

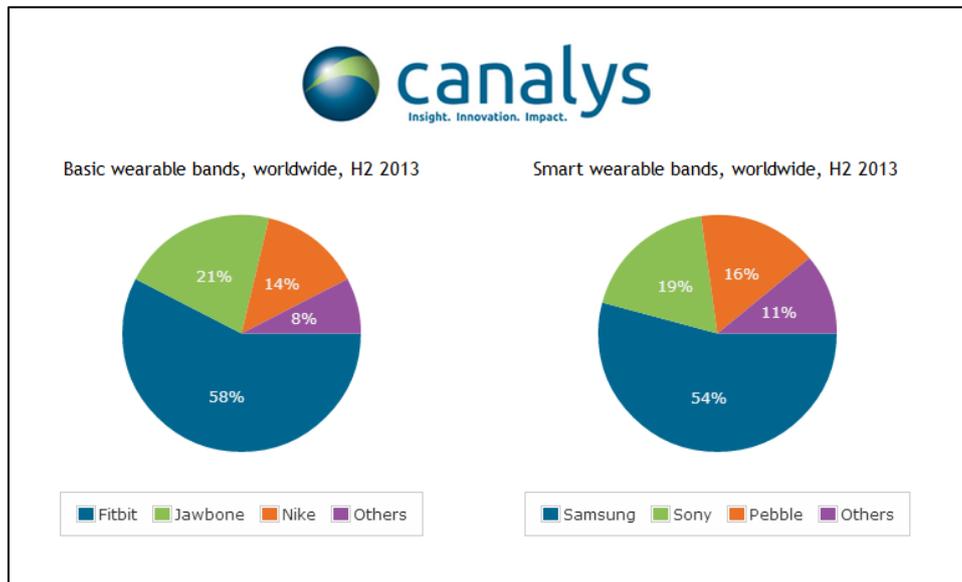
1.6 million smart bands shipped in H2 2013

- Over 17 million wearable bands are forecast to ship in 2014, driven by devices with wearable-specific sensors

Palo Alto, Shanghai, Singapore and Reading - Wednesday, 12 February 2014

Basic and smart wearable band shipments grew dramatically in the second half of 2013. Fitbit became the new leader of the wearable band market, following the launch of its affordable Flex and Force bands in May and October 2013 respectively. It dominated the market for basic bands, with over 50% market share in the second half of the year. At the same time, Samsung accounted for the majority of smart band shipments according to Canalys market estimates.

‘Samsung launched the Galaxy Gear with a major marketing push that gained significant consumer interest. Shipments of the device took Samsung to the top of the smart band category, though disappointing sell-through will necessitate more promotional activity in coming months,’ said Chris Jones, VP and Principal Analyst at Canalys. ‘Basic band vendors have greater wearable expertise and have shipped greater numbers to date, but smart bands are already growing faster. Increasingly, smart bands will adopt basic band features as the two categories converge.’



Though currently a relatively small market serving fitness enthusiasts, wearable bands represent a massive opportunity in the medical and wellness segment. 2014 will be the year that wearables become a key consumer technology, as the smart band segment is estimated to reach 8 million annual shipments. Canalys estimates that this number will grow to over 23 million units by 2015, and over 45 million by 2017.

‘The wearable band market is really about the consumerization of health,’ said Canalys Analyst Daniel Matte. ‘There will be exciting innovations that disrupt the medical industry this year, and with the

increased awareness about personal wellbeing they will bring to users, having a computer on your wrist will become increasingly common.’ Canalys expects that high-margin smart bands that incorporate sophisticated sensor technology will offer vendors enormous profit potential.

‘Android will be critical for developing the smart band app ecosystem, though significant changes will be required before it is suitable for wearable devices,’ added Matte. ‘Canalys expects Android to enter the smart band market soon in a meaningful way. Battery life and quality of sensor data will be vital metrics of success for all smart bands.’

Wearable band shipment data and five-year forecasts are taken from Canalys’ Appcessory Analysis service, which provides quarterly market tracking, including country-level estimates. For definitions of wearable bands, including basic and smart bands, please contact a local Canalys office.

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