

Increasing the Volume on Sound Bars

Prepared for 2016 Energy Star Products Partner Meeting

Ben Arnold
Executive Director, Industry Analyst
Consumer Technology
The NPD Group
benjamin.arnold@npd.com
@TechBarnold

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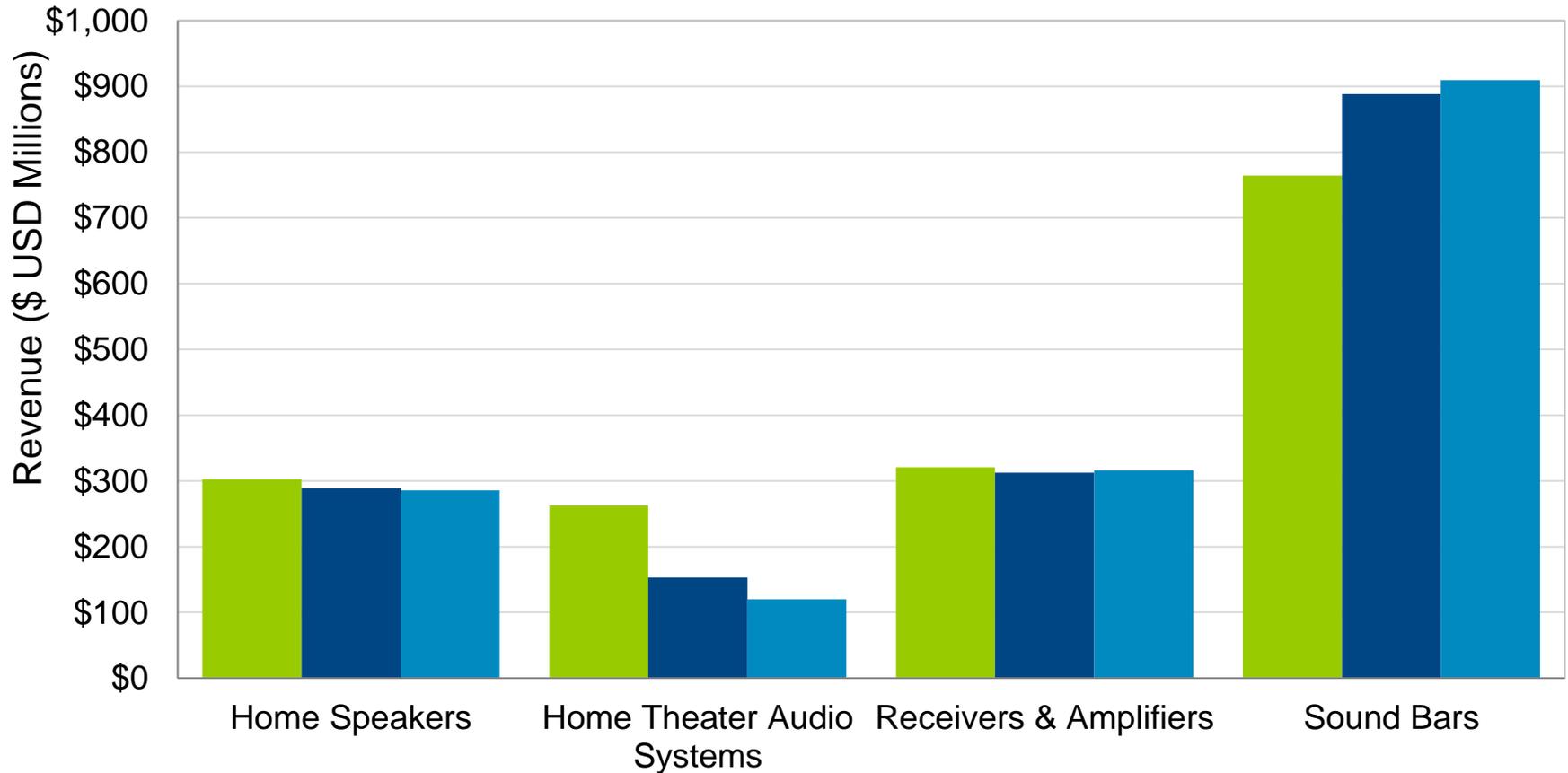
Sound bar market overview

- US sound bar sales grew just 7% in 2015 (20% growth in 2014) as demand shifts into lower cost products
- Demand for sound bars is being driven by multiple sources
 - Big screen, 4K TV adoption
 - Promotions/bundling
 - Consumers aged 18-34
- Sound bars are taking on more non-TV use cases as wireless features and streaming services expand
- TV brands continue to account for a majority of sound bar sales

