

Media alert: Fitness bands stall in Q1 2017 as Apple helps smartwatches grow 25%

Palo Alto, Shanghai, Singapore and Reading (UK) – Thursday, 11 May 2017

Basic band shipments, mostly fitness bands, fell 7% year on year to just over 9 million in the first quarter of 2017 - [the category's first ever decline](#). Leading vendors Fitbit and Xiaomi saw shipments fall worldwide, including in their home countries. The trend comes as users switch to smartwatches for greater functionality. Smartwatch shipments increased 25% year on year to

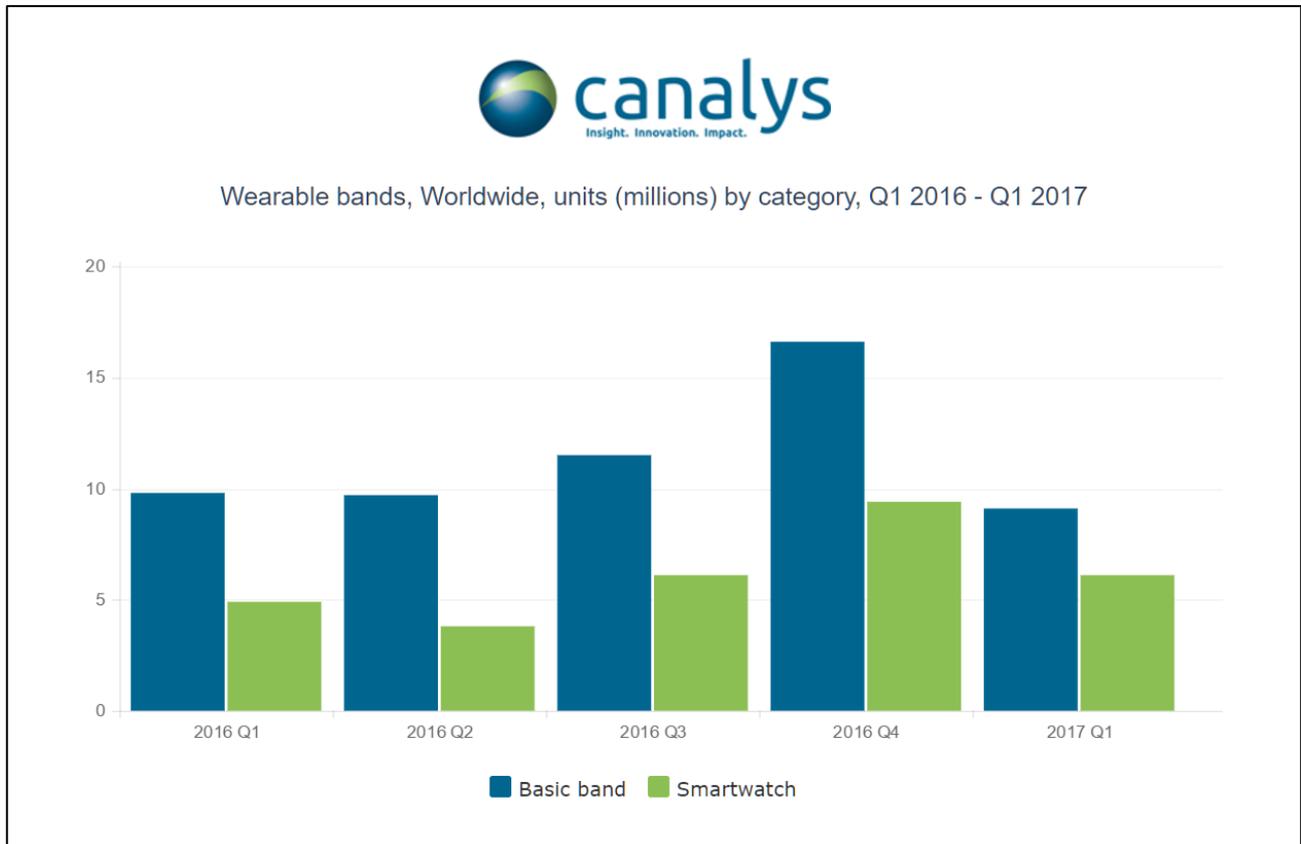


Media alert: Fitness bands stall in Q1 2017 as @Apple helps smartwatches grow 25% -via @Canalys <http://bit.ly/2qWv2hW> #smartwatch #fitness

more than 6 million. The category now accounts for around 40% of the wearable band market, with growth largely driven by the Apple Watch, with its reinvigorated focus on health and fitness.

Despite its high price, the Apple Watch gained the top spot in the wearable band category in Q1 2017, with 3.8 million units shipped worldwide

and growth of 77%. “Water resistance, Bluetooth music streaming and built-in GPS are becoming more relevant as runners and other fitness enthusiasts forgo the bulk of a smartphone,” said Canalys Analyst Jason Low. “Just as we continue to see feature phone users upgrading to smartphones, basic band users find smartwatches to be a justifiable upgrade, because of their additional use cases. What sets the Apple Watch apart is a renewed focus on fitness, its co-branding with Nike helping to support this move. In addition, the availability of a wide range of accessories means the Apple Watch appeals to tech-savvy consumers with an eye for fashion.”



Apple’s success came at the expense of Fitbit, which suffered a 30% decline across its wearable band portfolio, shipping 2.9 million units. “Despite the release of the Alta HR, pressure is mounting on Fitbit as anticipation grows for the follow-up to its Blaze smartwatch. Its new smartwatch will need a good reception if Fitbit is to turn its fortunes around and return to growth in 2017,” said Canalys Research Analyst Mo Jia. “Even for vendors such as Xiaomi, which target entry-level price points, new fitness bands must show tangible user experience improvements, with stylish designs and long battery life, if they are to drive upgrades and encourage new purchases.”

The importance of smartwatches will continue to grow as stickiness improves due to better sensors and battery life. “Hardware aside, user interface improvements and a growing ecosystem of applications and services will play a pivotal role in maintaining the momentum behind this relatively new category,” said Low.

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