15 Sep 2026 17:24:01 ET | 33 pages

# Global Consumer Electronics

## Pockets of Strength Amidst Mixed Spending Intentions; AAPL Maintaining Brand Leadership




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### CITI'S TAKE

We collaborated with Citi's Research Innovation Lab to survey 4,000+ global consumers ahead of the back-to-school season to explore how purchase behavior and spending intentions for consumer electronics have evolved.

**Mixed Purchase Intentions in APAC; US/UK More Resilient** — Our latest consumer survey showed softer purchase intentions across APAC. In contrast, UK and US demand was more resilient. Gaming-related products stood out positively in both markets, alongside trackers/smartwatches, while the US also saw strong interest in AR/VR headsets, likely supported by new gaming hardware launches ahead of GTA6's expected release in November 2026.

**Smartphone** — Survey results indicate a more favorable smartphone upgrade environment, with respondents across all regions expecting to replace devices faster than in prior cycles, shortening holding periods to 2.1-2.7 years versus 2.9-4.3 years previously. This trend may be partly driven by demand for AI-enabled devices, particularly among owners of older iPhones seeking access to Apple Intelligence. ***While spending intentions vary by market, Apple's purchase consideration generally exceeds current ownership levels, supporting share gains.*** Foldables represent a compelling premium opportunity, with the strong interest in the US+UK, while AI-phone demand appears strongest in China+US. **Apple Services' penetration grew, demonstrating growing ecosystem engagement.**

**PCs/Tablets** — While Windows remains dominant, purchase intentions point to ***Mac*** share gains across all regions along with strong interest in AI PCs, particularly in China and the US, positive for leading PC OEMs including **Lenovo, DELL, AAPL and HPQ**. Tablet preferences remain relatively stable with iPad dominating, though ***Samsung, Google, Xiaomi, and Huawei*** are gaining consideration in select markets.

**Wearables and AR/VR Headsets** — AR/VR headset purchase intent appears constructive, particularly in the US and UK, while Japan intent appears flat and China has softened. ***Meta and Sony continue to lead global ownership, with Sony strongest in APAC and Meta leading in the US and UK*** (driven by adoption of Meta Glasses)***, while Apple remains a smaller but increasingly considered player.***

**Gaming Devices** — Demand for gaming peripherals is strengthening in Japan, the UK, and especially the US ahead of GTA6's expected November 2026 launch-constructive for **LOGI and GN Store Nord**. PlayStation remains the preferred console globally and Xbox emerges as a leading future purchase consideration.

**See Inside for Additional Details Including Use of AI Services and Ecommerce Subscriptions**

**See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations.**

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# Survey Results Summary

## Purchase Intention Overview

**Figure 1. Past 12 Months Purchase vs Next 12 Month Purchase Intention - Overall**

| | China | | Japan | | UK | | US | | |
|---|---|---|---|---|---|---|---|---|---|
| Purchase Intention | 2024 | 2026 | 2024 | 2026 | 2024 | 2026 | 2024 | 2025 | 2026 |
| Smartphone | 78% | 71% | 41% | 24% | 61% | 50% | 62% | 61% | 59% |
| NB and/or DT computer | 52% | 37% | 27% | 18% | 36% | 32% | 48% | 46% | 45% |
| TV sets | 39% | 27% | 17% | 12% | 37% | 30% | 43% | 42% | 43% |
| Tablets | 48% | 36% | 16% | 10% | 30% | 29% | 39% | 38% | 41% |
| Computer peripherals | 54% | 44% | 15% | 13% | 24% | 29% | 36% | 35% | 40% |
| Video gaming-specific peripherals | 48% | 46% | 9% | 13% | 23% | 30% | 32% | 33% | 47% |
| Fitness trackers or smartwatches | 42% | 41% | 11% | 8% | 26% | 34% | 32% | 33% | 43% |
| Printer | 32% | 23% | 10% | 8% | 18% | 21% | 29% | 28% | 29% |
| AR/VR headsets/smart glasses | 32% | 25% | 6% | 6% | 17% | 19% | 25% | 27% | 36% |
| None of the above | 5% | 8% | 40% | 58% | 15% | 24% | 13% | 15% | 20% |

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Source: Citi Research

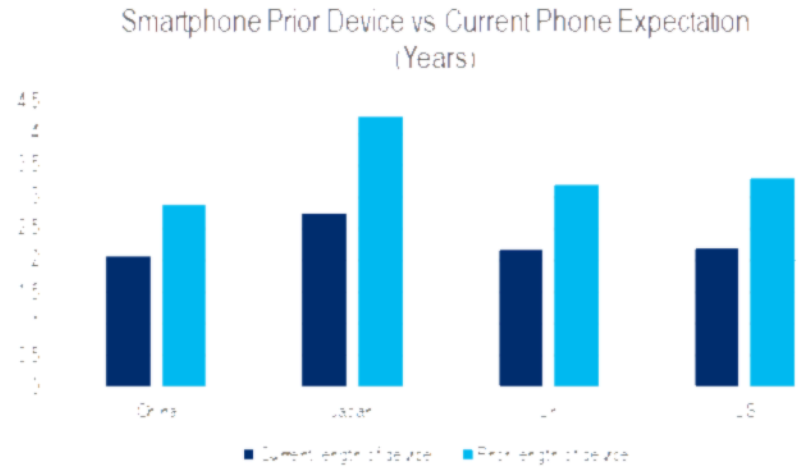
Our latest Consumer Survey iteration highlights distinct regional purchase intention differences. China purchase intent declined across the board, as did Japan (especially in smartphones and computers) and where only the videogaming peripherals segment purchase intent grew vs our last regional consumer survey in 2024.

UK and US purchase intent was more resilient than its APAC counterparts, with caution generally limited to smartphones/computers/tablets/TVs. UK purchase intent was mixed and grew only outside of smartphone/computers/tablets/TVs (likely reflecting prior TV sales induced by the global soccer tournament), while videogaming-specific peripherals and trackers/smartwatches were popular future consumer purchases. Meanwhile, US purchase intent was also mixed—purchase intent grew everywhere except smartphone and computers, while the highest purchase intent improvement seen in fitness trackers/smartwatches and AR/VR headsets, and especially in videogaming-specific peripherals, where peripheral-makers have recently released upgraded gaming equipment ahead of the anticipated release of GTA6 in Nov 2026. Survey intentions jive with the commentary from our US retail analyst, Steven Zaccone, who noted that the "broadening" of growth in consumer electronics is a theme thus far in 2026. The PC replacement cycle that started a few years ago is continuing to see strength, albeit more driven by pricing in 2026 due to memory chip shortage. This strength is augmented by improving demand trends in TVs, gaming, and home theater, largely driven by new innovation and replacement cycle demand as consumer upgrade technology purchase during the pandemic. There is a healthy debate if consumers are "pulling forward" demand ahead of memory chip price increases; nonetheless, the category is still seeing better trends from a US retail perspective.

# Smartphones

Overall, respondents intend to replace their current smartphones materially faster than their prior devices, with expected holding periods of 2.1–2.7 years across regions versus prior cycles of 2.9–4.3 years. This could partly reflect demand for AI-enabled devices, particularly within the iPhone installed base, as 39–54% of respondents in Japan, the UK, and the US own an iPhone 15 or older and therefore may need to upgrade to gain access to Apple Intelligence.

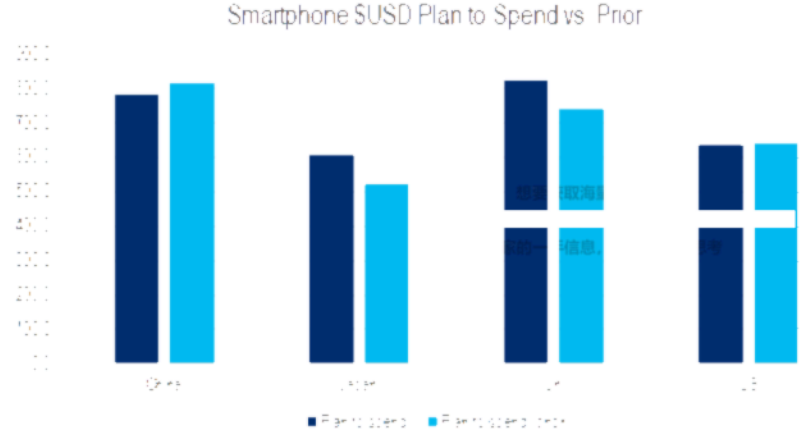
**Figure 2. Smartphone Prior Device vs Current Phone Expectation (Years)**




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Expected replacement cycles shorten across every surveyed market, with the largest change in Japan, where the anticipated holding period falls to 2.7 years from 4.3 years previously. China has the shortest expected cycle at 2.1 years, supporting a potentially healthier near-term upgrade environment.

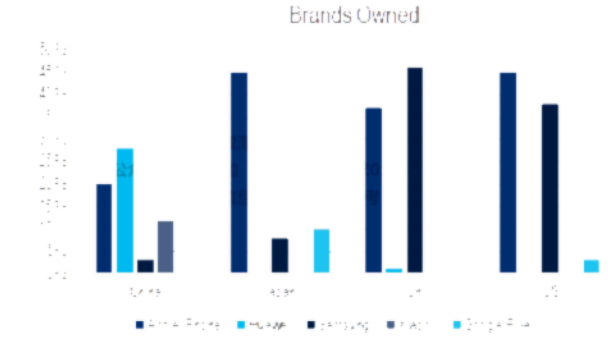
**Figure 3. Smartphone Spending Expectations vs. Prior**




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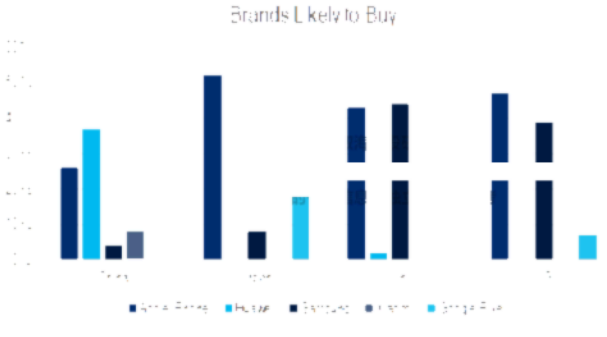
Spending intentions are mixed by region rather than uniformly higher. Planned spending increases most in the UK and Japan, while China declines modestly and the US remains broadly unchanged, suggesting that premiumization may be more market-specific than broad-based (all figures represented in $USD).