Sound bars are challenging mature home theater categories

Home Theater Categories
Dollar Volume 12ME

■ 12ME Aug '14 ■ 12ME Aug '15 ■ 12ME Aug '16

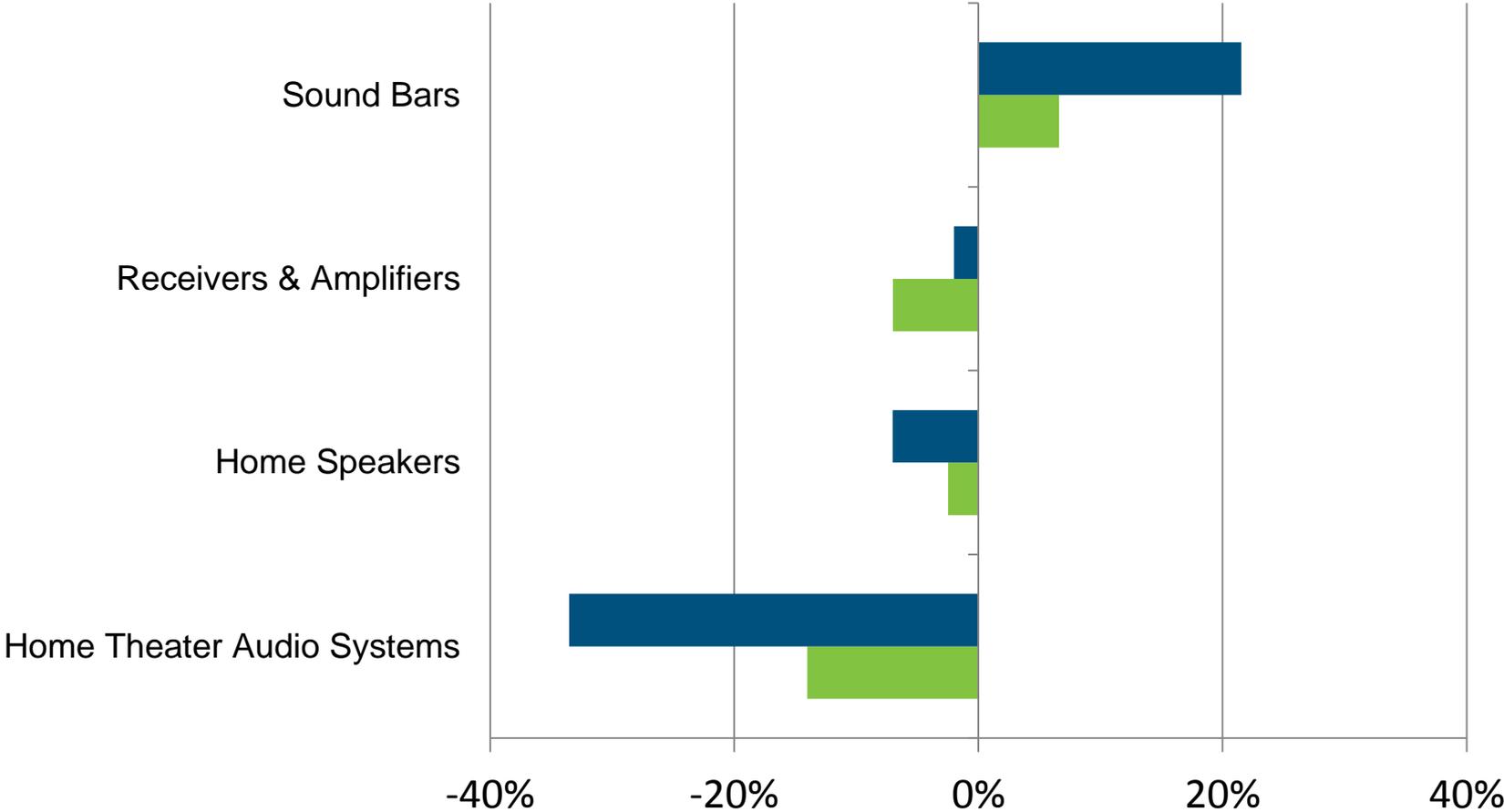


Source: The NPD Group/Retail Tracking Service

Sound bar demand continues to be positive

Home Theater Categories Unit Growth YoY

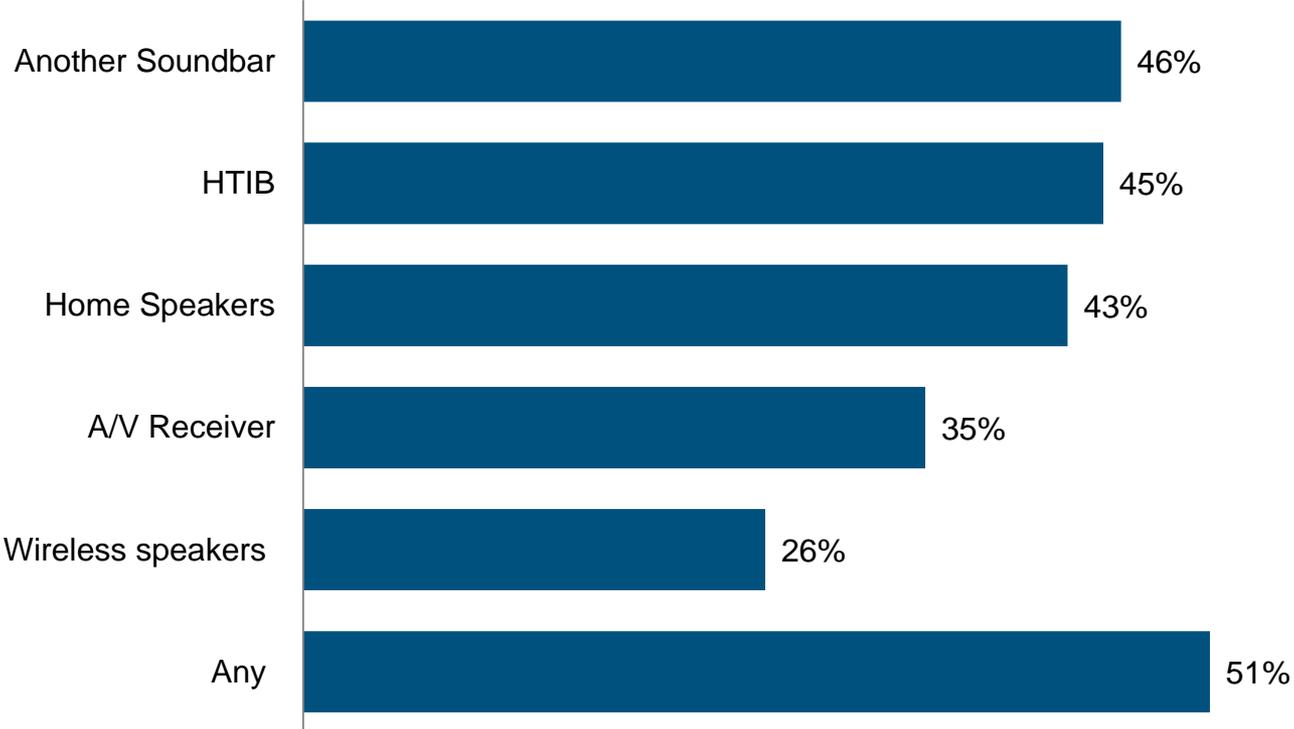
■ 12ME Aug '15 ■ 12ME Aug '16



Source: The NPD Group/Retail Tracking Service

Sound bars are contributing to some displacement of other audio products

