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SG Analytics

CONSUMER DURABLES – INDUSTRY REPORT

Smart Connected Ecosystems and Operational AI

Transform the US Consumer Durables Landscape

October 2026



Abstract

This comprehensive report examines the structural evolution, financial performance, and market dynamics driving the US consumer durables industry. Driven by essential replacement demand, connected smart home adoption, and resilient consumer spending, the sector is experiencing a major shift as artificial intelligence (AI) transitions from standalone pilots into the foundational operating layer of product design, smart automation, and supply chain management. To protect margins and capture consumer wallet share amid elevated living costs and cautious discretionary spending, manufacturers are prioritizing value-focused product tiers, energy-efficient designs, and connected ecosystem platforms over traditional hardware upgrades.

This structural shift is altering product development and omnichannel distribution strategies, accelerating the deployment of predictive analytics and automated workflows across manufacturing and logistics, while strengthening resilient supply chain infrastructure across key categories. Against a backdrop of concentrated middle-market M&A dealmaking, rising private equity investment in high-conviction assets, and shifting household financial buffers, this report evaluates macro growth drivers, lower-middle and middle-market M&A trends, and strategic implications for market participants navigating an increasingly value-driven market.

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Executive Summary

The broader US consumer sector is experiencing steady evolution as investment accelerates across smart automation, replacement-driven demand, and operational technologies. Within this landscape, the US consumer durables industry continues to navigate shifting spending priorities, driven by essential product replacement cycles and connected home innovation. Supported by these momentum drivers, US household appliances represent a key segment, with market size projected to reach $140.7 billion by 2033, growing at a CAGR of 4.1%.

AI is rapidly becoming a key operational layer across modern consumer durables ecosystems. Rather than remaining isolated pilots, intelligent tools are being integrated into core enterprise functions spanning demand forecasting, factory automation, inventory optimization, predictive maintenance, and supply chain management. Technology adoption is expanding across the sector, supported by modest steady performance, as projected US consumer technology sales growth reaches 0.2% in 2026 to $112 billion.

In addition to technology integration, market strategies are shifting toward value-conscious product lines, smart connected appliance ecosystems, and high-margin energy-efficient designs. Simultaneously, capital in consumer durables dealmaking is concentrating on high-conviction category leaders and transformative assets. Manufacturers combining strong distribution networks, proprietary connected device data, and clear operational productivity gains will continue to secure the strongest market position.

$140.7 Billion

is the projected market size of US household appliances by 2033, growing at a CAGR of 4.1%, as per Grand View Research

0.2%

projected US consumer technology sales growth in 2026, reaching $112 billion, as per Circana



US Consumer Sector | Market Highlights

US Consumer Demand Remains Resilient Despite Pressure on Household Finances

US consumer demand remains resilient in 2026, supported by continued income growth, although inflation and modest household savings are increasing pressure on purchasing power. In August 2026, disposable personal income increased 0.3% month over month (MoM), while personal consumption expenditures increased 0.9%.

0.3%
MoM growth in US disposable personal income | Aug-26

0.9%
US personal consumption | Aug-26

4.1%
US personal saving rate | Aug-26

Source: US Bureau of Economic Analysis

Market Drivers



Income Growth Continues to Support Consumption

US household income continues to provide underlying support to the Consumer sector. In August 2026, personal income increased $66.6 billion, while disposable personal income increased $68.6 billion. This maintains spending capacity even as consumers become more selective about where incremental dollars are allocated.



Goods and Services Spending Both Increase

The composition of consumer spending is shifting. In August 2026, the $190.8 billion increase in personal consumption expenditures reflected increases of $114.1 billion in goods spending and $76.7 billion in services spending. The expansion supports consumer-sector demand and creates a more supportive environment for goods-oriented consumer companies.



Household Financial Buffers Remain Limited

US consumers are saving a relatively small share of disposable income. The personal saving rate stood at 4.1% in August 2026, indicating modest additions to household financial cushions and potential sensitivity to changes in inflation, employment, interest rates, and income growth.