**Figure 4. Smartphone Brands Owned**




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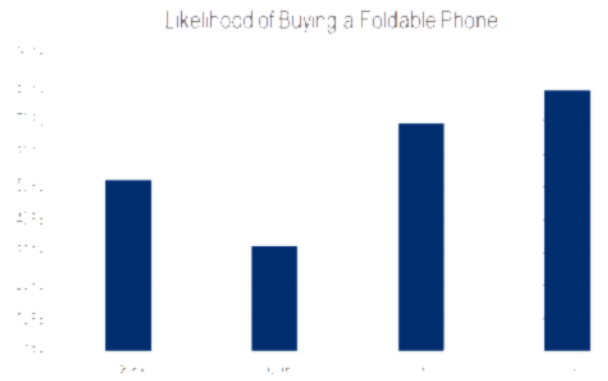
**Figure 5. Smartphones Brands Plan to Buy**




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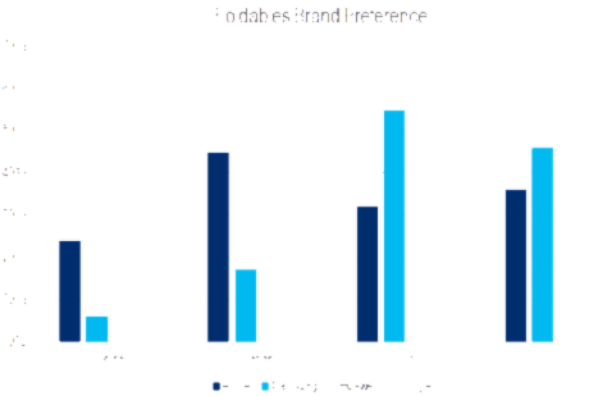
***Purchase intentions are generally favorable for Apple, with planned share exceeding current ownership in China, Japan, and the UK, while remaining slightly higher in the US. Huawei also strengthens its position in China, while Google Pixel consideration rises notably above current ownership in Japan and the US. We view this as constructive for AAPL and supply chain beneficiaries (Global Hardware: Preview of iPhone 18 supply chain implication).***

**Figure 6. Likelihood of Buying a Foldable Phone**




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**Figure 7. Foldables Brand Preference**



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Foldable interest is strongest in the US and UK, where 79% and 69% of respondents indicate a likelihood of purchasing one, compared with 52% in China and 32% in Japan. **Respondents are also willing to spend materially more on a foldable than on a conventional smartphone, supporting a premium category opportunity.**

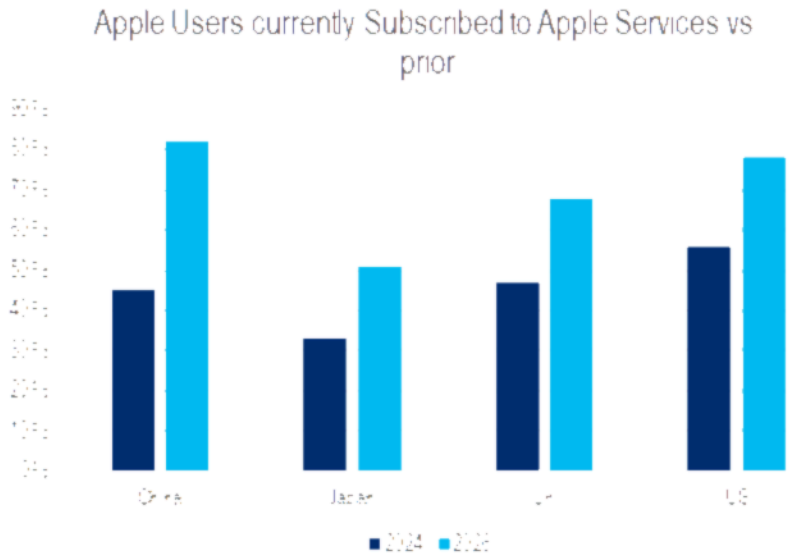
***Apple attracts meaningful foldable preference despite not having an existing product at the time of this survey, ranking first in Japan and second in China, the UK, and the US.*** On AI capable devices, demand for feature-rich devices appears strongest in China and the US, where 91% and 77% of respondents prefer the latest model and 87% and 68% indicate a likelihood of buying an AI phone. Japan is more price-conscious and shows lower AI-phone interest, implying that the pace of AI-led upgrades may vary materially by region. Key components to upgrade in the iPhone Duo includes OLED display, UTG cover glass and related parts, hinges, vapor chambers heat-sink and battery size.

# Services

***Apple Services penetration rises materially across all four surveyed markets***, led by China, where subscription incidence increases from approximately 45% to 81%. Adoption also reaches roughly 78% in the US, indicating deepening ecosystem engagement across both developed and emerging markets.

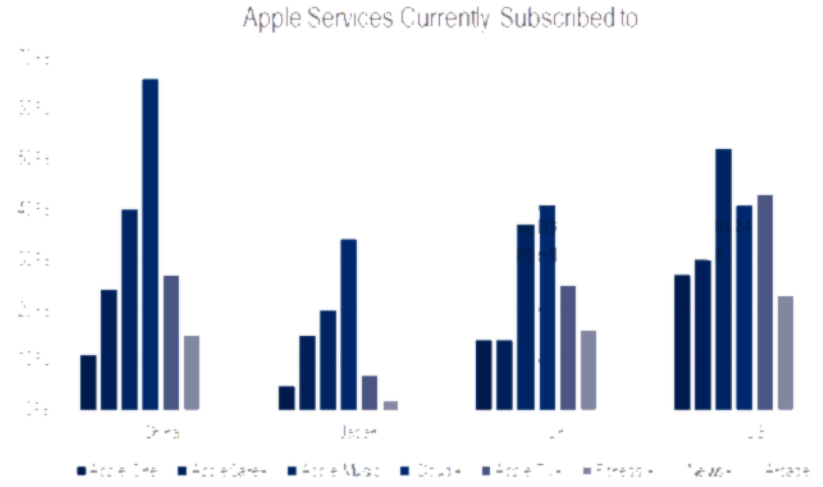
We continue to see ecosystem monetization, with service adoption increasing across all regions and 33% of US respondents reporting higher spending over the past year. China's high iCloud+ penetration is particularly notable given the potential for enhanced Siri and Apple Intelligence functionality to increase cloud usage and paid-storage demand. Cloud, advertising, video, and payments are becoming more important Services growth engines, while enhanced Siri and Apple Intelligence could support incremental iCloud+ adoption.

**Figure 8. Apple Users Subscribed to Services vs Prior**




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**Figure 9. Apple Services Currently Subscribed to**



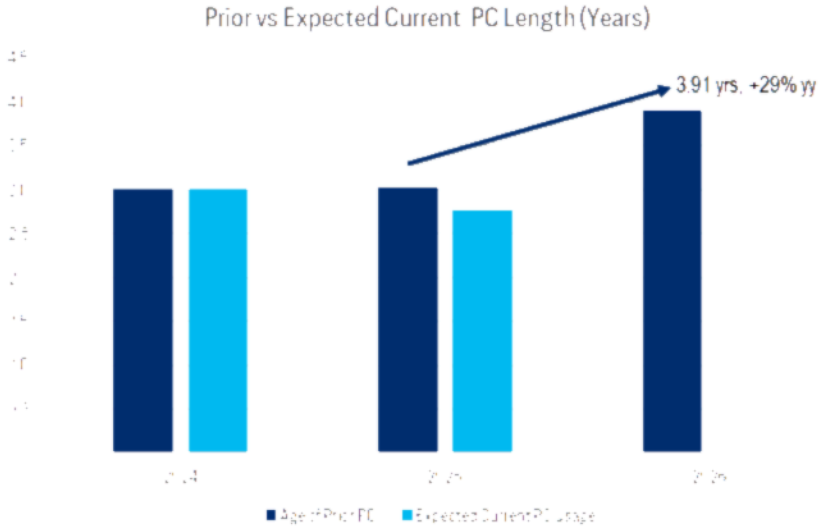

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# Computers/AI PCs

Respondents' age of computers owned increased dramatically from prior years, likely reflecting covid-era purchases, where WW computer unit sales reached +15%yy each year in both 2020 and 2021 as workers and students adjusted to working from home, and likely purchasing multiple units vs sharing a single household device.

**Figure 10. Age of PCs Owned**

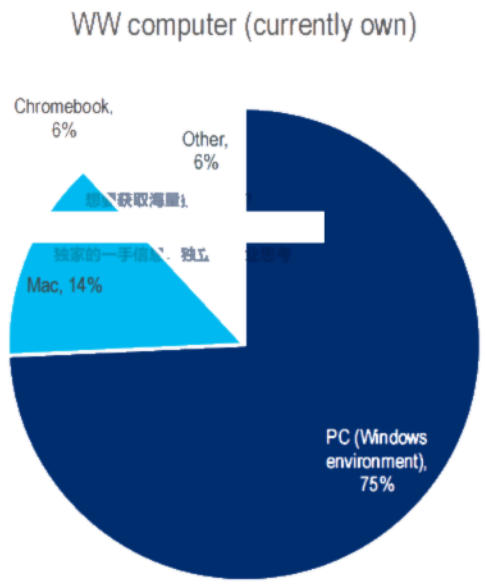



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While Windows-based PCs remain the majority of respondents' computing platform, it appears Mac's share is expected to grow across all geographies, as reflected in its growing share of intended purchases vs current ownership. It appears that this share shift would come mostly at the expense of PCs, while Chromebook's share of ownership vs purchase intent remains largely unchanged.