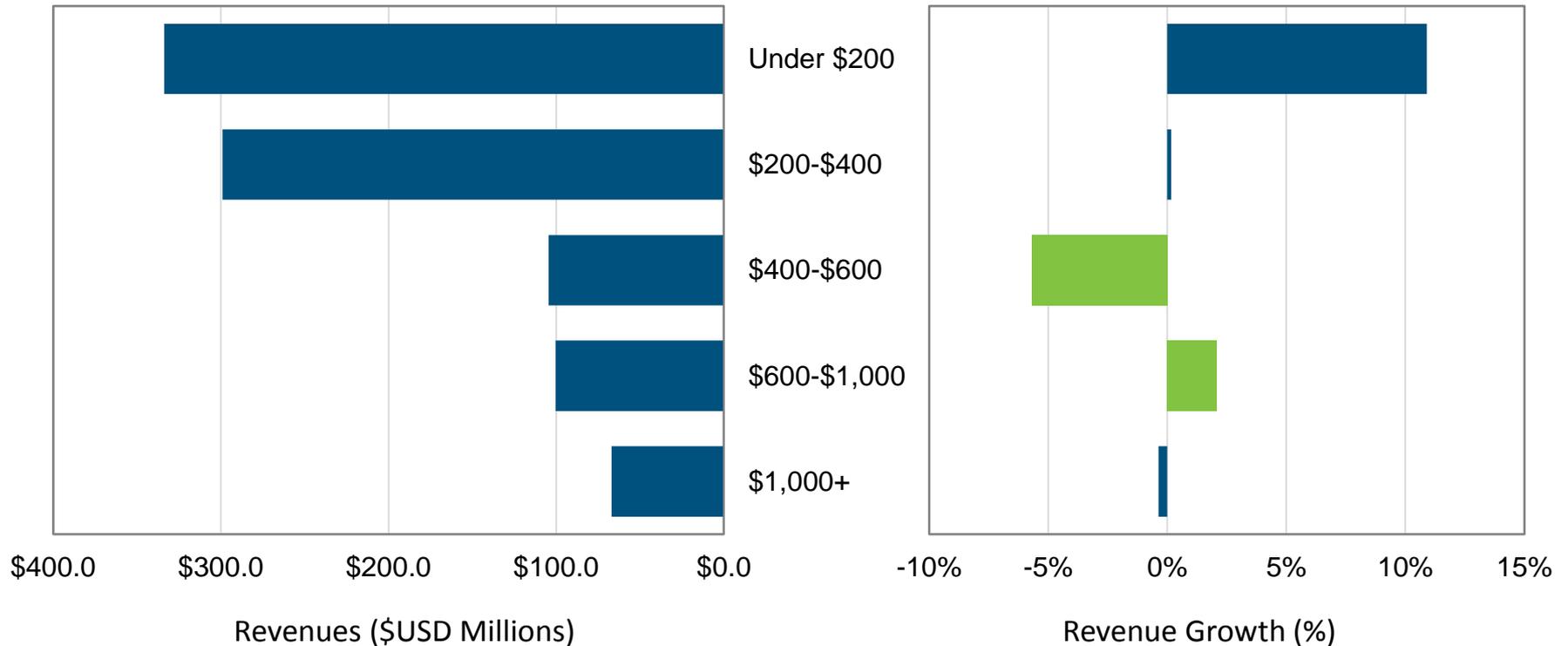
**Replacement/Displacement
Devices Using Less Often or Relocated**



Base: Sound bar Owners who Own/owned each device
Q. Please indicate which of these home audio products your household is using less often or has stopped using now that you own a sound bar.
Q. Which of these have you relocated/moved to another location in your home or do you no longer own as a result of owning this sound bar?
Source: The NPD Group/Soundbar Ownership & Application Study

