

# CTA U.S. Consumer Technology One-Year Industry Forecast, 2020-2025

The Authoritative Source for Consumer  
Technology Market Research

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# About

## About Consumer Technology Association (CTA)

As North America's largest technology trade association, CTA<sup>®</sup> is the tech sector. Our members are the world's leading innovators — from startups to global brands — helping support more than 18 million American jobs. CTA owns and produces CES<sup>®</sup> — the most influential tech event in the world. Find us at [CTA.tech](https://cta.tech). Follow us [@CTAtech](https://twitter.com/CTAtech).

## About CES<sup>®</sup>

CES<sup>®</sup> is the most influential tech event in the world — the proving ground for breakthrough technologies and global innovators. This is where the world's biggest brands do business and meet new partners, and the sharpest innovators hit the stage. Owned and produced by the Consumer Technology Association (CTA)<sup>®</sup>, CES features every aspect of the tech sector. CES 2025 will take place on Jan. 7-10, 2025. Learn more at [CES.tech](https://ces.tech) and follow CES on [social](#).

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# Table of Contents



<b>Methodology</b>	<b>3</b>	<b>Mobile Phones</b>	<b>22</b>
<b>Participants</b>	<b>4</b>	<b>Digital Imaging</b>	<b>23</b>
<b>Forecast Reports</b>	<b>5</b>	<b>Lifestyle &amp; Gaming</b>	<b>24</b>
<b>U.S. Economic Outlook</b>	<b>6</b>	<b>Smart Home</b>	<b>25</b>
· Tariff Impact		· DIY Smart Home	
		· Installed Smart Home	
<b>U.S. Industry Outlook</b>	<b>9</b>	<b>Video Technologies</b>	<b>27</b>
· U.S. Total Retail Revenue		· Digital Displays	
· U.S. Total Wholesale Hardware		· Video Components	
· Emerging Tech Trends			
<b>Accessories</b>	<b>15</b>	<b>Health and Fitness</b>	<b>31</b>
<b>Audio</b>	<b>16</b>	<b>Wearables</b>	<b>32</b>
· Home Audio		<b>Software and Services</b>	<b>33</b>
· Portable Audio		<b>Appendix</b>	<b>35</b>
<b>Automotive and Mobility</b>	<b>18</b>	· Unit Shipments and Revenues	
<b>Computing Technologies</b>	<b>20</b>	· Household Penetration Rates	
· Personal Computers		· Definitions	
		· Glossary of Terms	
		· Contact Us	

# Methodology

The Consumer Technology Association (CTA<sup>®</sup>) has produced in-house forecasts since 1965 and updates its forecast of more than 125 consumer technology products twice a year to stay atop industry trends. This forecast serves as the benchmark for the consumer technology industry, charting the size and growth of underlying categories and the industry as a whole. This report is used by manufacturers and retailers in creating product development plans; financial analysts for sizing market opportunities; industry and general media for providing context in their coverage; government staff for understanding the scope of the industry to guide policy decisions; and CTA itself for highlighting the successes and challenges of the industry.

## Participation

For each edition of the *CTA U.S. Consumer Technology One-Year Industry Forecast*, CTA gathers qualitative and quantitative input from industry participants via submission forms, surveys and interviews, asking participants about the size and outlook for the industry. Participants submit their best estimates for the total industry size and growth in a series of categories for a five-year period. All participant input is anonymized and aggregated with other information sources before being used for the report.

CTA's analysts use participant input in addition to many other information sources to compile the estimates in the forecast. These other sources include CTA consumer research, government import data, public filings, third-party research data and industry trade news. The results are estimates that reflect the broader industry sentiment.

**Hardware**-related data within this report represents shipment volumes from manufacturers to U.S. dealers and installers. This includes both domestic production and imports of products to consumer-oriented sales channels, regardless of retail type, including distribution and direct-to-consumer and online sales. **Software and services** data within this report represents U.S. consumer expenditures on software and services.

