

Apple set to lead surging smartwatch market: survey

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Apple Watch shipments this year will hit 19 million units, or 56 percent of the total smartwatch market

The Apple Watch is fueling the emerging smartwatch market and is expected to be the top seller in the segment for next few years, a market research report showed Wednesday.

The IHS Technology report said the [smartwatch](#) market will grow to 101 million units by 2020 from just 3.6 million last year.

Apple Watch shipments this year will hit 19 million units, or 56 percent of the total smartwatch market.

Over time, IHS said Apple's share of the market will fall to 38 percent in 2020 with Android vendors and others slowly increasing their share.

Apple however will remain the single largest vendor through 2020, according to the study.

"The smartwatch will become an important accessory device offered by most leading smartphone manufacturers," said Antonios Maroulis, analyst at IHS Technology.

IHS said that by 2020, one of every 20 smartphone users will also have a smartwatch, compared with one in 500 in 2014.

Apple, which began selling the watch last month, is likely to lift the market by raising consumer awareness of the category and by explaining the benefits of the wearable tech accessory, IHS said.

"Should Apple stumble with its foray into smartwatches, the smartwatch market will suffer similarly," said IHS analyst Ian Fogg.

"Smartwatches could then follow the fate of Google Glass. Without Apple and its marketing strength, the smartwatch category need greater marketing spend from other smartwatch makers to overcome damage to consumer perceptions. Apple's smartwatch competitors need Apple Watch to succeed."

But the report said the high cost of the Apple Watch—which starts at

\$349 and requires a newer-model iPhone—leaves a huge market for other vendors with lower-cost devices.

"Delivering a wide range of apps will be critical to success," Maroulis said.

"Apple's and Google's success with existing smartphone application stores will give them an invaluable head start over challengers."

Leveraging Android base

The report said that in the next five years, Google's Android Wear will account for 96 million units, leveraging the large Android smartphone base. That would give the Android platform slightly more than 20 percent of the market by 2020.

But if Google adds iPhone support, as some media have reported, it could boost its [market](#) share, IHS added.

Some other operating systems, such as Samsung-backed Tizen, will also see gains, but those could be limited by a smaller ecosystem of applications, according to the report.

The Apple Watch made its global debut last month in a launch aimed at making the California giant the overnight leader in wearable technology. Apple has not released any figures on sales, but some reports said the company is having difficulty meeting demand.

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