

Hearables Propel the Wearables Market in the Second Quarter in Response to New Demands and Opportunities, According to IDC

FRAMINGHAM, Mass., August 31, 2020 – The market for wearable devices grew 14.1% during the second quarter of 2020 (2Q20), thanks to strong demand for hearables and continued interest in tracking health metrics during these dire times. While the total market ballooned to 86.2 million units during the quarter, the growth was unevenly spread across the various form factors according to new data from the International Data Corporation (IDC) [Worldwide Quarterly Wearable Device Tracker](#).

"Hearables show much stronger and broader demand than smartwatches and fitness trackers," said [David Myhrer](#), research vice president for IDC's [Consumer Technology Strategy Service](#). According to data from IDC's U.S. Consumer Technology Purchase Index survey, self-reported consumer spend in the U.S. on hearables built throughout the quarter and into July, up 7% over the April benchmark. Comparable self-reported spend on smartwatches and fitness trackers was down by about a third.

"The data make it clear just how discretionary a purchase smartwatches and fitness trackers are. Demand among those with low incomes has dried up almost completely. Meanwhile, consumers at the top of the market remain bullish," added Myhrer.

"Around the world, many organizations have also started to use wearables to help the fight against COVID-19," said [Jitesh Ubrani](#), research manager for IDC [Mobile Device Trackers](#). "Not only are wearables being used to track symptoms, but also to warn wearers when social distance isn't being maintained."

Lastly, the wearables market has benefited from COVID-19 as many vendors have seen an uptick in services. "Health

continues to be at the forefront of use cases for wearables, but with gyms closing and outdoor activities limited, users have opted for online or in-app fitness sessions and this has ultimately helped vendors to ramp up the services side of their wearables businesses," said Ubrani.

Product Highlights

Hearables* grew 32.6% and accounted for 60% of all wearables during the quarter. Apple led the charge here as it managed to ship 23.7 million AirPods and Beats products, followed by Samsung and Xiaomi. This category continues to be dominated by smartphone brands as the opportunity to bundle remains high while traditional headphone makers such as Sony, Bose, Jabra, and others rank lower but focus on the premium end of the market. Earworn wearables continue to be popular as people work/learn from home and require hearables to maintain privacy while remaining connected with their various devices and services.

Watches and Wristbands represented 39.2% of all shipments, down from 46.8% in the second quarter of 2019. Combined, shipments for these devices declined 4.4% from last year and totaled 33.7 million units. The top vendors – Apple, Huawei, and Xiaomi – gained share and dominance while many other

vendors struggled to convince consumers that these devices are "must haves" during an economic downturn. That said, there have been signs of positivity as some brands, such as Fitbit, invest in disease detection while others, such as Samsung, have deployed wearables to track physical distance between wearers in order to encourage social distancing.

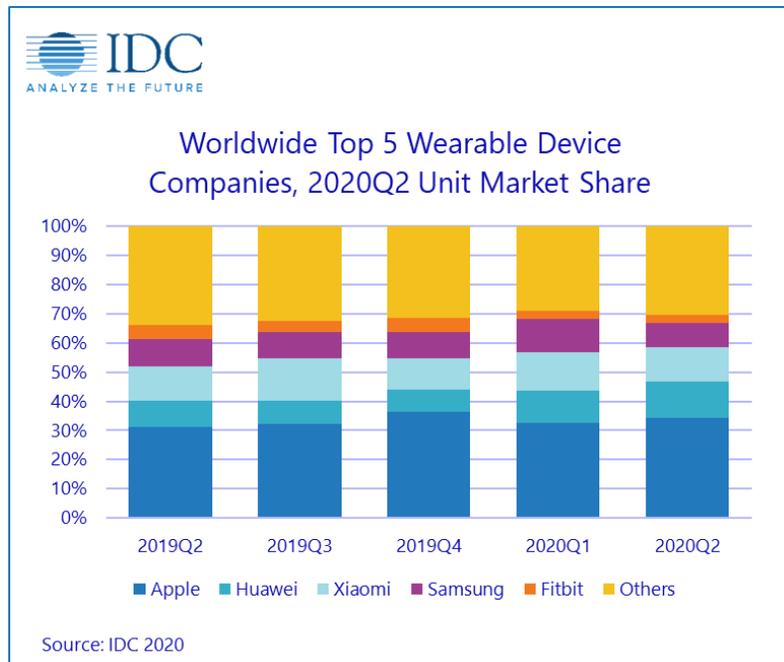
Other wearables, such as clip-on devices or connected clothing, did not fare well during the quarter as the category declined 58.7% year over year. The one bright spot was Oura, which was recently adopted by the NBA in an effort to track players' health during the pandemic. While the deployment has been relatively small and its efficacy remains unproven, it has nonetheless brought attention to wearables as a whole and may lead to a short-term bump for the entire category.

Top 5 Wearables Companies by Shipment Volume, Market Share, and Year-Over-Year Growth, Q2 2020 (shipments in millions)					
Company	2Q20 Shipments	2Q20 Market Share	2Q19 Shipments	2Q19 Market Share	Year-Over-Year

					Year Growth
1.	29.4	34.2%	23.5	31.1%	25.3%
Apple					
2.	10.9	12.6%	6.9	9.1%	58.0%
Huawei					
3.	10.1	11.8%	8.9	11.8%	13.5%
Xiaomi					
4.	7.1	8.3%	7.1	9.4%	0.9%
Samsung					
5.	2.5	2.9%	3.5	4.6%	-29.2%
Fitbit					
Other	26.1	30.3%	25.7	34.0%	1.6%
TOTAL	86.2	100.0%	75.5	100.0%	4.1%

Source: IDC Worldwide Quarterly Wearable Device Tracker, August 2020

Figure 1



Top 5 Wrist-Worn Wearables Companies by Shipment Volume, Market Share, and Year-

Over-Year Growth, Q2 2020 (shipments in millions)					
Company	2Q20 Shipments	2Q20 Market Share	2Q19 Shipments	2Q19 Market Share	Year-Over-Year Growth
1. Huawei	8.1	24.0%	5.5	15.7%	45.8%
2. Xiaomi	6.9	20.4%	5.9	16.8%	16.6%
3. Apple	5.8	17.1%	5.1	14.4%	13.7%
4. Fitbit	2.5	7.3%	3.5	9.8%	-29.3%
5. Garmin	1.5	4.5%	1.7	4.7%	-8.5%
Other	9.0	26.7%	13.6	38.6%	-34.0%
TOTAL	33.7	100.0%	35.3	100.0%	4.4%
Source: IDC Worldwide Quarterly Wearable Device Tracker, August 2020					

Note: Wrist-worn wearables includes Smartwatches (e.g. Apple Watch, Wear OS watches), Basic Watches (e.g. Huawei Watch GT, Fossil's Hybrid watches) and Wristbands (e.g. Xiaomi Mi Band).

* For an earworn device to be considered a wearable by IDC's definition, it must offer functionality beyond audio, like a smart assistant, health and fitness tracking, or audio experience enhancement.

About IDC Trackers

[IDC Tracker](#) products provide accurate and timely market size, vendor share, and forecasts for hundreds of technology markets from more than 100

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For more information about IDC's Worldwide Quarterly Mobile Phone Tracker, please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

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