

## **Hardware Wallet - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

Market Report | 2024-02-17 | 120 pages | Mordor Intelligence

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### **Report description:**

The Hardware Wallet Market size is estimated at USD 0.47 billion in 2024, and is expected to reach USD 1.89 billion by 2029, growing at a CAGR of 31.94% during the forecast period (2024-2029).

#### Key Highlights

- Private crypto keys can be kept offline on an encrypted device using hardware wallets. These wallets allow traders to safely observe the private keys while safeguarding the information necessary for spending cryptocurrency.
- The demand for hardware wallets is rising rapidly. The need for wallets is growing along with the number of people who own numerous cryptocurrencies. The market's growth under study is being impacted by the flexibility these solutions provide compared to software, web wallets, and paper wallets.
- The companies are concentrating on innovation with devices that handle numerous currencies and wireless technologies due to increased investments in the market under study. For instance, in August 2022, Ledger, a prominent hardware manufacturer for securing digital assets, intends to invest at least USD 100 million to grow its company. After obtaining USD 380 million in the Series C financing round headed by 10T Holdings last year, the company was valued at USD 1.5 billion. The company expects to raise more money with its new fundraising round than that valuation.
- Companies are gradually focusing on adding an extra layer of security to their products. For instance, in March 2021, the Goldpac Group selected IDEX Biometrics as its technology partner for its digital currency project in China. The company now plans to deploy IDEX's fingerprint sensors in a new hardware-based digital wallet that may be compatible with the country's new Digital Currency/Electronic Payment (DC/EP) program. DC/EP is essentially a digital version of the fiat CNY.
- Additionally, governments worldwide are expected to bring in regulations for cryptocurrencies, which is expected to be a major factor influencing the cryptocurrency usage trend across regions while impacting the demand for hardware wallets.
- Furthermore, some jurisdictions have gone further and imposed restrictions on investments in cryptocurrencies, the extent of

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which varies from one jurisdiction to another. Some countries (Algeria, Morocco, Nepal, Pakistan, Bolivia, and Vietnam) have banned all activities involving cryptocurrencies.

-The attack in August 2022, which saw cryptocurrency holdings worth over USD 8 million stolen from roughly 8,000 investors, has many people wondering about the security provided by the Solana network and hot wallets, which are very popular with the average crypto investor. Chief digital advisors suggest that investors choose cold or hardware wallets instead of hot wallets because most hackers target them. Investors should only maintain what they immediately need and keep most of it offline, even though they may require a part online for transactions. An access key to your money is stored in a cold crypto wallet, around the size of a USB drive. Investors have the option of setting their private keys.

-The market for hardware wallets has been positively impacted by the pandemic's quickly expanding demand for cryptocurrencies. Cryptocurrencies like Bitcoin steadily shift from speculative investment instruments to payments. The COVID-19 epidemic has increased calls for the dematerialization of payments, drawing more attention to payment behaviors and the financial life cycle.

## Hardware Wallet Market Trends

### NFC Type to Hold Significant Share

- The adoption of cryptocurrencies in real-world stores is progressing slowly, even though it has the potential to be a convenient, fast, and secure way of paying for goods. Cryptocurrencies, such as Bitcoin, can be used in real-world environments in a timely matter without requiring a banking license. They can also be used to save merchants money and to safeguard the privacy of customers.
- NFC technology enables the flexible usage of cryptocurrency by providing means of storage. More importantly, it enables the usage of crypto assets in everyday purchases. By using this technology, cryptocurrency can be turned into a simple way of payment, and it works just by pairing it with a mobile app.
- By utilizing NFC, payment is allowed even if the payee or payer is not connected to the Internet, depending on the type of payment request. This scheme is beneficial for tourists who are not willing to pay high roaming fees or are at places where the Internet reception is unreliable or not present at all.
- Most prominent entrepreneurs and businesses are interested in bridging hot and cold storage to find the best of both worlds. For instance, in August 2022, Coinkite, a bitcoin business, released Tapsigner, its newest hardware wallet, to simplify cold-storage bitcoin self-custody. The new item has already begun delivering to customers and integrates a secure component-the security chip used in hardware wallets-into an NFC card.
- Moreover, the product costs USD 40 and seeks to act as a more user-friendly Bitcoin-signing device to onboard a larger range of people worldwide onto more secure Bitcoin self-custody settings. It resembles a credit card more than previous hardware wallets. With a more user-friendly interface, Coinkite's Tapsigner aims to close the gap between the hot and cold storage worlds.
- NFC (Near Field Communication) has grown in popularity as a means of conducting cryptocurrency payments at merchant terminals for the purpose of accelerating the cryptocurrency payment cycle while purchasing products utilizing electronic devices via smartphones. In 2022, there were more than 81 million users of Blockchain.com wallets, which made it easy to buy Bitcoin. In 2021, the number of users across all cryptocurrency apps significantly increased.

