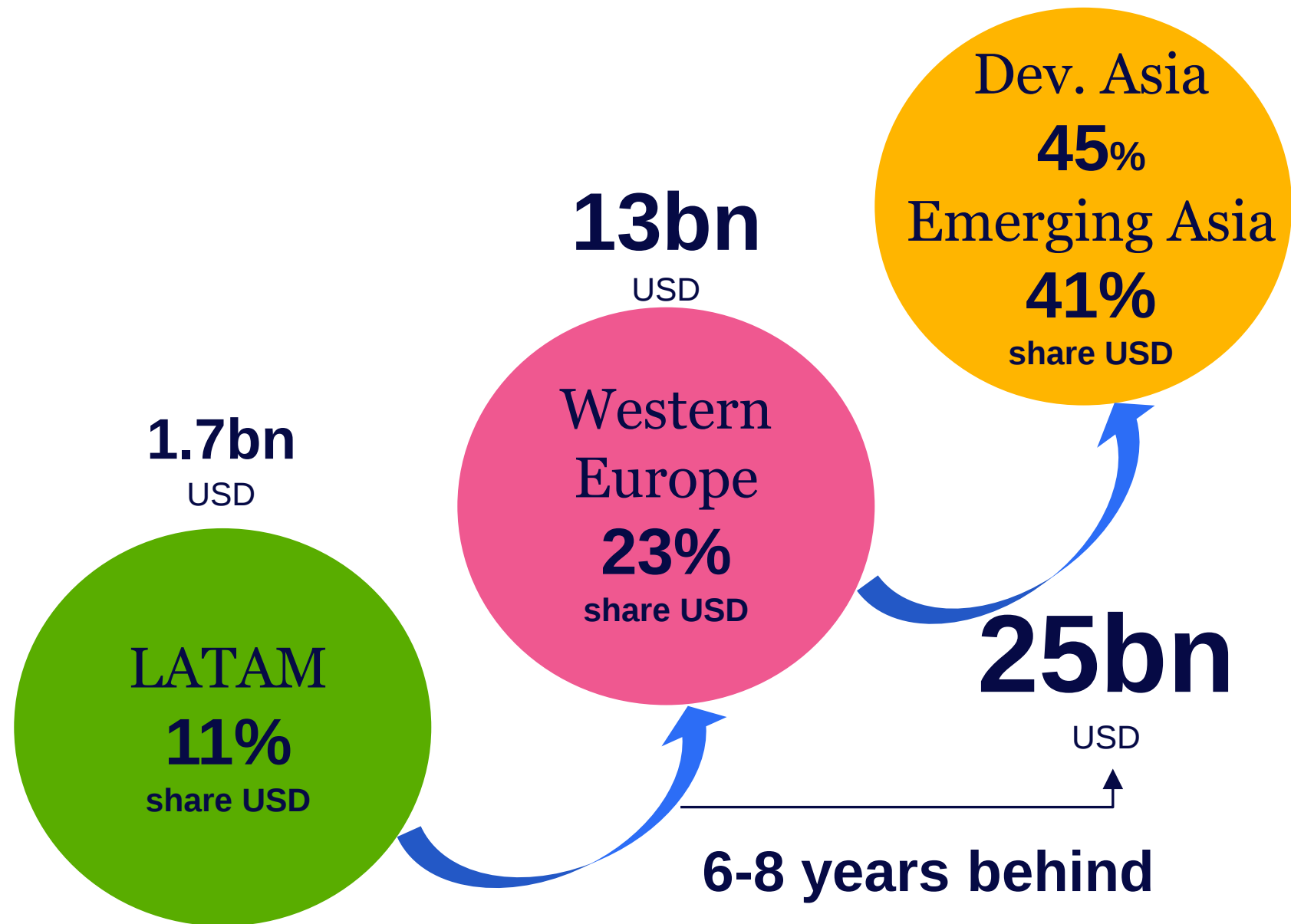
Home Appliances market has seen multiple major pushes of smart appliances

Resulting in every fourth dollar spent on connected appliances in the past year



Smart Ecosystems (MDA+SDA)

- Smart adoption & product penetration is quite low in LATAM It is at moderate levels in W. Europe
- Asia where the share is considerably higher due to interconnectivity and ecosystem approach. **China** is a core example of how smart portfolio can go mass market.
- Western Europe is roughly trailing 6-8 years behind APAC in consumer adoption of smart products