Market growth is being driven primarily by lower cost products

Sound Bars
Revenue, YOY Growth by Price Segment
12ME Aug '16

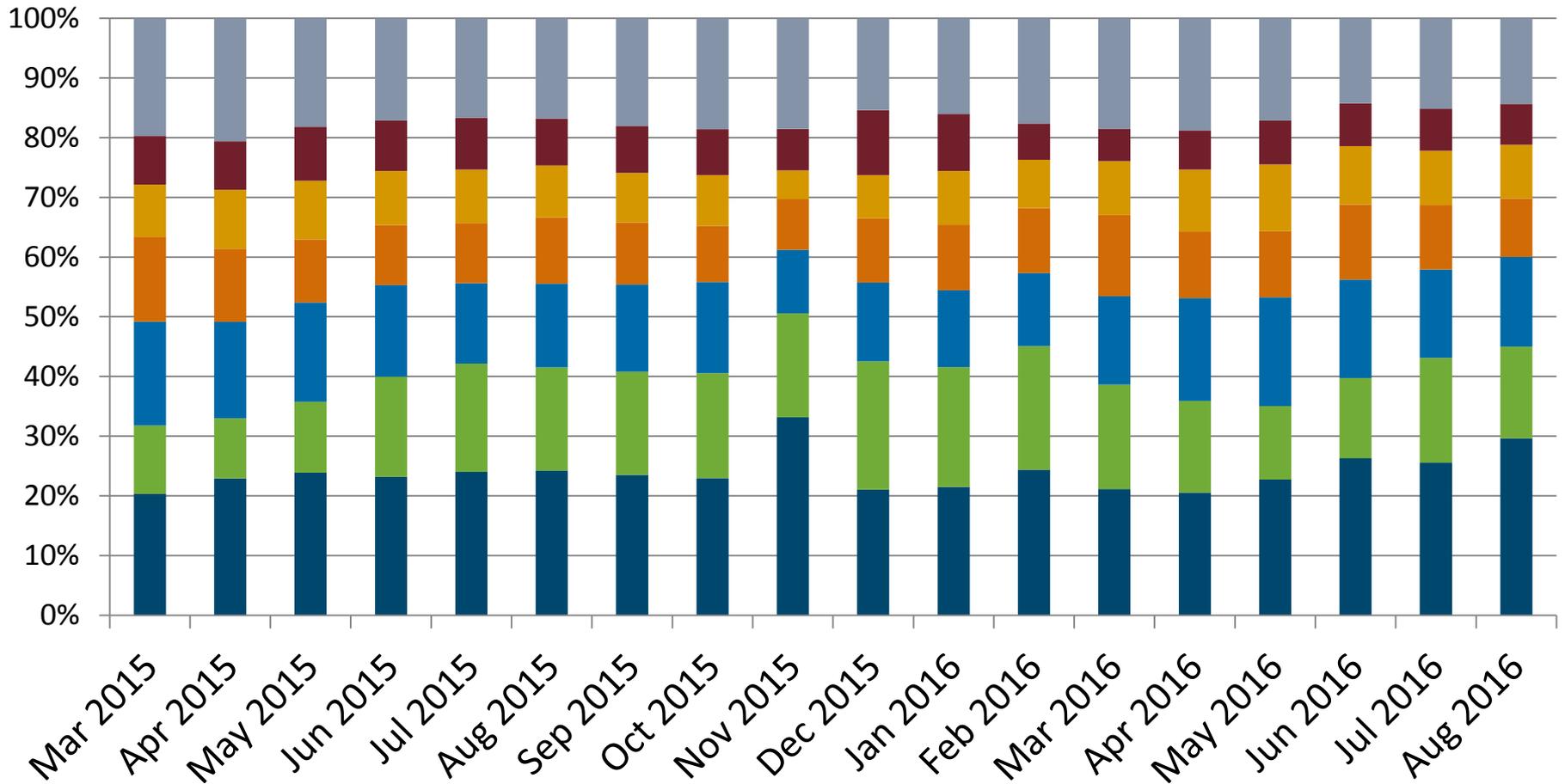


The NPD Group / Retail Tracking Service
