



Electronics
in **F**OCUS

**What's on the horizon
for in-home entertainment
audio products?**

global  sources

Introduction

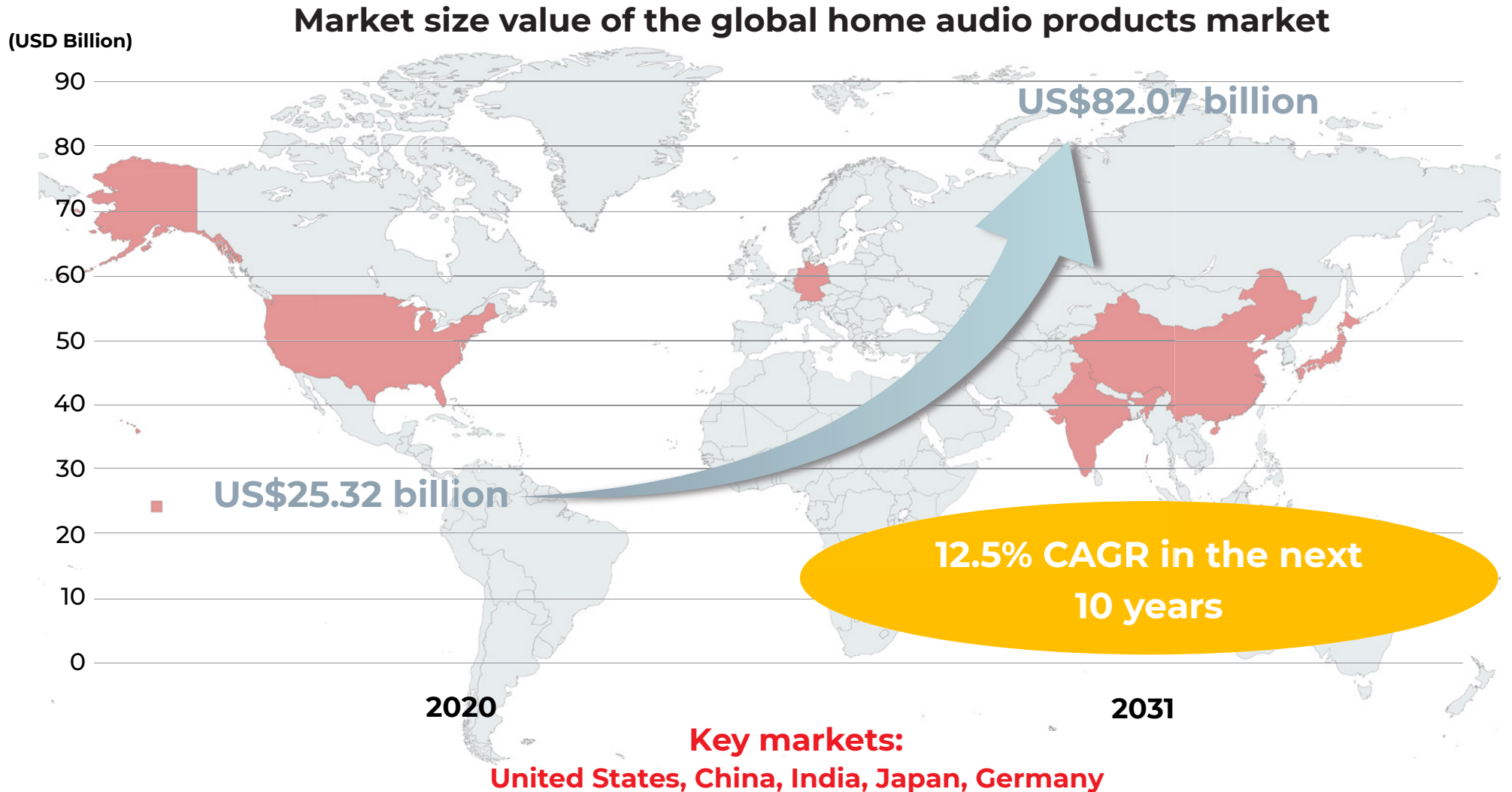
In-home entertainment was the pandemic equivalent of going out for most people when COVID-19 made mobility restrictions necessary for public health reasons since 2020, forcing half of the global population indoors.

Now, two years hence and restrictions lifted, “staying in” practices for rest and relaxation – watching movies on home theater systems, streaming music or TV shows, and playing games online or on mobile devices – are still very much around. In-home entertainment as a trend looks likely to endure in the post-pandemic “new normal” period.

Riding high on the in-home entertainment wave is the audio products sector, particularly speakers, headphones, gaming headsets, earphones, and more. Consumers are developing into audiophiles, with higher expectations of audio products. This applies not only to sound quality but also to the appearance and other features of their audio gear.



