

August 2014 - US



BRYANT HARLAND  
Technology and Media Analyst

WHAT WE THINK

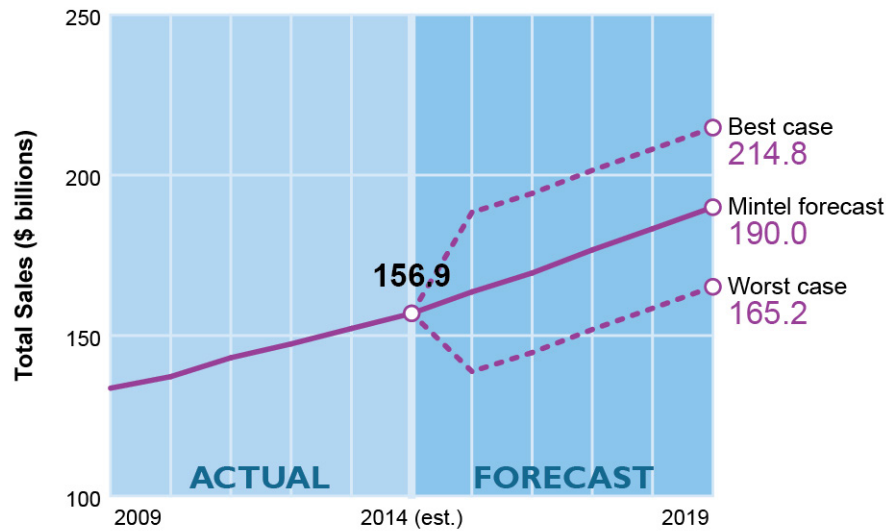
While it is true that price competitiveness outranks every other factor when shopping for electronics, consumers still placed some value on a variety of other elements. As a result, there is an opportunity for businesses to discover and capitalize on their strengths in order to differentiate on factors other than price. Specialty retailers can emphasize the value of brand expertise by coupling services with the products they offer and acting in consultative roles when customers want to buy a product but aren't sure which specific product is best for them.

Regardless of the type of retailer, all electronics stores will benefit from striking a better balance between product quality, selection, and price and by better integrating their online and in-store shopping experiences.

ELECTRONICS HARDWARE MARKET FORECAST TO REACH \$190 BILLION BY 2019

Growth in the electronics market is limited, as big-ticket items such as televisions and computers reach almost universal ownership. The market will be largely driven by the desire to upgrade items and by newer technology such as smartphones, tablets and wearable electronics devices that are not yet ubiquitous among consumers.