## Consumer Research

The methodology for any consumer research studies cited in this report can be found in the original reports. Mentions of consumer research studies by CTA will include a link to the [CTA store](#), where members can download the reports.

# Participants

The January 2025 edition of the *CTA U.S. Consumer Technology One-Year Industry Forecast* includes inputs from 100 different companies and 107 individuals across the industry, including manufacturers, distributors, retailers, technology licensors, market research firms and other industry constituents. Some of the companies have chosen to be anonymous.

CTA thanks all of the companies whose contributions make this the most accurate and comprehensive forecast of U.S. consumer electronics shipment trends in the industry.

All participants receive a free copy of CTA's Five-Year Industry Forecast from 2023 to 2029, which is a **\$6,500** value for members and an **\$8,000** value for non-members.

In order to participate in the future please contact [info@CTA.tech](mailto:info@CTA.tech).

Alarm.com  
Aura Intelligent Systems  
AVF Group Inc.  
Best Buy Co. Inc.  
Bestergo Inc.  
bluesalve partners  
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Casa Logix Automation Labs  
Channel Partners 360  
Conduction Labs LLC  
Crutchfield Corporation  
Dell Technologies  
Digital Therapeutics  
Commercialization Consultants LLC  
Dolby Laboratories Inc.  
DPI Inc.  
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Dual Electronics Corporation  
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Flic Button Inc.  
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Gatik  
GE Lighting, a Savant company  
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Heart Catch LA Inc.  
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Human In Motion Robotics Inc.  
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MOBI Technologies Inc.  
OliverIQ  
Panasonic Corporation of North America  
Pearl TV  
Pioneer Electronics (USA) Inc.

Pom Gear  
PowerLine  
Pretika Corporation  
QFX Inc.  
Quectel Wireless Solutions Co. Ltd  
Resillion (Eurofins)  
Samsung Electronics America Inc.  
SecureNet Technologies LLC  
Sharp Electronics Corporation  
Shift2Stream Inc.  
Silicon Labs  
Sonagi Electronics  
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TP-Link Systems Inc.  
Translink Capital  
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# Forecast Products

The Forecast Publications are grounded in CTA's unique position in the industry, drawing upon the perspective of its members, its dedicated team of research analysts and its deep knowledge of technology adoption. CTA offers several forecast products to meet various research needs. For more information, contact **Rick Kowalski** at [rkowalski@CTA.tech](mailto:rkowalski@CTA.tech)

- Updated every January & July
- Total industry shipments to U.S. dealers
- U.S. consumer spending on services

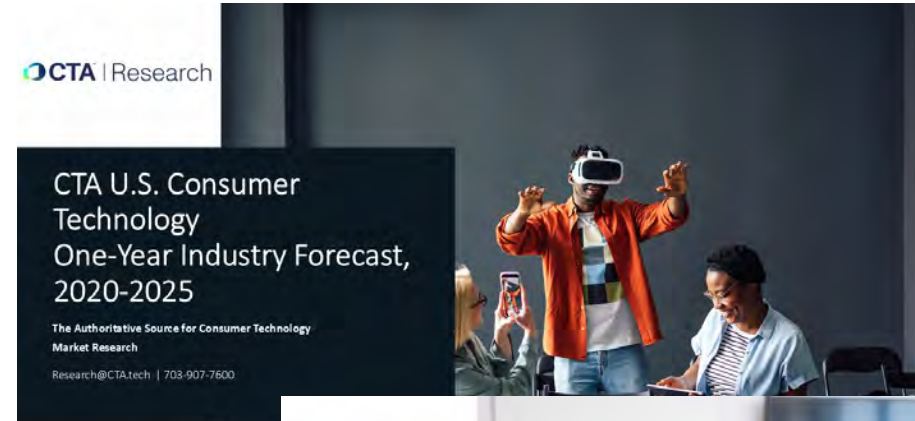
## One-Year Industry Forecast

- [Free to all members](#)
- Economic outlook
- Major industry trends

## Five-Year Industry Forecast

- Whole industry
- Data-heavy (10,000 data points)
- Annual sales trend
- [Free to participants \(\\$8,000 value!\)](#)

Contact us for other reports, such as historical sales data (free to members) and monthly dynamic forecasts (subscription).



