



LUCINTEL INSIGHT
SEPTEMBER 2021

FIVE TRENDS SHAPING THE FUTURE OF THE CONNECTOR MARKET

The technologies in the connector market have undergone significant changes in recent years over the whole range of large connectors to mini, compact, and thin connectors. The rising wave of high-speed connectors and fiber optic connectors is creating significant potential in various computer and peripheral, industrial, telecom/datacom, transportation, and consumer electronics industries. The major growth drivers for this market are the growth in the communication and

consumer electronics industries, miniaturization of electronic devices, and increasing electronic content in vehicles.

The connector market is divided into several segments, such as PCB connectors, fiber optic connectors, rectangular I/O, RF (Radio Frequency) coax, application-specific connectors, circular connectors, IC (Integrated Circuit) sockets, and others. Key players in the connector market, include TE Connectivity Ltd., Amphenol Corporation, Molex Incorporated, Hon Hai Precision (Foxconn), and Aptiv plc. These have been working on different strategies to drive sales using highly influential marketing approaches; however, as we examine the challenges and opportunities ahead in this market, companies can benefit from a strategy of developing high-speed connectors and fiber optic connectors along with the key target market trends we have identified. Lucintel predicts the global connector market will be valued at \$77.5 billion by 2025, with an expected CAGR of approx. 3.8% between 2020 and 2025.

Lucintel identifies five trends set to influence the global connector market. Most of the industry players and experts agree that these five trends will accelerate developments in the connector industry in the near future. In terms of the widespread knowledge about the connector market already on the horizon, there is still a lack of unified perspective on the direction the industry is moving to proactively address developments. To help bring more clarity to this gap, our study aims to provide insights concerning the direction that changes are taking and how these changes will impact the connector market.

1. Increasing Demand for High-Speed Connectors

High-speed connectors create an outstanding platform for transferring data at the greatest possible bandwidth. High-speed connectors accomplish a variety of tasks, ranging from high-definition audio/video output, network interfacing,



and simple data sharing among users. They are currently used in virtually every computer system around the world. USB, RJ-45 connectors, fiber optics, and others offer the highest performance level while maintaining high reliability. The innovative design affords the best possible latency for time-critical functions and performs transfers of bulk data with very little impact on system processing.

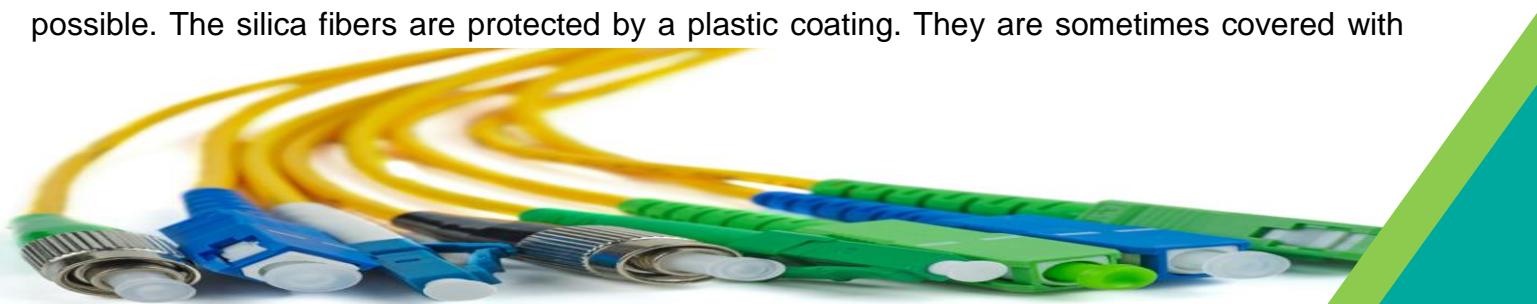
2. High-Performance RF Coaxial Connectors

Suppliers of connectors, specifically RF coaxial types, continue to produce new variations to keep pace with application advancement and to meet industry needs. RF coax connectors are increasing as the number of fixed communications and wireless-enabled devices and as the amount of data consumed grows at a higher rate. Mobile 5G and IoT devices will expand the demand for the automated production and installation of microminiature RF coaxial connectors.



3. Growing Adoption of Fiber Optic Connectors

Fiber optic connectors are among the latest and most advanced methods of data transfer. This efficient method enables the capability to increase the volume of data transfer over greater distances and connector at greater speeds. Using fiber instead of traditional metal in wires reduces data loss and eliminates EMI. Silica fibers are used to internally reflect beams of light that transport data at the highest speeds possible. The silica fibers are protected by a plastic coating. They are sometimes covered with



an optical cladding made from UV-cured urethane acrylate composite or polyimide materials with a low reflective index. In other cases, fibers may be protected by a tough resin and a plastic jacket.