Consumer Companies Prioritize Portfolio Focus

Consumer-products companies are reassessing where they compete. Deloitte's 2026 Global Outlook finds that accepted advantages around breadth, scale, and optimization are increasingly being challenged by the need for focus, speed, and agility. Consequently, half of surveyed executives plan to rationalize stock-keeping units as portfolios shift toward stronger categories.

Investor Implication: Consumer-sector resilience increasingly depends on where companies participate rather than aggregate spending growth alone. Businesses positioned in categories with durable demand, differentiated propositions, and greater ability to capture consumer wallet share should be better placed as household financial flexibility remains constrained.

US Consumer M&A Value Rises as Capital Concentrates on Transformational Assets

Consumer M&A activity is becoming increasingly concentrated in large, strategically important transactions. US consumer packaged goods (CPG) deal value more than doubled year-over-year (YoY) in 1Q26 even as deal volume continued to fall, highlighting a shift toward fewer but significantly larger transactions.

Consumer M&A Momentum

119%
YoY increase in US CPG deal value | 1Q26

47%
share of global consumer-markets deal value comes from megadeals (>$5B)

–12%
Projected global consumer deal volume decline, through May-26

Source: PwC

Deal Value and Volume Continue to Diverge

The recovery in Consumer M&A is not broad-based. PwC estimates that transactions worth more than $5 billion account for 47% of global consumer-markets deal value in 2026, up from 23% in 2024, while overall deal volume is on track to decline 12%. Capital is concentrating around a relatively small number of high-conviction assets.

What Buyers Are Prioritizing

Category Leadership	Resilient demand and defensible positions in attractive consumer categories
Wellness & Health	Exposure to changing health preferences and growing scrutiny of ingredients
First-Party Consumer Data	Proprietary customer relationships that improve personalization and marketing effectiveness
Portfolio Focus	Acquisitions and divestitures that concentrate resources behind stronger businesses
Take-Private Opportunities	Public consumer businesses where sponsors see a valuation disconnect
Supply-Chain Control	Assets that strengthen sourcing, distribution, customer access, and resilience

Investor Implication: Rising Consumer deal value should not be interpreted as a broad recovery in transaction activity. Capital is increasingly concentrating around category leaders and assets offering portfolio transformation, differentiated consumer access, or clear operational value-creation opportunities.

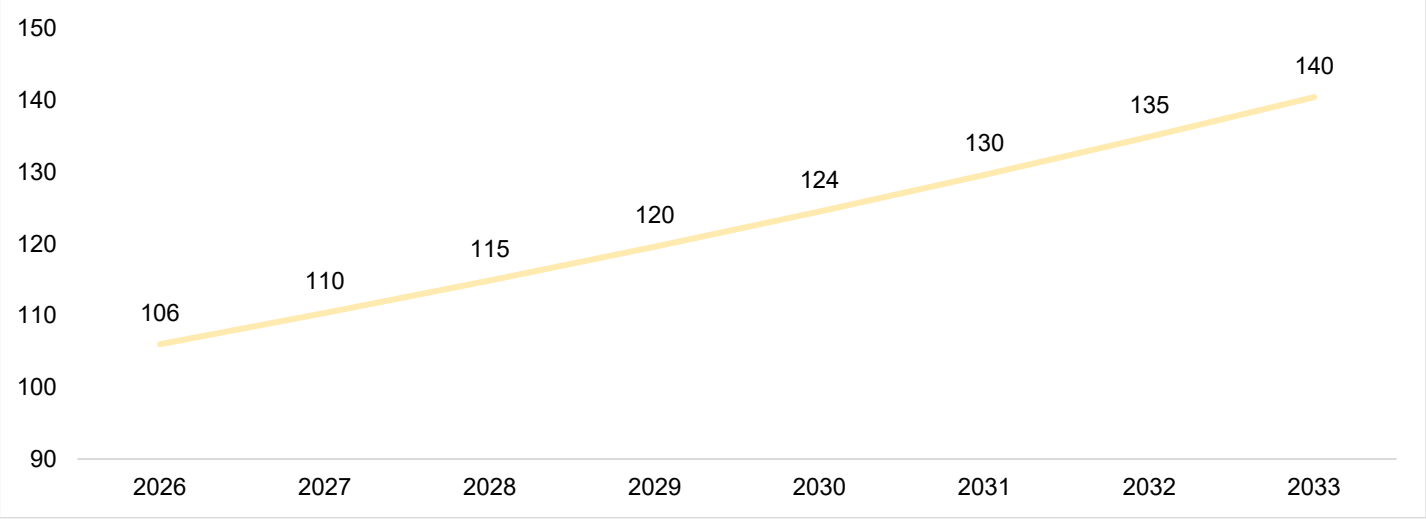
US Consumer Durables Industry | Market Overview

