Satellite Navigation Systems - UK - October 2009

Report Price: £1500 / $3000 / €2250

What is this report about?

This report looks at the aftermarket for personal navigational devices, otherwise known as sat-navs.

What have we found out?

- Mintel's research shows that just under 50% of respondents now have some form of satellite navigation capability. In order to grow penetration further, it is important that manufacturers broaden their offering to appeal to women and older age groups. Key to this will be lower prices, coupled with improved software and 'live' connected services.
- While sat-navs have managed to grow unit sales during the recession (7% in 2008 over the previous year), value sales have declined. This trend is likely to continue as competition in the market intensifies. At the same time, the brands will become squeezed by the increasing penetration of GPS enabled phones and the rollout of integrated in-car sat-nav systems.
- Mintel's research also shows that car accessory retailers continue to dominate retail shares (33%) with consumer research pointing to Halfords as the distinct market leader, with 26% of respondents either shopping in-store (21%) or buying online (5%). Although retailers will continue to develop online sales, in-store will remain the prime choice for leading brands.
- In terms of product share, the report indicates that Tom Tom (44%) and Garmin (21%) dominate. However, Mintel's research indicates less than half of those surveyed will buy the same brand again. With newer, lower priced entrants coming to the sector all the time, the position of leading brands is by no means assured in the future.
- Mintel used cluster analysis to identify four target groups, with 'Loyalists' being the most committed users of navigational devices and particular brands. These are the most likely to use brands as a form of product differentiation, and tend to be more affluent, younger males. This compares with 'Detached' users, who tend to be older (less affluent) females.
- Mintel's research shows buyers are less likely to consider functionality outside of route assistance when looking to buy a new device. For example, 64% of respondents consider fast re-routing as important compared to 8% that would look for an integrated camera.

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