

## Media alert: Apple Watch has its best quarter and takes nearly 80% of total smartwatch revenue in Q4

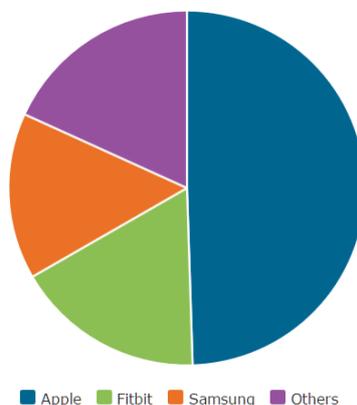
Palo Alto, Shanghai, Singapore and Reading (UK) - Tuesday, 7 February 2017

Apple set a new quarterly shipment record in Q4 2016, contributing to total smartwatch shipments exceeding 9 million units. This global market figure was largely driven by Apple's 6 million shipments, representing year-on-year growth of 12%. It was the Apple Watch's best quarter despite being significantly handicapped by supply constraints, even though Apple simultaneously expanded its supply chain. According to Canalys estimates, the Apple Watch generated more than US\$2.6 billion in revenue for Apple in Q4 2016, making up nearly 80% of total smartwatch revenue.

"Apart from the hardware and software improvements of the new models, Apple succeeded mainly due to its streamlined marketing and re-aligned pricing, which helped it address a wider audience," said Analyst Jason Low. "The Series 1's lower entry price and Apple's more focused fitness messaging made its Watch both more attainable and more relevant." Canalys estimates that Apple cumulatively shipped 11.9 million Watches in 2016, holding market share of around 50% globally for the year.



Smartwatches, Worldwide, share of units (%) by vendor, 2016



Vendor	Share of units (%)
Apple	49
Fitbit	17
Samsung	15
Others	19

Xiaomi also enjoyed a record quarter of its own for basic band shipments, reaching 5.5 million Mi Bands. "New batches of Mi Band 2s were shipped in time for the Singles' Day shopping festival in China", according to Analyst Jason Low. "Building on the success of its first-generation Mi Band, Xiaomi quickly expanded the availability of the Mi Band 2 across Asia Pacific and Central and Eastern Europe. India,

Poland and Russia were key markets where the device was introduced alongside the company's Mi and Redmi smartphones through direct and third-party online channels.”

In the coming quarters, Samsung is expected to push shipments of its Gear S3 Classic and Frontier. Also, Android Wear shipment volumes will bounce back significantly, as new products that were postponed due to the delay of Android Wear 2.0 will soon be launched. Apple's smartwatch lead will increasingly be challenged by the rebounding competition.

Wearable band shipment data is taken from Canalys' Wearable and Virtual Reality Analysis service, which provides quarterly market tracking, including country-level estimates. Canalys defines smartwatches as multi-purpose devices that serve as accessories to smart devices, are designed to be worn on the body and not carried, run an operating system and can run third-party computing applications. Basic bands are 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 cannot run third-party computing applications. Bands are wearables designed to be wrapped around the body, including watches, and do not include activity trackers in the form of clips.

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