Key market statistics



China production outlook

China, a major manufacturing center for these products, is reporting rapid and steady output. According to the recent China Audio Industry Report released by the China Audio Industry Association, the export value of China's major audio products reached US\$8.1 billion in 2021, up by 43.48 percent compared with 2020. The United States, the UK, and Germany are the main consumer markets for audio products.

The same report noted significant growth for wireless headphones in particular, with 2020 production output reaching 738 million units, representing a 30.26 percent year-on-year increase. More recent research by Global Industry Analysts forecasts that China's wireless headphones market will be valued at US\$10.4 billion by 2026.



Top audio products

The **most** in-demand audio products, based on Global Sources' analysis of consumer online searches, are Bluetooth headphones and headsets, sound bars, TWS headsets, earphones, and audio cables.

Sound bars are an expanding segment of in-house audio products. The increasing penetration of subscription-based media as well as the integration of voice assistance technology are pinpointed as key growth drivers of the sound bar segment. According to market analyst firm GfK, the global sales of high fidelity soundbars, such as those with Dolby Atmos/DTS:X functionality reached US\$311 million in the first half of 2021, an amount which was more than double compared with its performance in the same period in 2020. Based on data from Vantage Market Research, the value of the sound bar market was US\$5.32 billion in 2021 and is projected to grow at 3.2 percent CAGR to reach US\$6.43 billion by 2028.

Wireless earbuds are another segment that is enjoying multiple-digit sales growth amid growing end-user preference for listening to music on-the-go as well as the addition of smart capabilities such as playback control and voice assistance. The earbuds market is projected by Mordor Intelligence to have a 20 percent CAGR from 2021 to 2026.

Gaming headsets, meanwhile, are gaining ground as well. These include headsets ideal for video game consoles like PlayStation 5, Xbox One X, and Nintendo Switch. The sector is buoyed by the rise of gaming, including e-sports.



Next bestselling products

The increasing number of female gamers is another growth driver of gaming headsets. More female gamers result in the development of gaming headsets and other peripherals with features designed for the “she-economy” or are women-focused. In European markets such as the UK and Germany, 43 percent of females who are active players on video game consoles and other computer games have expressed their desire to buy more gaming devices. More than 25 percent of European female gamers say that they buy peripherals to enhance their gaming performance and have a better experience.

Virtual reality (VR) headsets are gaining traction given consumers’ desire for enhanced experiences and the availability of immersive content. VR headsets are not confined to the gaming arena, however, although the gaming segment accounted for 30 percent share of revenue for VR headsets globally in 2020, according to Grand View Research. VR headsets have a wide range of applications including in education, medical training, industrial prototyping, and military use.

The VR headset market was valued at US\$7.81 billion in 2020 and is projected to expand at 28.2 percent CAGR from 2021 to 2028.



Summary

Overall, the forecast is rosy for in-home entertainment audio products. This is due to rising consumer demand for equipment that will provide cinema-like audio for their home theater systems or a more immersive and dynamic audio for music streaming and gaming or e-sports activities. Some key projections:

- Bluetooth speakers are forecast to reach US\$14.06 billion in 2028, up from their 2021 value of US\$11.01 billion, according to MarketWatch.
- Sound bars are forecast by Emergen Research to grow at a CAGR of 7.3 percent to reach US\$9.62 billion in 2028.
- Wireless headphones, worth US\$18.27 billion in 2021, are forecast to have a 21.5 percent CAGR to reach US\$69.96 billion in 2028, reports market research firm BlueWeave.
- Gaming headsets and headphones, valued at US\$15.7 billion in 2021, will have a 6.9 percent CAGR from 2022 to 2028, based on forecasts from Reports Publisher.

In the coming years, in-home audio products are poised for strong and steady growth, benefiting from key market drivers, among them rising disposable income in key markets, consumer preference for high-quality audio experiences, digitalization, and advancements in technology.

Digitalization
She — economy
WFH New normal
e-sports
Gaming
Audiophile
Entertainment

About Global Sources

Global Sources is a trusted, internationally recognized B2B sourcing platform that has been driving global trade for more than 50 years. The company connects authentic buyers and verified suppliers worldwide with tailored solutions and trusted market intelligence through trade shows, digital platforms and magazines.



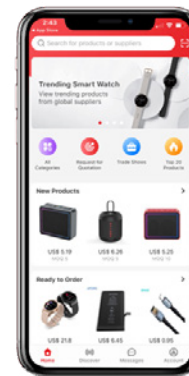
Visit our website to source the right product for your market and contact verified suppliers: <https://www.globalsources.com/>



www.globalsources.com



Sourcing Club Rewards is a loyalty program that allows you to earn points as you source. The more points you accumulate, the bigger rewards you can redeem. Learn more at: <https://www.globalsources.com/score>



Global Sources app is an easy, all-in-one sourcing tool for buyers to search millions of products and manage their inquiries and quotations. Download it now!



FOLLOW US ON SOCIAL MEDIA



globalsources



Global Sources



global_sources



GlobalSources