

# The Impact of COVID-19 on Technology - US - June 2020

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## This report looks at the following areas:

In the short term, when COVID-19 essentially paused all non-essential in-person activities, technology enabled many to continue to perform a variety of everyday functions, though in the digital sphere. Digital services and devices have allowed millions to telecommute and continue to work amidst stay-at-home orders and social distancing. Schools across the country utilized virtual instruction to ensure children continued to receive an education. From a social aspect, video conferencing has filled in as a placeholder for social gatherings, while digital services like streaming and online gaming fill the gaps for entertainment and leisure.

As consumers have gained greater familiarity and become reliant on technology as a substitute for in-person interactions, we expect some of the behaviors adopted during the short term to continue throughout the medium term as states tentatively reopen for business, but consumers remain hesitant to revert to pre-COVID-19 routines. Health concerns along with the economic fallout due to COVID-19 will keep consumers closer to home and reluctant to spend unnecessarily as they consider their own financial health. Into the longer term, lingering concerns around travel and in-person interactions will continue to fuel the need for technology solutions for connecting with others. Consumers who put off device upgrades and ancillary tech purchases during the medium term will re-enter the market, motivated by innovations that answer their evolving needs, particularly related to health and convenience.



**"Technology has enabled consumers to bridge the physical distance imposed by COVID-19. It will undoubtedly accelerate the use and reliance on digital services and consumer electronics, and lead to new innovations."**

**– Buddy Lo, Sr. Technology and Consumer Electronics Analyst**

## Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

## Table of Contents

### OVERVIEW

- Scope
- Definition
- Economic assumptions
- COVID-19: US context

### EXECUTIVE SUMMARY

- **Analyst perspective: Technology bridges the physical distance imposed by COVID-19**
- **Key takeaways**
- **Short-, medium- and longer-term impacts**

Figure 1: Short-, medium- and longer-term impact of COVID-19 on technology hardware and digital services, May 2020

- **Market performance and spending forecast**  
Figure 2: Consumer spending on technology – chart, by technology hardware and digital services, at current prices, 2010–25
- **Segment performance: Technology hardware**
- **Segment performance: Digital services**

### IMPACT OF COVID-19 ON CONSUMERS

- **COVID-19 concerns drive changes in behavior, increased reliance on technology**
- **Elevated stress is the norm, tech is part of the problem – and can be part of the solution**

Figure 3: COVID-19 exposure and life disruption concern, March 4, 2020 – May 26, 2020

- **Protective behaviors adopted during the short term will linger**

Figure 4: COVID-19 lifestyle changes, March 4, 2020 – April 16, 2020

- **Lessons from China: contact tracing may provide a solution for anxious consumers**

- **Mintel Trend Drivers**

Figure 5: Mintel Trend Drivers

- Technology
- Wellbeing
- Experiences
- Rights
- Identity
- Value

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

- Surroundings

## HOW A COVID-19 RECESSION WILL IMPACT TECHNOLOGY

- **Market performance and spending forecast**

Figure 6: Consumer spending on technology – chart, by technology hardware and digital services, at current prices, 2010–25

Figure 7: Consumer spending on technology – data table, by technology hardware and digital services, at current prices, 2010–25

- **Surging unemployment will curtail discretionary spending**

Figure 8: Monthly unemployment rate, December 2005–10 and March 2018–May 2020

- **Downturn means spending decline for hardware, gains for services**

- **Replacement, innovation that meets new consumer needs underpin hardware spending during a downturn**

- **Looking back to predict what's ahead**

Figure 9: Consumer spending on select technology hardware, monthly, 2006–10

- **Consumers unlikely to cut digital services budgets, even as they reduce spending in other categories**

- **Looking back to predict what's ahead**

Figure 10: Consumer spending on select digital services, monthly, 2006–10

- **Expect ecommerce sales to continue accelerated growth trajectory**

Figure 11: US ecommerce share of retail sales, 2009–April 2020

## STATE OF THE TECHNOLOGY HARDWARE MARKET BEFORE COVID-19

- **PCs, tablets, peripherals and software sales grow slowly, buoyed by software**

Figure 12: Consumer spending on PCs, tablets, peripherals and software, annual, 2000–19 and Q1 2020

- **Spending decline on video and audio equipment belies growth in volume sales**

Figure 13: Consumer spending on video and audio equipment, annual, 2000–19 and Q1 2020

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

## IMPACT OF COVID-19 ON THE TECHNOLOGY HARDWARE MARKET

Figure 14: Short-, medium- and longer-term impact of COVID-19 on technology hardware, May 2020

- **Meeting consumer needs in the short term**
- **Consumers work hard, play hard from home**

Figure 15: Change in spending priorities due to COVID-19 – Technology and communications and Leisure/entertainment, April 16–May 26, 2020

- **Short-term considerations**
- **Meeting consumer needs in the medium term**
- **Economic realities put pressure on consumers and technology hardware spending**
- **Medium-term considerations**
- **Meeting consumer needs in the longer term**
- **Innovation and fundamental shifts in behaviors as a result of COVID-19 will drive interests**
- **Temporary work-from-home situations have potential to become more permanent**
- **Microbial awareness could lead to cleaner consumers**

