

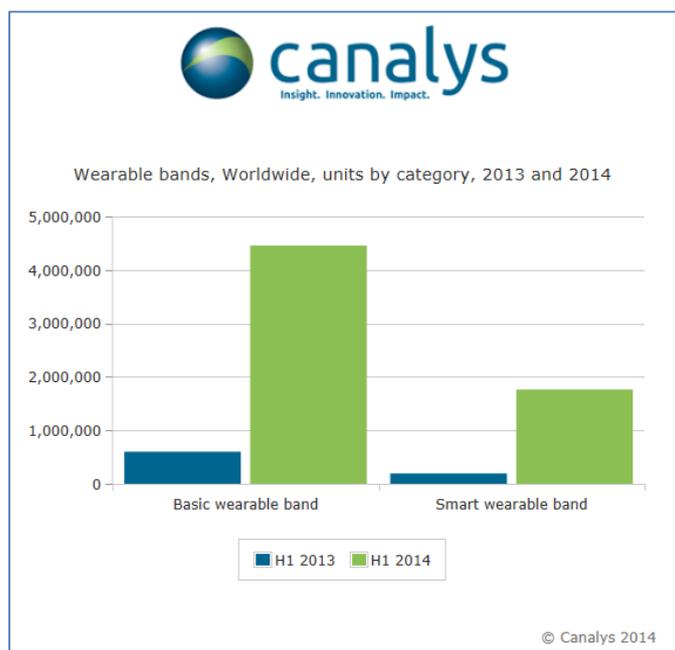
Wearable band shipments rocket by 684%

➤ Fitbit leads in basic wearable bands, while Samsung leads the smart band market

Palo Alto, Shanghai, Singapore and Reading (UK) - Thursday, 21 August 2014

The wearable band market grew 684% on a worldwide basis in the first half of 2014 compared with the first half of 2013, according to the latest device shipment estimates by industry analyst firm Canalys. Canalys tracks wearable device shipments and segments the market into smart bands, which are capable of running third-party applications, and basic bands, which are not.

‘Fitbit and Jawbone have very successfully grown and strengthened their relationships with channel partners internationally to grow global shipment volumes. They took first and second place respectively in the basic wearable band market in the first half 2014,’ said Canalys VP and Principal Analyst Chris Jones. Nike’s market share has fallen as it cuts resources in this area, while new entrant Garmin had a successful launch of its vivofit device and is chasing third place. ‘The challenge all vendors face is keeping consumers engaged with the devices, 24 hours a day, seven days a week.’



Samsung again became the worldwide leader in the smart wearable band market in the first half of 2014 with the release of three new products in the second quarter: the Gear 2, Gear 2 Neo and Gear Fit. In July, Samsung released its fifth smart band in less than a year, the Gear Live, based on Android Wear. ‘But Samsung must improve device sell-through otherwise it will again have to resort to heavy discounting through promotions to move inventory,’ said Jones. The Pebble Steel helped Pebble keep its momentum and its app store continues to grow while Sony completes the top three.

Android Wear shipments will appear in Canalys' Q3 shipment tracking, with LG's G Watch and Samsung's Gear Live officially launching the platform. Motorola's Moto 360 and others are also coming soon. These devices have used off-the-shelf smart phone components to get to market sooner. 'Mobile operating systems and apps must be extensively pared back for smart wearable bands,' said Canalys Analyst Daniel Matte. 'Android Wear represents an initial first step by Google. It will undoubtedly continue to refine and improve the Wear platform as it has done with Android.'

Many have speculated that Apple will soon launch a smart wearable band. Canalys expects that such a product would make extensive use of custom components. Its hardware design will require innovation related to wireless charging, waterproofing, and display and battery technologies. 'Smart wearable bands need tremendous advances across the entire component ecosystem to achieve multiple days of battery life. Smart wearable bands should not necessarily resemble watches, but should instead adhere to their own unique design constraints,' added Matte. New products will be launched at IFA, but most technology companies are waiting to see what Apple will do first. The market will see dramatic change in the coming months and vendors with early-mover advantages will come under pressure.

Wearable band shipment data and five-year forecasts are taken from Canalys' Wearable Technology Analysis service, which provides quarterly market tracking, including country-level estimates. Canalys defines basic wearable bands as devices serving a specific set of purposes that act as accessories to smart devices, are designed to be worn on the body and not carried, and that cannot run third-party computing applications. Smart wearable bands are multi-purpose devices that serve as accessories to smart devices, are designed to be worn on the body and not carried, and are capable of running third-party computing applications. Bands are wearables designed to be wrapped around the body and do not include activity trackers in the form of clips.

About Canalys

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