The US consumer durables industry is one of the world's largest markets for long-lasting consumer products, supported by high household purchasing power, an established retail ecosystem, and recurring replacement demand. According to the US Bureau of Economic Analysis (BEA), US personal consumption expenditures on durable goods reached an annualized $2.4 trillion in 2Q26, increasing approximately 5.8% YoY in nominal terms. Within the industry, household appliances represent a significant category, with the US market projected to grow from $106 billion in 2026 to $140.7 billion by 2033, at a CAGR of 4.1%, as per Grand View Research.

The industry encompasses household appliances, furniture and furnishings, consumer electronics, recreational equipment, and automobiles, covering products designed for extended use. While demand is increasingly shaped by replacement cycles, energy efficiency, smart-home integration, and multifunctional products that offer greater convenience and long-term value, purchasing decisions remain constrained. Elevated living costs, housing-market pressures, and cautious discretionary spending continue to weigh on near-term growth. Circana forecasts a 1.2% decline in US home durables sales in 2026, followed by stabilization in 2027 and renewed growth through 2028. The industry is therefore expected to experience uneven near-term demand while manufacturers increasingly prioritize product innovation, affordability, operational efficiency, and differentiated customer experiences.

The US consumer durables market remains resilient, driven by replacement demand and smart product integration. Despite near-term pressures from elevated living costs and housing market constraints, long-term growth persists as manufacturers pivot toward energy efficiency, product innovation, affordable options, and streamlined operations to capture evolving discretionary spending.

Figure 1: US Household Appliances Market Size (in $Billions)



Source: Grand View Research

Macro Drivers



Consumer Spending and Household Savings Influencing Durable Demand

Household purchasing power drives demand for appliances, furniture, and electronics. According to the US BEA's September 2026 release, real personal consumption expenditures increased 0.6% MoM in August 2026, while the personal saving rate stood at 4.1%. Continued spending supports durable purchases, but limited savings may restrict upgrades and heighten price sensitivity.



Consumer Credit Conditions Impacting Big-Ticket Purchases

According to the Federal Reserve's October 2026 Consumer Credit Report, US consumer credit increased at an annualized rate of 1.9% in August 2026, while revolving credit declined at an annualized rate of 4.2%. Slower credit expansion inhibits financing-dependent purchases, leading consumers to delay big-ticket upgrades or seek promotional financing and flexible payment alternatives for affordable goods.



Rising Energy Costs Accelerating Demand for Efficient Products

Household energy costs drive demand for energy-efficient appliances and smart tech. According to the US EIA's October 2026 Winter Fuels Outlook, heating oil prices are forecast to increase by more than 30% during winter 2026–27, while heating oil expenditures for affected households are expected to rise 21%. Rising costs shift consumer focus to long-term efficiency.



Smart Home Penetration Outpaces Recurring Revenue Monetization

Smart device adoption expands opportunities for connected electronics and intelligent appliances. According to Parks Associates research, in August 2026, 49% of US internet households owned a smart device, yet 53% paid no subscription fees, highlighting significant untagged potential for brands to drive recurring service revenue.