# U.S. Economic Outlook 2025

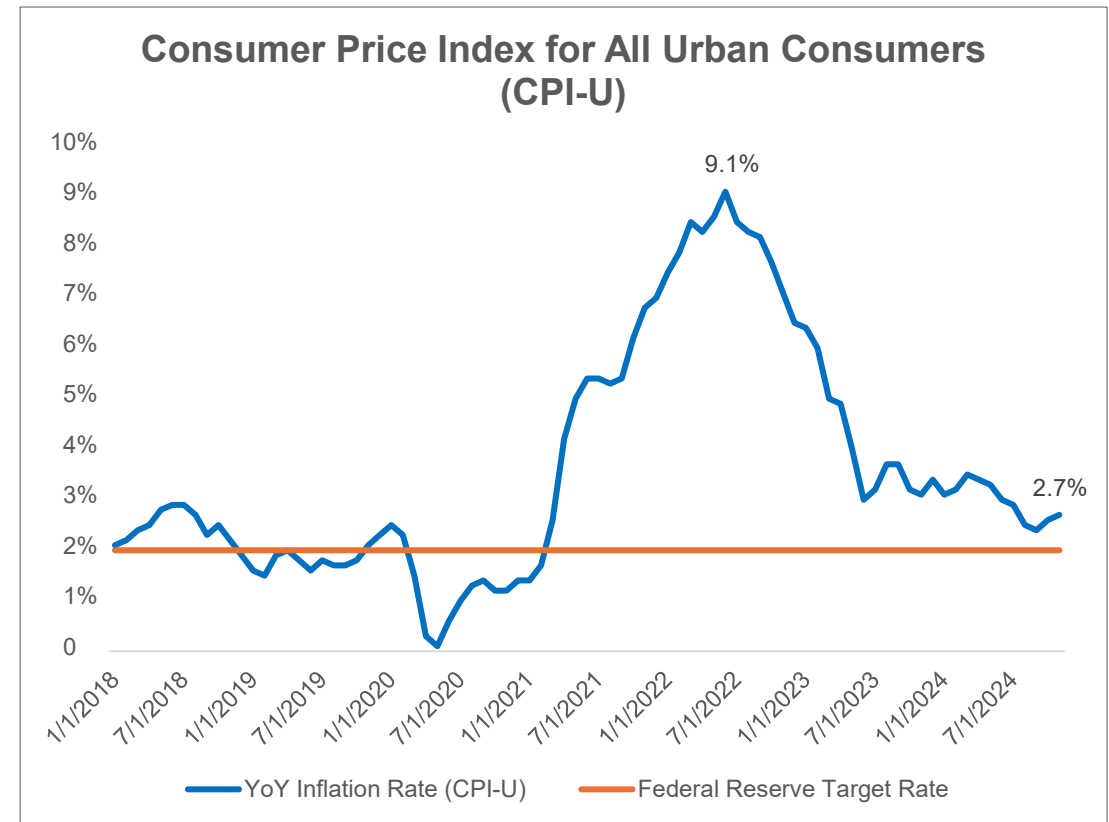
## Uncertainty Looms Over Relatively Stable Economy

Over the past year, the U.S. economy has been marked by a mix of resilience and challenges, reflecting a complex interplay of various economic indicators. Looking forward into 2025, what can we expect from the macroeconomic environment? Let's examine a few key metrics that affect consumer technology spending.