## Asia-Pacific Expected to Witness Significant Growth

- The market for hardware wallets is expanding at the quickest rate in Asia-Pacific due to the region's increasing use of cryptocurrencies and the growing trend toward a cashless and digital economy in nations like India, Japan, and South Korea.

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- The regional economy may be hampered by China's restriction on the exchange of digital currencies. Still, the rest of the region is increasingly embracing the digital economy, particularly in India, Japan, Australia, and South Korea, creating a significant market for cryptocurrencies. These nations also rank among those in the region where hardware wallet adoption is highest.
- The growing number of cyberattacks in the cryptocurrency market in the region also fuels the growth of the regional hardware wallet market. For instance, a Malaysian web hosting service was the subject of a ransomware assault in September 2021 that demanded USD 900,000 in cryptocurrencies. A ransomware assault in May 2021 targeted four subsidiaries of a multinational insurance business in Thailand, Malaysia, Hong Kong, and the Philippines and demanded USD 20 million in payment.
- A key driver of the growth of the local hardware wallet market is the increasing number of startup firms evolving in blockchain technology across the region. According to a venture capital company White Star Capital survey in June 2022, Southeast Asia is home to more than 600 cryptocurrency or blockchain businesses. According to the report, startups in the crypto, blockchain, and web3 industries have contributed significantly to the recent growth in venture capital funding across the region. These startups have raised almost USD 1 billion in funding in 2022 and were on track to surpass the USD 1.45 billion total in 2021.
- South Korea is emerging as one of the significant markets for a hardware wallet, thereby driving regional growth. Launching a user-friendly crypto wallet by SK Telecom, a South Korean telecommunications company, may impact adoption there. Thirty million South Koreans, or around 58% of the country's population, had mobile subscriptions with SK Telecom as of December 2021.
- While on the other hand, India wants to introduce a law that will outlaw cryptocurrencies and fine anyone found holding, selling, or even possessing them in the nation. The action is consistent with a government strategy from January that called for outlawing private virtual currencies like Bitcoin while establishing a foundation for an official digital currency.
- If the ban became law, India would be the first developed nation to make cryptocurrency possession illegal. Even mining and trading are forbidden in China, yet possession is not a crime. Such obstacles will hamper the market expansion in the area.

## Hardware Wallet Market Overview

The hardware wallet market is highly consolidated. As the market study poses low barriers to entry for new players, several new entrants have gained traction in the market by offering products that are rich in features at competitive prices. The market studied is characterized by increasing product penetration levels, moderate/high product differentiation, and high levels of competition.

In February 2022, Ledger and Coinbase partnered to create a limited-edition hardware wallet with the Coinbase logo as part of the launch. Support for Ledger hardware wallets has been added to the browser extension for Coinbase Wallet, an internal wallet service provided by the well-known cryptocurrency exchange Coinbase. Users can store and exchange cryptocurrencies and nonfungible tokens using the noncustodial Coinbase Wallet plugin, which is offered in the Chrome Web Store. With the addition of Ledger compatibility, Coinbase users can store their offline private keys for their wallets on a physical Ledger device.

In October 2021, A collaboration between CoolBitX and Crypto.com, a prominent international cryptocurrency platform, was revealed. CoolBitX is the maker of the Bluetooth hardware wallet CoolWallet Pro for DeFi users. The official website for CoolWallet has integrated Crypto.com Pay, a powerful payment method that gives users cashback and other advantages for sending and receiving money in cryptocurrencies. It also includes integrated support for the CRO token.

## Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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