Housing Market Activity Affecting Furnishing Demand

Housing construction and sales drive furniture and appliance demand. According to the US Census Bureau's September 2026 release, privately-owned housing starts reached an annualized 1.3 million units in August 2026, declining 2.6% MoM. Meanwhile, NAR reported nearly 4 million existing-home sales annually. Sluggish housing activity limits new furnishing purchases, though renovation and replacement demand helps offset pressures.

Emerging US Consumer Durables Trends

Smart and AI-Enabled Products Transform the Connected Home

Smart and AI-enabled technologies are reshaping the US consumer durables industry as manufacturers integrate connected functionality, automation, and intelligent controls into everyday household products. Appliances, home security systems, robotic cleaners, and climate-control devices increasingly incorporate AI capabilities that personalize performance, automate routine tasks, and optimize energy consumption. According to Pew Research Center's June 2026 study, 35% of US adults own smart speakers, while 18% own AI-enabled smart doorbells, 13% own AI-enabled robotic vacuums, and 11% own AI-enabled smart thermostats. These adoption levels highlight the expanding presence of intelligent products in American households, although penetration varies across device categories.

35%

of US adults own smart speakers, as per the Pew Research Center's June 2026 study



18%

of US adults own AI-enabled smart doorbells, as per Pew Research Center's June 2026 study



Manufacturers are increasingly differentiating products through integrated ecosystems connecting appliances, security devices, entertainment systems, and energy-management solutions. In January 2026, Samsung Electronics unveiled an upgraded Bespoke AI Family Hub refrigerator incorporating Google Gemini-powered food recognition, alongside SmartThings-enabled appliances designed to simplify meal planning and household management. Similarly, LG Electronics introduced its AI in Action strategy at CES 2026, demonstrating connected appliances, conversational AI-enabled refrigerators, and its CLOiD home robot to automate household routines. These developments highlight the shift from standalone smart devices toward interconnected home ecosystems. For investors, connected products will likely strengthen customer retention, support premium pricing, and create recurring service opportunities, although cybersecurity, interoperability, and affordability will remain critical to broader adoption.

Replacement-Driven Demand Reshapes Consumer Durables Spending

Replacement-driven purchasing is emerging as an important demand catalyst across the US consumer durables industry as household products acquired during the pandemic increasingly reach replacement cycles. Consumers are prioritizing essential appliances, cleaning equipment, and household products that offer practical utility over discretionary upgrades. According to Circana's September 2026 Future of Home forecast, US home-industry dollar sales are projected to grow 2.9% to $43.7 billion in 2026, supported by replacement demand, higher selling prices, and product innovation. Among surveyed recent purchasers, 65% of microwave buyers, 61% of electric coffee-maker buyers, and 54% of upright-vacuum buyers were replacing existing products, underscoring the significance of replacement cycles in sustaining category demand.

2.9%

projected growth in US home-industry dollar sales in 2026, reaching $43.7 billion, as per Circana



Manufacturers are responding by introducing multifunctional products that combine convenience, improved performance, and differentiated features to encourage household upgrades. In July 2026, SharkNinja introduced its Ninja Crispi Microwave, combining microwave heating and air frying to prepare meals up to 60% faster than conventional ovens, based on company testing. In the same month, Samsung Electronics launched new slide-in ranges and over-the-range microwaves featuring Air Fry Max technology across North America. These innovations demonstrate how manufacturers are seeking to stimulate replacement purchases through enhanced functionality. For investors, differentiated product portfolios, strong distribution networks, and exposure to frequently replaced categories will likely support revenue growth, average selling prices (ASPs), and margins despite constrained discretionary spending.

Affordability Pressures Shift Focus to Value Tiers and Promotional Pricing

Affordability pressures and cautious discretionary spending are reshaping purchasing behavior across the US consumer durables industry, with consumers increasingly prioritizing functional benefits, product longevity, and value for money. Demand is becoming more polarized as higher-income households sustain spending on premium products while lower- and middle-income consumers postpone upgrades or seek more affordable alternatives. According to Circana's January 2026 Future of Technology report, US consumer technology sales are projected to increase just 0.2% to $112 billion in 2026, despite ASPs rising approximately 3%. This divergence between revenue growth and pricing highlights pressure on unit demand and reinforces the importance of affordability, product differentiation, and targeted promotional strategies.