**Inflation will remain a significant concern in 2025 even as a soft landing seemed within reach late last year.**

- The Consumer Price Index (CPI) rose by **2.7%** over the 12 months ending in November 2024. This marks a notable decrease from the peak inflation rates seen in mid-2022, where inflation had soared to **9.1%**. Indeed, the Federal Reserve's efforts to tame inflation have shown some success, but the rate remains stubbornly above the Federal Reserve's target of **2%**.
- In response to persistent inflation, the Fed implemented three interest rate cuts last year, reducing the federal funds rate by a total of 75 basis points to 4.25-4.50%.
- This year, the Fed is expected to continue its cautious approach to monetary policy. Interest rates are projected to fall to 3.75-4.00%<sup>[1]</sup> by the end of 2025, which should support economic growth while keeping inflation in check.

[1] ["VIEW Fed cuts rates 25 bp, scales back 2025 easing projections,"](#) Reuters, December 18, 2024



Source: U.S. Bureau of Labor Statistics

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## U.S. Economic Outlook 2025 (cont.)

**In tandem with falling interest rates, the labor market should extend its gradual cooling trend<sup>[1]</sup>.**

- Economists expect the unemployment rate to hover around 4.4% throughout 2025, with job gains stabilizing around 108,000 per month. A solid employment base bodes well for consumer tech spending and increased investment<sup>[2]</sup> in technology among businesses.

**The U.S. housing market is expected to see increased inventory<sup>[3]</sup> and opportunities for buyers this year.**

- However, challenges such as fluctuating mortgage rates and constrained home sales will persist. These factors could put downward pressure on sales of tech durables like smart appliances and TVs.

**U.S. gross domestic product growth in 2025 should outperform expectations.**

- Factoring in expected policy shifts in immigration, trade and tax laws, most economists believe the economy will expand in 2025 — some as much as 2.5%.<sup>[4]</sup>
- However, some economists warn<sup>[5]</sup> the economy faces sharply divergent paths: a potential boom from tax cuts or stagflation from policy uncertainty.



[1] [The U.S. Economic Outlook for 2024–2025](#), University of Michigan Research Seminar in Quantitative Economics, November 21, 2024

[2] [Gartner Forecasts Worldwide IT Spending to Grow 9.3% in 2025](#), Gartner, October 23, 2024.

[3] [Here's what the housing market will look like in 2025](#), LiveNOW from Fox, November 25, 2024.

[4] [The US economy is poised to beat expectations in 2025](#), Goldman Sachs, November 20, 2024.

[5] [2025 US Economy Outlook 'Cloudier Than Normal,' JPMorgan Says: Boom, Bust Scenarios](#), Benzinga, November 22, 2024.



