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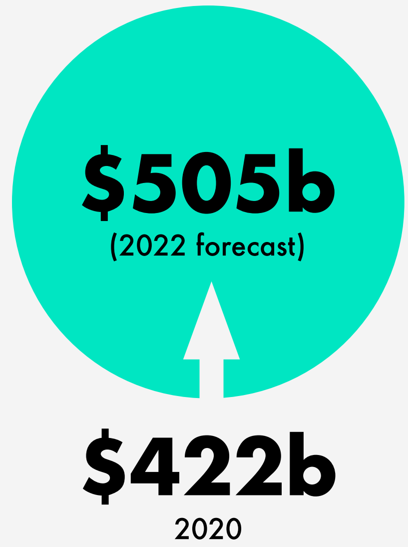
How the Consumer Technology Industry Can Get Ahead of Consumer Preferences

A study by Publicis Sapient

INTRODUCTION

Consumer technology companies have recorded massive growth since 2020 as the new norm for schools and businesses has shifted between the home, office and classroom. According to Statista and the Consumer Technology Association, worldwide consumer tech sales increased from $422 billion in 2020 to a 2022 forecast of $505 billion.



As the world settles on what a new reality looks like, a hybrid model is here to stay. So, what does this mean for brands? Although the demand is strong, consumers are becoming incredibly intentional about how, where and what they purchase. Their behaviors are driving home new messages around loyalty and new business models.

IN THIS REPORT PUBLICIS SAPIENT WILL DIVE DEEPLY INTO TWO MAIN AREAS:

1. Consumer technology in homes: Preferences and behaviors around devices and connected homes and security.
2. Shopper purchase behavior: Preferences and behaviors around brand trust, loyalty and in-store and online platforms.

TECHNOLOGY IN THE HOME: IS CONNECTIVITY KING?

THE SENTIMENT: IT'S A LOT

When you think about technology, what first comes to mind?
Common themes included (in no particular order):

Product types/features:

- smart TVs
- video games
- smartphones & tablets
- smart devices
- automation
- computers
- internet & Wi-Fi

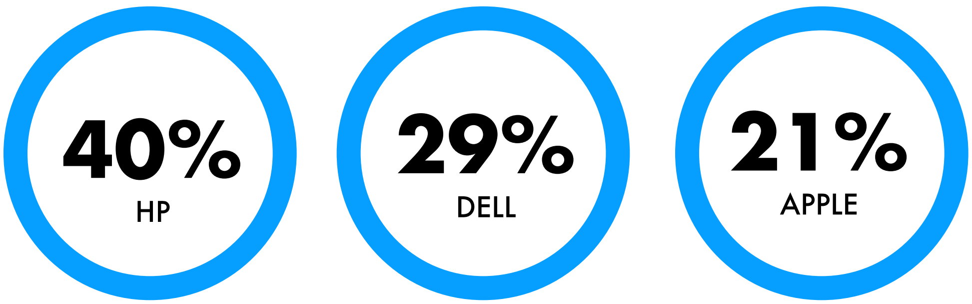
Sentiments/feelings:

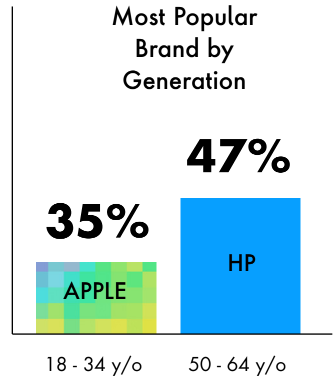
- too many
- ever-changing
- makes life easier
- innovative
- confusing
- user friendly & convenient

Specific brands: Sony, Samsung, Microsoft, HP, Google, Dell, Apple/iPhone

The in-home tech stack is strong these days. Research indicates that 84% of households have laptops, and 75% have at least one tablet. It is also more likely that homes have more laptops and tablets than desktops. The most common laptop brands are HP (40%), Dell (29%), and Apple (21%). Generationally, the preferences shift slightly. Apple is the most prevalent for those 18 to 34 years of age (35%) and HP for consumers 50 to 64 years of age (47%).

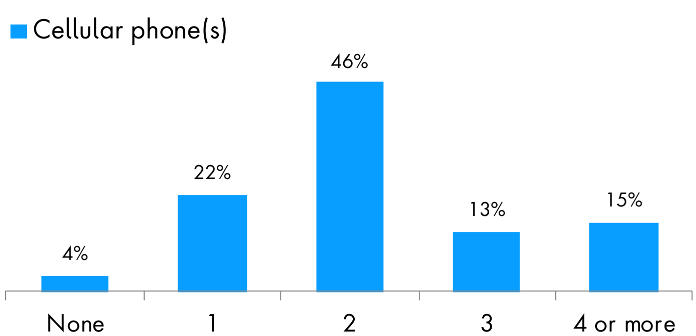
THE MOST COMMON LAPTOP BRANDS





In addition to devices like laptops and computers, **96%** of households have at least one cellular phone, with **28%** having three or more.

