

IDC: Consumer Technology Spending to Reach \$1.3 Trillion

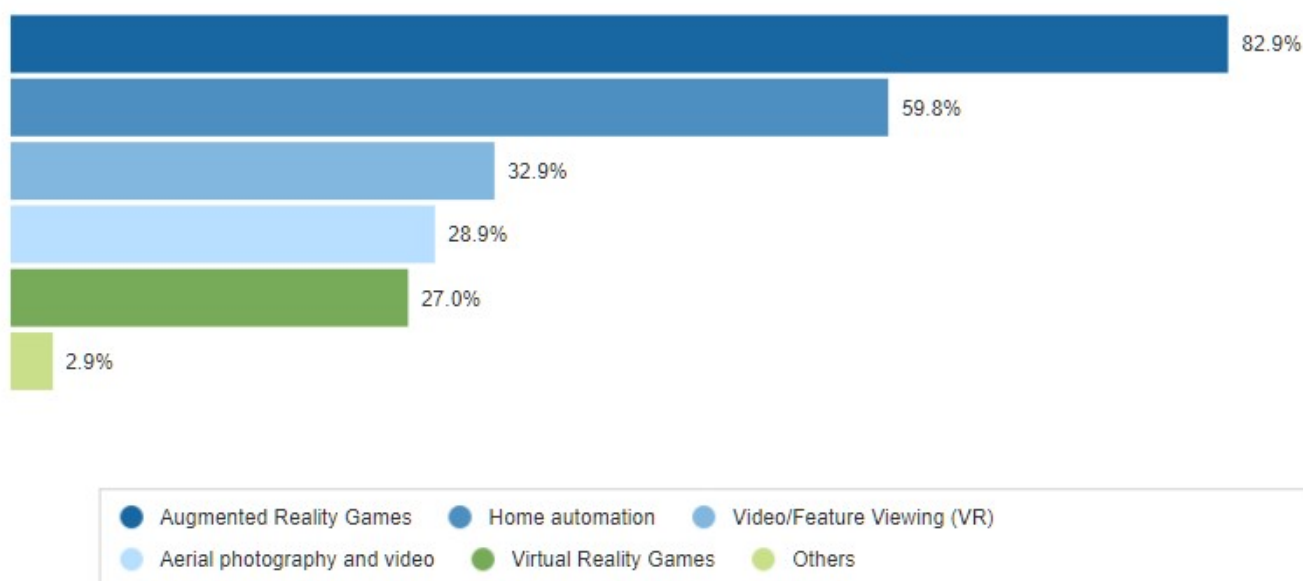
Written by Marco Attard
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According to IDC, consumer spending on technology is to reach \$1.32 trillion in 2019-- a 3.5% increase over 2018 before growing to \$1.43tr in 2022 with a CAGR of 3% over the 2018-2022 forecast period.

Traditional technologies (personal computing devices, mobile phones and mobile telecom services) account for over 96% of 2019 consumer spending. Mobile telecom services make over 50% of the amount throughout the forecast, followed by mobile phones. Spending growth on traditional technologies is "relatively" slow, with a CAGR of 2.4% over the forecast period.



Top Use Case Detail Based on 5 Year CAGR (2017 - 2022) (Value (Constant Annual))



Source: IDC Worldwide Semiannual Connected Consumer Spending Guide, 2018H1

In contrast, emerging technologies such as AR/VR headsets, drones, robotic systems, smart home devices and wearables, deliver strong growth with a 5-year CAGR of 20.6%. IDC predicts 5% of all consumer spending will go towards such technologies by 2022. Smart home devices and wearables account for over 80% of overall spending on the category in 2019, and smart home devices are also the fastest growing technology with a 5-year CAGR of 38%.

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"Connected technologies are transforming consumers' activities and habits, becoming more and more integrated into their daily lives. This is fueling the consumer's unquenchable thirst for content and immersive experiences delivered anytime, anywhere, via multiple formats and across a myriad of channels. As a result, we see the balance of power shifting in consumer-facing industries. Whereas once upon time, the enterprise called the shots, more and more consumer demands and expectations are propelling innovation," the analyst says. "What's the next wave of consumer transformation? Even more widely adopted and mature activities such as listening to music and shopping are being disrupted by new technologies such as smart speakers. And disruption presents opportunity."

Communication makes the largest category of use cases for consumer technology, representing nearly 50% of spending in 2019 and throughout the forecast. Most goes towards traditional voice and messaging services, joined by social networking and video chat as notable use cases within the category. Entertainment is the 2nd largest category, accounting for around 25% of all spending as consumers listen to music, edit and share photos and videos, download and play online games, and watch TV, videos, and movies. The use cases seeing the fastest growth during the forecast period are AR games (82.9% CAGR) and home automation (59.8% CAGR).

"There's an expectation among today's consumers for a seamless consumer experience. The connected consumer is no longer a passive one; the connected business buyer is in control and it's essential for technology providers to understand this if they want to continue to grow and gain market share in this digital age," IDC concludes. "As technology becomes more affordable and accessible, the connected consumer is expected to spend more as they leverage these platforms for entertainment, education, social networking, commerce, and other purposes."

Go [IDC WW Semiannual Connected Consumer Spending Guide](#)