

IDC: Steady Growth Ahead for Smart Home Devices

Written by Frederick Douglas
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According to IDC, the global smart home device market is set to grow by 23.5% in 2019 to reach 815 million devices, before shipments total over 1.39 billion in 2023 with a 5-year CAGR of 14.4%.

Smart Home Devices, Forecast by Category, 2019 and 2023 (Shipments in millions)					
Category	2019 Shipments*	2019 Market Share*	2023 Shipments*	2023 Market Share*	2019-2023 CAGR
Video Entertainment	339.8	41.7%	417.7	29.9%	5.3%
Home Monitoring/Security	156.6	19.2%	307.9	22.1%	18.4%
Smart Speaker	134.8	16.5%	200.00	14.3%	10.4%
Others	183.6	22.5%	470.5	33.7%	26.5%
Total	814.8	100%	1,396.0	100%	14.4%
Source: IDC Worldwide Quarterly Smart Home Device Tracker, September, 2019					

* **Note:** All data represents forecast values.

"Driving the market's growth over the next few years is a combination of downward pressure on prices from intensifying competition, rising adoption of smart assistants and rising consumer awareness of the conveniences, costs savings, and energy reductions that smart home devices provide," the analyst says.

Video entertainment devices are to maintain the largest volume of shipments, making 29.9% of all shipments in 2023 as falling prices and advances in functionality (such as 8K, higher refresh rates, HDR, larger sizes and integration with smart assistants and streaming platforms) drive upgrades. Security devices such as smart cameras and smart locks account for 22.1% of 2023 shipments, with a CAGR of 18.4%.

The growth of smart speakers and displays is set to slow down to single digits over the next years, with 8.7% growth in 2022 and 4.7% in 2023 as the installed base of such devices

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reaches saturation. As a result, consumers start looking to other form factors to access smart assistants in the home, such as thermostats, appliances and TVs, among others.

Ongoing concerns involving security piracy, price sensitivity to both upfront and ongoing costs of devices and services, and rising economic uncertainty should inhibit growth over the next few years, though.

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