Number of Cellular Phones at Home



Most Popular Cellular Phone Brands	Total
Apple	54%
Samsung	43%
LG	12%
Motorola	8%
Google	5%

Brand Usage by Generations

APPLE

67% among 18-34,

60% among 35-49,

49% among 50-64,and

43% for 65+

SAMSUNG

Lowest for 18-34 at **32%** (compared to **40%-49%** by older groups)

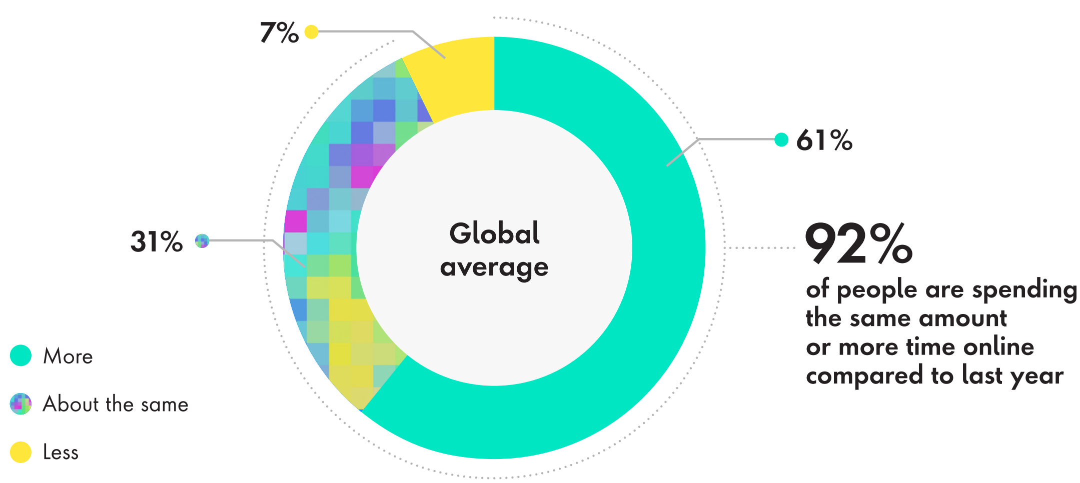
GOOGLE

Highest for 18-34 **(7%)** and 35-49 **(7%)** compared to older groups (**4%** for 50-64 and **2%** for 65+)

With so many tech products under one roof, people are spending more time online than ever before. Globally, **92% say they are spending more**, or the same amount of time online compared to 2020. With the constant connection to products, ease of use and experience will continue to be front and center for consumers. This leads to another major shift in consumer preference: how consumers choose to use their devices and which devices they buy has more intent behind it these days. Being intentional is more than just a buzzword; **it's a lifestyle choice**.

PEOPLE ARE SPENDING MORE TIME ONLINE THAN EVER BEFORE

- People engage in digital activities across every facet of their digital lives.
- People in Thailand (92%), the United Arab Emirates (82%) and Singapore (74%) report higher levels of online engagement year over year when compared to other countries.
- Gen Z (71%) and Millenials (69%) also report higher levels of online engagement when compared to older generations.



GAME ON

Consumers are bringing intentionality to their tech choices too. Although technology use has been steadily climbing for years, pandemic-induced lockdowns have forced billions of people to spend more time online and with their devices, whether for work, school or connecting with loved ones. But the endless Zoom meetings and time scrolling through social media have added to serious tech burnout.

People want their devices to serve a purpose and help improve their lives. As mental health and well-being continue to be at the forefront of global conversations, activities like gaming have provided some reprieve. A recent Microsoft survey linked the many benefits of gaming to mental wellness. Gaming sales, especially hardware, continue to increase, with Statista reporting that the U.S. video-game hardware revenue in 2021 hit $1.3 billion. Publicis Sapient research shows that half of households have at least one gaming device and that use of the PlayStation and Nintendo are similar (27-28%), with Xbox not too far behind (with 22% of households having an Xbox system, and the majority having Xbox 360 or Xbox 1).

The proliferation of devices has often left people with too many choices, and the tech burden is overwhelming. So what does this mean for brands? It means it's time to take the pain away for consumers with a marketplace experience.

Almost all brands have D2C e-commerce sites that sell products. Still, usually, these sites sell only a brand's specific products — or if they sell other products, the brand selects what products are presented. Those products are generally only offered as an upsell opportunity. In a marketplace-based experience, a brand could curate which other brands appear in the marketplace, but give all products equal footing.

Samsung may sell Google products that work well in the Samsung ecosystem. Whirlpool may sell replacement parts from other manufacturers alongside its own. Marketplace experiences have found their place within the consumer tech landscape and show no signs of slowing down. A marketplace helps consumers cut through the clutter of overwhelming choices and feel confident that their choices will work and work together with other parts of their ecosystem.