 12 Months Ending December 2015

TV brands account for a majority of sound bar sales

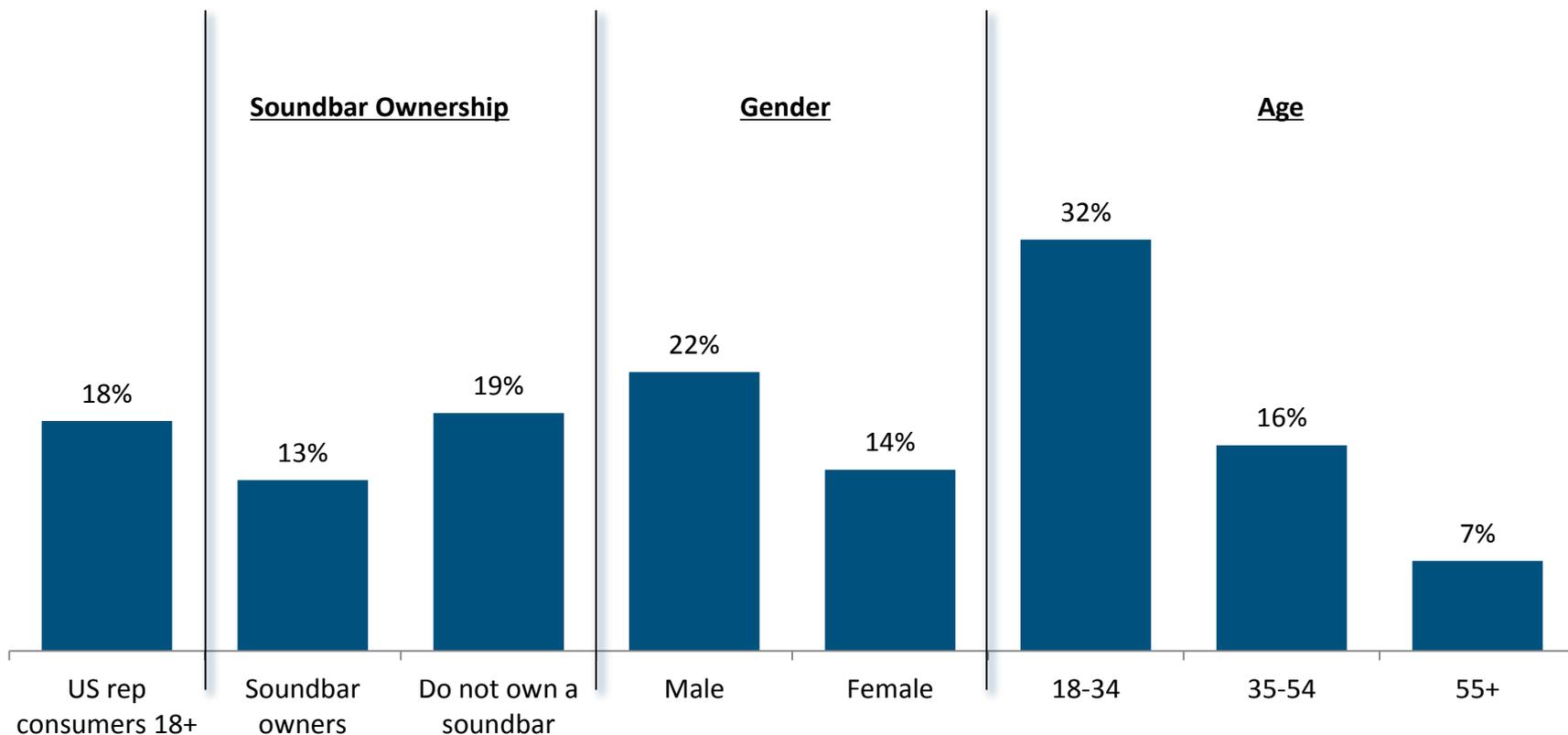
Sound Bars
Dollar Share by Brand, Monthly