3%

projected increase in average US consumer technology prices during 2026, as per Circana



Manufacturers and retailers are responding through competitive pricing, accessible product portfolios, and promotions emphasizing functional value. In September 2026, IKEA US introduced discounts of up to 30% on approximately 25 bestselling furniture and storage products for loyalty-program members, reinforcing its affordability positioning amid elevated household living costs. Similarly, TCL promoted its consumer electronics portfolio through US seasonal discounts, including promotional pricing on its Mini-LED televisions. These strategies illustrate how companies are balancing product differentiation with competitive pricing to attract value-conscious consumers. For investors, efficient cost structures, tiered product portfolios, and strong distribution partnerships will become increasingly important for preserving market share, while sustained promotional intensity will likely place pressure on margins.

Operationalizing AI in the US Consumer Durables Industry

AI Drives Efficiency and Optimization in US Durables Manufacturing

AI is shifting from an experimental technology to an operational core across the US consumer durables industry. Manufacturers of appliances, electronics, and furniture are integrating predictive analytics, machine learning, and generative AI across product design, manufacturing, inventory, and supply chain management. These technologies optimize material use, prevent equipment failures, automate workflows, accelerate product development, and enhance workforce productivity and customer service.

This transition is evident in Furniture Today's March 2026 industry survey of retailer, supplier, and manufacturer home furnishings executives, which found that nearly 50% of surveyed US home furnishings executives identified as AI optimizers, using AI wherever applicable. Furthermore, 47% of surveyed companies lacked formal AI governance frameworks, while only 9% had comprehensive policies. Operational efficiency emerged as the leading AI investment priority, followed by revenue growth and improved decision-making. Among manufacturers and suppliers, applications include AI-driven demand forecasting, predictive maintenance, and generative product design, highlighting the growing role of AI in improving production efficiency and supply chain responsiveness.

Leading US consumer durables manufacturers are translating AI investments into operational capabilities. In April 2026, GE Appliances reported deploying more than 800 AI agents across manufacturing, logistics, and supply chain operations to improve decision-making, product quality, and operational efficiency. Similarly, Ashley Furniture is integrating AI into production scheduling, factory automation, warehouse optimization, and supply chain forecasting, supported by internally deployed AI agents. However, legacy systems, high implementation costs, and lack of data governance hinder broader adoption. Companies that successfully embed AI into core operations will be best positioned to protect margins, build supply chain resilience, and sustain competitive differentiation.