TOTAL US RETAIL SALES OF ELECTRONICS, 2009-19

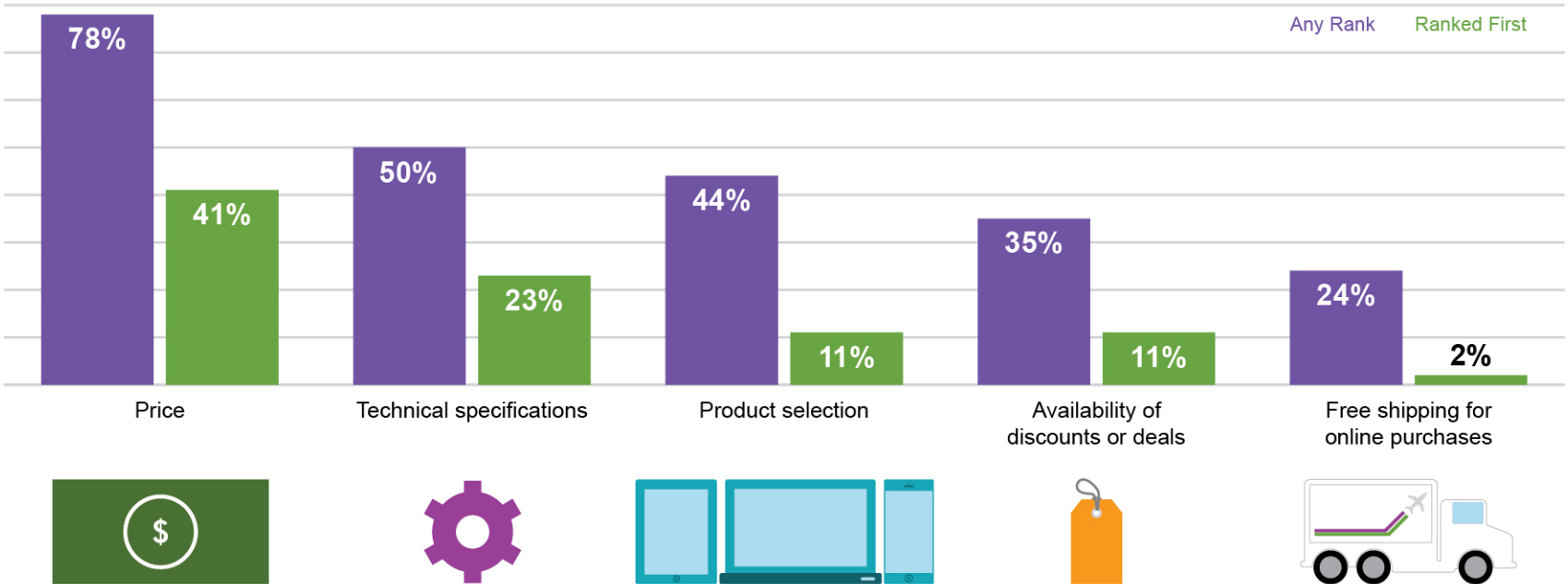


SOURCE: US CENSUS BUREAU, MONTHLY AND ANNUAL RETAIL TRADE SURVEY/MINTEL

PRICE IS THE MOST IMPORTANT FACTOR WHEN SHOPPING FOR ELECTRONICS

A large share of electronics buyers said price is the top consideration when shopping for electronics. Although price competitiveness is an increasingly critical component of electronics retailing, consumers rated a range of factors with at least some importance. This suggests there is considerable potential in highlighting other value propositions as long as product prices remain reasonable.

KEY CONSIDERATIONS WHEN SHOPPING FOR ELECTRONICS, JUNE 2014

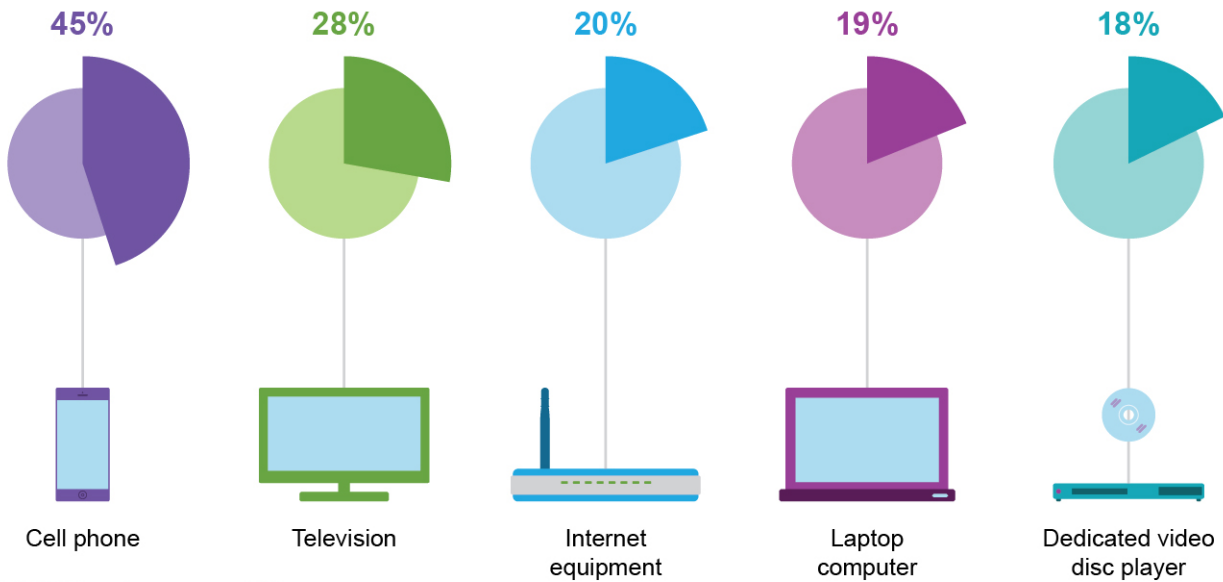


Base: 1,836 internet users aged 18+ who purchased electronics within the last two years  
SOURCE: GMI/MINTEL

CELL PHONES ARE THE MOST FREQUENTLY UPGRADED ELECTRONICS ITEM

When asked about their motivations for buying electronics within the last two years, 45% of consumers said they purchased a cell phone primarily to upgrade. The shorter lifecycle of mobile technology make it a key growth area in the overall electronics market. Additionally, the 28% of consumers who purchased upgrades to their televisions show potential for newer TV technology such as HDTV.

