Electrolux
Market Overview 2020
Global industry trends

The global household appliance market is being transformed by five major trends increased consumer power, digitalization, sustainability, global scale and the growing global middle class. While these changes place demands on investments and economies of scale, they also present major opportunities.

Consumer power

Greater consumer awareness and access to information on prices, offers, product characteristics and consumer reviews online, via social media and through mobile access, increasingly empowers consumers. 93% of consumers say online reviews impact their purchase decisions¹ and 63% of consumers are willing to pay up to 15% more for a better experience². This makes developing products that offer outstanding consumer experiences more important than ever to allow premium pricing and greater competitiveness.

Spending more time at home due to the coronavirus pandemic has meant that people place even more value on high-quality appliances with relevant features and benefits. Another trend is that consumers are increasingly choosing brands with a purpose that they feel matches their own values.

Strategic focus: Electrolux experience innovation and brand/product focus are specifically tailored to appeal to targeted consumer segments and needs.


Digitalization

Digitalization enhances consumer power, while enabling increasingly advanced products, and greater productivity and flexibility in industrial operations. During the coronavirus pandemic, consumers have become more digital and online purchases have grown. At the start of the pandemic, consumer use of the internet to research consumer electronics and appliances increased by 24%, and online sales by 15%³. Consumers over the age of 60 played a key role in driving digitalization in consumer electronics and appliances during the pandemic.

Strategic focus: Electrolux has a strong focus on consumer experiences, with connectivity and productivity as key value drivers. R&D investments focus on digitalization.

Sustainability

Sustainability is becoming more important for consumers, with two-thirds of global consumers willing to pay more for sustainable goods. Authorities around the world are also putting increasing demands on manufacturers to develop and offer more sustainable products, such as product energy efficiency requirements.

Strategic focus: Electrolux is a sustainability leader in the appliance industry, demonstrated by numerous third-party recognitions, and has a clear strategic sustainability agenda.

Growing global middle class

The expanding global middle class drives market growth in Africa, the Middle East, Eastern Europe, Latin America and Southeast Asia. Emerging markets represent a potential universe of over 6 billion consumers.

Strategic focus: Electrolux is a global business with a local presence. It has extensive consumer knowledge and brands targeting growing product categories in regions with a rapidly growing middle class.
Western Europe

**THE APPLIANCE MARKET**

Market characteristics
Western Europe is a fragmented market characterized by widely varying consumer needs between countries and many manufacturers, brands and retailers. Structural overcapacity and price pressure have led to an ongoing industry consolidation aiming to achieve economies of scale. An increasingly important industry trend is the shift in power towards consumers, having greater awareness and access to information online.

** core markets |

**SHARE OF GROUP SALES 2020**

| Brand | 30% |

**CONSUMER BRANDS**

**SHARE OF GROUP SALES 2020**

| Electrolux | 30% |
| AEG | 30% |

**CONSUMER BRANDS**

Australia, New Zealand, Japan and South Korea

**THE APPLIANCE MARKET**

Market characteristics
In Australia and New Zealand, market penetration is high and demand is primarily driven by design and innovations as well as water and energy efficiency. Japan, the world’s third-largest single market, is dominated by major domestic manufacturers and retailers. Small living spaces, in Japan as well as in South Korea, drive consumer demand for compact products such as cooktops, washing machines and hand-held vacuum cleaners.

**core markets |

**SHARE OF GROUP SALES 2020**

| Brand | 6% |

**CONSUMER BRANDS**

**SHARE OF GROUP SALES 2020**

| Electrolux | 6% |
| AEG | 6% |

**CONSUMER BRANDS**

North America

**THE APPLIANCE MARKET**

Market characteristics
North America has a mature, homogenous market with high product penetration dominated by replacement products. Large homes allow space for many household appliances, including large appliances. The market comprises several domestic and global manufacturers.