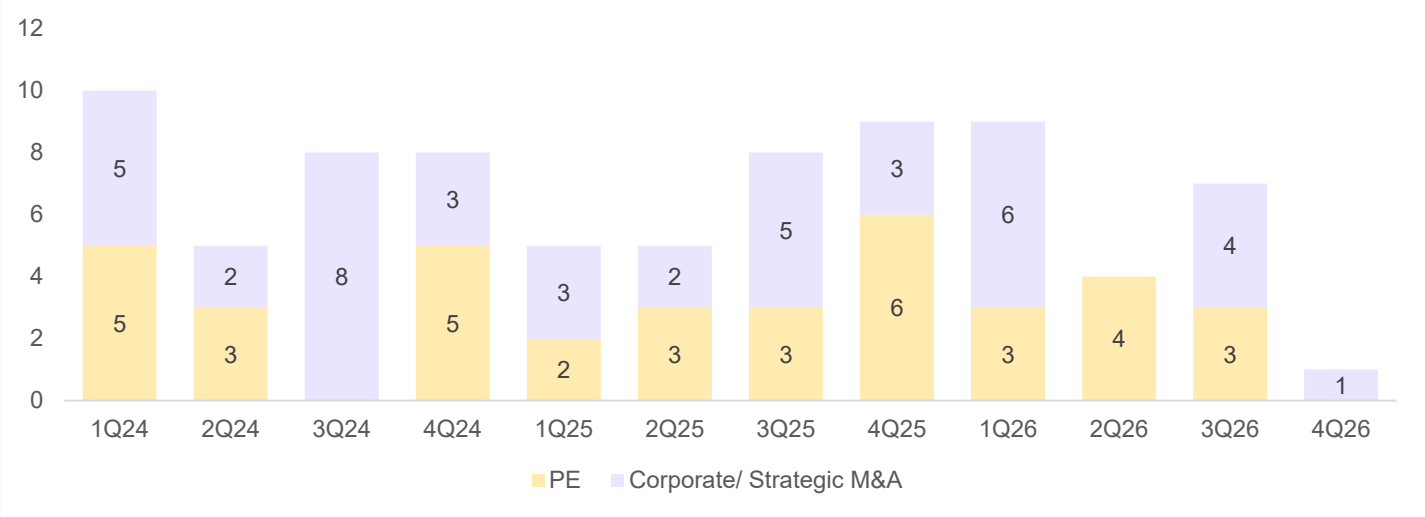
AI is becoming an operational cornerstone for US consumer durables manufacturers, enhancing production efficiency and supply chain resilience. Companies are deploying predictive analytics and automated systems across manufacturing, inventory, and product design. Despite governance gaps, high implementation costs, and legacy system challenges, AI adoption helps producers optimize workflows, safeguard margins, and maintain competitiveness.

Nearly 50%

of surveyed US home furnishings executives identified as AI optimizers, using AI wherever applicable, as per Furniture Today's March 2026 industry survey