■ Samsung ■ VIZIO ■ Bose ■ Sony ■ Sonos ■ LG ■ ROM



A third of 18-34 expect to buy a sound bar in the coming 12 months

Likelihood to Purchase Soundbar in Next 12 Months (Extremely/Very Likely)



Base: US rep consumers 18+

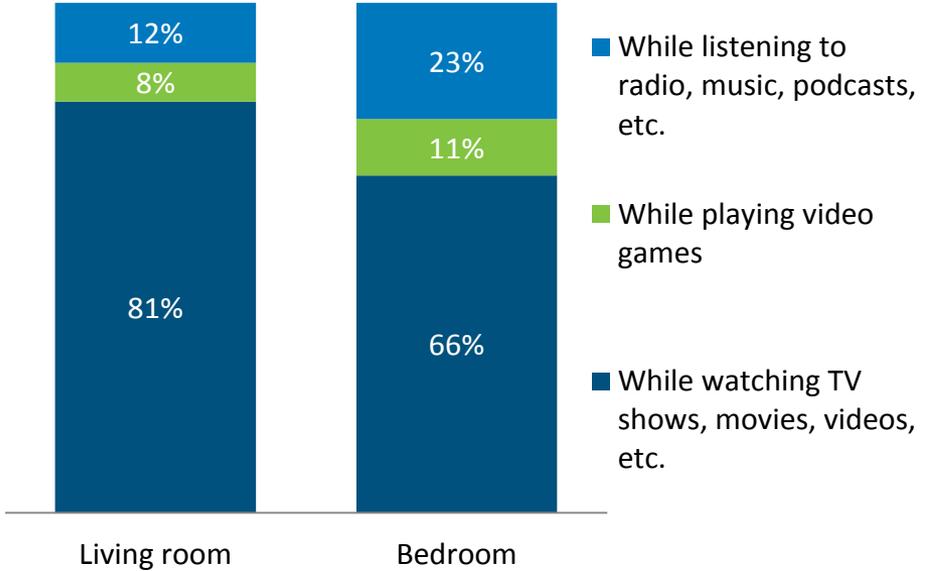
Q. How likely are you to purchase each type of home audio product in the next 12 months?

Source: The NPD Group/[Soundbar Ownership & Application Study](#)

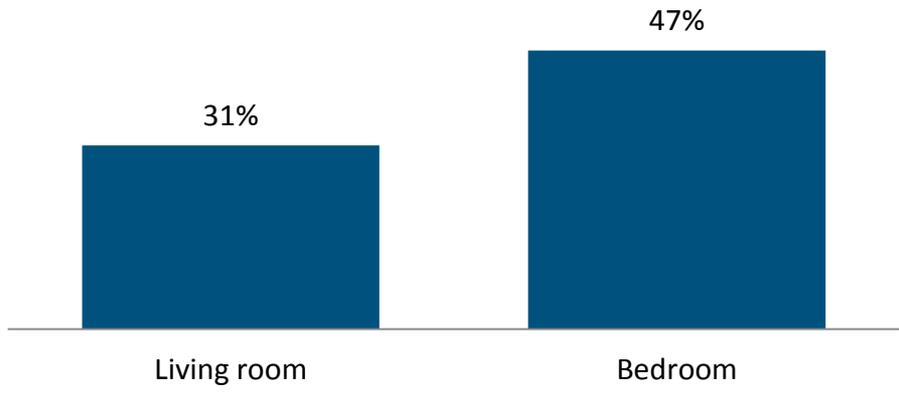
Sound bars installed in bedrooms are more likely to be used for audio

