

Worldwide Consumer Loudspeaker Market Under Pressure

Written by Futuresource Consulting
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The consumer loudspeaker market faces challenges from shifting listening habits, as consumers look beyond traditional audio products, fixing their sights on smart speakers and headphones. However, the category is showing some resilience, and recent changes in loudspeaker preferences means trade value is faring better than volume, according to a new worldwide loudspeaker report from **Futuresource Consulting**.

Comprising bookshelf speakers, floor standing speakers, in-wall and in-ceiling speakers, home theatre speakers and computer speakers, the consumer loudspeaker market achieved 45 million shipments worldwide in 2018, with a trade value of \$2.8 billion. That equates to a 12% year-on-year decrease in units and a 5% drop in value.

“The growth in streaming services is transforming the relationship that people have with music,” says Guy Hammett, Market Analyst at Futuresource Consulting. “It’s altering audio consumption habits and we’re seeing a rapid change in the mix of devices people wish to buy and own. Combine this with trends towards convenience, simplicity, fewer and smaller speakers and less cabling, and there are clear challenges ahead for the traditional loudspeaker market. Just three years ago, the value of the wireless speaker market was less than double that of loudspeakers. Now it’s nearly three times the value.

“But there is life left in loudspeakers, with in-wall and in-ceiling speakers leading the charge, growing strongly at seven percent last year and helping alleviate some of the downward pressure. We anticipate this segment will continue to gain strength throughout the forecast period, despite some economic uncertainty.”

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Currently, the in-wall and in-ceiling category is primarily USA-focused, accounting for over half of all architectural speaker demand. Yet strong and encouraging pockets of growth are beginning to appear in APAC, with China growing 15% in 2018.

“Despite the shadows cast by smart speakers and headphones, our forecasts show that the loudspeaker market is on track to end 2019 down by just 1.6% in value, even though units will fall by 10%,” says Hammett. “In addition to in-wall, floor standing speakers are also doing their bit to stave off the decline, as average selling prices are on the rise and taking a lot of the sting out of descending volumes.”

Home theatre and computer speakers continued to decline steeply, linked to the rise of soundbars and laptops respectively.

In geographic terms, North America will account for more than 40% of worldwide loudspeaker value in 2019, followed by Europe, with APAC tipped to move into second position by 2020.

The 43-page **Worldwide Loudspeaker Market Report** provides a global outlook for bookshelf and floor standing speakers, in-wall/in-ceiling speakers, home theatre speakers and computer speakers, quantifying the market in terms of value and volume, with regional breakouts for 2017 to 2023.

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