



Wearables Weekly

Compiled by Sarah Kunkle and Gillian Christie

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The outlook is rosy for wearables this holiday season. Market leaders Fitbit and Apple are expected to get a boost from holiday sales, Microsoft Band gets an upgrade, and newcomer TAG Heuer also has some good news to report. Read the latest below!

Fitbit's Game: Survival of the Fittest

After a month of tumbling stock prices, Fitbit shares have increased 19 percent since Black Friday. While many people expected the Apple Watch to erode Fitbit's dominant market position, that has yet to happen. IDC estimates about 7.5 million Apple Watches and 9.2 million Fitbits were sold over the last two quarters. Fitbit currently trades at about 35 times forward earnings—almost three times the multiple commanded by Apple.

Majority of Apple Watch owners plan to give it as a gift

According to a Reuter/Ipsos poll of US adults, about two-thirds of current Apple Watch owners are planning to give one as a gift this holiday season. This would translate to about 16 million watch sales for Apple, exceeding Wall Street's projections. Apple has not provided any sales figures for the watch since its April debut. The poll also showed relatively high levels of engagement for Apple Watch, with 63 percent of owners wearing the watch daily, 91 percent of owners using it as much or more than when they purchased it, and only 5 percent abandoning the device completely.

TAG Heuer's Android smartwatch is (relatively) popular

TAG Heuer is increasing production of its Android Wear timepiece to meet demand from retailer and freezing online sales until later this spring in order to increase supply at brick and mortar stores. Although the smartwatch has been successful by luxury standards, it is unlikely to make a dent in the overall market anytime soon. Production is increasing from 1,200 per week to 2,000— according to last week's IDC report, Apple sold about 43,000 per day in the third quarter.

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Please contact Gillian Christie, Health Innovation Analyst, at gchristie@thevitalitygroup.com with your feedback and suggestions.