

U.S. Tech Industry Revenue to Jump 4.3% in 2021 After Record Year in 2020, Says CTA

Pandemic accelerates adoption of tech that keeps us entertained, connected and healthy

Arlington, VA, January 11, 2021 – The retail sales revenue for the technology industry will reach \$461 billion in the U.S. in 2021 – a 4.3% increase year-over-year – according to a new report by the Consumer Technology Association (CTA)[®]. As millions of Americans remain home and rely on tech to stay entertained, connected and healthy during the pandemic, streaming services, 5G connectivity and digital health devices will stand out in the tech sector in 2021.

“The pandemic has pushed the fast-forward button on tech adoption – from our homes to our work to our doctor’s offices,” said Gary Shapiro, president and CEO, CTA. “While the road to a full economic recovery is long and intertwined with a complex vaccine rollout, the tech industry’s ability to meet the moment during this crisis has been critical. As we kick off a new year with an all-digital CES[®] 2021, I look forward to seeing the global tech community come together to share its vision for a reimaged future.”

CTA's twice-yearly *U.S. Consumer Technology One-Year Industry Forecast* reflects manufacturer shipments to the U.S. for over 300 tech products, and related software and services.

Tech That Keeps Us Entertained

Software and Streaming Services – Total spending on streaming services and software is projected to reach a record high of \$112 billion in 2021 (11% growth over 2020). This follows 31% growth in 2020 over 2019.

- **Video:** Exclusive content and cord-cutting are driving multiple subscriptions per household to push spending to \$41 billion in 2021, up 15% over last year.
- **Audio:** Music, audio book and podcast listening, with services including Apple Music and Pandora are expected to reach \$10 billion in revenue, up 19% over last year.
- **Gaming:** U.S. households are playing video games more than ever before, for entertainment or staying connected socially. CTA projects the video game software and services category will reach \$47 billion in revenue this year, up 8% from 2020.

Gaming Consoles: The highly anticipated release of next-gen game consoles from Microsoft and Sony will continue to drive sales, as the supply chain catches up with consumer demand. Combined home and portable console shipments will reach 18 million units in 2021, up 3%, earning \$6 billion in revenue (up 16%).

Televisions: Households channeled discretionary dollars into upgrading TVs in a record-setting year for shipments in 2020. CTA expects steady demand for displays in 2021 as TVs remain the centerpiece for entertainment in homes. Television shipments will drop 8% to 43 million units in 2021, the second-highest volume on record, while revenues will decline just 1% to \$22

billion. Growth areas for TVs in 2021 include sets over 70-inches (3.3 million units, up 6%) and 8K Ultra High-Definition TVs (1.7 million units, up 300%).

Tech That Keeps Us Connected

Smartphones: Shipments will increase 4% to 161 million units, earning \$73 billion in revenue (up 5% over last year), following a year of slight declines. Over 67 million 5G smartphones are expected to ship in 2021 (298% growth over last year for the nascent category) and generate \$39 billion in revenue (a 218% jump), as consumer awareness of 5G grows and service is available in more locations across the country.

Laptops: 2020 was a record year for laptops (enterprise and consumer), with more families than ever working and learning from home. CTA expects laptop shipments will remain strong in 2021, reaching 69 million units (up 1% over last year) and earning \$38 billion in revenue (down 2%).

Wireless Audio: For the first time ever in 2020, total wireless headphone and earbud shipments surpassed wired headphones and earbuds. True wireless earbuds, including Apple AirPods and Samsung Galaxy Buds, are driving growth, with 91 million units expected to ship in 2021 (up 32%), representing \$9.3 billion in revenue (up 16%).

DIY Smart Home Products: With millions of Americans spending more time at home, safety and convenience upgrades are top of mind, driving DIY smart home products shipments to 99 million units in 2021 (up 9%), and \$15 billion (up 3%). Category growth drivers include smart displays, smart doorbells and smart appliances.

Tech That Keeps Us Healthy

Connected Health: As more people monitor potential COVID-19 symptoms and more manage chronic conditions from home using devices such as smart thermometers, pulse oximeters and blood pressure monitors, shipments of connected health monitoring devices will grow to 14 million devices in 2021 (up 35%) and earn \$845 million in revenue (up 34%). The entire health and fitness technology category, including smartwatches and fitness activity trackers, will increase 13% in 2021 to reach 69 million units and \$9 billion in revenue (up 6%).

Electric Bikes: Included in CTA's forecast for the first time, personal mobility options such as electric bikes will see growth as people remain wary of public transportation during the pandemic. In 2021, electric bikes will reach 1.6 million units, up 60%, and \$2.6 billion in revenue, up 44%.

"Tech demand in the first several months of 2021 will look a lot like the last few months of 2020," said Rick Kowalski, director of industry analysis and business intelligence, CTA.

"Streaming services, 5G connectivity and digital health devices will push consumer tech forward in the year ahead as innovative technologies prove their resilience during challenging times.

The industry's ability to meet societal needs in a variety of circumstances will bring growth in 2021 as the world emerges from the pandemic."

CTA publishes its flagship *U.S. Consumer Technology One-Year Industry Forecast* twice a year, in January and July, reporting manufacturer shipments to U.S. consumer sales channels. It was designed and formulated by CTA, the most comprehensive source of sales data, forecasts, consumer research and trends for the consumer technology industry. For more information on CTA's one-year and five-year forecast publications, visit [CTA.tech/forecasts](https://cta.tech/forecasts).

Multi-year projections cannot account for unpredictable factors such as pandemics or changes in trade laws, interest rates and federal policy.