

Wearables market up 35% in Q1 2018 as Apple and Xiaomi maintain lead

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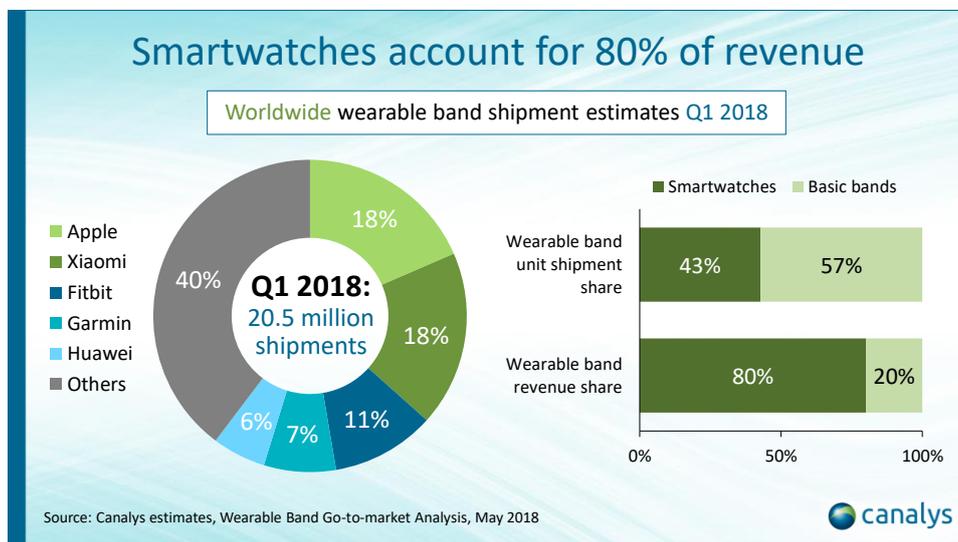
Wearable band shipments grew 35% year on year to 20.5 million units in Q1 2018, driven by strong demand for health-centric devices. Smartwatches accounted for 80% of wearable band



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- via @Canalys

revenue, up from 74% in Q1 2017. In terms of shipped units, smartwatches accounted for 43% in Q1 2018. Apple emerged as the top vendor, shipping 3.8 million Apple Watches; Xiaomi, whose Mi Bands account for more than 90% of its shipments, was close behind, shipping 3.7 million units. Fitbit, Garmin and Huawei, vendors selling a mixed portfolio of fitness wearables, rounded out the top five.



Apple Watch shipments stabilized after a record quarter for the company and it matched its Q1 2017 number. “Key to Apple’s success with its latest Apple Watch Series 3 is the number of LTE-enabled watches it has been able to push into the hands of consumers,” said Canalys Senior Analyst Jason Low. “Operators welcome the additional revenue from device sales and the added subscription revenue for data on the Apple Watch, and the list of operators that sell the LTE Apple

Watch worldwide is increasing each month.” Apple represents 59% of the total cellular-enabled smartwatch market. “While the Apple ecosystem has a strong LTE watch offering, the lack of a similar product in the Android ecosystem is glaring. If Google decides to pursue the opportunity with a rumored Pixel Watch, it would jump-start much needed competition in this space.”

Garmin is now the second largest smartwatch vendor after Apple, with 1 million smartwatches shipped in the last quarter. “Garmin’s transition to smartwatches has been swift as it focuses its GPS expertise on catering to endurance athletes and outdoor enthusiasts,” said Vincent Thielke, Research Analyst at Canalys. “It brought much needed improvements by adding features such as Garmin Pay to the Forerunner and vívoactive series, and now offers onboard music storage on the latest Forerunner 645. While launching services is a great way to build stickiness, Garmin must ensure it continues to enhance them based on real use-cases. The exercise could prove costly should Garmin be the sole driver of such an ecosystem.”

With global smartwatch replacement rates increasing, Fitbit is racing to get its users to upgrade to smartwatches and to attract new users amid fierce competition. “Fitbit is betting on its newly launched Versa smartwatch, while introducing female health tracking to expand its addressable market,” said Thielke. According to the latest Canalys estimates, smartwatches (including the Blaze) made up 24% of Fitbit’s wearable band shipments. “Collaboration between Fitbit and Google on the Cloud Healthcare API will help Fitbit get into healthcare systems, and that is a positive move. But Fitbit’s immediate cause for concern will be satisfying investors that it is selling more wearables, something it may not be able to do.”

Wearable band quarterly estimate and forecast data is taken from Canalys’ [Wearable Band Go-To-Market Analysis](#) service.

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