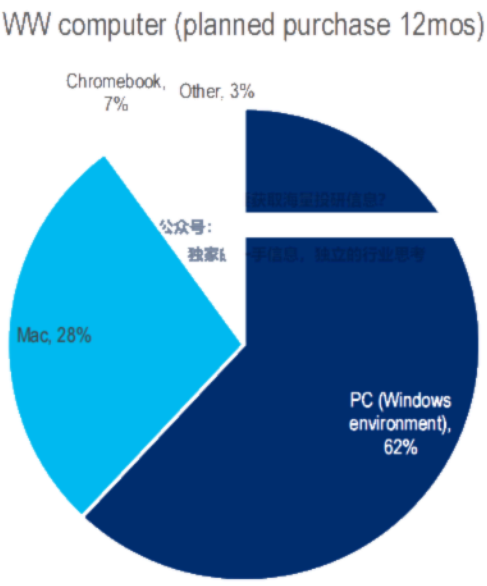
While Mac's share of owned computers is 14% WW, Mac ownership is highest in the US (24%), followed by the UK (18%), China (9%), and Japan (4%). We note that 14% WW Mac ownership share appears to double to 28% in looking at purchase intent, and appears to similarly double across China (9% to 22%), Japan (4% to 9%), and the UK (18% to 37%), while Mac share in the US grows modestly from 24% ownership to 38% in intended purchase.

**Figure 11. WW Computers Owned**



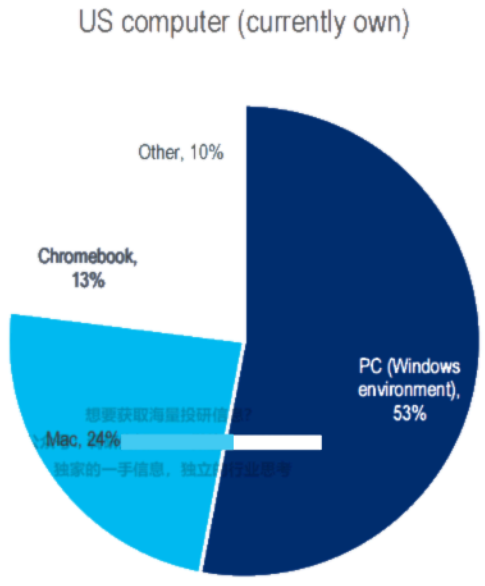

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**Figure 12. WW Computers Purchase Intention**



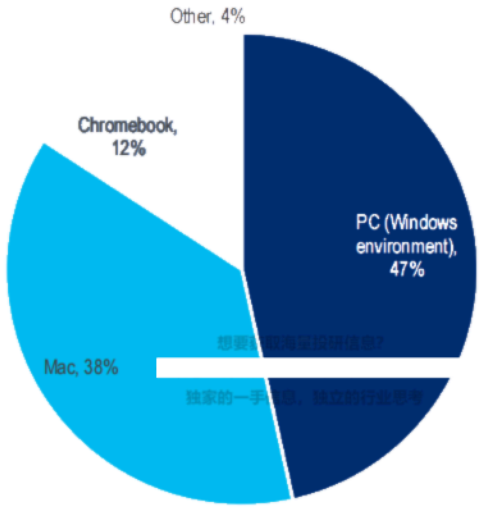

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**Figure 13. US Computers Owned**



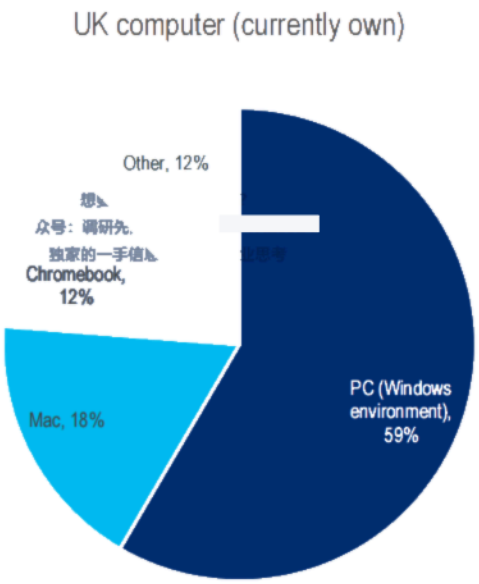

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**Figure 14. US Computers Purchase Intention**



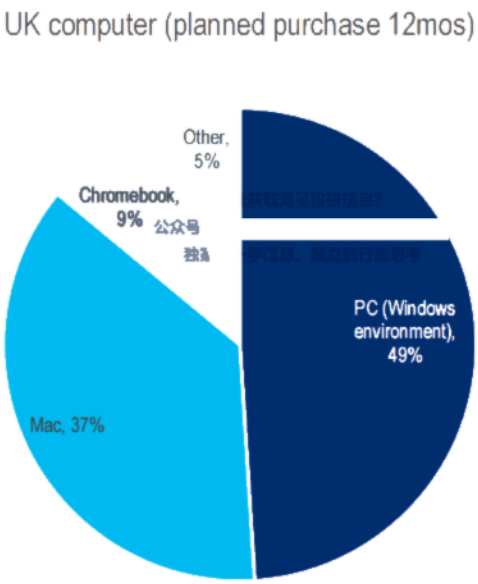

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**Figure 15. UK Computers Owned**



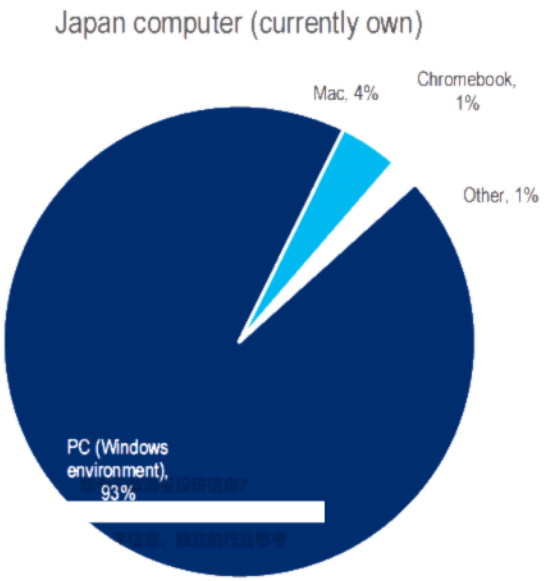

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**Figure 16. UK Computers Purchase Intention**



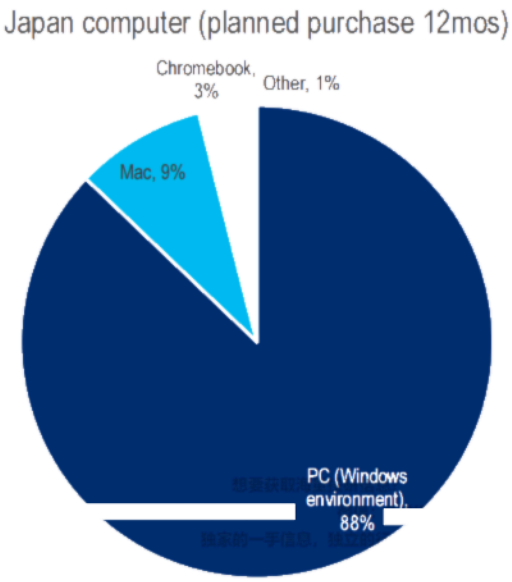

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**Figure 17. Japan Computers Owned**



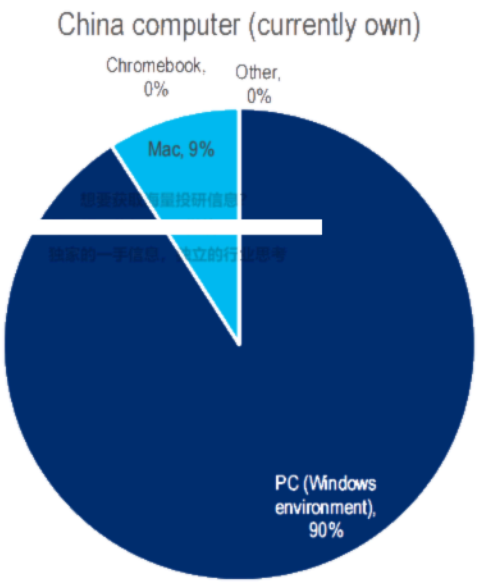

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**Figure 18. Japan Computers Purchase Intention**



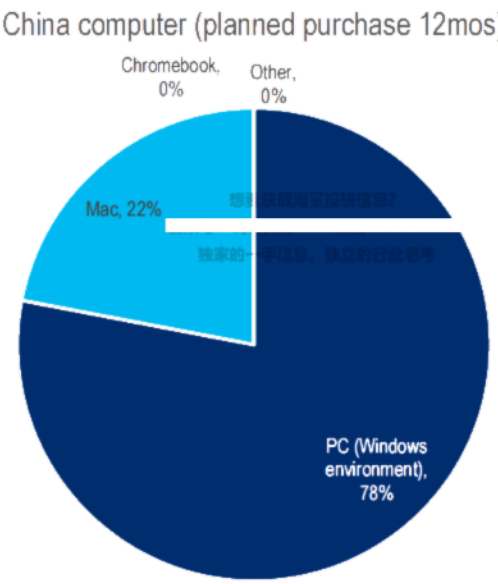

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**Figure 19. China Computers Owned**