It is not that consumers are at war with technology — they like it, need it and want it — it just needs to be easier and more convenient. Fifty-three percent of females and 42% of males are likely to be overwhelmed by technology choices, but they are still interested in what is to come. Sixty-two percent of males and 52% of females said they are excited to learn about new technology.

AMONG 18-34 YEAR OLDS, 3 IN 4 AGREE THAT TECHNOLOGY IS THE BEST WAY TO STAY CONNECTED. THIS SENTIMENT WAS FELT BY JUST OVER HALF OF THOSE 65+.

- Those 18-34 are much more excited to learn about new technology than the oldest group (73% agree compared to 38% of those 65+.) While excited, the youngest group is most likely to agree that they are trying to reconnect with nature and minimize technology (39%, 18-34 year olds).
- Among those 65+, 6 in 10 are overwhelmed by the many technology choices and options available.

Top 2 Box (strongly or somewhat agree)	**18-34**	**35-49**	**50-64**	**65+**
I am satisfied with the technology in my home	75%	70%	70%	74%
Technology is the best way to stay connected	75%	63%	61%	54%
I am excited to learn about new technologies	73%	63%	55%	38%
Technology helps keep us safer	58%	50%	45%	51%
The technology in my home reflects my style	59%	50%	46%	45%
I am concerned about the technology industry being led by only a few large brands	46%	49%	51%	58%
I am overwhelmed by all the technology choices and options available	39%	40%	49%	61%
I am trying to reconnect with nature and minimize technology	39%	31%	29%	27%
It is difficult to decide on which technology is best for my home	34%	40%	37%	38%

CONNECTION POINT

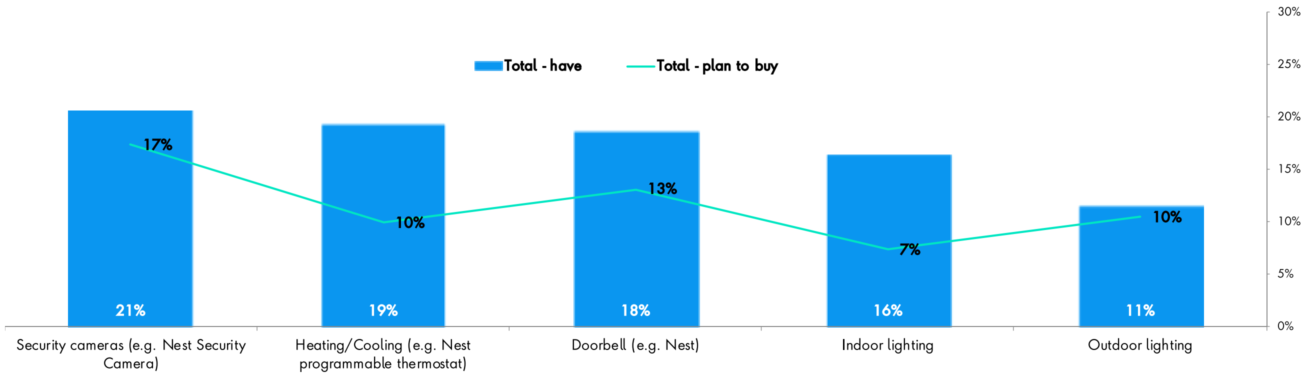
As consumers' lives become increasingly connected, the home is primed to be the central location for it all. But we are not there yet. About four in 10 households currently use a personal voice assistant or smart hub, with Alexa having double the usage compared to Google devices (28% vs. 14%).

About 20% of households use three connected devices: the doorbell, a heating and cooling device and security cameras. Fewer homes use connected lighting (16% indoors and 11% outdoors). In terms of what consumers plan to purchase in the next two years, home security cameras were ranked highest (17%).

THERE WERE THREE CONNECTED DEVICES THAT ARE USED BY ABOUT 2 IN 10 HOUSEHOLDS: DOORBELL, HEATING/COOLING DEVICE, AND SECURITY CAMERAS

- Connected lighting is used by fewer households (16% for indoor, 11% for outdoor).
- Planned purchases vary from 7% at the lowest for indoor lighting to 17% (at the highest) for security cameras.

Internet Connected Devices – Have and Plan to Get in Next 24 Months | Total



Younger generations are most likely to have internet-connected devices like speakers (35%), heating and cooling (24%), security cameras (23%) and doorbells (22%).

THE YOUNGEST GROUP WAS MOST LIKELY TO HAVE INTERNET CONNECTED DEVICES (SPEAKERS 35%, HEATING/COOLING 24%, SECURITY CAMERAS 23%, DOORBELL 22%).

