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Ecommerce Powers Consumer Electronics Sales

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eMarketer Editors

Amid 2020's grim retail environment, ecommerce stands out as a bright spot. By now, the story is well known: US buyers have turned to online retailers like Amazon and Walmart in record numbers, mostly to avoid shopping in crowded places or because their local stores were closed.

We forecast that retail ecommerce sales in the US will reach $709.78 billion this year, up 18.0% from 2019.

Before the pandemic, it was already popular to buy computer and consumer electronics online. That product category will represent the largest share of US retail ecommerce sales in 2020, at 22.0%.

Retail Ecommerce Sales in the US, by Product Category, 2020

	Sales (billions)	% change	% of retail ecommerce	% of total retail
Computer & consumer electronics	$156.50	17.9%	22.0%	49.5%
Apparel & accessories	$135.49	8.6%	19.1%	36.7%
Furniture & home furnishings	$78.31	12.4%	11.0%	29.9%
Health, personal care & beauty	$72.10	32.4%	10.2%	13.0%
Auto & parts	$51.54	12.6%	7.3%	5.2%
Toys & hobby	$51.23	20.9%	7.2%	47.8%
Books, music & video	$42.30	13.9%	6.0%	62.7%
Food & beverage	$41.52	58.5%	5.9%	3.7%
Office equipment & supplies	$15.62	17.9%	2.2%	39.3%
Other	$65.18	17.8%	9.2%	6.1%

Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, May 2020

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We expect US computer and consumer electronics ecommerce sales will total $156.50 billion this year—and nearly half of the products sold in this category overall (49.5%) will be purchased online. Not surprisingly, digital ad dollars are rushing to follow consumer behavior.

By and large, the computing products and consumer electronics industry accounts for the bulk of digital ad spending by tech companies. Business-to-consumer (B2C) companies like Apple, Dell, Samsung, and Sony fall into this category, as do B2B service providers like Adobe, Cisco, IBM, Microsoft, Oracle, and other IT firms. We also include internet, cloud, and software solutions providers like Intuit, Salesforce, Shopify, and Zoom. Game console makers, shared economy apps, and mobile payment platforms belong in this category as well.

The pandemic has, for the most part, increased demand for these firms' products and services, as it has for telecom services. Travel, auto, entertainment, and, to a lesser extent, retail have suffered steep downturns. But many computing products and consumer electronics companies have found themselves in the awkward position of booming while much of society goes bust.

This boom is good news for digital publishers, at least. We forecast computing products and consumer electronics companies will spend $11.64 billion on digital ads in 2020, up 18.0% from 2019. This represents the fastest growth in digital ad spend across all industries in 2020. By contrast, total US digital ad spend will grow just 1.7% this year.

Computing Products & Consumer Electronics Industry Digital Ad Spending in the US, 2017-2021
billions, % change and % of total digital ad spending
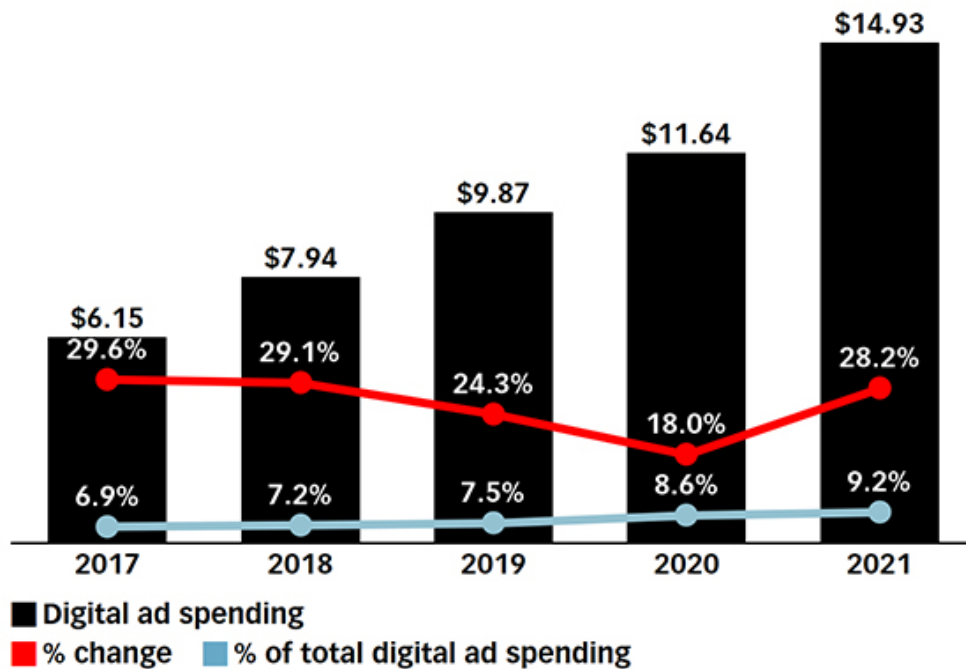
Note: includes hardware (computers, computer storage devices and computer peripheral equipment), consumer electronics, prepackaged software (operating, utility and applications programs), local area network systems and network systems integration, computer processing, and data preparation and data processing services; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms
Source: eMarketer, August 2020

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"I think there's more optimism here than in some of the other industries," said Mike Menkes, senior vice president at analytics firm Analytic Partners. "During the pandemic, demand for consumer electronics and computing products, for the most part, has not really declined and, in some cases, actually increased quite a bit. It's also an area where many purchases were already being made online, so there's less interaction in-store. Advertising budgets have been pulled back a little bit, but not as much as in other industries."

To see our full annual breakdown of digital ad spending by telecom and by computing products and consumer electronics, eMarketer PRO subscribers can read our recent report:

Report by Ethan Cramer-Flood Sep 02, 2020

US Telecom, Computing Products and Consumer Electronics Digital Ad Spending 2020

US TELECOM, COMPUTING PRODUCTS AND CONSUMER ELECTRONICS DIGITAL AD SPENDING 2020

Amid the Pandemic, Tech Industry Ad Spending Is Undaunted

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