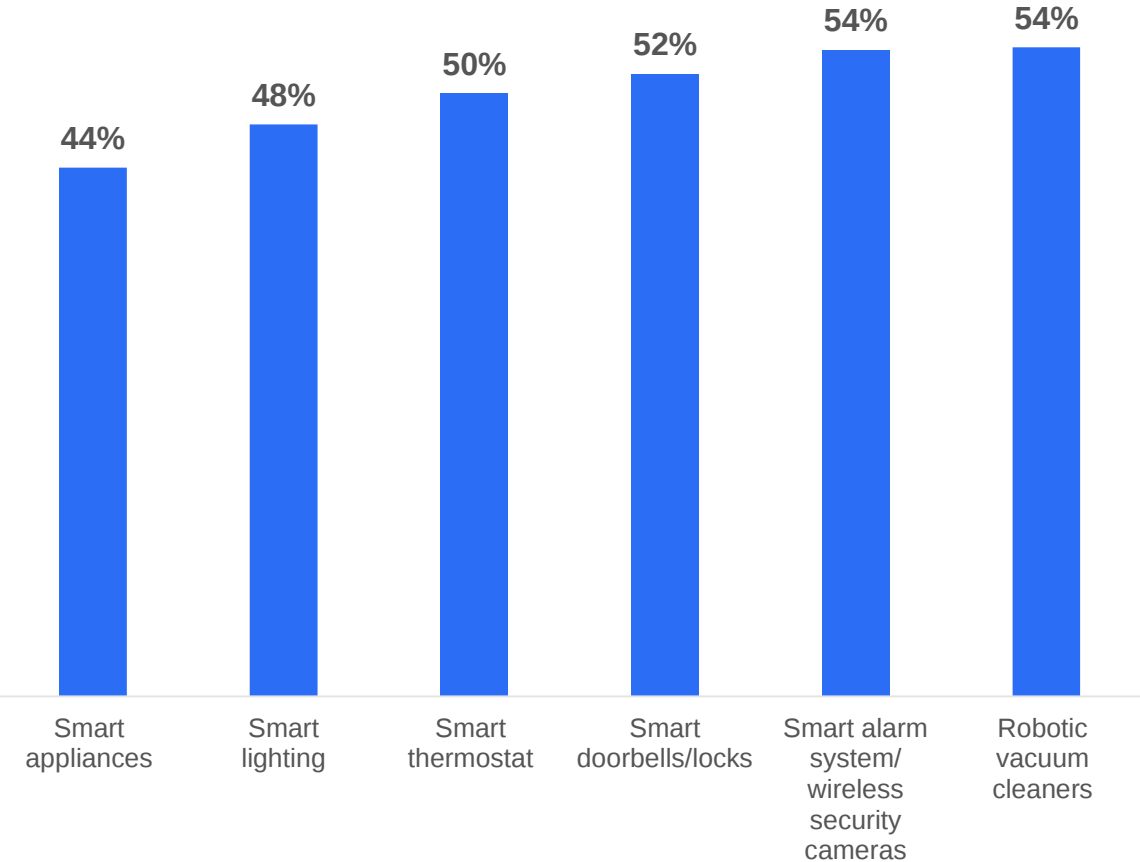


Source: GfK Market Intelligence | Sales Tracking, International Coverage (ex. North America) Period: FY 2024 vs 2023

Security & Control

Consumers have an interest in purchasing smart security and control*

Planned Purchase : First Time Buyers*



*Majority of the first purchases are made by ...