Many of the listed items had usage less than 10% by those age 35+

Internet Connected Devices — Total & By Age Groups

	Total	18-34	35-49	50-64	65+
Security cameras	21%	23%	26%	20%	13%
Heating/Cooling	19%	24%	19%	19%	15%
Doorbell	18%	22%	25%	16%	12%
Indoor lighting	16%	9%	19%	20%	6%
Outdoor lighting	11%	12%	9%	15%	9%

	Total	18-34	35-49	50-64	65+
Speakers	25%	35%	33%	21%	12%
Clocks	11%	15%	13%	9%	10%
Smart vacuums	10%	17%	11%	8%	6%
Kitchen appliances	10%	15%	10%	9%	8%
Kitchen gadgets	7%	11%	7%	6%	5%
Window blinds/curtains	5%	7%	5%	4%	5%
Pet related devices	4%	7%	6%	3%	2%
Other	10%	8%	15%	10%	6%

The data show that consumers value many parts of their lives being connected. So, what's impeding a fully connected home life? Right now, the experience is not there. It is too hard. Brands have an opportunity to think beyond the single solution they are providing consumers today and how they will fit into the broader home ecosystem of the future. The ultimate goal should be to give consumers the peace of mind that everything will seamlessly work together.

Trust or Bust

Publicis Sapient research reveals that brand trust is still a significant factor that influences buying decisions across generations. The research shows that brand recognition and a good reputation are important to almost nine in 10 of those surveyed when purchasing technology products.

Samsung ranked as the No. 1 brand by consumers, with 44% saying they have full or a lot of trust in the brand. Amazon closely followed with 40%, followed by Apple with 34%. Meta had very low trust cross-generationally, with nearly a third saying they do not trust the brand.

Brands shouldn't just stop there, however. There is nuance in the findings. Although brand trust is essential to most across the board, consumer preference differs slightly by generation. For example, older groups are more likely to consider "being made by a brand that has a good reputation" as important (92% in the 65+ group compared to 81% in the 18 to 34 group), whereas younger generations place more importance on "being the same brand as other tech" and "being the newest model," comparatively.

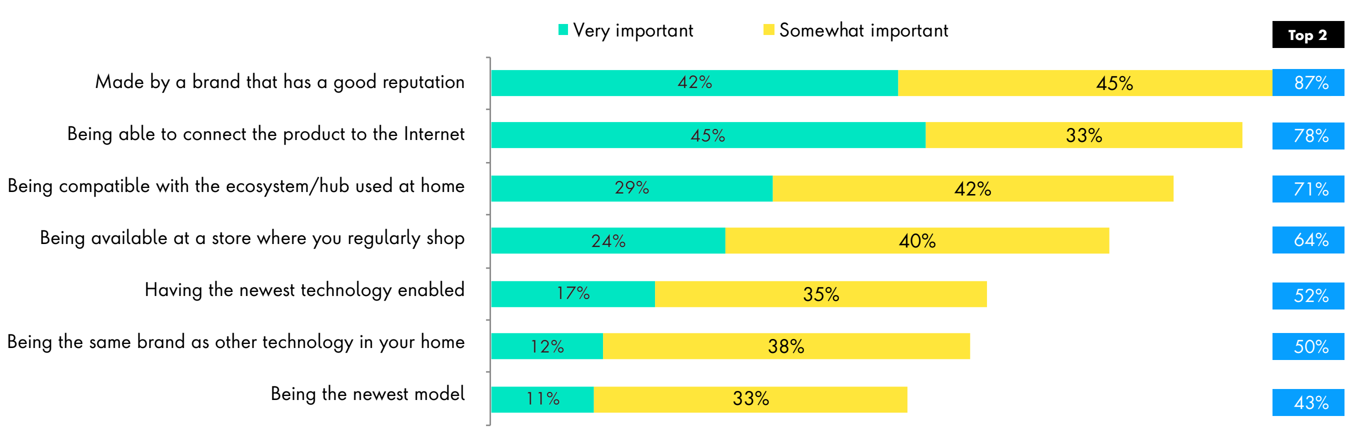
So the challenge remains — can brands maintain their reputations while also addressing the importance of bringing new products to market? Or will the notion of marketplaces shift consumer preference so that they do not have to have the same brand across tech products? Consumers have many choices right now, but are they the right choices?

In addition to trust, it is important to note areas of opportunity for brands, especially addressing consumers' many frustrations.

WHEN BUYING TECHNOLOGY PRODUCTS, BEING MADE BY A BRAND WITH A GOOD REPUTATION IS IMPORTANT TO ALMOST 9 IN 10.

- Almost 8 in 10 scored 'being able to connect the product to the internet' as important.
- Being the newest model is 'very important' to only 1 in 10 (and somewhat important to 3 in 10).

Important Factors when Deciding on Technology Products to Buy | Total



Common themes worth noting are consumer sentiment around usability, longevity and value, ease of installation and use and privacy.