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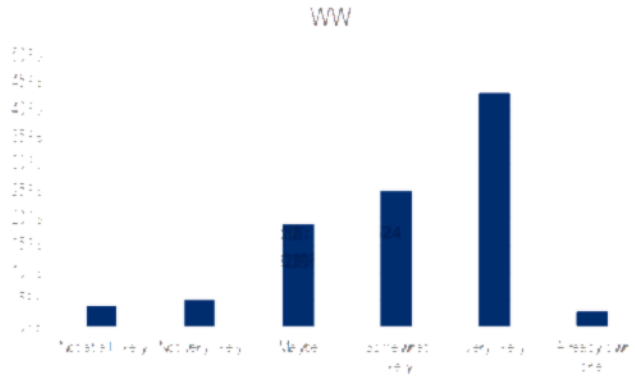
**Figure 20. China Computers Purchase Intention**




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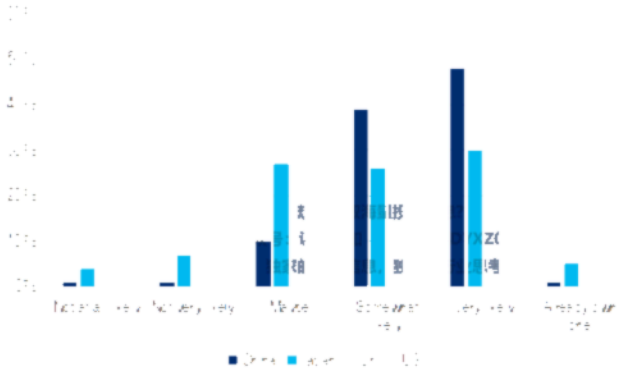
While WW ownership of AI-enabled PCs is currently limited, with clear WW future intention of purchasing an AI-enabled PC within the next year, **we note intention appears particularly strong and most likely in China and the US, constructive for major PC OEMs (Lenovo, DELL, AAPL and HP Inc).**

**Figure 21. AI PC Purchase Intention – WW Overall**




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**Figure 22. AI PC Purchase Intention – Regional**

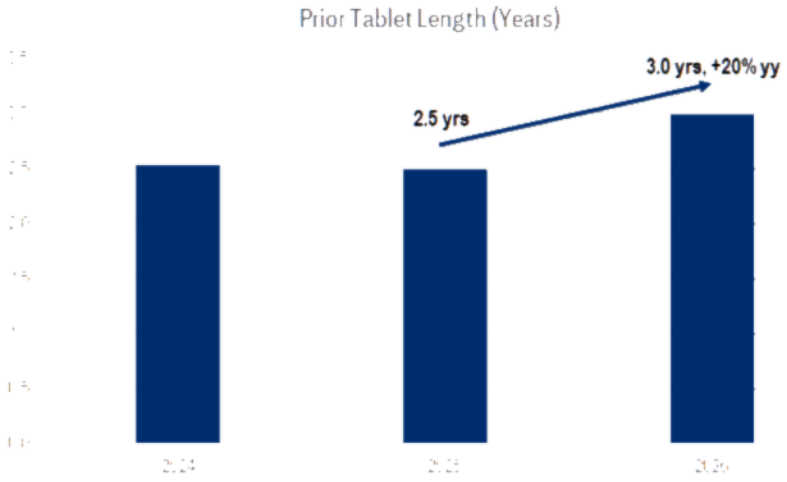


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# Tablets

Similar to computers above, respondents' age of tablets owned increased dramatically from prior years, again likely reflecting Covid-era purchases, where WW tablet sales rose +13% YoY in 2020, as workers and students adjusted to working from home, also having likely purchased multiple units vs sharing a single household device.

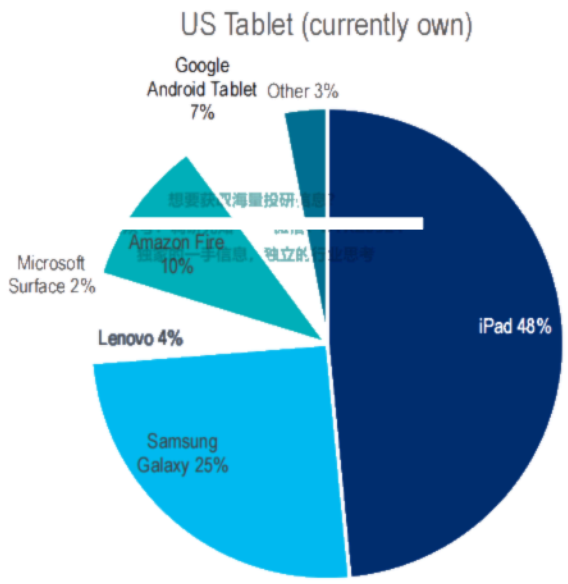
**Figure 23. Age of Tablets Owned**




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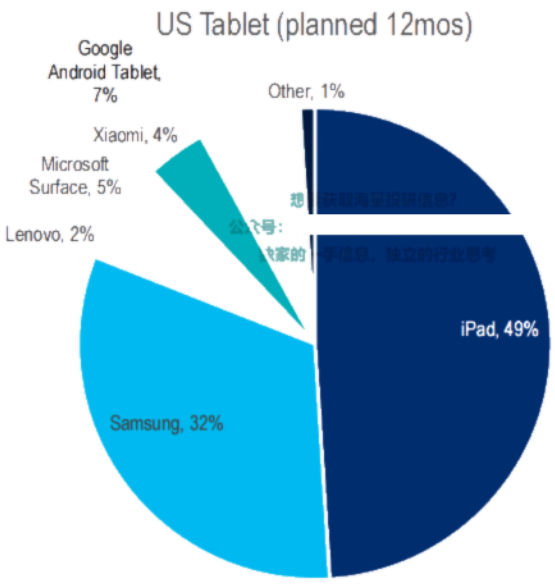
Tablet share appears largely loyal (especially among iPad owners); however, we note this is dependent on regional preferences. In looking at purchase intent outside of iPads (which has majority share across all geographies), there is a degree of share shift among the remaining players, with Samsung a popular future choice in the UK and US, while Google tablets in Japan and Xiaomi/Huawei in China appear to be popular future purchases. Xiaomi tablet shipments advanced to No. 4 globally (up from No.5 in 1Q26), among the top five for the 9th consecutive quarter and ranked No. 4 (vs. no.5 in 1Q26) in the Chinese Mainland in 2Q26, according to Omdia.

**Figure 24. US Tablets Owned**



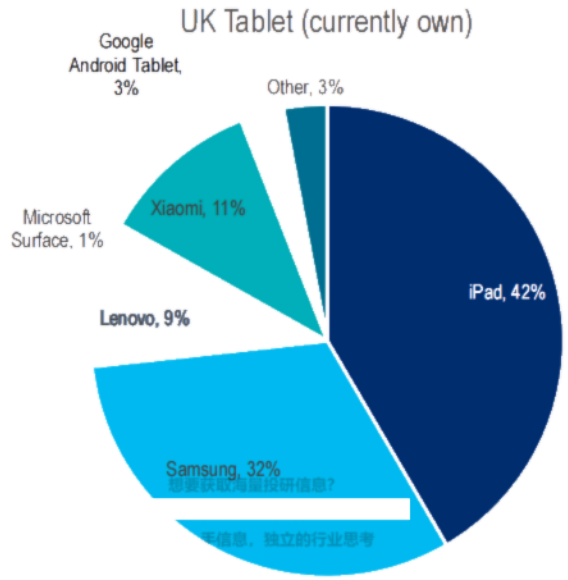

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**Figure 25. US Tablets Purchase Intention**



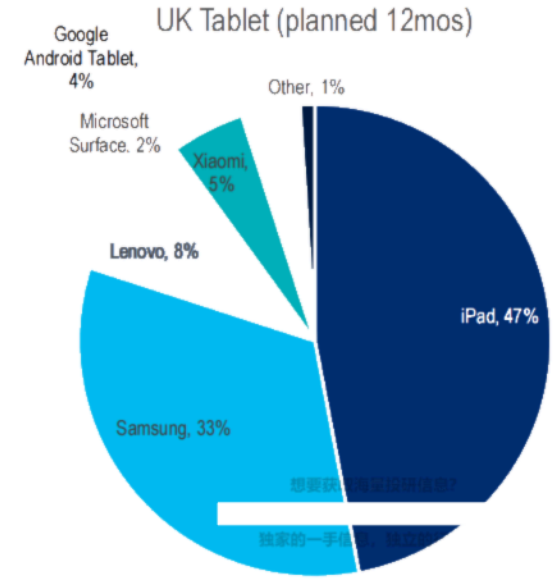

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**Figure 26. UK Tablets Owned**



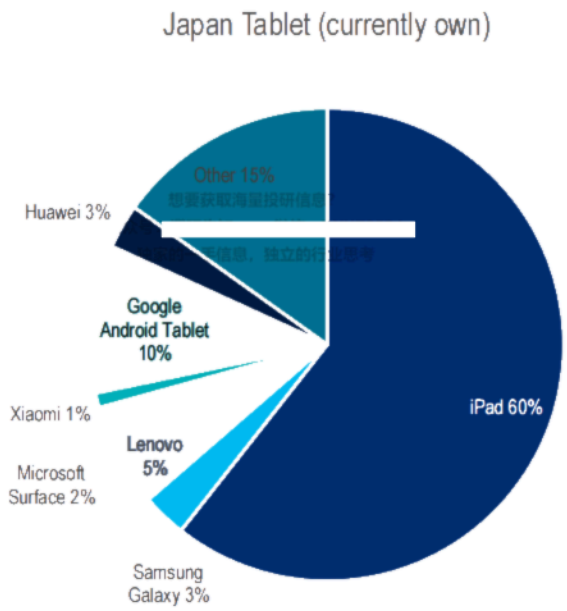

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**Figure 27. UK Tablets Purchase Intention**



