

## IDC: "Solid" Growth for Smart Home Devices

Written by Marco Attard  
03. 04. 2018

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According to IDC 2017 global smart home device shipments total 433.1 million-- a 27.6% increase over 2016, a result set to increase to 939.7m device by 2022 with a CAGR of 18.5% over the forecast period.

The fastest growing category within the smart home market remains smart speakers such as the Amazon Echo and Google Home, while all categories except video entertainment products should see a double-digit CAGR over the same period. The market is also seeing some "significant" changes, as both vendors and customers are less interested in central hub devices and more in a common interface tying myriad smart devices together.

Smart Home Devices by Category, 2017 and 2022 (Value in US\$M)

Product Category	2017 Value (US\$M)	2022 Value (US\$M*)	CAGR, 2017 – 2022*
Video Entertainment	\$133,091.48	\$201,063.36	9%
Home Monitoring/Security	\$4,271.30	\$12,136.50	23%
Smart Speaker	\$4,401.39	\$17,431.00	32%
Lighting	\$1,120.53	\$3,511.32	26%
Thermostat	\$1,774.35	\$3,875.91	17%
Others	\$17,532.54	\$38,963.93	17%
<b>TOTAL</b>	<b>\$162,191.59</b>	<b>\$276,982.02</b>	<b>11%</b>

Source: IDC Worldwide Quarterly Smart Home Device Tracker, March 2018

\* Note: Forecast Values

"While it's still early days for the smart home market-- and the wider consumer IoT ecosystem in general-- we expect to see considerable growth over the next few years, especially as consumers become more aware of and increasingly interact with smart assistant platforms like Amazon's Alexa and Google Assistant," the analyst says. "Whether in the form of a smart speaker or embedded in a thermostat, fridge, TV, or any other device, smart assistants are quickly becoming the cornerstone of consumer IoT by enhancing the accessibility, use, and functionality of connected devices, which will noticeably boost adoption rates in the near future."

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As for device categories, video entertainment (covering smart TVs, digital media adapters and other IP-connected video devices) should grow with a CAGR of 8.3% over the 2017-2022 forecast period. Samsung and LG are 2017 leaders, while digital media adapters are dominated by Amazon, Google and Roku.

Smart home monitoring/security is the 2nd biggest category in unit shipment terms through 2022, as products become more easy to deploy. Smart speakers are the biggest, the result of Apple entering the market as well as additional models, price points and 3rd party partnerships from the likes of Amazon and Google.

Connected lighting products from Philips, GE and Ikea are something of a gateway into the larger smart home market, and IDC sees a lot of potential for the category. Meanwhile thermostats are set to see a global CAGR of 20.8% for unit shipments by 2022, and the "other" category (comprising connected appliances, sprinkler systems and other smaller devices) should grow at a CAGR of 18.2% from 2017-2022). That said, analog counterparts, such as traditional appliances, have long replacement cycles and as such limited overall appeal within the future smart home.

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