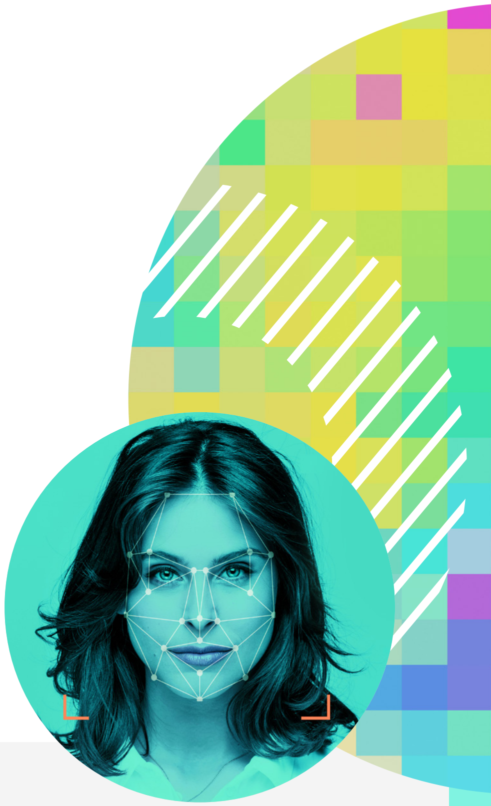
Overall, safety and privacy are complicated concerns for consumers. Eighty-one percent of consumers say they are concerned with privacy setting options in their tech products, like what data are being collected and how these data are used.

Many tech products require consumers to adjust their data settings away from the default to have more privacy. Still, only 20% of people indicated doing so regularly. When consumers look to make those changes, almost half regularly or occasionally ask friends or family for help to set up their new technology.

Those 65+ are more likely to reach out for help by age group.

Here's where the nuance comes into play: 72% of consumers said they are aware of data being collected in exchange for free services or features. However, there is significant interest from consumers who would be willing to pay a premium to have technology be more private (7% "very interested," 32% "somewhat interested").

Brands can create greater trust, loyalty and ROI by being transparent in their data collection, simplifying how users can set up their preferences and potentially offering services at an additional price point for those who want more privacy.



WHAT IS THE BIGGEST TECHNOLOGY FRUSTRATION THAT YOU HAVE?

Common themes included (in no particular order):

Usability:

- connection instability
- glitches
- internet is slow
- reliability
- battery & storage space

Longevity & value:

- too many upgrades
- tech aging
- too expensive

Confusion & sentiments:

- learning curve
- siloed devices
- setting up
- too many passwords
- privacy

Some also said they have no frustration.

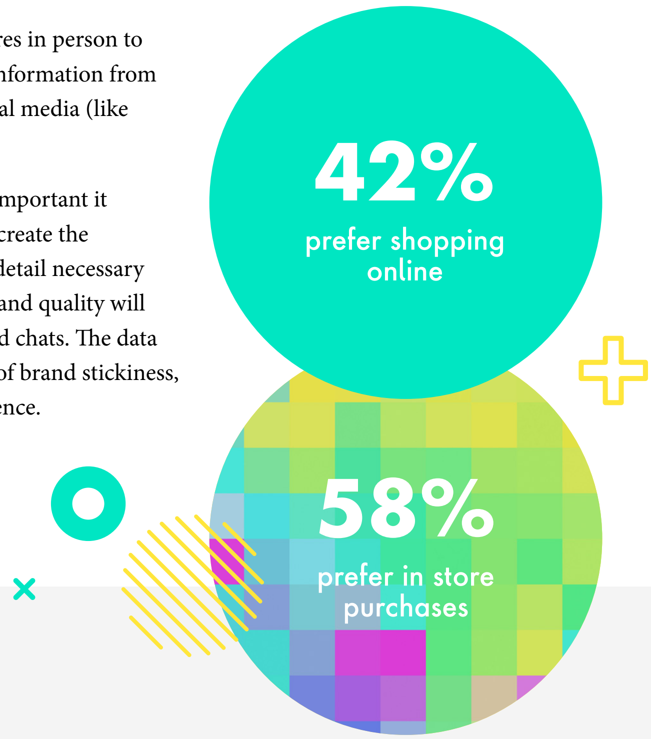
WHERE AND WHAT TO BUY

When it comes to tech product preference, quality and price are two important factors that dictate what to buy.

Where are consumers getting their product information? The buying journey is not linear, and most consumers do their research ahead of time, with 86% of consumers taking time to research and compare what to buy beforehand. Preference for buying technology online or in store is fairly split, with 42% preferring online and 58% preferring in store.

The likelihood of using certain sources varied by age group: 50+ are more likely to ask friends or family than younger groups and more likely to ask staff in store. Those 18 to 34 are less likely to visit stores in person to compare items. They seek information from tech blogs, forums and social media (like Facebook and Instagram).