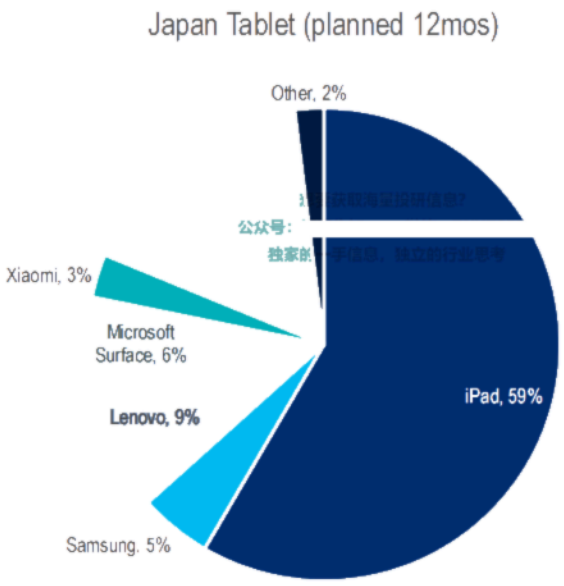

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**Figure 28. Japan Tablets Owned**



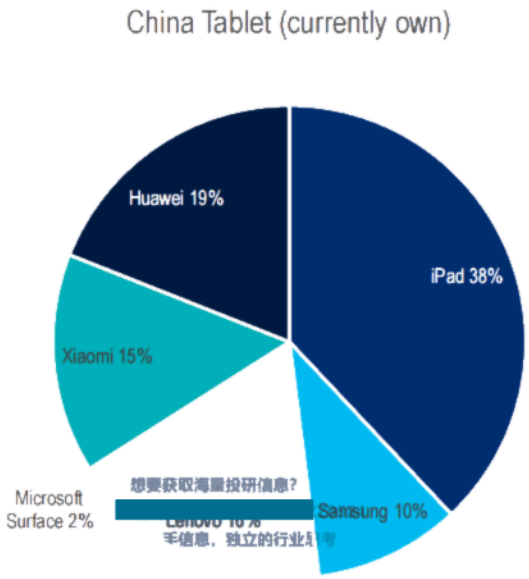

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**Figure 29. Japan Tablets Purchase Intention**



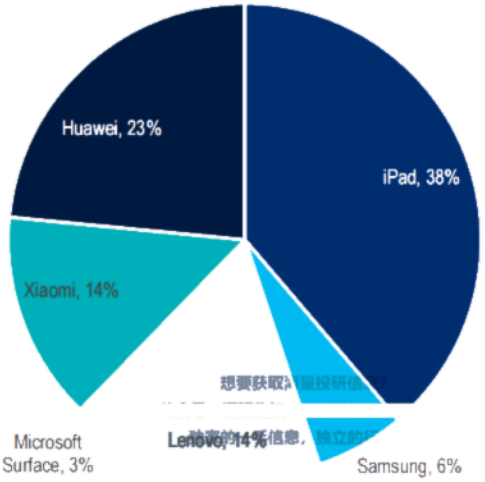

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**Figure 30. China Tablets Owned**




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**Figure 31. China Tablets Purchase Intention**

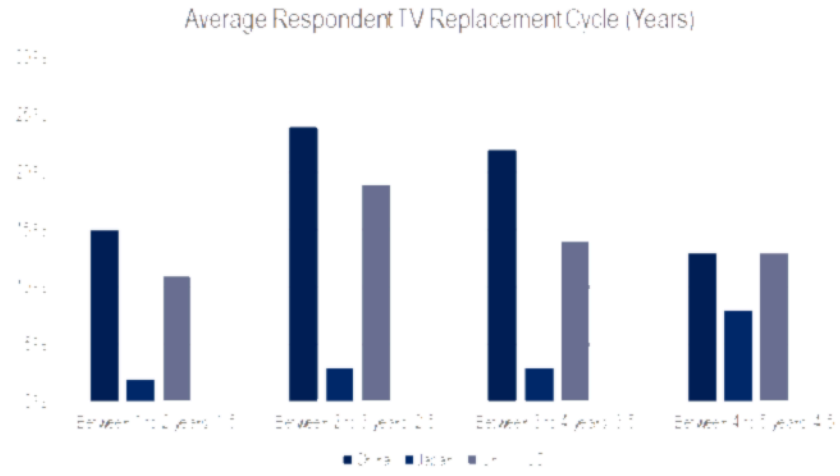



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# TVs

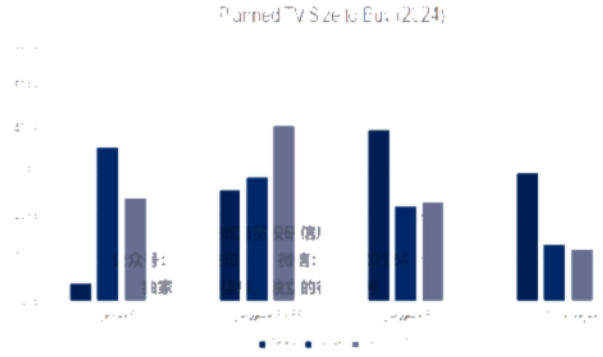
TV replacement cycles remain generally longer than other devices, averaging roughly 4-6 years across regions, with Japan exhibiting the longest ownership periods. ***While replacement timing has remained relatively stable versus the prior survey, consumers continue to migrate toward larger displays when upgrading***. Planned TV sizes exceed current ownership across all markets, with average intended screen sizes increasing by approximately 5-8 inches, led by China where 52% of prospective buyers plan to purchase a TV larger than 61 inches versus 29% currently owning one.

**Figure 32. TVs Average Length of Use**



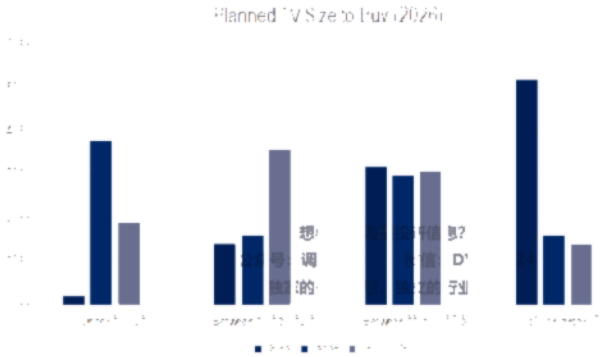

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**Figure 33. TVs Size Preference to Buy (prior)**



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**Figure 34. TVs Size Preference to Buy (current)**

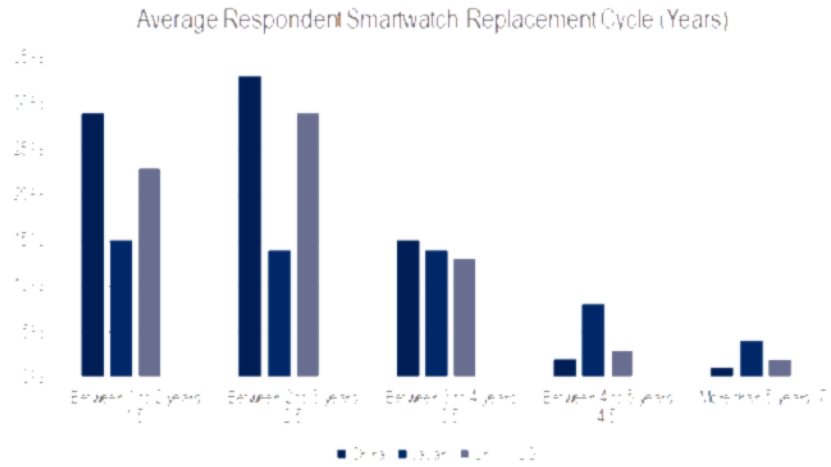


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Source: Citi Research

# Fitness Trackers & Smartwatches

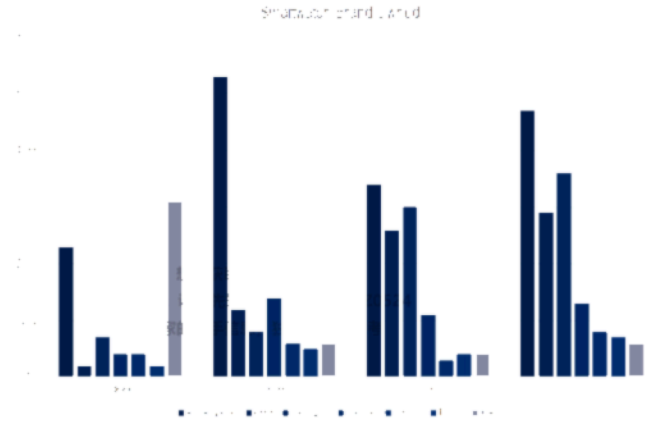
Smartwatch replacement cycles remain healthy at approximately 2.3-2.8 years across surveyed regions, supporting a steady upgrade environment. Wearable adoption continues to be heavily influenced by broader device ecosystems, with ***Apple leading in Japan and the US, Huawei dominating China, and Samsung growing a stronger presence in Western markets.*** Purchase intentions largely mirror current ownership trends, suggesting high brand loyalty and limited switching between smartwatch platforms.