Living Room Vs Bedroom Usage Insights

Share of Time Content Type is Sourced



Incidence of Connecting Portable Devices



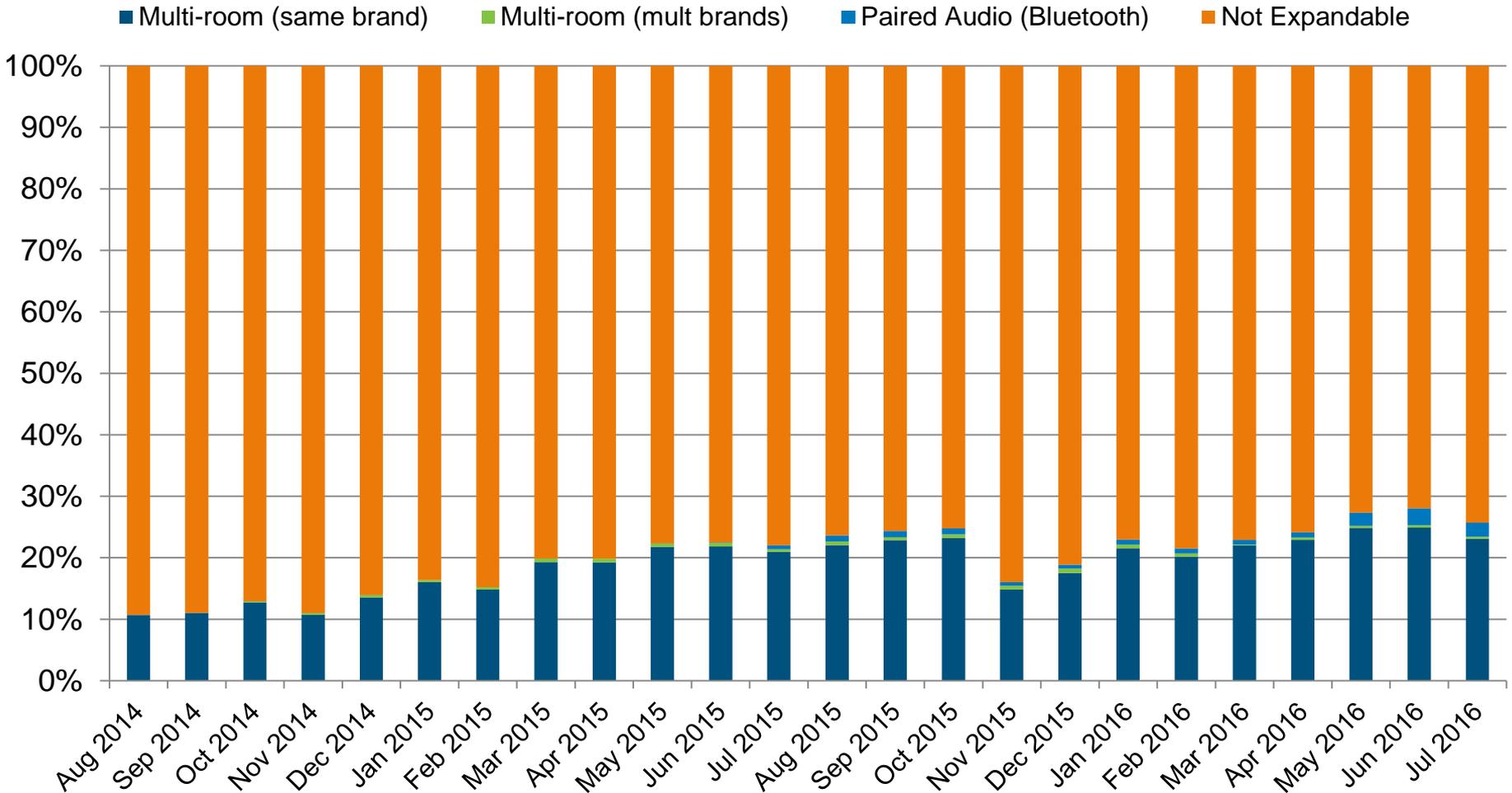
Base: Soundbar owners

Q. Thinking of all the time your household spends using this soundbar, approximately what share of the time is the soundbar used to listen to each type of content? Q. Which of these portable devices, if any, do you or anyone in your household ever connect to the soundbar?