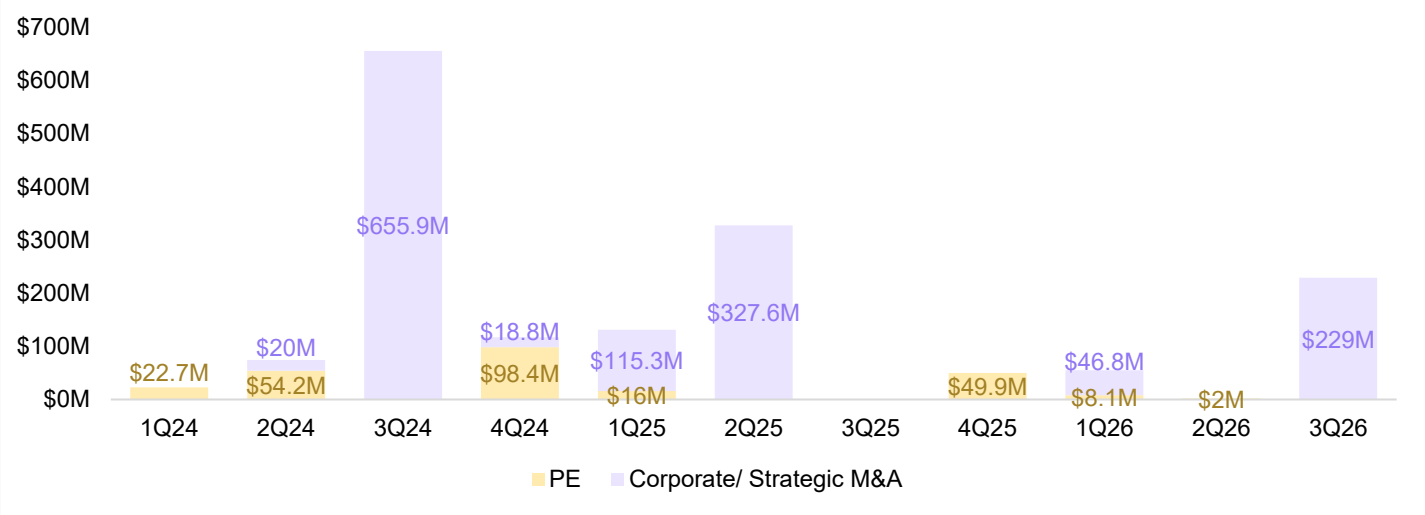
Key US Consumer Durables Deals

Figure 2: Consumer Durables Lower Middle Market and Middle Market Deal Count



Source: PitchBook, data as of October 15, 2026

Figure 3: Consumer Durables Lower Middle Market and Middle Market Capital Raised

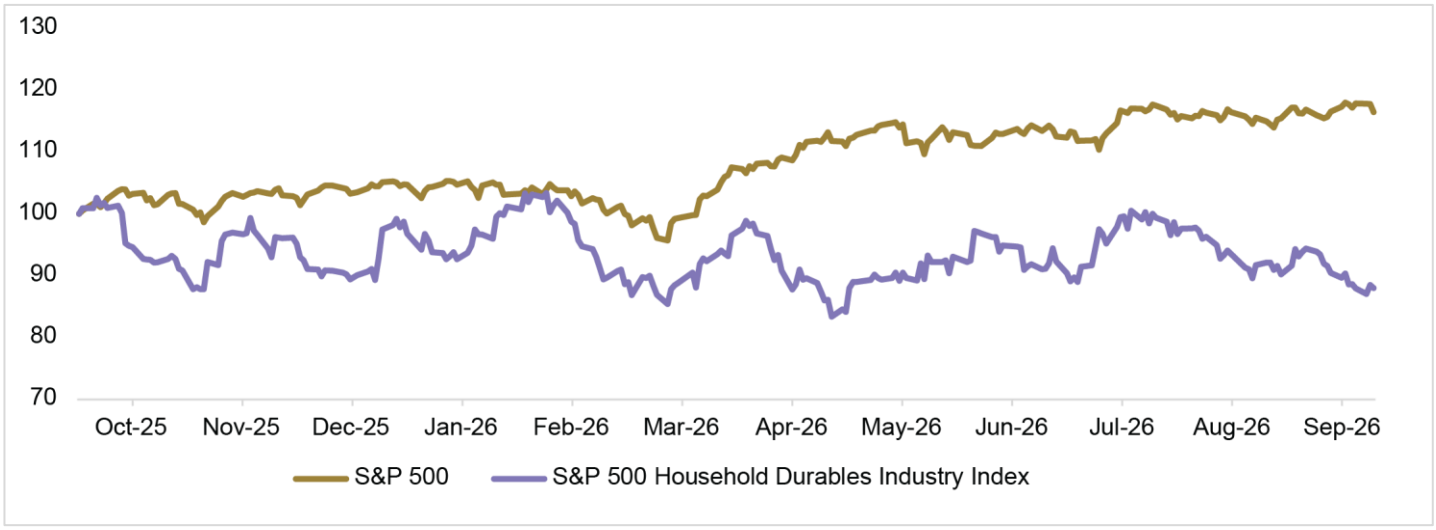


Source: PitchBook, data as of October 15, 2026

Consumer Durables Lower Middle Market and Middle Market Deal Summary

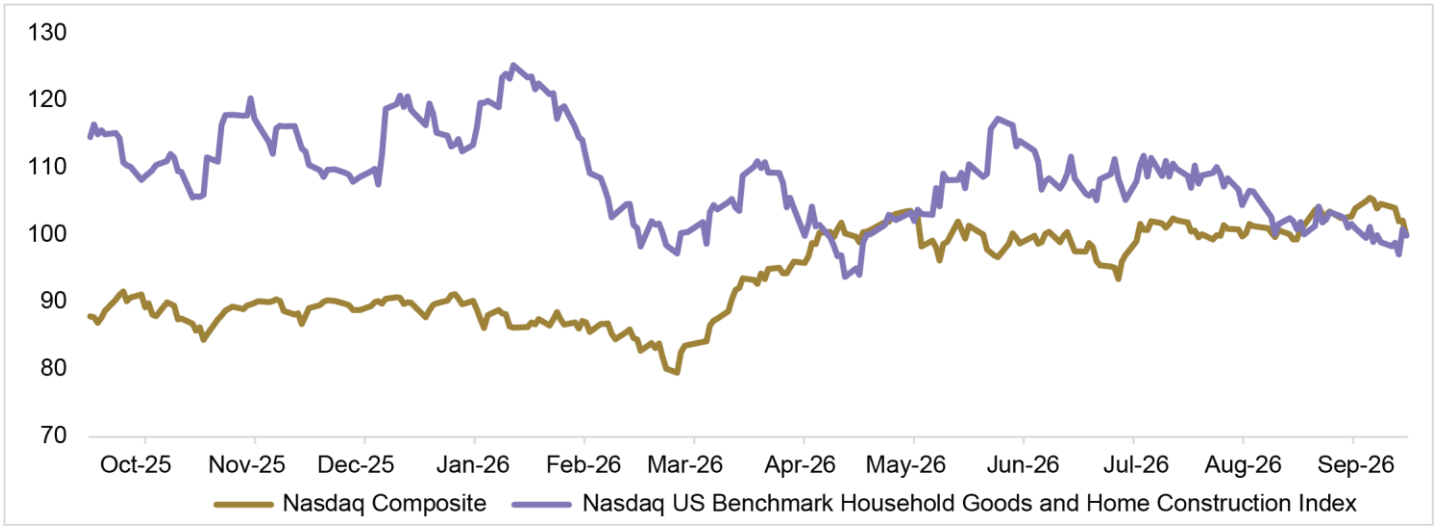
Companies	Deals	Investors	Exits	Largest Deal	Capital Invested
80	93	81	54	$527.3M	$1.7B

Figure 4: S&P 500 Household Durables Industry Index 1-Year Performance



Source: MarketWatch, data as of October 16, 2026

Figure 5: Nasdaq US Benchmark Household Goods and Home Construction Index 1-Year Performance



Source: NASDAQ, data as of October 16, 2026

Key Private Equity Consumer Durables Deals

September 8, 2026

H.I.G. CAPITAL HOMEWERKS

Acquires

GTR TECHNOLOGIES INC.

a home improvement product design and manufacturing company, for an undisclosed amount.

July 7, 2026

35 CAPITAL PADDLETEK

Acquires

PIKKL

a US sporting-goods brand specializing in high-performance pickleball paddles, for an undisclosed amount.

June 8, 2026

CARLYLE

Acquires

CHUNGHO

a provider of subscription-based home and healthcare appliance rental services, for $700 Million.

May 12, 2026

Bluestone EQUITY PARTNERS SELKIRK

Acquires

Bread & Butter Pickleball Co.

a US pickleball brand specializing in performance paddles and equipment, for an undisclosed amount.