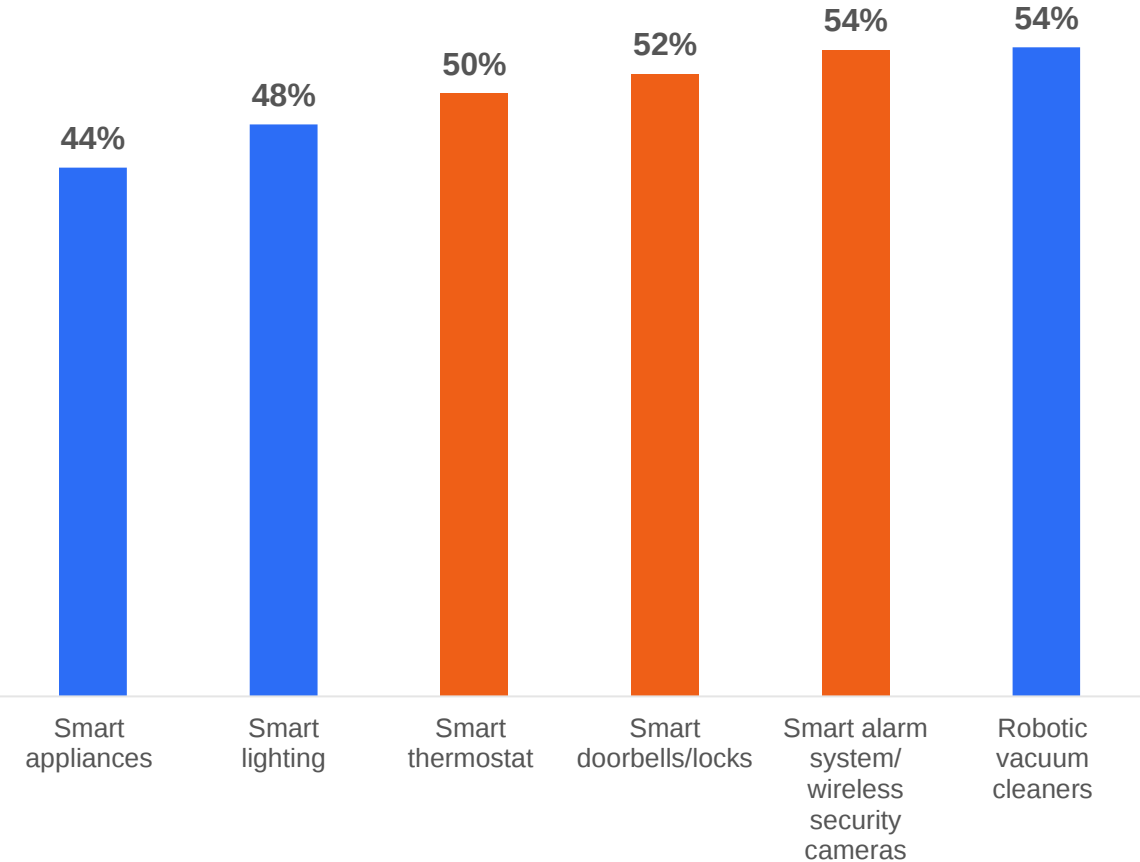
Gen X + Baby-boomers

*Majority of the replacement purchases are ...

Gen X + Silent Gen. & Millennials

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33%

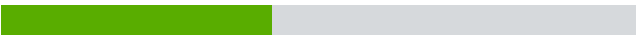
of respondents stated

*Consumers used a subscription in addition to smart home products to access additional features (20% used a **paid** subscription)***

Consumers attitudes towards smart security

1 in 4 say they will spend more than last year in smart devices*

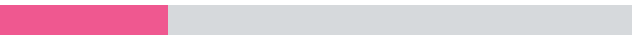
43%



Cost- Major hindrance to purchase a smart product like smart security:

“Cost to purchase products in this category would be too high”

27%



Use and interest in smart alarm system/wireless security cameras

“Plan to buy in the next year or two”

54%



First purchase vs upgrading among consumers

“It will be my first purchase of this type of product”