**core markets |

**SHARE OF GROUP SALES 2020**

| Brand | 33% |

**CONSUMER BRANDS**

**SHARE OF GROUP SALES 2020**

| Electrolux | 33% |
| AEG | 33% |

**CONSUMER BRANDS**

**core markets |

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**CONSUMER BRANDS**

**SHARE OF GROUP SALES 2020**

| Electrolux | 6% |
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**CONSUMER BRANDS**
**THE APPLIANCE MARKET**

**Market characteristics**

The penetration rate in Eastern Europe is still significantly lower than in Western Europe but a large market for replacement products is emerging. The market is mainly dominated by Western manufacturers.

**THE APPLIANCE MARKET**

**Market characteristics**

Brazil is the largest appliance market in the region, dominated by a few major manufacturers. Market demand, mainly for refrigerators, washing machines and cookers, is recovering after some years of economic slowdown. Market penetration for built-in products and air-conditioners remains low but increases. Consumers in the region show an increasing interest for energy and water efficiency and other sustainability related topics.

**THE APPLIANCE MARKET**

**Market characteristics**

Southeast Asia is characterized by strong growth with emerging economies, rapid urbanization, small living spaces and an expanding middle class. With the pandemic, consumers prioritize cooker, washing machines and air-purifiers. Energy-efficient products and premium brands are also growing in popularity. In Africa, product penetration is low but growing with increased household purchasing power. The Middle East is impacted by political uncertainty.

**GROWTH MARKETS**

**Eastern Europe**

**ELECTROLUX MAJOR COMPETITORS**

- B/S/H
- Whirlpool
- Samsung
- LG Electronics
- Midea
- Samsung
- Gree

**ELECTROLUX MAJOR COMPETITORS**

- LG Electronics
- Samsung
- Daewoo

**ELECTROLUX MAJOR COMPETITORS**

- LG Electronics
- Panasonic
- Haier
- B/S/H
- Whirlpool
- Midea
- Samsung
- Gree

**CONSUMER BRANDS**

**SHARE OF GROUP SALES 2020**

- **10** SEKbn

**SHARE OF GROUP SALES 2020**

- **17** SEKbn

**SHARE OF GROUP SALES 2020**

- **6** SEKbn

**CONSUMER BRANDS**

**PARTNERSHIPS**

**SHARE OF GROUP SALES 2020**

- **9**

**SHARE OF GROUP SALES 2020**

- **15**

**SHARE OF GROUP SALES 2020**

- **5**

**CONSUMER BRANDS**

**SHARE OF GROUP SALES 2020**

- **10**

**SHARE OF GROUP SALES 2020**

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**CONSUMER BRANDS**

**SHARE OF GROUP SALES 2020**

- **9**

**SHARE OF GROUP SALES 2020**

- **15**

**SHARE OF GROUP SALES 2020**

- **5**

**GROWTH MARKETS**

**Latin America**

**ELECTROLUX MAJOR COMPETITORS**

- Whirlpool
- LG Electronics
- Samsung
- Doewoo

**ELECTROLUX MAJOR COMPETITORS**

- LG Electronics
- Samsung
- Daewoo

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**GROWTH MARKETS**

**Middle East, Africa and Southeast Asia**

**ELECTROLUX MAJOR COMPETITORS**

- LG Electronics
- Panasonic
- Haier
- B/S/H
- Whirlpool
- Midea
- Samsung
- Gree

**ELECTROLUX MAJOR COMPETITORS**

- LG Electronics
- Samsung
- Daewoo

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**GROWTH MARKETS**

**THE APPLIANCE MARKET**

**Market characteristics**

The market is mainly dominated by a large market for replacement products. Market demand, mainly for refrigerators, washing machines and cookers, is recovering after some years of economic slowdown. Market penetration for built-in products and air-conditioners remains low but increases. Consumers in the region show an increasing interest for energy and water efficiency and other sustainability related topics.

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**Market characteristics**

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