4. Development of High-Power Connectors for Electric Vehicles

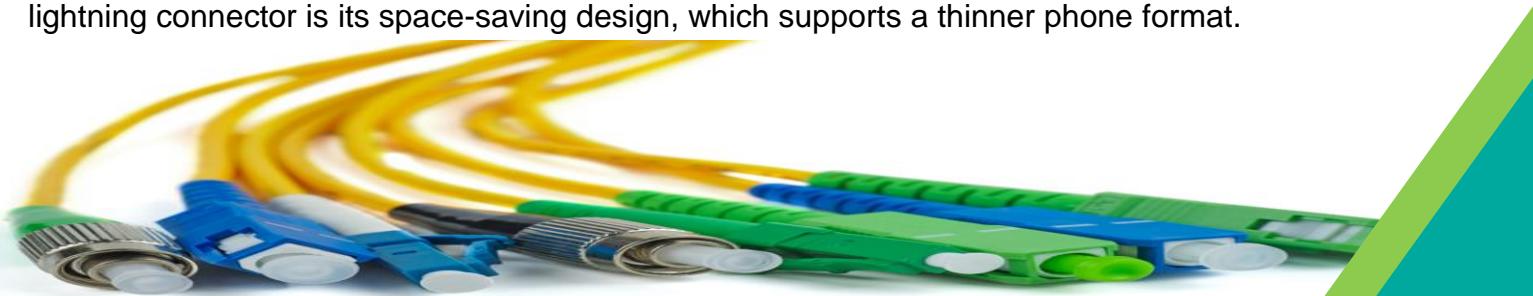
Consumers' interest for vehicle technologies, such as the development of electric vehicles, has increased rapidly in recent years due to the rising price of oil and environmental concerns. TE Connectivity Ltd., Amphenol Corporation, and FCI have developed several innovative high-power connectors to meet the increasing demand for electric vehicles and heavy electric vehicles. The



new RCS800 and APEX 280 high-power connectors developed by FCI have features that can meet the requirements of electric vehicles and heavy electric vehicle applications.

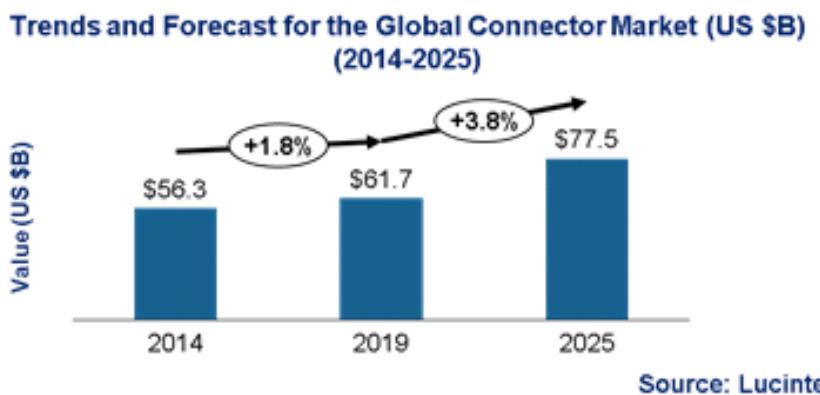
5. Shift toward Compact and Thinner Connectors

More compact, thinner connectors are new trends in connectors for smartphones. Connectors' small size enables manufacturers to make phones thinner and gain more space inside the device for other uses. Some time ago Apple introduced, in its iPhone 5, a new dock connector known as lightning. Lightning is 80 percent smaller than the previous connector and possesses features such as improved durability, an 8-signal design that works in both orientations and adaptive interface which have made for easier use. The most significant feature of the lightning connector is its space-saving design, which supports a thinner phone format.



Strategic Considerations for Key Players in the Connector Market

The connector industry is dynamic and ever-changing. Successful industry players are necessarily masters of innovation, change, and adaptation. To retain this status, they need to be attentive to current trends. We believe there will be promising opportunities for connectors in the transportation, telecom/datacom, computer and peripheral, industrial, and consumer electronics industries. As per Lucintel's latest market research report (Source: <https://www.lucintel.com/connector-market.aspx>), the connector market is expected to grow with a CAGR of approx. 3.8% between 2020 and 2025, and reach \$77.5 billion by 2025. This market is primarily driven by the growth in the communication and consumer electronics industries, miniaturization of electronic devices, and increasing electronic content in vehicles.



Whether you are new to the connector market or an experienced player, it is important to understand the trends that impact the development process, as these trends as listed above will lead players to create long-term strategy formulation that will allow them to remain competitive and successful in the long run. For example, to capture growth, some of the strategic considerations for players in the connector market are as follows:



- Connector market players can increase their capabilities to develop high-speed connectors for transferring data at the greatest possible bandwidth.
- Players can focus on fiber optic connectors that transport data at the highest speeds, a move which is expected to lead future trends.
- Investment to increase competencies in the production of microminiature RF coaxial connectors
- Research and development activities for development of compact and thinner connectors

Note: In order to gain better understanding, and learn more about the scope, benefits, and companies researched, as well as other details in the connector market report from Lucintel, click on <https://www.lucintel.com/connector-market.aspx>. This comprehensive report provides you in-depth analysis on market trends and forecast, segment analysis, regional analysis, competitive benchmarking and company profiling of key players. In addition, we also offer **strategic growth consulting** to meet your customized needs. We have worked with many PE firms and corporate customers in the process of their market entry and M & A initiatives.



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