



EBAY AND TELSYTE'S 'THE ECONOMICS OF ELECTRONICS' PREDICTS OUR FUTURE WITH TECHNOLOGY

SYDNEY, AUSTRALIA, 12 JUNE 2015 – Twenty connected devices per household, Ultra HD TVs in every living room, shopping via our wearable devices and medical implants connecting us to the Internet. This is the average Australian's future by 2019, according to eBay Australia's *'The Economics of Electronics'* trend report, released today.

More than 50% of shoppers who shopped on eBay last year made a purchase in the technology category and over 100 million searches for electronics and gadgets were performed. This data has been explored with analyst firm Telsyte to determine the dominant sales trends and behavioural choices that drive *The Economics of Electronics* in Australia.

For the full report please visit: www.ebaytrendforecast.com.au

THE ECONOMICS OF ELECTRONICS:

Convergence is a Killer

Australia is second only to Singapore in terms of mobiles per capita with a penetration of 74% and one in ten dollars spent on consumer electronics now being spent online.

Australians' appetite for gadgets has only been held back by the growing functionality of their main device: the smartphone. The modern smartphone is a supercomputer in a pocket-sized package.

Known as 'creative destruction' in economics, where disruptive technologies bring about a new way of doing things, smartphones are certainly causing a commotion. We've seen the process of innovation with tablets negating the need for PCs and now smartphones and 'phablets' are affecting tablet sales with the gadget showing flat sales growth on eBay in 2015.

But despite our desire for one device to rule them all, an increasing number of gadgets will in fact continue to work together, giving us a seamless experience as we move from one device to another. For example, eBay has seen PCs and Apple Desktop unit sales falling by 1.9% and 6.9% respectively, while laptop and notebook sales grow by 7%.

The Next Big Boom: Incoming Smart Wearables and Internet of Things

2015 is set to be the year of the wearable. Over the course of the past year eBay saw sales of smart wristbands rise by 50,000% even before it hit the mainstream market.

Soon, when we think connected devices we will think of most items in our house and even on our bodies. Fridges, toasters, microwaves, and even our clothes will be Internet connected.

Numerous global consumer goods companies have predicted that by 2020 everything within their product range will be Internet connected. This will see the average figure of eight Internet connected devices per household soaring to at least twenty by 2019.

TV Transformed

With the launch of Netflix in Australia and the continued spread of high-speed Internet, television viewing is emerging as the next icon of Australian life to be transformed by new technologies.



According to Telsyte, 4.8 million Australians live in a home with a smart TV, and a quarter of these households have more than one of these devices. There is a clear correlation between income and ownership — 40% of households with an annual income over \$200,000 own a smart TV.

However, many Australian households have spared themselves the expense of buying a new smart TV, by making their perfectly good “dumb” TV smarter, by adding a Chromecast or Apple TV streaming device. In the last three months since Netflix hit Australian shores, Google Chromecast and Apple TV sales have leapt 30%. f these streaming devices

As we move into 2016, eBay data shows that the smart TV battleground will shift to 4K, or Ultra HD. Ultra HD TV sales have grown 1106% in Q1 of 2015.

Value of Yesteryear

Despite the fall of technologies such as the VCR or the cassette tape and the rise of newer, arguably better alternatives, many of us still long to use the products of yesteryear. In the last three months eBay has seen a surge in popularity for the first model iPod music player, Polaroid cameras and simple, fashion watches. iPod music player sales rose 1.5 times in the last six months compared to MP3s which fell significantly.

The Future of Shopping

eBay activity demonstrates that these trends show no sign of slowing down. There is no doubt the digital shopping experience is evolving to exist in what is now a truly mobile society. Already, more than half of all traffic to eBay.com.au is occurring via post-pc devices - smartphones and tablets. With eBay's Apple Watch app now live, and updates to iPhone, iPad and Android apps released, this looks set to increase even further in the coming months.

Marshall Kim, Director Product, eBay Australia and New Zealand said that “Australians’ appetite for tech is indisputable and with eight million unique visitors moving through eBay.com.au every month, we are in the privileged position of having access to a whole world of data and insights into shopping behaviours and upcoming trends. Combined with Telsyte’s expert analysis of behavioural choices we are excited to share the story of *The Economics of Electronics*.

“From smart wearables to smart eyewear and smart clothing to a world of virtual reality the opportunities are endless. This is just the beginning of our ongoing exploration into consumers appetite for innovation in technology .”

Foad Fadaghi, Managing Director, Telsyte agrees: “Analysing eBay's big data provided us an unique insight into the changing nature of the Australian consumer, including how quickly new electronics products emerge and a glimpse into where many believe they are heading.

For further insight in to any of these, and additional trends, please download the full report at:

www.ebaytrendforecast.com.au

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For media enquiries, contact Pulse Communications:

Jess Spokes

T: 0497 987 373 | E: jess@pulsecom.com.au

Sally Crampton

T: 0431 004 586 | E: SallyC@Pulsecom.com.au



About eBay Marketplaces

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