**Figure 35. Smartwatch Average Length of Use**



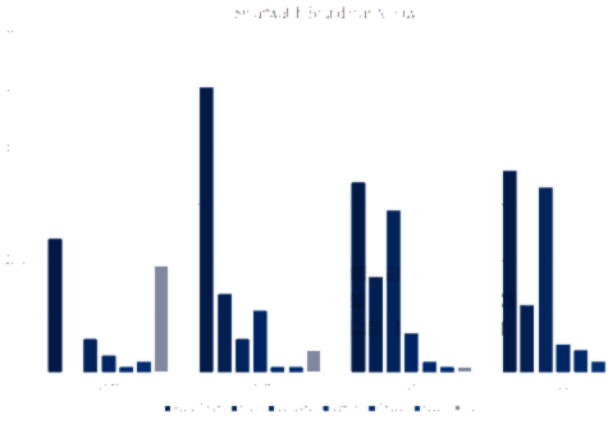

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**Figure 36. Smartwatch brand Owned**



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**Figure 37. Smartwatch Brand Plan to Buy**



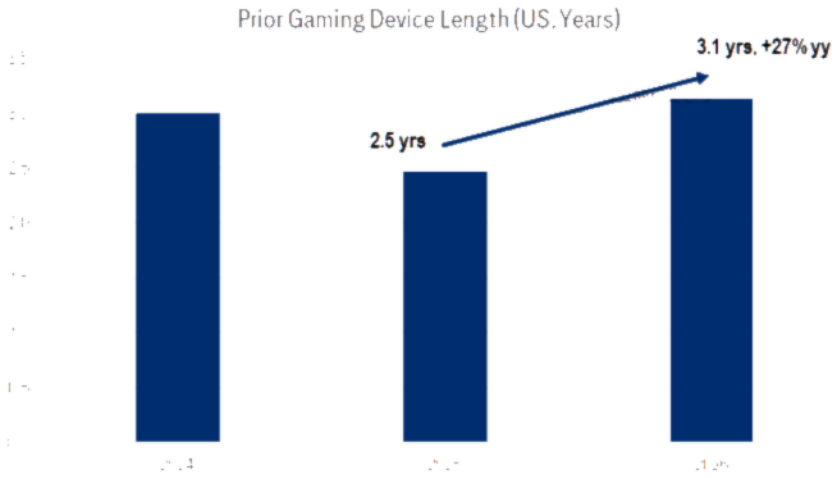
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# Video Gaming

Similar to computers and tablets above, the age of respondents' owned Gaming Devices has increased significantly, likely reflecting Covid-era leisure purchases.

**Figure 38. Age of Gaming Devices Owned**




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Source: Citi Research

In looking back at segmented purchase intentions, we note that videogaming peripherals demand/intent appears favorable and growing in Japan, the UK, and especially the US, given the anticipated release of GTA6 in Nov 2026.

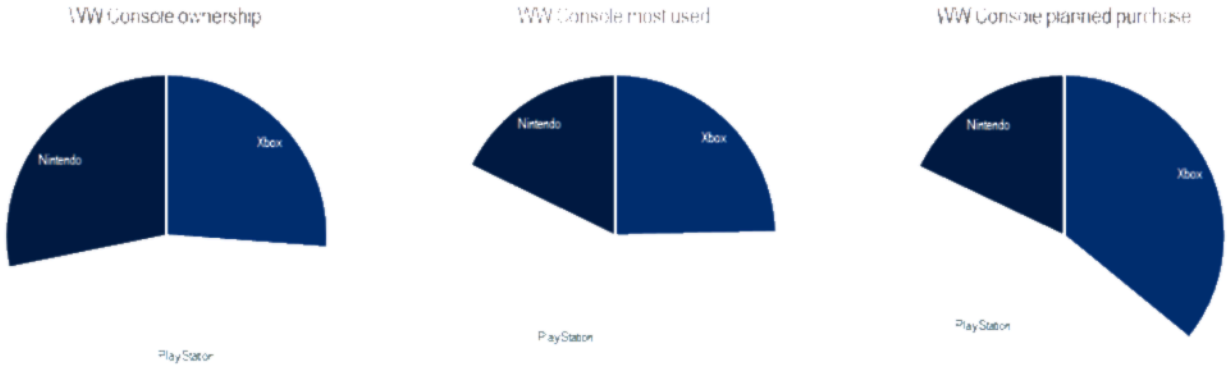
**Figure 39. Purchase Intention (same as fig 1)**

| | China | | Japan | | UK | | US | | |
|---|---|---|---|---|---|---|---|---|---|
| **Purchase Intention** | **2024** | **2026** | **2024** | **2026** | **2024** | **2026** | **2024** | **2025** | **2026** |
| **Smartphone** | 78% | 71% | 41% | 24% | 61% | 50% | 62% | 61% | 59% |
| **NB and/or DT computer** | 52% | 37% | 27% | 18% | 36% | 32% | 48% | 46% | 45% |
| **TV sets** | 39% | 27% | 17% | 12% | 37% | 30% | 43% | 42% | 43% |
| **Tablets** | 48% | 36% | 16% | 10% | 30% | 29% | 39% | 38% | 41% |
| **Computer peripherals** | 54% | 44% | 15% | 13% | 24% | 29% | 36% | 35% | 40% |
| **Video gaming-specific peripherals** | 48% | 46% | 9% | 13% | 23% | 30% | 32% | 33% | 47% |
| **Fitness trackers or smartwatches** | 42% | 41% | 11% | 8% | 26% | 34% | 32% | 33% | 43% |
| **Printer** | 32% | 23% | 10% | 8% | 18% | 21% | 29% | 28% | 29% |
| **AR/VR headsets/smart glasses** | 32% | 25% | 6% | 6% | 17% | 19% | 25% | 27% | 36% |
| **None of the above** | 5% | 8% | 40% | 58% | 15% | 24% | 13% | 15% | 20% |

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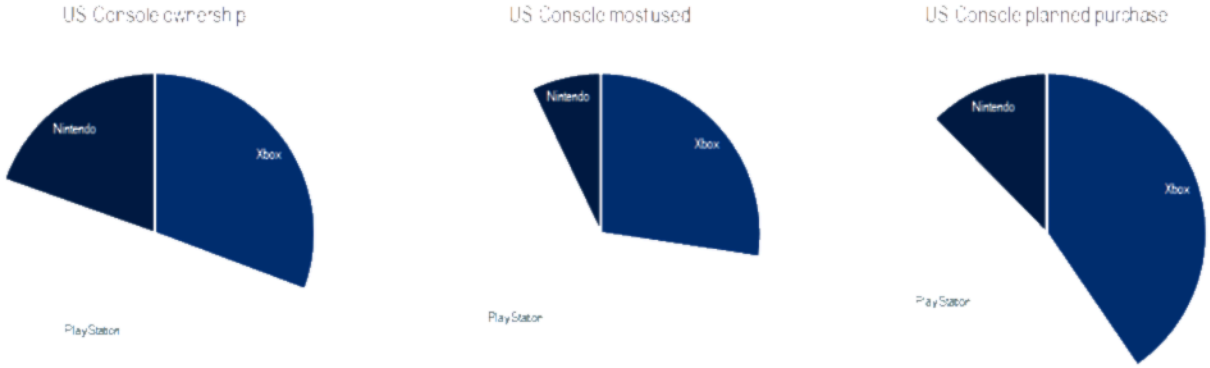
We note multiple console ownership is common, but with overall usage preference for PlayStation across all regions, while Xbox appears to be a likely future purchase among these same respondents.