Health & Wearables

Health management

61%

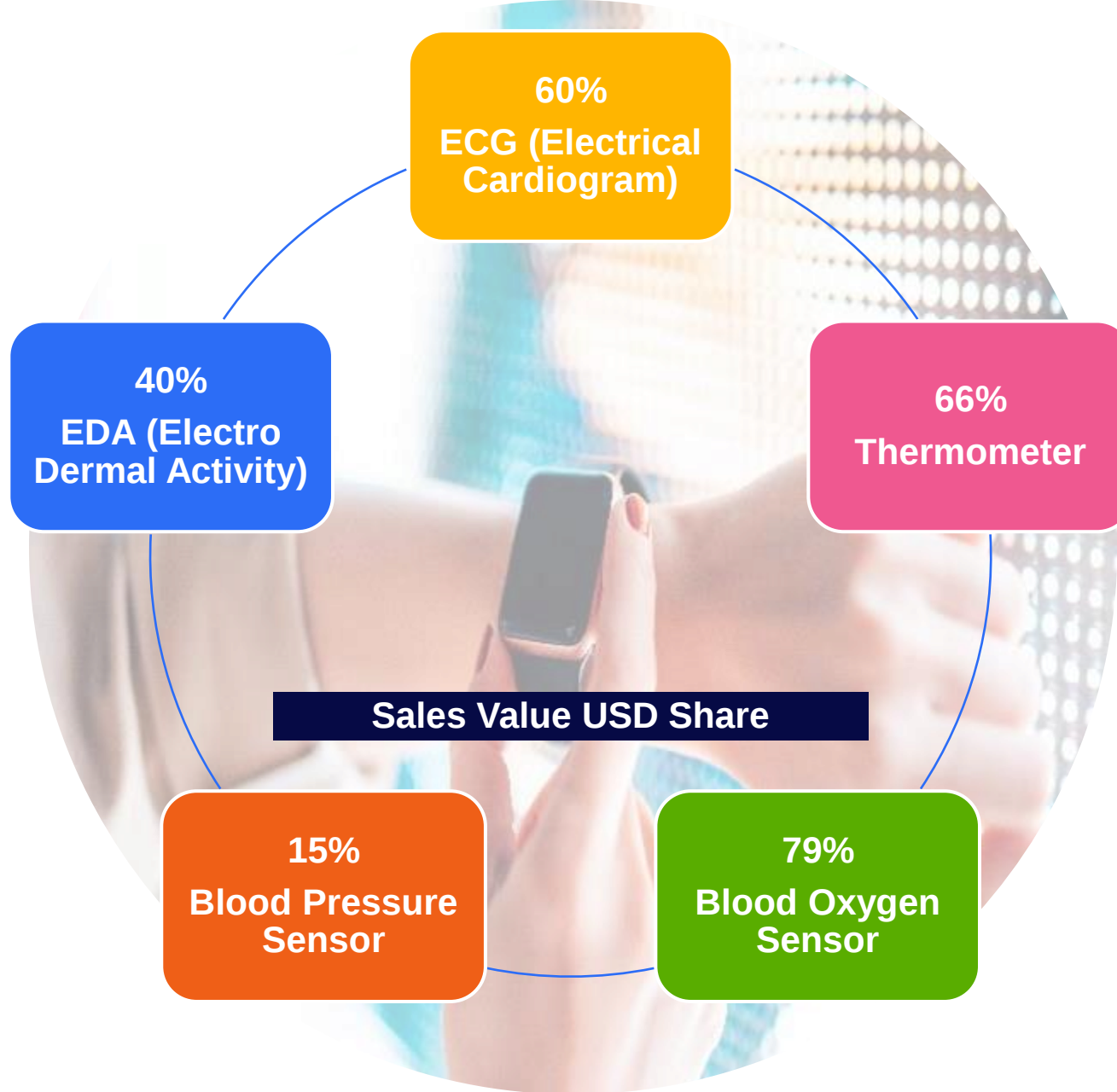
of consumers using health wearables trust the data from these devices as much as that from their health practitioner/physical testing



Source: Capgemini Research Institute, Connected Products survey, 2023

Health management – on your wrist

- **99%** of smart watches already have a heart rate sensor & sleep tracking functionality
- The health metrics which can be tracked in wearables is increasing with each new wave of wearables coming to market