MOTIVATIONS FOR PURCHASING ELECTRONICS – TO UPGRADE AN ITEM, JUNE 2014

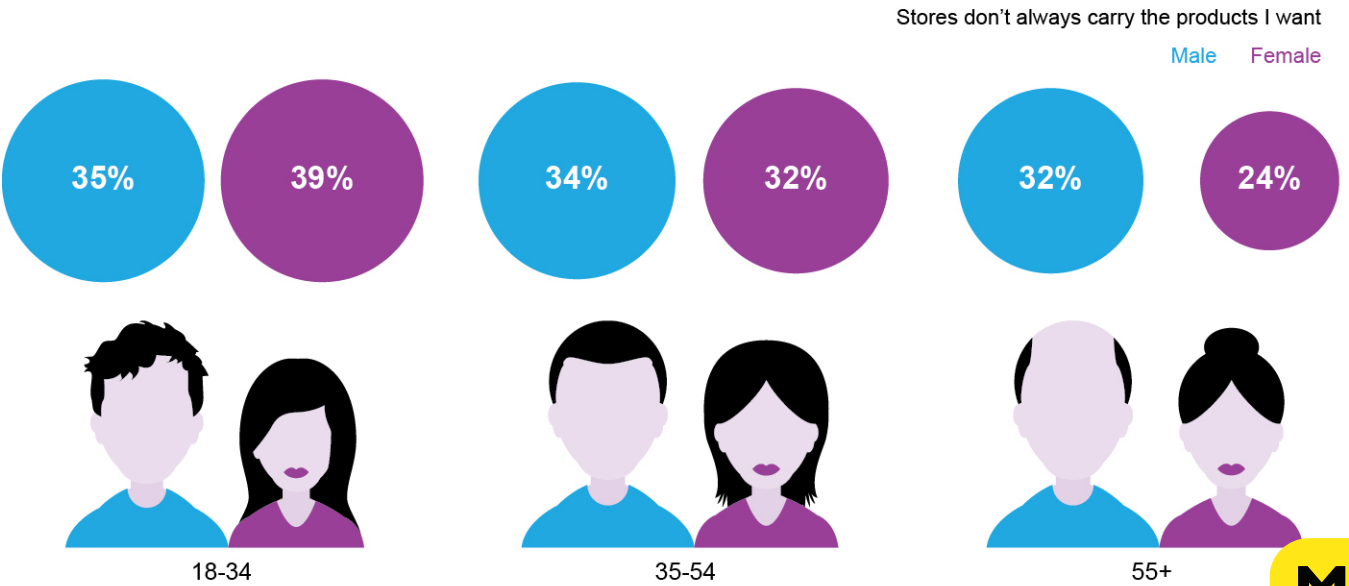


Base: 2,000 internet users aged 18+  
SOURCE: GMI/MINTEL

CONSUMERS FRUSTRATED BY LIMITED PRODUCT SELECTIONS

Close to one third of men and women aged 18-34 expressed frustration over limited product selections when looking for electronics at a physical store. Retailers can curb this sentiment by enabling features such as in-store pick up for online orders and by making it easier for consumers to make online purchases from the retailer's physical location.

OPINIONS REGARDING SHOPPING FOR ELECTRONICS IN A STORE – PRODUCT SELECTION, BY GENDER AND AGE, JUNE 2014



Base: 1,836 internet users aged 18+ who purchased electronics within the last two years  
SOURCE: GMI/MINTEL

reports.mintel.com  
@mintelnews  
helpdesk@intel.com  
EMEA +44 (0)20 76064533  
Americas +1 (312) 9320400  
APAC +86 (21) 63866609  
LAR 0-800-095-9094