**Figure 40. WW Console**



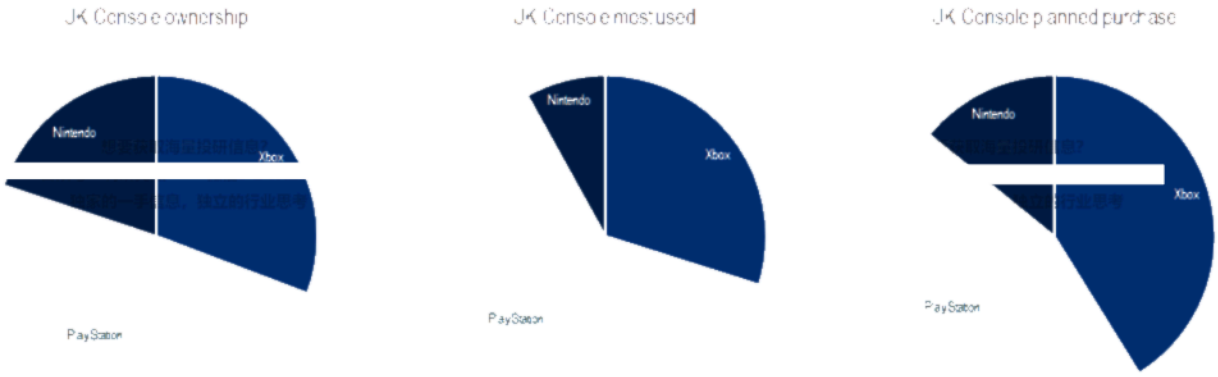

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**Figure 41. US Console**



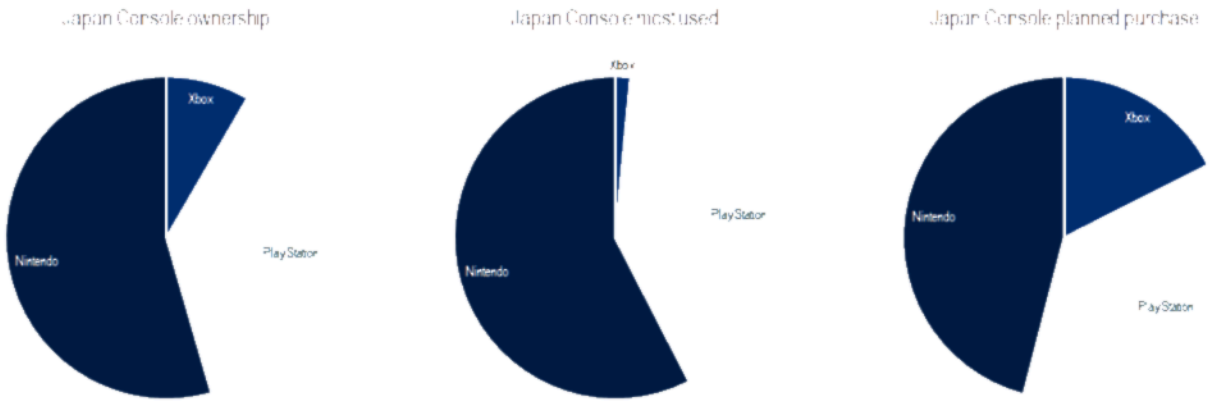

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**Figure 42. UK Console**



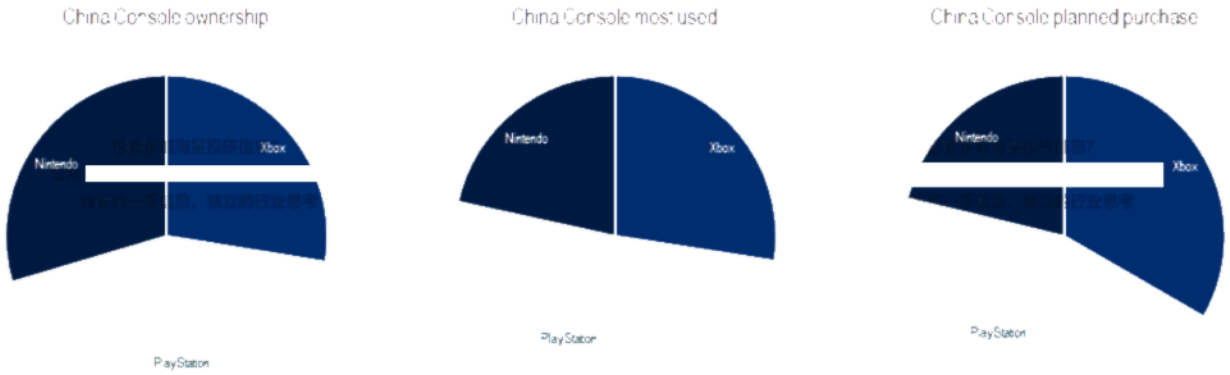

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**Figure 43. Japan Console**




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**Figure 44. China Console**

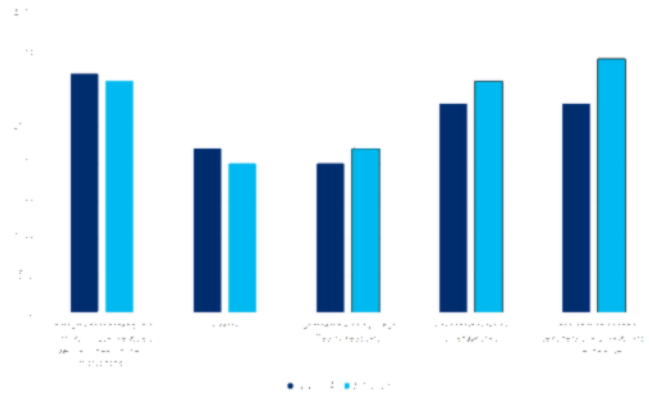



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# Peripherals

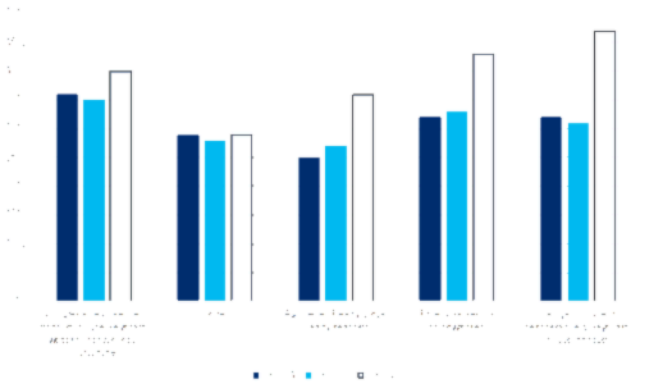
On a WW basis, peripherals purchase intention has grown for AR/VR headsets, smartwatches/fitness trackers, and video gaming peripherals, while intended purchases for general computer accessories and printers have eased since our last regional survey in 2024. In the US and UK, peripherals purchase intentions have grown across the board from 2024 (except for printers in the US). China peripherals intent is down across the board from 2024, while Japan's only growth in purchase intent is in videogaming-specific peripherals. **We remain constructive on LOGI and GN Store.** Specifically, **LOGI noted strong momentum in gaming**, driven by new product introductions and successful scaling of super-premium peripherals. **GN Store Nord management noted** expectations for a stronger 2H26E gaming outlook following weak consumer sentiment in 1H26, which will be supported by a combination of product launches and the release of GTA6 in November 2026.

**Figure 45. WW Peripherals Intention**



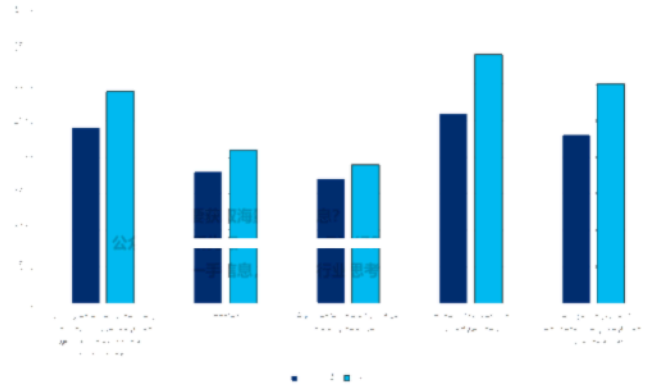
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Source: Citi Research

**Figure 46. US Peripherals Intention**



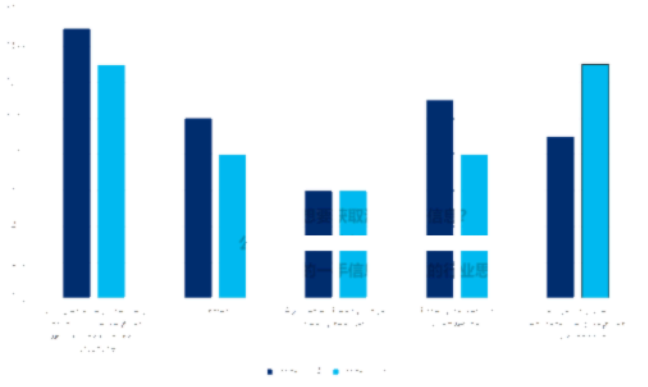
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**Figure 47. UK Peripherals Intention**



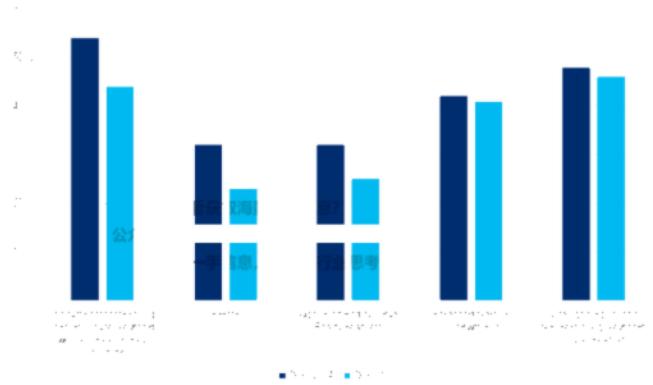
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**Figure 48. Japan Peripherals Intention**



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Figure 49. China Peripherals Intention



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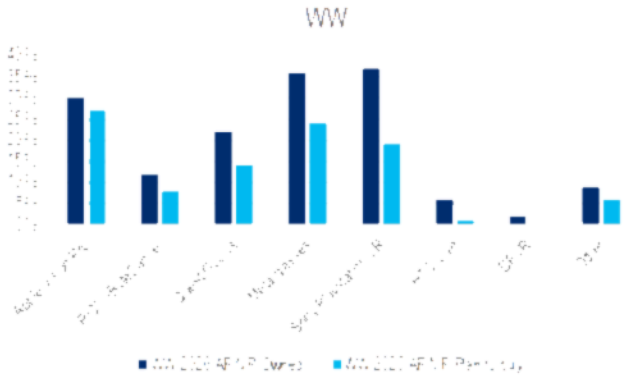
Source: Citi Research

# AR/VR Headsets & AI Glasses

We see the strong growth in purchasing intent for AR/VR headsets/smart glasses as indicating growing interest in the smart glasses category (+9ppts YoY; US is the key market). In terms of buying intention for smart glasses specifically, by ownership penetration, Meta and Sony appear as top choices WW, followed by Apple. Looking ahead, we expect a continued category shift towards AI glasses. 35% of survey respondents owned Meta Glasses globally, with 25% looking to purchase in 2026, with US penetration the highest of all regions at 45% ownership and 30% planning to buy. And with Meta Connect 2026 on 09/23–24, the expected launch of Google's AI glasses in the Fall of 2026, and (while still early) Snap's SPECS launching on 09/16; our thoughts here), we would expect greater adoption of AI glasses going forward.

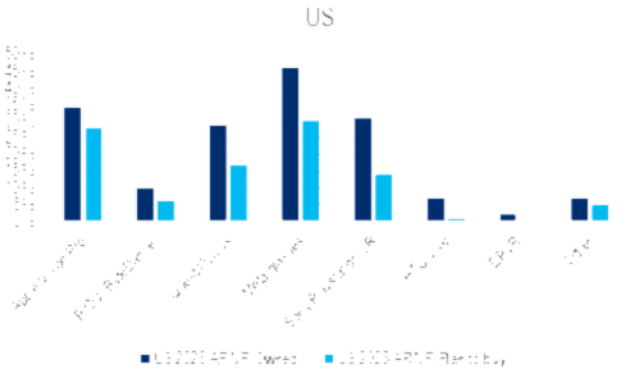
Ray-Ban Meta's popularity worldwide despite its already being the most well-owned brand is a constructive data point for the Essilor Luxottica equity story amid ongoing uncertainty around the long-term potential of EL's smart glasses business. We expect EL's smart eyewear revenues to grow by >25% (2025–30E CAGR) to c.12% of sales in 2030E (vs. c.5% in 2025A). Goertek is also a major EMS supplier to Meta/Sony/PICO VRs, as well as Meta own-brand AI glasses. Yet, there is no major upgrade this year, dragging its XR business, partially offset by stronger AI glasses (Meta Ray-Bay with Display, Meta own-brand AI glasses, and the latest Meta Display glasses).

