

# The Impact of Coronavirus on Consumer Appliances

June 2020

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## INTRODUCTION

### Scope

The extent of impact from COVID-19 and who it is affecting  
Needless to say... consumer confidence is not in a good place in May 2020  
Downturns are forecast across many industries... but not all  
Consumer appliances and COVID-19  
Typical consumer appliance key purchasing factors  
Experience boosters... boosted  
Start making sense  
COVID-19 impact: key findings

## ECONOMIC OUTLOOK

Global economy will contract sharply in 2020  
The COVID-19 pandemic impacts both supply and demand  
In our baseline view, the pandemic peaks in June 2020  
Three scenarios examine the impact of a more severe outbreak  
Our view in short  
Forecast real GDP growth in 2020 under different scenarios  
Fiscal stimulus a challenge with restrictions on expenditure  
How are governments trying to mitigate the downturn?  
What could alleviate the economic effects of the pandemic?  
What could exacerbate the economic impact of the pandemic?

## INDUSTRY IMPACT

Two main questions: is lockdown demand just lost? How big a recession?  
COVID-19 impact on major appliances at a glance  
COVID-19 impact on small appliances at a glance  
The anticipated routes to disruption  
Macro environment: reduced spending power expected in H2 2020  
Macro environment: Some companies are more exposed to US/Europe  
Macro environment: New houses and house moves drive 5-15% of sales  
Supply chain: production suspended (or slowed) with further pain ahead  
Automation proves a boon  
Supply chain: disruption of global supply chains impacts parts and costs  
Haier Appliances India President Eric Braganza  
Channel: stores closed, online is the bright spot, while overstocks build  
Two critical questions still to be answered  
Consumer consumption: trading down and delayed purchasing likely  
Consumer consumption : smart appliance penetration will stall (US/EU)  
Consumer consumption: Is lockdown demand gone, or just postponed?  
Consumer consumption: Product use and the impact of staying at home  
2020 volume demand index  
What if appliance extra use continues into 2021 for the full year?

## CORPORATE RESPONSE

Where new purchase priorities fit within the existing key buying factors  
Key buying factors continued  
Opportunities to support "Coping Consumers" - anti-viral washing  
Language matters  
Opportunities to support "Coping Consumers" - food decontamination  
Opportunities to support "Coping Consumers" - air decontamination

## CORPORATE RESPONSE

Safety at home efforts from Haier within its “Internet of...” programmes  
Digital native cooking and e-commerce sites see strongly increased traffic  
Impacts to existing strategic topics: 1) The upcoming EU energy label  
Impacts to existing strategic topics: 2) Auto-dosing’s smart home future  
Impacts to existing strategic topics: 3) The rise of new business models  
Impacts to existing strategic topics: 4) IoT , smart features and AI  
Impacts to existing strategic topics: 5) The rise of cold water washing  
Impacts to existing strategic topics: 6) Product sizes and product capacity  
Impacts to existing strategic topics: 7) A love of “Quick” for chasing time  
Impacts to existing strategic topics: 8) Assisted Living and automation  
Impacts to existing strategic topics: 9) Experience support technologies  
Impacts to existing strategic topics: 10) Hygiene and wellbeing at home

## CONCLUSION

The economic outlook and the relationship to consumer appliances  
Q2 is going to be a crash, but in-home usage offers a point of optimism  
Many aspects of consumer appliance key buying factors are affected  
Corporate messaging is missing the emotionally intelligent softer stories  
In the eternal power versus delicate care hygiene war, 2020 has a winner  
Voice is the hygienic champion of no-touch solutions to device control  
Multiple building blocks of modern thinking go back under a microscope  
SWOT analysis for consumer appliances during the COVID-19 period

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About Via Pricing from Euromonitor International

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