



## **Smart Speaker Sales Explode in EMEA With More Than 3.3 Million Devices Shipped in 3Q18, According to IDC**

**LONDON, December 20, 2018** — The smart home market in Europe, the Middle East, and Africa (EMEA) grew 31.4% in 3Q18, reaching 23.6 million units shipped. All product categories posted double-digit growth, with smart speakers growing 116.7% in the quarter.

"Although Amazon and Google didn't launch their speakers in new markets in the region, their performance was exceptionally good, fueled by continued growth in consumer demand. In 4Q18, the market will continue to expand, as Google Home enters four new markets and Amazon Echo devices launch in Italy and Spain," said António Arantes, research analyst for smart home devices in EMEA. "Strong promotions during Black Friday continued to drive tracking for smart speakers and the discounts during the Christmas season will further drive strong performance for these products and help increase penetration of intelligent assistants in the region."

The smart home market is forecast to reach 193.2 million units shipped in 2022, with a compound annual growth rate (CAGR) of 19.2% for 2018–2022. Video entertainment (including smart TVs and digital media adapters) will remain the largest product category, but it is expected to lose share to the other product categories. Smart speakers are forecast to represent 23.3% of the smart home market in 2022, the second-largest category, while lighting will come third with 11% share, experiencing the strongest growth, with a CAGR of 43.8% for 2018–2022.

"The growing adoption of smart speakers will become the driving force for the entire smart home market and home automation products," said Arantes. "Voice interaction will be the main interface in the years to come and consumers will increasingly want to control their home devices in this way, resulting in a shift from non-smart devices toward smart devices. Even for mature categories, such as smart TVs, we expect that nearly 50% of new products shipped in EMEA will come with an intelligent assistant platform embedded."

### **Category Highlights**

**Video entertainment** products including smart TVs and digital media adapters, such as Google's Chromecast, Apple TV, and Amazon Fire TV, are suffering from longer replacement cycles than other products. This category is expected to grow at a CAGR of 11.2% for 2018–2022, the lowest in the forecast period. The majority of TVs sold in the region are already smart and consumers are buying products at higher prices but keeping them for longer periods.

**Smart speakers** will reach 45 million units in 2022, representing 23.3% of the market. In 3Q18, Amazon took the lion's share with more than half of the devices shipped in EMEA, while Google had 38.8% market share. Apple is the third-largest player, but the limited availability of the HomePod is impacting its growth in the region. By 2021, shipments of devices with Google Assistant embedded are expected to surpass Alexa-enabled devices.

**Home monitoring and security** devices, ranging from smart sensors to door bells and cameras, are expected to grow at a five-year CAGR of 20.7% for 2018–2022. This very fragmented category will see consolidation in the next few years, as there are many vendors selling only one product, which is not sustainable in the future. Many players will evolve from individual solutions to a full range of home products as they consolidate.

**Lighting and thermostat** devices combined represented only 6.8% of the market in 3Q18, but this is expected to grow to 13.6% by 2022. A wide range of low-priced lighting products offered to the market by many new brands will catch consumers' attention and adoption of smart bulbs will increase. Thermostats and lighting devices are also attracting interest from larger players. In 4Q18, Amazon invested in Tado, a German thermostat start-up and competitor to Nest.

## EMEA Smart Home Devices Historical

### Top 5 Brand Shipments, Market Share, and Year-Over-Year Growth, 3Q18 (Shipments in Thousands)

Vendor	3Q18 Shipment Volume	3Q18 Market Share	3Q17 Shipment Volume	3Q17 Market Share	Year-Over-Year Change
1. Samsung	3,752	15.9%	3,301	18.4%	13.6%
2. LG	3,467	14.7%	2,962	16.5%	17.1%
3. Google	3,419	14.5%	2,009	11.2%	70.2%
4. Amazon.com	3,092	13.1%	1,991	11.1%	55.4%
5. Sony	1,682	7.1%	1,467	8.2%	14.6%
Others	8,154	34.7%	6,204	34.6%	31.4%
<b>Total</b>	<b>23,566</b>	<b>100.0%</b>	<b>17,934</b>	<b>100.0%</b>	<b>31.4%</b>

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

## EMEA Smart Home Devices Forecast by Product Category

### 3Q18 Forecast for 2018–2022 (Shipments in Thousands)

<b>Product Category</b>	<b>2018 Shipments*</b>	<b>2018 Share*</b>	<b>2022 Shipments**</b>	<b>2022 Share**</b>
Home monitoring/ security	10,032	9.5%	21,106	10.9%
Lighting	4,849	4.6%	21,256	11.0%
Smart speaker	17,666	16.8%	44,970	23.3%
Thermostat	2,336	2.2%	5,059	2.6%
Video entertainment	68,816	65.2%	96,697	50.1%
Others	1,777	1.7%	4,132	2.1%
<b>Total</b>	<b>105,476</b>	<b>100.0%</b>	<b>193,220</b>	<b>100.0%</b>

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

\*Historical data to 3Q18 + forecast data for 4Q18

\*\*Forecast data

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