

CES: Smartphone Saturation Impacting Overall CE Market

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A smartphone in every pocket may mean good things for carriers, but it spells trouble for the overall consumer electronics market.

While the consumer electronics market has seen a huge boost from sales of mobile devices over the past few years, now a saturated smartphone market is dampening the overall forecast for consumer electronics sales in 2014.

[As Bloomberg pointed out](#) [1], the Consumer Electronics Association (CEA) presented numbers at this week's annual International CES in Las Vegas that show a \$13 billion drop in global spending on consumer technology to \$1.06 trillion for 2014. That's compared to a 3 percent increase from 2012 to 2013.

CEA said it expects sales of mobile connected devices, specifically smartphones and tablets, will continue to contribute significant unit sales and revenue to the consumer electronics bottom line in 2014, however that contribution is leveling off.

Smartphones are expected to maintain their position as the sales leader of the industry in 2014, with unit shipments projected to reach 152 million this year, up from 138 million units sold in 2013. Revenues from smartphones are expected to generate \$41 billion in 2014, a 4.6 percent increase from \$39 billion in 2013.

Unit sales of tablets are projected to reach 89.3 million this year, up from 77.4 million in 2013. Revenues for tablets will reach \$27.3 billion this year, up by three percent.

And while unit sales may continue to rise, prices are coming down significantly, meaning less revenue. Consider the [Moto G from Motorola](#) [2], which just hit the United States. While it might be 3G-only phone, it's also only \$99 off contract.

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[1] <http://www.bloomberg.com/news/2014-01-07/behind-the-missing-13-billion-at-ces-2014.html>

[2] <http://www.wirelessweek.com/blogs/2014/01/99-moto-g-canary-postpaid-market>