

M.Video-Eldorado research: the wearable electronics market has grown almost 9 times in four years surpassing tablets

21 July 2020, Moscow, M.Video-Eldorado Group (PJSC M.Video, MOEX: MVID), Russia's largest consumer electronics retailer and part of the SAFMAR Group owned by Mikhail Gutseriev, has analysed the performance of the Russian wearable devices market in 1H 2020. In 1H 2020, Russia saw purchases of around 2.2 million devices for a total of ca. RUB 14.4 bn, delivering a year-on-year growth of 21% and 21.5% in volume and value terms, respectively. Fitness trackers remain the most popular segment. After the lockdown, in June the category registered a growth of 8% and 21% in volume and value terms, respectively. The sales of M.Video-Eldorado have been growing above the market average, with an increase of 28% and 30% in volume and value terms, respectively, in six months.

Vadim Eremin, Head of Gadgets and Innovations at M.Video-Eldorado: “Wearable devices have been gaining mass popularity and remain one of the most promising segments in digital equipment: over the last five years, the sales in this category have grown 8.5 times – from RUB 1.7 bn to RUB 14.4 bn. For example, at the end of 1H 2020 it proved bigger than the tablet market, which totalled RUB 14 bn in January–June. With the advent of new technology we see a more pronounced segmentation – the assortment of children safety tracker smartwatches, models for sports enthusiasts, designer and other hybrid watches is expanding. Depending on their needs and budget, customers can find a device that, in conjunction with a smartphone, will help monitor their health, track daily activity and sleep better, and will give a stylish touch to their everyday image.”.

Fitness trackers account for 65% of the wearable electronics market

Smart bands keep growing their share of the wearable devices category, driven by a small average price of about RUB 2,000 and a wide range of features, increasingly similar to smartwatches. Manufacturers are improving the quality of physical activity measurement (heart rate, steps, distance, calories, sleep phases), most models support call notification and short message content, moisture and dust protection becomes a standard feature, the range of devices with an NFC module for contactless payment of goods and services is expanding. Touch displays are also changing – the bands are getting increasingly equipped with bright 1" (~2.5 cm) AMOLED and OLED screens. Xiaomi retains the leadership in the segment, while Xiaomi Mi Band 4 remains the best-selling model in Russia. Honor and Jet are also among the leaders.

Hybrid fashion models and sports smartwatches are gaining popularity

The segment of smartwatches accounts for about 25% and 65% of the category in volume and value terms, respectively. The majority of the watches sold are the models having some smartphone capabilities that allow answering calls and messages, as well as contactless payment. Such smartwatches cost around RUB 24,000. Apple Watch Series 5 (44mm Space Grey Aluminium) became the best-selling watch of 1H 2020 in Russia. The segments of hybrid watches featuring mechanical hands and smart functions, as well as watches for athletes are gaining momentum, but are still small, though. The most popular smartwatch brands are Apple, Samsung and Garmin. In the hybrid segment the fashion-forward brands such as Michael Kors, Fossil, Diesel, Emporio Armani, and Skagen are enjoying increasing demand.

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Children's smartwatches are becoming more popular and affordable

Smartwatches with a GPS locator and a SOS button are designed for children and help parents keep track of their kids. In 1H 2020, they accounted for 10% of the category in quantitative terms. The average ticket decreased by 7% to RUB 2,500. Such devices feature a location tracker, pace counter, microphone for calling and messaging, and enable audio monitoring of the kid's surrounding situation. In case of danger, the child can press the SOS button, and their parent will receive a notification on their smartphone. Among the most popular brands are Jet, Elari and Knopka Zhizni (Life Button). Sales of Geozon and Digma, which are also among the top five manufacturers, have increased a lot.

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About M.Video-Eldorado Group

About M.Video-Eldorado Group (PJSC M.video) is Russia's largest consumer electronic retailer uniting the M.Video and Eldorado brands in the market for home appliances and electronics. The companies' total annual turnover exceeds RUB 430 billion, including VAT (FY 2019). The M.Video-Eldorado Group is the only Russian publicly-traded company in the electronics retail sector. The company's shares are traded on Moscow Exchange (ticker: MVID).

The Group operates Russia's largest online platform for consumer electronics and household appliances commanding a market share of over 30%. As of March 31, 2020, the Group also operates 514 stores under the M.Video brand, 504 stores under the Eldorado brand and 20 m_mobile stores in more than 250 cities across Russia with a total selling space of 1,451 thousand square meters. The Group has 100% online coverage in all cities of operation.

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