



The Impact of COVID-19 on Technology - UK - June 2020

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This report looks at the following areas:

- The impact of COVID-19 on consumers.
- How COVID-19 has already affected consumer technology markets.
- The shift in consumer behaviours in consumer technology in the short, medium and long term.
- Lessons from the last economic recession.
- Lessons from other markets outside the UK.

Consumer technology markets are holding up far better than many other sectors during the COVID-19 crisis. Although supply chain shortages and the economic uncertainty that has arisen as a result of the pandemic mean full-year sales of hardware and devices for 2020 will be lower than would have been the case otherwise, service providers will be fairly resilient, while digital goods will have benefitted from people being confined to their homes, looking for ways to stay entertained and connected.

Although a recovery is expected in 2021, consumers will remain cautious in their spending habits, which will see big-ticket hardware purchases remain on hold for many. On a broader level, however, people will have become more reliant on technology than ever before as a result of the crisis, standing many categories in good stead for a rapid return to growth.



"The boom in use of videoconferencing services has been the highest profile example of consumers turning to tech to fulfil a lockdown-driven need, and the sector is likely to see continuing competition between the major services even after lockdown is lifted."

- Matt King, Category Director – Technology and Media Research (26 June 2020)

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