

**APRIL 12, 2007**

## **Bluetooth a Bright Spot in the 2007 IC Market**

*Bluetooth module unit shipments are forecast to surge 47% this year*

Bluetooth is attractive because of its applicability to a large array of consumer and business products. That translates into a high-volume opportunity (Figure 1). Bluetooth module unit shipments increased from virtually nothing in 2000 to 515 million in 2006 and are forecast to grow to 1,630 million in 2010. An interesting fact is that cumulative shipments of Bluetooth modules exceeded 1 billion in 2006. *Over the 2006-2010 time period, unit shipments are forecast to grow at the strong rate of 33% per year.*

The Bluetooth chipset market is forecast to expand from \$1.47 billion to more than \$3.2 billion over the 2006-2010 time period. Moreover, the ASP (average selling price) of a Bluetooth chipset in 2010 is forecast to be about one-fourth the price in 2002. Low cost is one of the main factors enabling more widespread deployment of Bluetooth technology.

There is no doubt that Bluetooth was over-hyped early on. Nevertheless, the sheer magnitude of global support and wide variety of end-use applications has generated tremendous market potential for the technology. Currently, there are thousands of companies standing behind Bluetooth, including many of the world's foremost electronics suppliers.

The first and main applications for Bluetooth have been cellular phones (and related wireless headsets), PDAs, and laptop computers. Bluetooth as a standard option was limited to high-end products initially because of the added cost. However, as the price has dropped, the extra cost of adding Bluetooth has become easier to absorb. Bluetooth can now be found in a wide variety of products at all price levels.

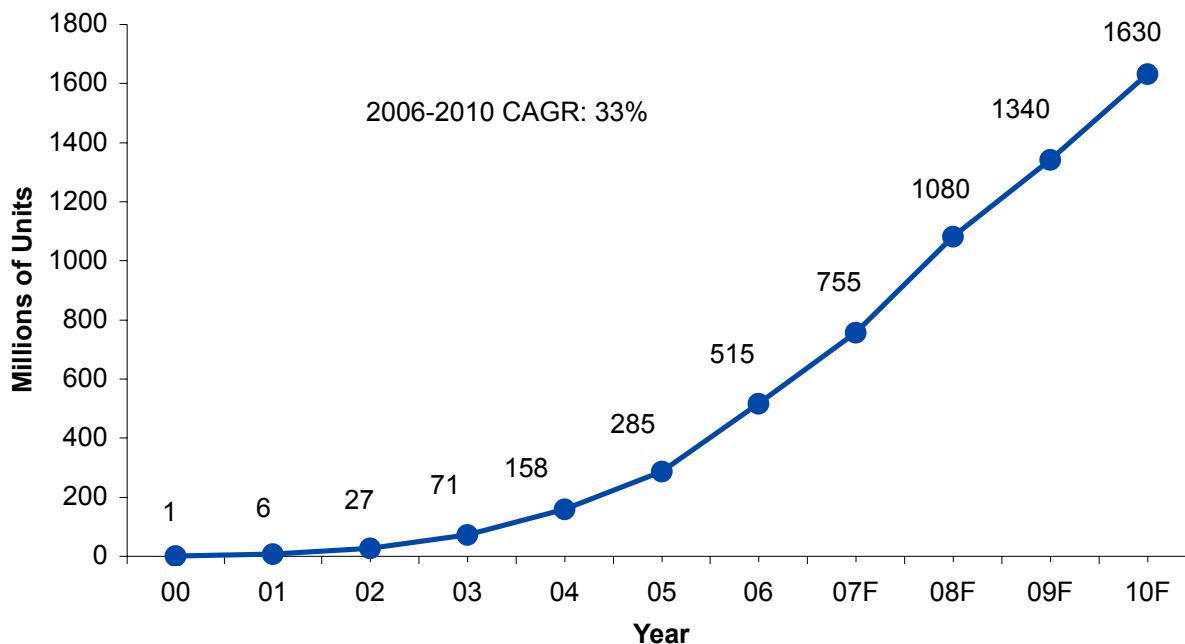
Besides cell phones and headsets, another large and growing market for Bluetooth technology is automobiles. Many of the leading automobile manufacturers have stated that Bluetooth will play a key role in establishing telematics applications. Given that approximately half of all cell phone calls originate from cars, and that countries increasingly are banning the use of cell phones while driving, hands-free calling in the automobile should become quite common. That application is a perfect fit for Bluetooth.

### **MORE INFORMATION CONTACT**

Trevor Yancey  
Vice President  
IC Insights, Inc.  
Phone: +1-480-348-1133  
Email: [trevor@icinsights.com](mailto:trevor@icinsights.com)

Another potentially very large market for Bluetooth devices is in stereo audio applications, especially stereo headphones for portable digital music players. It is rumored that Apple will soon launch a version of its iPod with built-in Bluetooth connectivity.

### Bluetooth-Enabled Equipment Unit Shipment Forecast



Source: IC Insights

Figure 1

### Report Details

Details and forecasts of the Bluetooth IC market can be found in IC Insights' *IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. The report identifies numerous end-use applications that offer great potential to propel the IC market through 2010. Binder or CD-ROM copies of the report are \$2,685 with a multi-user corporate license available for \$5,490.

#### About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

**Web Site:** [www.icinsights.com](http://www.icinsights.com) • **Phone:** +1-480-348-1133 • **Email:** [info@icinsights.com](mailto:info@icinsights.com)