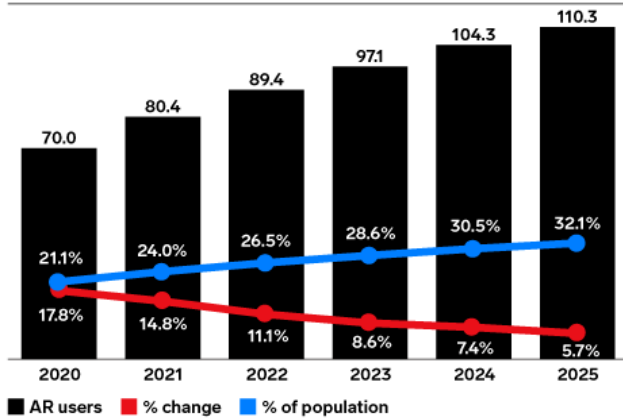# The future of connected devices

Article

Smartphones will gain a few competitors in the next several years. As metaverse tools and wearables like virtual reality (VR) headsets become more commonplace, they will cause growth to slow for everyday devices like smartphones. These new devices may begin to compete for time spent toward the end of our forecast period in 2024. While smartphones may not lose their importance, it's possible that over the next five to 10 years, they will lose time spent to newly popular augmented reality (AR) and VR devices.

The AR user base in the US will increase to 97.1 million by the end of 2023. Most of these new users will come on board via smartphones, not dedicated AR devices, as more people

embrace the technology through a variety of mobile apps. AR accessible via smartphones will also contribute to an increase in time spent with the tech.

US AR Users, 2020-2025
millions, % change, and % of population

Year	AR users	% change	% of population
2020	70.0	17.8%	21.1%
2021	80.4	14.8%	24.0%
2022	89.4	11.1%	26.5%
2023	97.1	8.6%	28.6%
2024	104.3	7.4%	30.5%
2025	110.3	5.7%	32.1%

Note: individuals of any age who experience AR content at least once per month via any device
Source: eMarketer, Feb 2022

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Social media remains a big driver of AR and VR growth as the majority (62.6%) of AR users will experience that content via social media in 2022. This will drive up time spent using social networks on both smartphones and in the "other connected devices" category, which includes wearables. As metaverse platforms develop and mature, new applications for these technologies will bring more users.

Regulatory Issues

From privacy to competition, various regulatory issues influence the adoption of devices and the time users spend on them.

As existing landmark privacy laws such as the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) mature and issue major fines, app developers and other data controllers will have to tighten their procedures. US companies may need to adopt the practices of their EU counterparts, such as hiring data protection officers (DPOs), as the enforcement of these regulations picks up.

The recently introduced Competition and Transparency in Digital Advertising Act in the US aims to "restore and protect competition in digital advertising by eliminating conflicts of interest." If passed, the law would likely force Google to spin off a substantial portion of its

online ad business, as the regulation would ban major ad exchanges from also operating publishing technology. The bill would likely also affect Meta and may harm Amazon and Apple.

The Kids Online Safety Act, proposed this past February, also has the potential to affect time spent with devices. Although our forecast focuses on those ages 18 and older, brands should keep younger users in mind as well. This bill would create explicit responsibilities for tech companies around the handling of content that involves eating disorders, alcohol, suicide, and other sensitive topics. In recent months, Congress has called executives of the leading social media companies to testify about children's safety online, and it is clear there will be increased scrutiny going forward.

Geopolitical uncertainty may also affect device trends in the long term. The Russia-Ukraine war and growing China-Taiwan tensions may prolong existing semiconductor supply chain issues. At this year's meeting, the US-EU Trade and Technology Council concluded that government agencies and industry leaders must bring semiconductor manufacturing onshore and increase investment in its research and development.

Read the full report.

Report by Jessica Lis Jun 09, 2022

US Time Spent with Connected Devices 2022