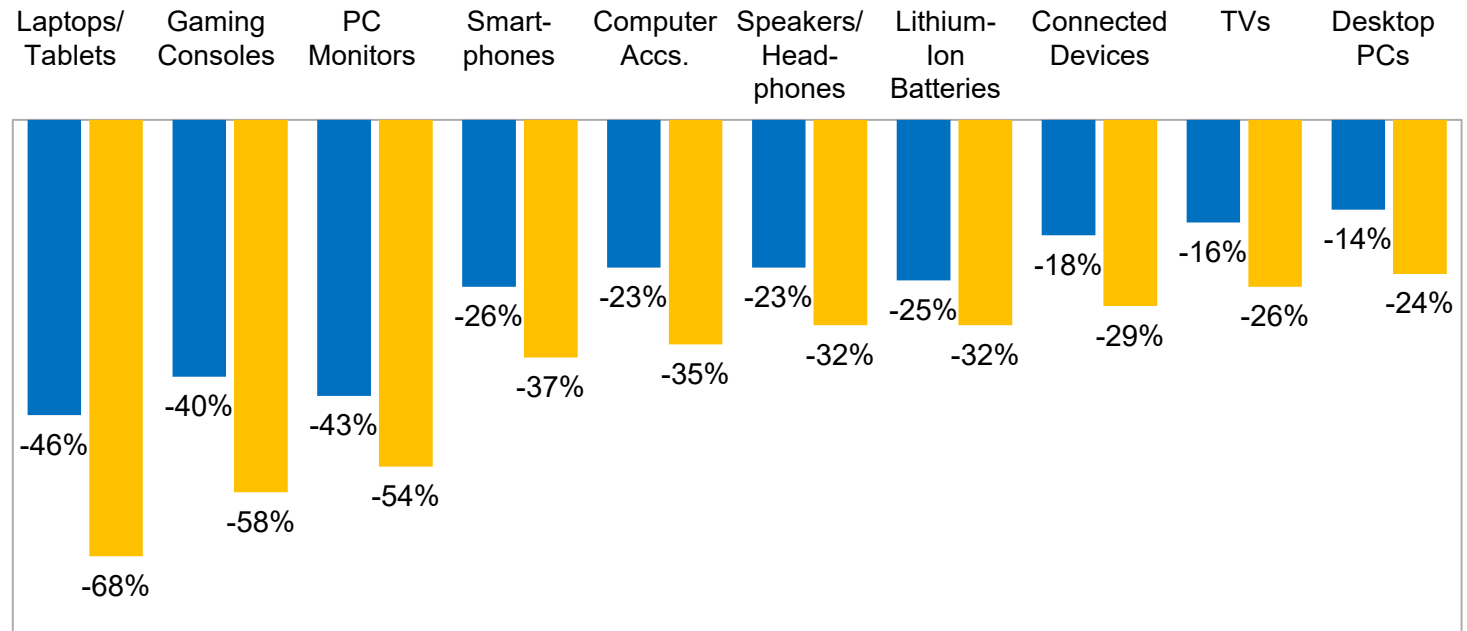
# Tariff Proposals Present Potential Downgrade in Demand

President-elect Donald Trump has proposed a wide array of new tariffs on imports into the U.S. These proposals go far beyond the Section 301 tariffs imposed on China since 2018.

Forthcoming economic analysis\* commissioned by CTA details the potential impacts of two proposals, considering scenarios in which importers pass through all tariff costs to U.S. buyers. Both proposals include tariffs on all nations and exceptionally high tariffs on Chinese goods.

Such sweeping tariffs could have serious consequences on the market for consumer technology, greatly reducing demand for devices that are heavily reliant on Chinese manufacturing. Additional tariff costs on tech products could also reduce consumer purchasing power by \$90 billion, to \$143 billion.

## Potential Decline in U.S. Consumption



**10/70 Scenario:**  
10% universal tariff;  
60% tariff on Chinese products

**20/120 Scenario:**  
20% universal tariff;  
100% tariff on Chinese products

\*Source: *How the Proposed Trump Tariffs Increase Prices for Consumer Technology Products (UPDATE)*, CTA, to be released in January 2025, updating an earlier study from October 2024.

**Connected devices:** Includes portable cellular access points, portable and smart Bluetooth speakers, Bluetooth wireless headsets, fitness trackers, smartwatches and other Bluetooth-enabled smart technologies such as whole-home controls

# U.S. Technology Industry Outlook

Despite economic uncertainty and the mounting financial pressures that are impacting them, consumers are still purchasing tech by looking for the best deals.

## Personal Computer Market Upgrades

- Pandemic-era hardware replacements, discontinuation of Windows 10 support in 2025 and along with artificial intelligence (AI) implementation of computing devices will drive upgrades over the next few years.

## Wearables Diversify and Grow in Popularity

- New form factors offer new features as well as new fashion trends.
- New features will improve accessibility and the productivity of the wearer.
- Immersive experiences with haptic feedback give the user a whole digital world experience.

## Software & Services Maintain Growth

- Consumers have a strong appetite for content and services that entertain and add convenience to everyday life.
- New to the forecast, AI as a service (AlaaS) is expected provide consumers with a boost productivity in a variety of ways, from education to traveling.

## Total Industry Retail Revenue (\$ Billions)

● Hardware ● Software or Service

