

IDC: 2019 Consumer Technology Spending Reaches \$1.96 Trillion

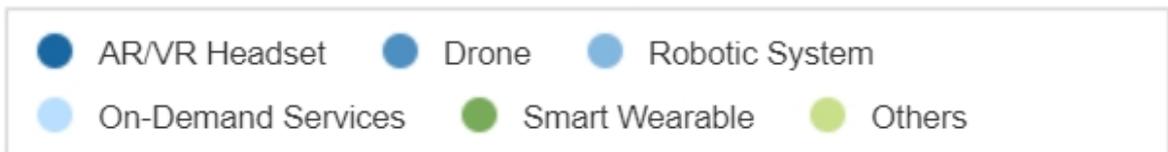
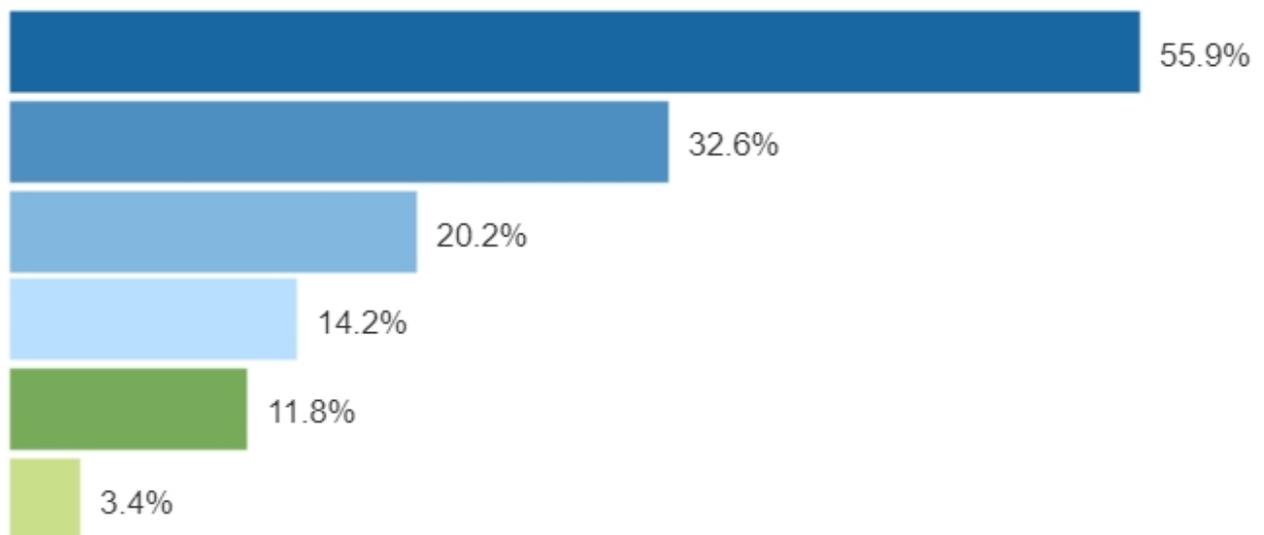
Written by Alice Marshall
15 October 2019

According to IDC, global consumer spending on technology is to reach \$1.69 trillion in 2019, a 5.3% increase over 2018 brought about by strong purchases of both traditional and emerging technologies.

In fact, the analyst predicts spending will reach \$2.06 trillion in 2023, with a 5-year CAGR for the 2019-2023 period of 5.1%. W. Europe is the 3rd largest geographic market in 2019 at \$227 billion, following the US (\$412bn) and China (\$328bn). Mobile telecom services and mobile phones are the two largest categories in all three regions.



Top Technology Category Based on 5 Year CAGR (2018 - 2023) (Value Constant Annual)



Source: IDC Worldwide Semiannual Connected Consumer Spending Guide 2018H2

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Traditional technologies account for around 75% of global 2019 consumer technology spending. Mobile telecom services (voice and data) make over 50% of the total throughout the forecast, followed by mobile phones and personal computing devices. Spending growth for traditional devices is relatively slow, with a CAGR of 2.2% over the 2019-2023 period.

Meanwhile emerging technologies, such as AR/VR headsets, drones, on-demand services, robotic systems, smart home devices and wearables, should see strong growth with a 5-year CAGR of 13.2%. Such growth enables emerging technologies to capture over 30% of consumer spending by 2023. Smart home devices and on-demand services are to account for around 90% of emerging technologies spending.

"Advances in technology continue to drive what 'convenience' means today and in the future for connected consumers," the analyst says. "Ranging from consumer robots for household cleaning and maintenance to smart lighting or home security/monitoring systems, connected consumers are adopting these solutions in their homes and everyday lives as they go through their own digital transformation."

Communications and entertainment are the two largest use case categories for consumer technology, representing over 70% of spending throughout the forecast. Over 50% of communication spending goes towards traditional voice and messaging services, while watching or downloading TVs, videos and music, as well as listening to music and downloading and playing games online, dominate entertainment spending. The use cases seeing the fastest spending growth over the forecast period are AR games (136.3% CAGR) and VR video/feature viewing (47.3% CAGR).

"Communication and entertainment have long been the mainstays among consumers and will hold the leading positions throughout the forecast," the analyst concludes. "Beyond them is a long list of emerging use cases whose spend will outpace the rest of the market, including augmented reality, virtual reality, and home automation. These highlight the direction that consumers are going and players throughout the ecosystem should plan ahead to capture this expected rise in demand."

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