Figure 16: PhoneSoap Facebook page, March and April 2020

- **Wearable tech can shift from fitness to health**
- **Longer-term considerations**

## TECHNOLOGY HARDWARE MARKET: SEGMENT PERFORMANCE

- **Home office – laptop, desktop and tablet computers, routers**
- **Increasing power and portability keeps laptops relevant**
- **Tablets have been a drag on unit sales growth – COVID-19 changes that in the short term**
- **Desktop PC market bifurcated: relegated to relic status vs elevated for niche interests**
- **Home entertainment – TVs, Blu-ray/DVD players, smart speakers, streaming media players**
- **High level of ownership for household entertainment devices will dampen need**

Figure 18: Home entertainment electronics ownership and purchase intent, February 2020

Figure 19: UHD TV discount sale prices, Fry's and Costco, April 2020

- **Gaming consoles**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

# The Impact of COVID-19 on Technology - US - June 2020

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



Figure 20: Video game console ownership and purchase intent, August 2019 and February 2020

- **Smartphones**
- **Pre-pandemic, longer purchase cycles sent smartphones on a downward trend**
- **Smartphones are essential, but current models are “good enough” to delay upgrades**

Figure 21: Smartphone ownership and purchase intent, January 2019, August 2019 and March 2020

- **Wearables**
- **Wearables have yet to reach widespread adoption; purchase intent shows promise**

Figure 22: Wearables and wrist-worn wearable technology ownership and purchase intent, November 2019

Figure 23: TICWRIS-Smartwatch Facebook page, May 2020

Figure 24: Oura-smart ring Facebook page, June 2020

- **AR/VR adoption remains limited; COVID-19 to drive increased interest**

Figure 25: AR/VR headset ownership and purchase intent, November 2019

## STATE OF THE DIGITAL SERVICES MARKET BEFORE COVID-19

- **Internet is essential**
- **Telecommunication services spending driven by cellular use**
- **Video entertainment revenue grows, delivery methods evolve**

Figure 26: Consumer spending on internet services, annual, 2000-19 and Q1 2020

Figure 27: Consumer spending on telecommunication services, annual, 2000-19 and Q1 2020

Figure 28: Consumer spending on cable, satellite, other live TV; video/audio streaming and rental, annual, 2000-19 and Q1 2020

## IMPACT OF COVID-19 ON THE DIGITAL SERVICES MARKET

Figure 29: Short-, medium- and longer-term impact of COVID-19 on digital services, May 2020

- **Meeting consumer needs in the short term**
- **Digital connection provides critical support during isolation**
- **Destinations turn to virtual visits to engage the public**
- **Short-term considerations**

Figure 30: Cincinnati Zoo & Botanical Garden 'Home Safari Facebook Lives' page, May 2020

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Meeting consumer needs in the medium term
- Digital services will adapt to new social and economic landscape
- Medium-term considerations
- Meeting consumer needs in the longer term
- Role of digital services will continue to gain prominence in the longer term
- Longer-term considerations

## DIGITAL SERVICES MARKET: SEGMENT PERFORMANCE

- Home internet and mobile service
- Internet even more critical during COVID-19 pandemic
- Consumers won't want to go back to data with limits
- Social media
- Social media platforms face scrutiny about their role in sharing information

Figure 31: Home internet source, July 2019

Figure 32: Attitudes toward mobile network plans – Data plans and speed, January 2020

Figure 33: Top 5 ways to get the news, by age, May 2019

- Online gaming
- Digital distribution will be the new standard
- Streaming services
- Crowded market means streaming services will face consolidation in the longer term
- Free trials effective in the short term; longer-term success hinges on content quality

Figure 34: Streaming video behaviors, May 2020

- Communication apps – business and pleasure
- Virtual connections replace physical connections during COVID-19

Figure 35: Volume of mentions of #virtualhappyhour on social media by week, 2/2/2020 – 4/5/2020

Figure 36: Growth of downloads of video conferencing apps (weekly average), March 15–21, 2020 vs Q4 2019

- Video conferencing services need to differentiate for longer-term success
- eCommerce
- Online shopping becoming increasingly normalized
- Mass store closures mean fewer options for in-person shopping

Figure 37: Coronavirus behaviors and future activities, April 24–May 26 2020

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

## APPENDIX – DATA SOURCES AND ABBREVIATIONS

- **Data sources**
  - **Consumer spending data**
  - **Market data**
  - **Consumer survey data**
  - **Consumer qualitative research**
  - **Abbreviations and terms**
  - **Abbreviations**
  - **Terms**
  - **Market performance and spending forecast data tables**
- Figure 38: Consumer spending on technology – data table, at current prices, indexed to 2010, 2020, 2025, 2010-25
- Figure 39: Consumer spending on technology – data table, by technology hardware and digital services, at current prices, 2000-25
- Figure 40: Consumer spending on technology – data table, by technology hardware and digital services, at current prices, 2010-25

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.