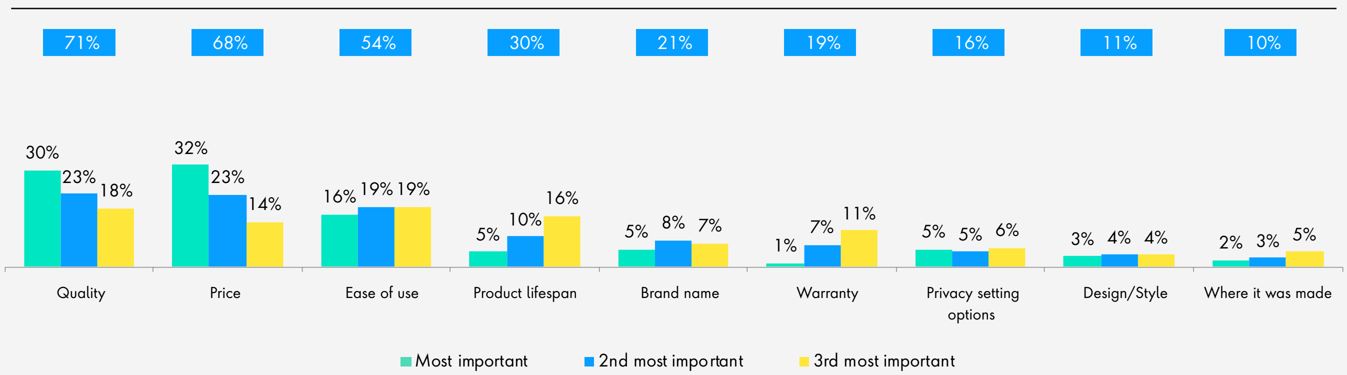
This data emphasizes how important it is for all brand channels to create the experience, education and detail necessary for consumers. Reputation and quality will play out in these forums and chats. The data emphasize the importance of brand stickiness, personalization and experience.



QUALITY AND PRICE HAD THE HIGHEST RANKINGS FOR IMPORTANCE WHEN DECIDING ON WHICH TECHNOLOGY PRODUCTS TO BUY.

- Ease of use was the next highest factor ranked, with about half ranking this factor in the top 3 (54%).
- Least likely to have been ranked as most important was design/style and where it was made (around 10% in top 3 ranks).

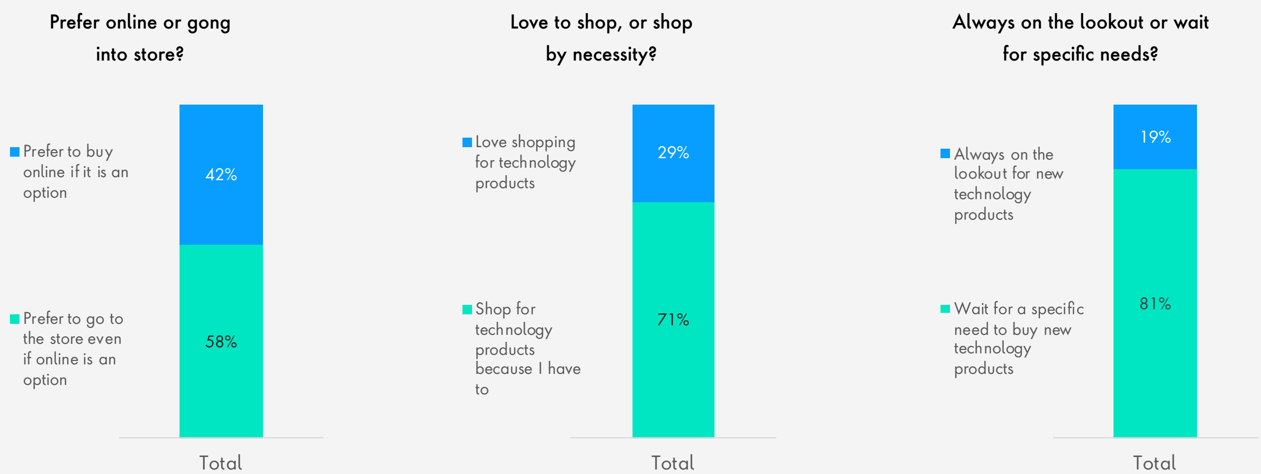
Ranking of Importance for Deciding on Which Technology Products to Buy | Total



PREFERENCE FOR BUYING TECHNOLOGY ONLINE OR IN STORE IS FAIRLY SPLIT, WITH 42% PREFERRING ONLINE AND 58% PREFERRING IN THE STORE.

- 3 in 10 love shopping for technology products, while the remainder do so because they have to.
- 2 in 10 are always on the lookout for new technology products, while the remainder wait for a specific need.