Source: The NPD Group/Soundbar Ownership & Application Study

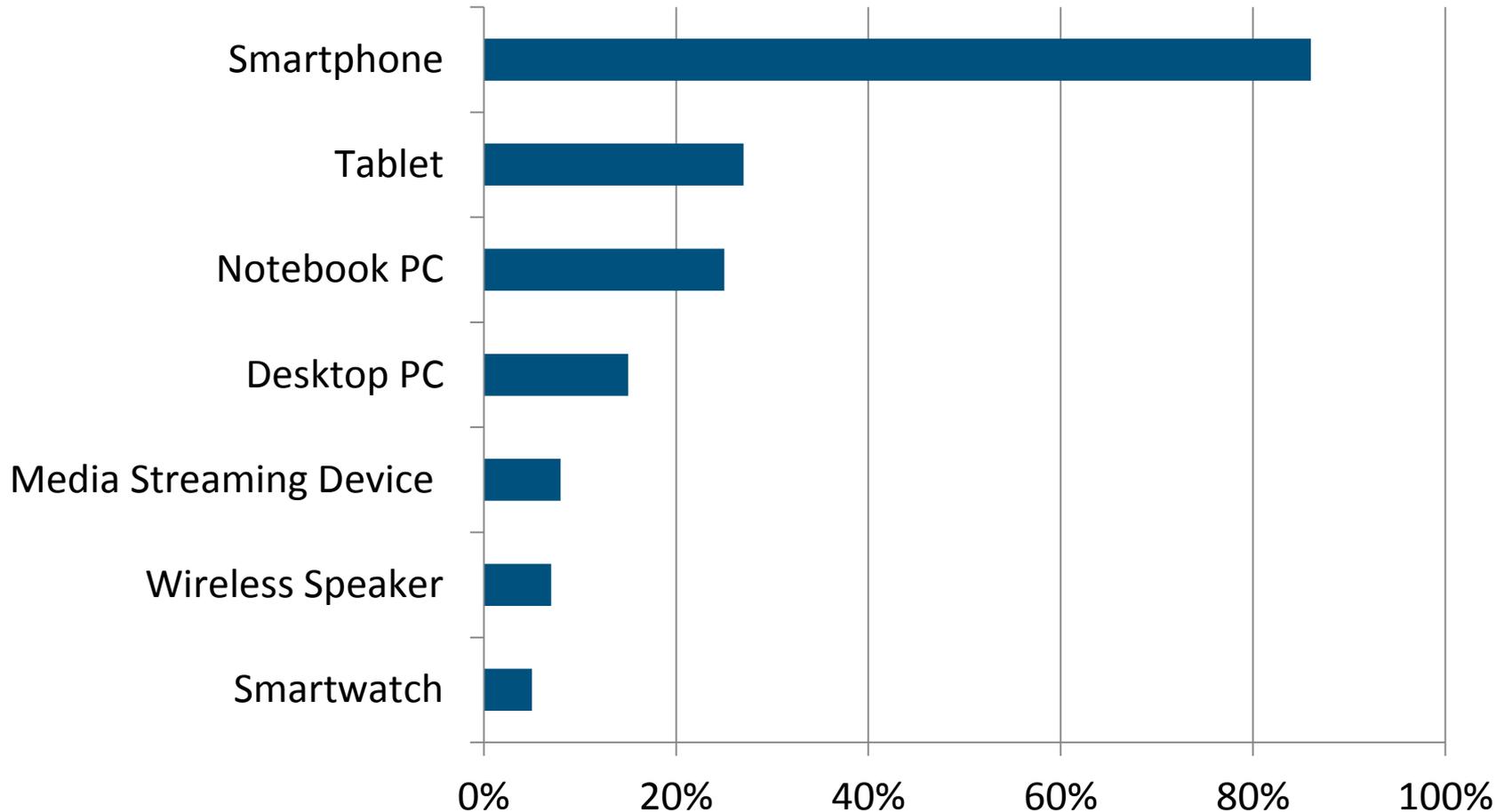
Multi-room sound bars now account for 20% of sound bar revenues

**Sound Bars
Dollar Share by Expandability**



Nearly four in ten (38%) consumers say they have used a digital assistant like Siri or Alexa

Ever Used Voice Controlled Digital Assistant



Q.15 On Which Of The Following Devices, If Any, Have You Used A Personal Digital Assistant Application, Such As Siri, Alexa, Cortana, Or Google Now?

Thank you

Ben Arnold
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@TechBarnold

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