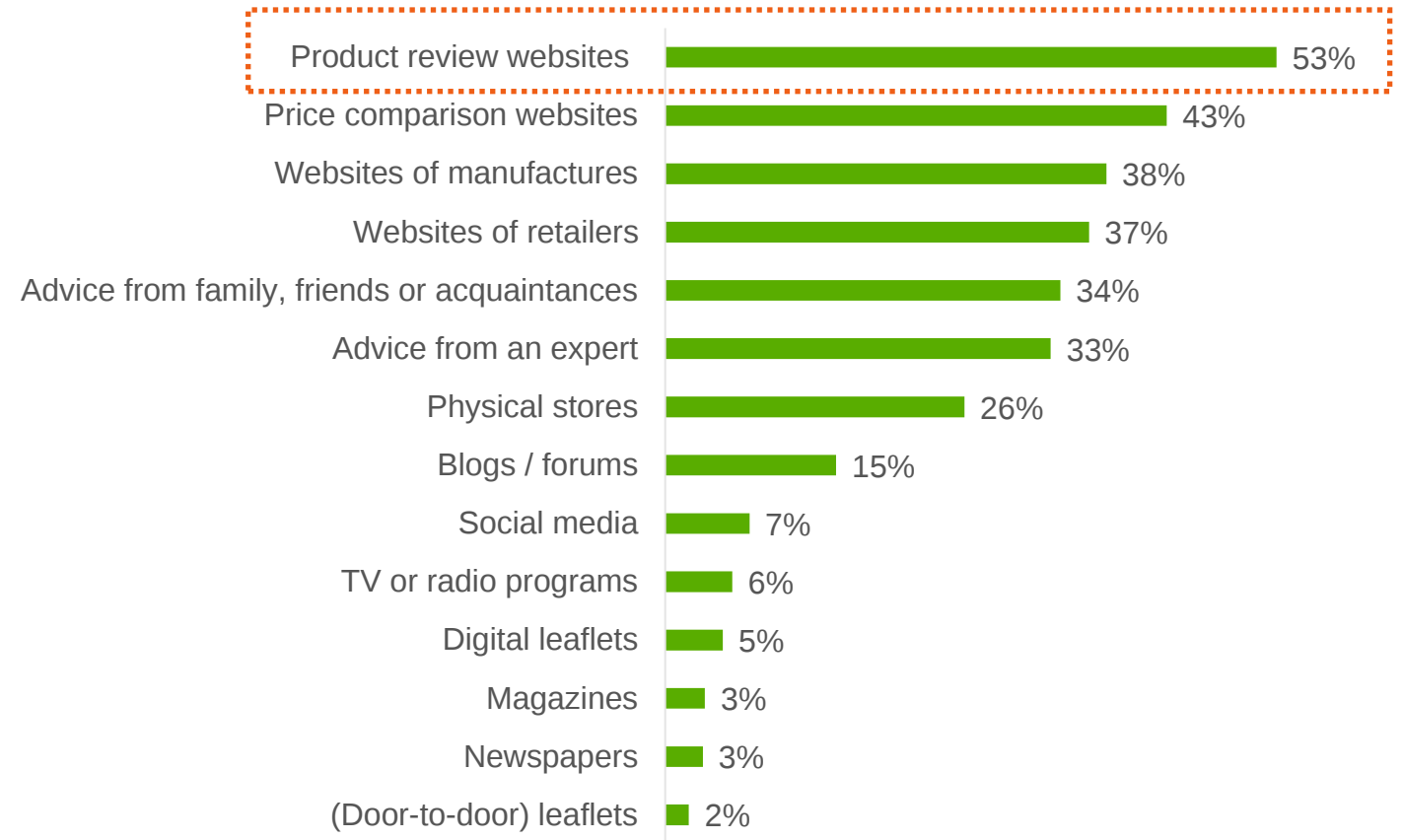




Product review websites are the main source of pre-purchase information

Online sources dominate, with the top four being rounded out by price comparison sites, manufacturer websites, and retailer websites

Smart Home Purchase Information Sources



B04: Which of the following sources would you consult first when looking for information about purchasing a Smart Home solution? |
Base: familiar with Smart Home (n=1003)

