

## IDC: Digital Media Adapters Open Automation Doors

Written by Marco Attard  
11. 09. 2018

---

Global smart home device shipments-- covering connected lights, smart speakers, connected thermostats, smart TVs, security products and digital media adapters, among others-- total 130.1 million units in Q2 2018, a 38.5% Y-o-Y.



Outside of smart TVs, the smart home device category with the lion's share of the market is digital media adapters such as Roku devices and the Amazon Fire TV. The category shows 26.8% Y-o-Y growth in Q2 2018, the result of still "vast" installed base of non-smart TVs, as well as the general lack of software updates of TVs technically able to offer digital media adapter functionality.

"Networked entertainment represents a key stepping stone for consumers as they embark on their smart home journeys," the analyst says. "Digital media adapters are an important gateway into content ecosystems as well as broader consumer IoT ecosystems in general-- such as smart assistants and related services-- and their low price point is drawing interest from a growing base of consumers worldwide."

The Amazon Fire TV product range leads the digital media adapter category in Q2 2018 with global shipments reaching 5m units. Amazon competes with the likes of Roku and Google, even as it faces OTT services such as Netflix and Hulu, and leads by a large margin thanks to a growing lineup of content with international appeal. As such, Amazon holds "substantial" share in countries such as the UK, India and Japan, not to mention the US.

Following behind Amazon is Google with the Chromecast, a solution simple and low-cost enough to lead to multiple purchases from customers. The Chromecast has built-in Google Home and YouTube support, leading to Q2 2018 shipments reaching 3.7m units. However the

## IDC: Digital Media Adapters Open Automation Doors

Written by Marco Attard  
11. 09. 2018

---

product is now relatively old, and Google is shifting efforts on Assistant-equipped speakers and TVs with built-in streaming capabilities.

Rounding the top 3 is Roku. While popular in the US, the brand struggles to gain footing in the rest of the world, even as it offers low-cost products bolstered with an own content delivery platform. Roku device shipments for Q2 2018 total 2.8m units (not counting TVs and STBs with built-in Roku software), with potential for further growth in international markets.

"The tight integration of content and hardware has been a highly successful strategy to date and we only expect the walls in these gardens to grow taller and wider as these companies begin to create ecosystem lock-in by further integrating with additional smart home devices and services," the analyst concludes. "Despite this, IDC still expects the market for more neutral hardware platforms like Roku to grow as consumers are rarely faithful to one content provider."

Go [IDC WW Quarterly Smart Home Device Tracker](#)