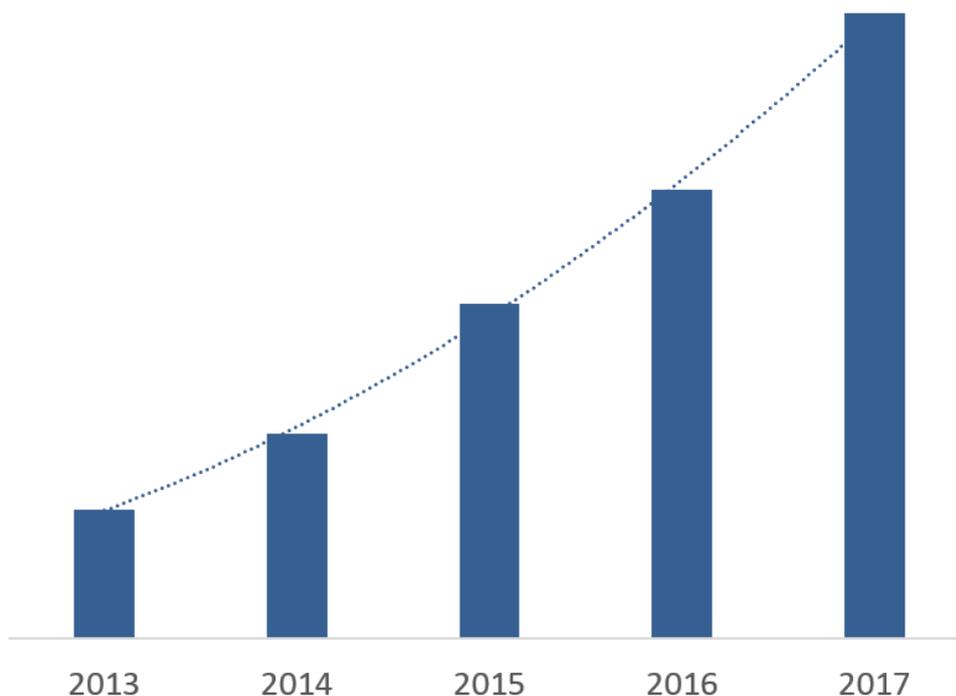


## The German Market for Battery Storage Systems for Private Use still in Growth Mode

The German market for battery storage systems for private use has been showing highly dynamic growth since 2013. The current study of the year 2019, which is also based on data collection at all market levels, clearly shows that this trend has continued. However, compared to previous years the pace has slightly slowed down in the past year. On the one hand, the market has now reached a relatively high level of market volume after several years of unbraked growth, on the other hand, the price decline as a stimulating factor was less effective than before. Meanwhile, the growth of the PV systems market (residential) has also declined.

Since the last analysis in 2017, the German market for battery storage systems for private use has been able to achieve very high annual growth rates. Growth from 2015 to 2016 at the level of storage units sold by manufacturers to subsequent sales levels was more than 40 percent at unit level, and from 2016 to 2017 even more than 50 percent.

Growth dynamics in the German market of battery storage systems with private use (revenue manufacturers) 2013 - 2017



In addition to the strong growth, the market on the supply side is also characterized by an intensive structural change, which has taken place in the last two years. The increased capital requirements for product development and market development has led some manufacturers to exit the product area. At the same time, market entry is much more complex, especially for newcomers from the medium-sized sector, so that entry windows are increasingly closing without the appropriate market knowledge.

As a result of this development, care in selecting partners has increased significantly at the level of wholesale and installers. For these distribution levels, it is increasingly important to know which companies on the supplier level have the necessary "Power of Holding" to ensure permanent service and guarantees for the durable products.

While in the past the market was dominated by German manufacturers, in the last two years international players have also been able to position themselves more strongly in the German market, which has significantly increased competitive pressure. This creates an "economic constraint" for the established German manufacturers to expand into high-potential international markets.

Market participants have largely passed on the more favourable purchasing conditions that have resulted, above all, for batteries, in a tough competitive environment to the end consumers. Since systems are increasingly being sold with larger storage capacities, unit prices for systems have remained stable on average in the market.

The additional surveys conducted at the wholesale and installation levels clearly show suppliers that the demands for the manufacturers at the service and support levels have grown even further. The boom in home storage is leading to a broadening of the base of craft companies that are entering the business for the first time. Especially the less experienced installers need support by hotlines of the manufacturers in addition to training courses.

Within the scope of this survey, the importance of central image factors and the particular performance of the manufacturers' products were also determined. In these performance criteria, too, the attention of dealers and installers is increasingly focused on a smaller group of about 6 leading suppliers.

The new edition of this study on the German market for PV battery storage systems with private use, which was carried out for the first time in 2016, once again illustrates that the extraordinary development dynamic in this product area can only be grasped by a large-scale analysis at manufacturer level due to the complex supply and sales structure. The information collected at the level of manufacturers of complete systems, batteries and inverters is subjected to critical cross-checking on the subsequent distribution channels. An important factor for the validation of the data is also an analysis of the OEM business in the area of complete systems.

This large-scale research work is necessary above all because the share of storage systems promoted by KfW-Bank has fallen drastically once again. On the basis of the publications of the storage monitoring of the RWTH Aachen hardly any conclusions can be derived about the actual market development and the real market size.

Regarding the further market development, both manufacturers as well as wholesalers and installers continue to anticipate unrestrained momentum. In addition to the rising rate of new PV systems sold with battery storage systems, in the medium term the retrofitting of old PV systems that fall out of the subsidy is expected to constitute a powerful stimulus.

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