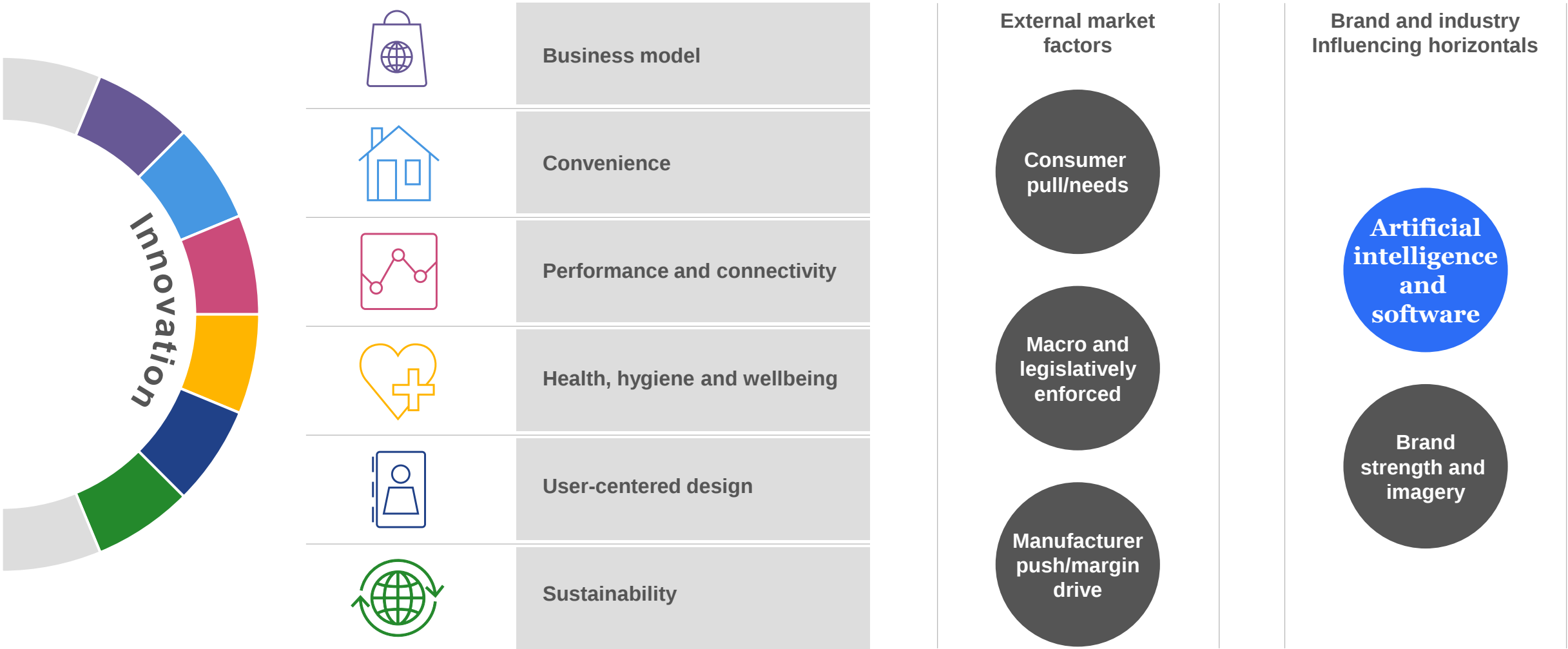
The „AI“ impact



NIQ



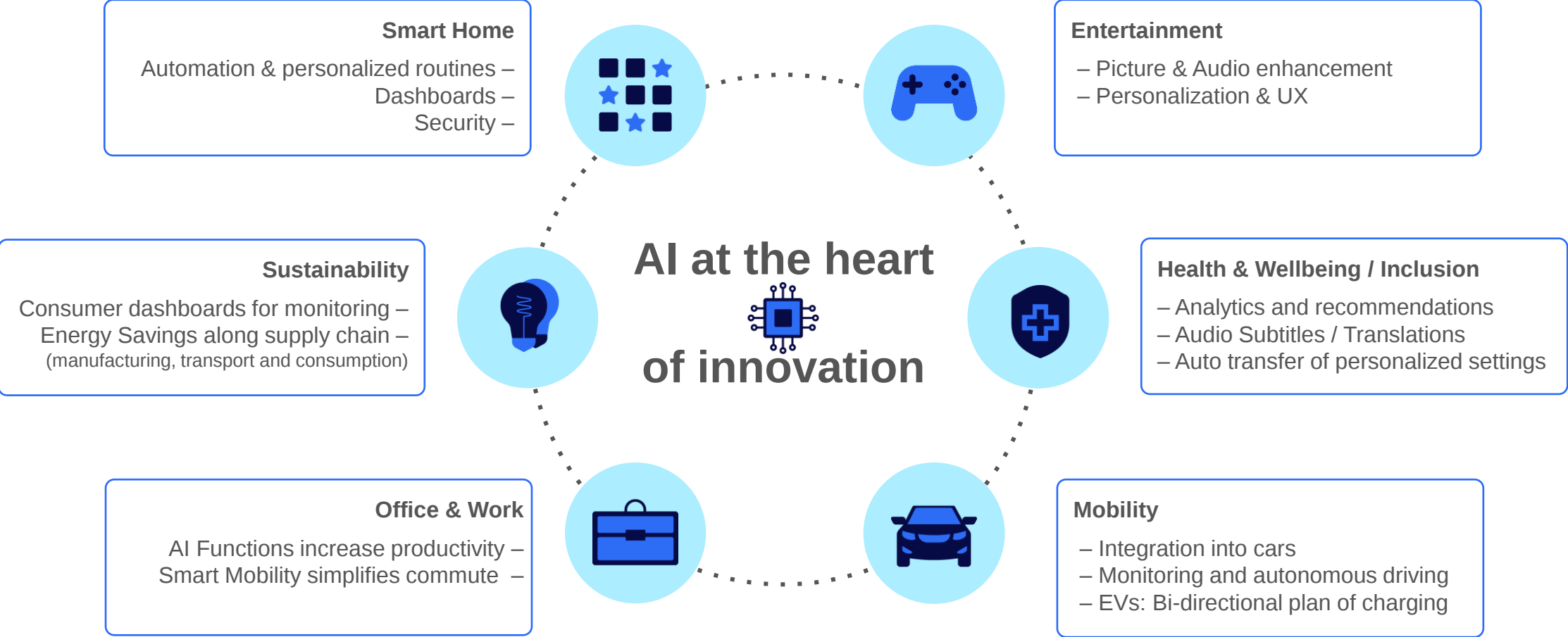
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AI impact is one enabler of innovation at IFA & CES 2025