**Figure 50. WW AR/VR Headsets**



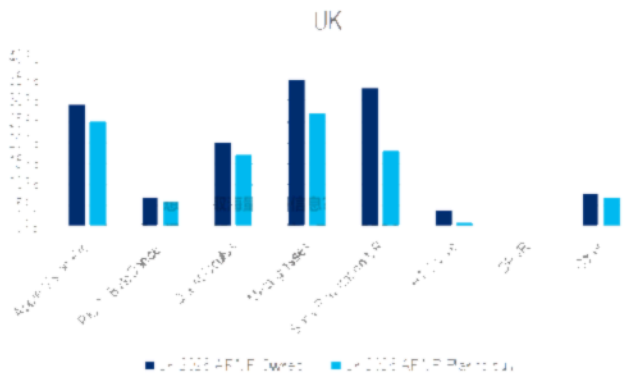

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**Figure 51. US AR/VR Headsets**



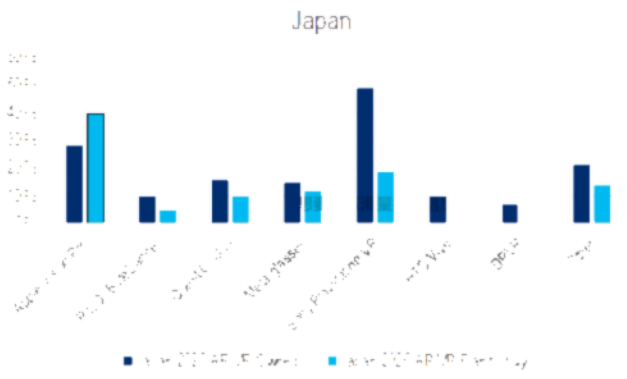

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**Figure 52. UK AR/VR Headsets**



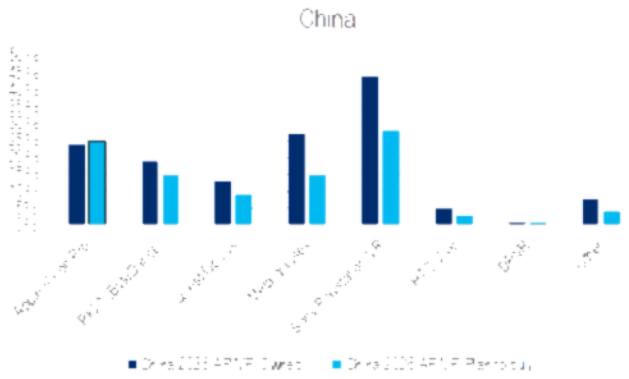

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**Figure 53. Japan AR/VR Headsets**




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**Figure 54. China AR/VR Headsets**



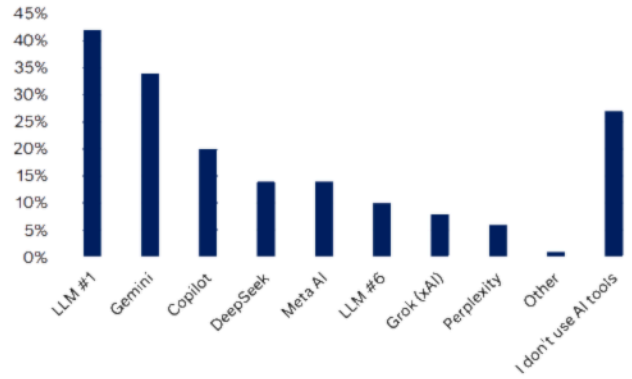

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# AI Usage & Subscriptions

When asked which AI tools US survey respondents used most, Gemini came in at 44%, second to the leading provider at 50%, and we were impressed to see Meta AI at 27% of respondents, making it the third most used among GenAI tools that we asked. Note this ranking was the same in each region and globally. On GenAI subscriptions, 55% of surveyed US users pay for the leading GenAI service, while 41% pay for Gemini.

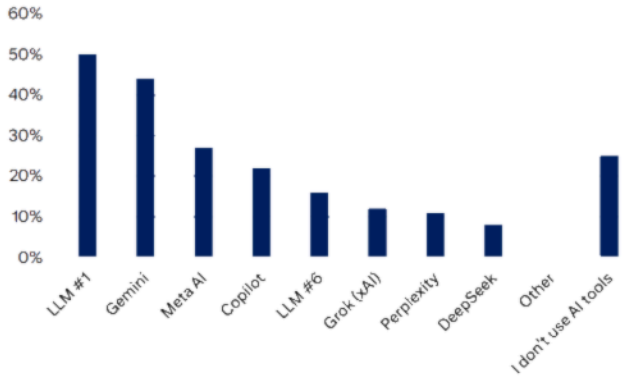
We also asked survey respondents about eCommerce subscription services. 76% of US respondents (or households) pay for Amazon Prime and 65% in the UK; this compares to our 2024 survey whereby 65% of respondents paid for Amazon Prime. When compared to Walmart in the US, 48% of respondents paid for a Walmart+ subscription in 2026 vs. 35% in 2024.

**Figure 55. WW AI Usage**



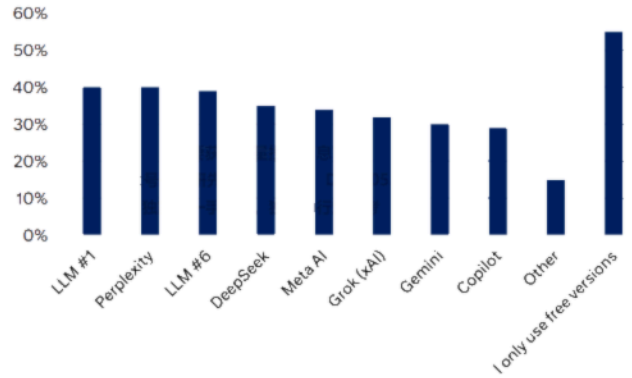

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**Figure 56. US AI Usage**



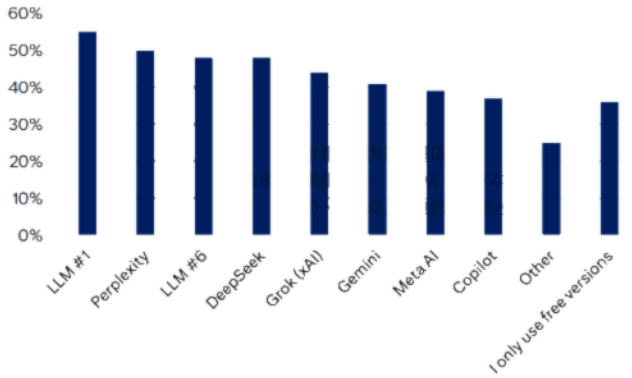

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**Figure 57. WW AI Subscription Penetration**



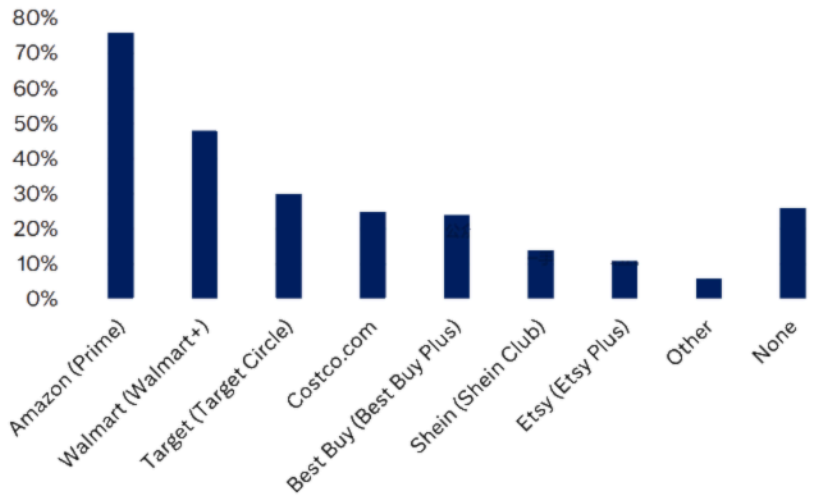

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**Figure 58. US AI Subscription Penetration**




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**Figure 59. US eCommerce Subscription Penetration**




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**Companies Mentioned:**

Apple, Inc. (AAPL.O; US$333.08; 1; 14 Sep 26; 16:00) | Dell Technologies (DELL.N; US$534.28; 1; 14 Sep 26; 16:00) | SA (ESLX.PA; €144.4; 1; 15 Sep 26; 17:30) | GN Store Nord (GN.CO; Dkr95.0; 1; 15 Sep 26; 17:00) | GoerTek (002241.SZ; Rmb21.37; 1; 15 Sep 26; 15:00) | HP Inc (HPQ.N; US$34.02; 2; 14 Sep 26; 16:00) | Lenovo Group (0992.HK; HK$31.2; 1; 15 Sep 26; 16:10) | Logitech International (LOGI.O; US$100.36; 1; 14 Sep 26; 16:00) | Meta Platforms Inc (META.O; US$665.6; 1; 14 Sep 26; 16:00)