Approach to Buying Technology | Total

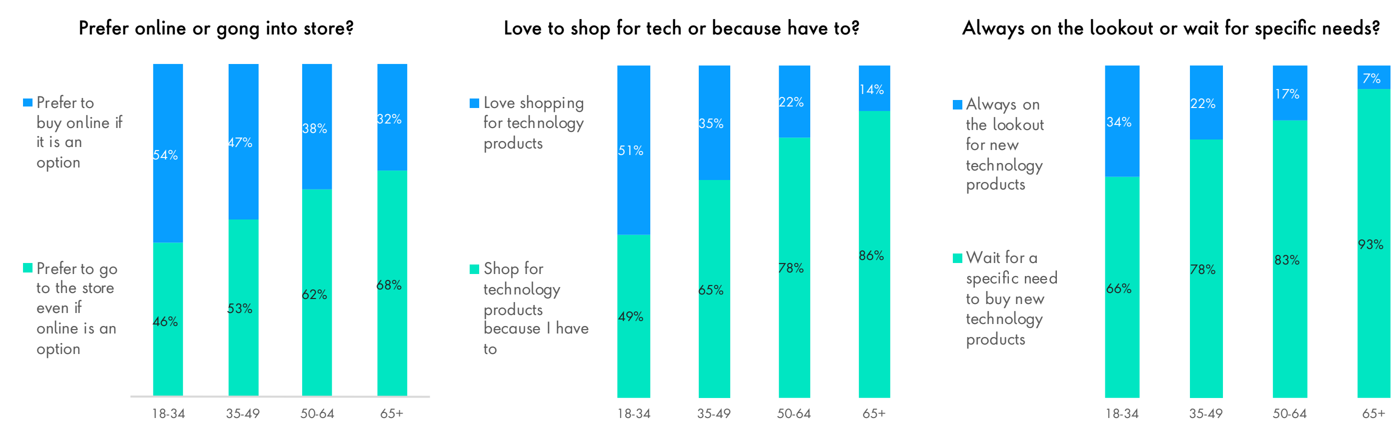


Since consumers prefer to research their buying decisions ahead of time, it makes sense that planned purchases of technology are much more common than impulse, with 89% usually planning their purchases. One in four buy technology products on special occasions, whereas the remainder is more likely to buy at any time of the year.

YOUNGER AUDIENCES HAVE CLOSE TO AN EQUAL SPLIT OF PREFERRING TO SHOP IN STORE OR ONLINE, WHILE THOSE 65+ ARE MORE LIKELY TO INDICATE PREFERRING TO GO IN STORE (68%).

- Having a love for technology product shopping is much greater in the youngest group (51% of those 18-34 love shopping for technology compared to 22% in 50-64 year olds, and 14% in the 65+ group).
- 3 in 10 18-34 year olds are always on the lookout for new tech products (while only 7% in the 65+ group).

Approach to Buying Technology | By Age Groups



Are you making it easy for consumers to learn about your brand and products? Do you have a complete picture of their interactions with the brand? Customer lifetime value is critical to that stickiness, and how brands use data to personalize experiences for consumers will only become more important.

THE SUSTAINABILITY ASPECT

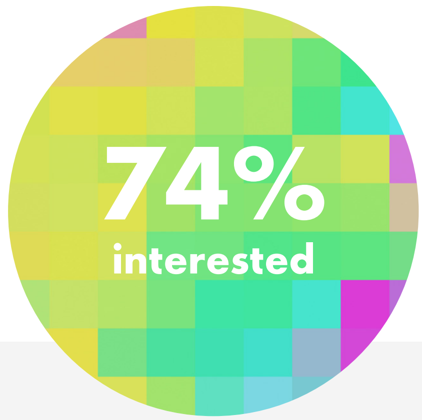
What do consumers do with all of those products once they upgrade to newer versions or replace them entirely? Many people have accepted that their technology won't work forever. With household names like Apple and Samsung launching new products every year, most software and hardware are eventually rendered obsolete.

Although technology obsolescence drives demand for new devices, it also creates a sustainability problem — where and how should consumers dispose of unwanted hardware? And what should consumers do with old devices once they've expired? Almost nine in 10 consumers are concerned (very or somewhat) with how long batteries last in technology products, and 77% of consumers said they are interested in returning technology that no longer works to a recycling center or retailer.

About half (49%) would be very or somewhat willing to pay 10-15% more for products made in an environmentally friendly way, and 54% would pay more for products that can be fully recycled after use. Although some brands offer recycling capabilities to consumers, they're usually hidden or require consumers to search them out. Brands can move these capabilities into the e-commerce journey, reinforcing their values and commitment to the environment to younger consumers actively looking for these cues.

This is an opportunity for a new business model for consumer tech brands: subscription services. Research already indicates that consumers are willing and do use subscription services across industries. Thirty-five percent of households have at least one subscription service or auto-shipment program. Tech companies should explore whether a subscription model — Tech as a Service — would engender loyalty from customers while creating predictability and revenue streams around recycling or refurbishing older tech.