Innovation buckets themselves are less visible as distinct themes, but all interconnected



Source: Prepared by GfK/NIQ experts based on observations made at IFA 24 & CES 25

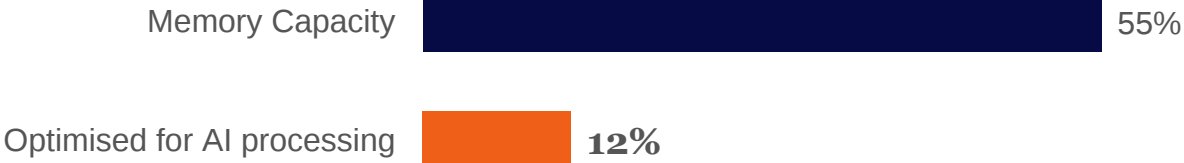
AI optimization as choice driver for consumers?

AI Functions is an **enabler** for innovation, hence not on top of consumers' minds when purchasing!

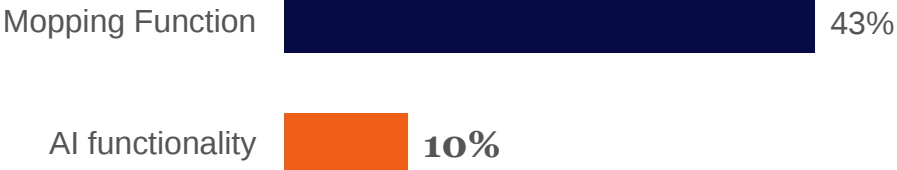
Which of these product features were most important to your final choice?
Percentage of consumers confirming statement above



Mobile
PCs



Robot
Vacuum Cleaner



Washing
machines



Source: gfknewron Consumer; Choice Drivers per category; Q3 2024. Countries: IN, BR, FR, DE, JP, GB, IT, ES, NL, BE Global SDA Trends Report 1HY 2025-NF

Summary

Macroeconomics: Global GDP growth remains stable but subdued, with inflation rates subsiding. The tech and durables market is returning to growth, driven by promotions and subsidies.

Innovation: Innovation in this tech & durables emphasizes convenience, performance. AI is a big innovation catalyst to enhance user experience & sustainability.

Enablers & Consumer Preference: High internet speeds & lower privacy concerns are some pre-requisites for adoption of smart products. Consumers prioritize ease of use, safety, and functional integration and energy efficiency.

AI impact: AI incorporated products quite like smart home products needs a clear end user benefit and tangibility. In terms of adoption its journey could be quite like smart connectivity. It will take time. AI seems like the natural evolution of smart products adding new and improved use cases for these products

Thank you !

March 2025

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We really appreciate
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