May 5, 2026

Platinum Equity

Acquires

INFRATECH

manufacturer of premium residential and commercial infrared electric heaters and control systems, for an undisclosed amount.

October 22, 2025

ZCG TWIN STAR HOME

Acquire

WALKER EDISON

a designer and supplier of affordable, ready-to-assemble furniture, for an undisclosed amount.

Consumer Durables Upcoming Events

2026 AHFA Regulatory Summit	October 28–29, 2026	Colfax, NC
Sun Shading Expo North America	November 3–5, 2026	Orange County Convention Center, Orlando, FL
2026 AHFA Annual Meeting & CEO Conference	November 14–15, 2026	Rancho Mirage, CA

About Straive SG Analytics

SG Analytics (SGA), a Straive company, is a global data, analytics, and AI consulting firm specializing in turning data into actionable insights and operationalizing AI at scale.

With expertise across BFSI, Capital Markets, TMT (Technology, Media & Telecom), Supply Chain & Manufacturing, and other high-growth industries, SGA empowers clients with Ins(AI)ghts for Business Success.

SGA's 1,400+ experts operate across the U.S., U.K., and India, bringing together domain expertise, data, innovation, and AI capabilities. Recognized by Gartner, Everest Group, and ISG, and featured in the Deloitte Technology Fast 50 India 2024 and Financial Times & Statista APAC 2025 High-Growth Companies, SGA helps organizations translate intelligence into better decisions and scalable AI deployment..

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