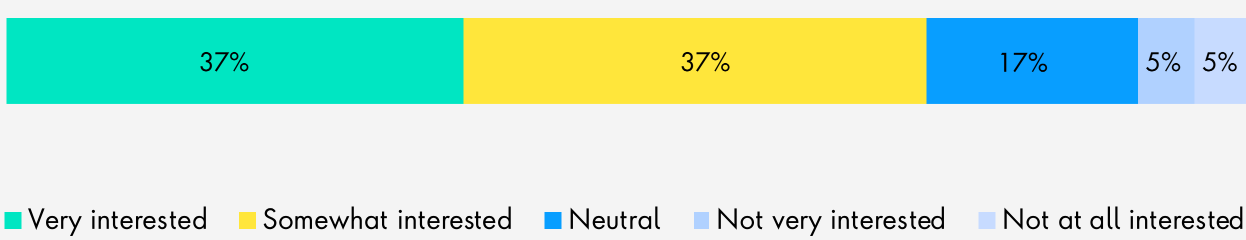
Returning technology that does not work or is obsolete to a recycling location or retailer



RETURNING TECHNOLOGY THAT DOES NOT WORK OR OBSOLETE (TO RECYCLE OR TO RETAILER): 37% VERY INTERESTED AND 37% SOMEWHAT INTERESTED

- Interest in returning technology that does not work or is obsolete was mostly similar within age groups.

Interest in Technology | Total

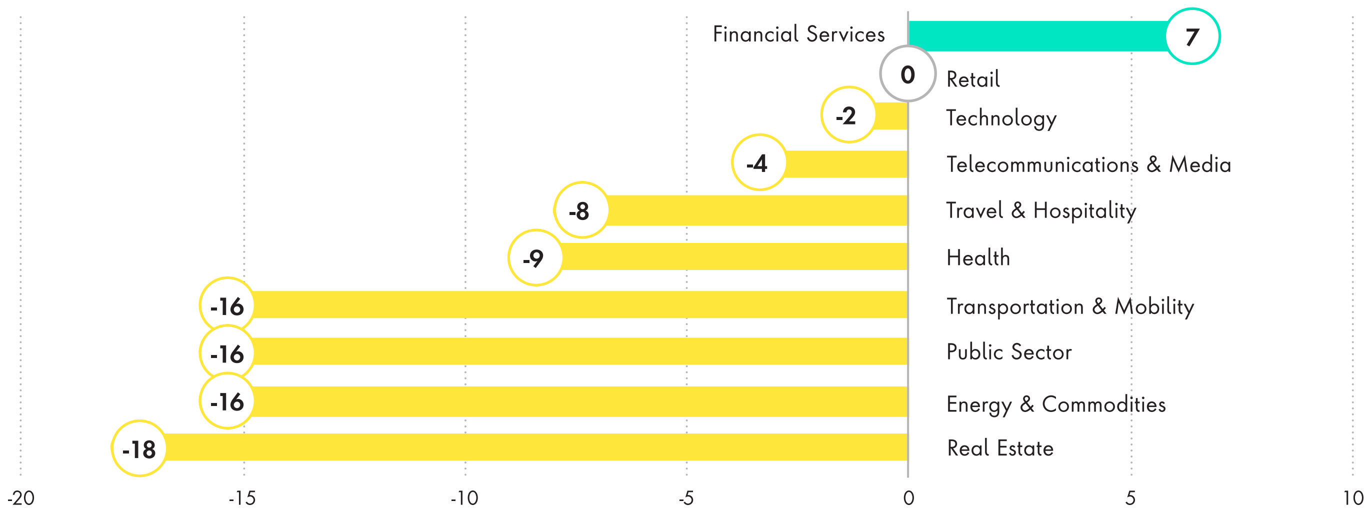


WHAT'S NEXT

Winning brands of the future will provide frictionless customer experiences. They will create an online and offline journey that fits seamlessly into a consumer's life. The upside for brands that can deliver convenience, ease and connectivity will be immense. Where are you today, and how will you get to that next level?

NET PROMOTER SCORE BY INDUSTRY

A net promoter score (NPS) is created by subtracting the number of Detractors (0-6 raters) from the number of Promoters (9-10 raters). Passives (7-8 raters) are considered neutral.



METHODOLOGY

Data were collected through an online survey of 888 people across the United States. All participants are the main or shared decision makers for technology products or services bought for the home. The survey was fielded from July to August 2021 and collected in partnership with Epsilon.

Digital Life Index: Data were collected through an online survey administered in June 2021 and sent to 9,300 people in 12 countries: the United States, Canada, the United Kingdom, Germany, France, Sweden, Denmark, Singapore, Thailand, Hong Kong, Australia and the United Arab Emirates. The survey was fielded in June 2021.

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