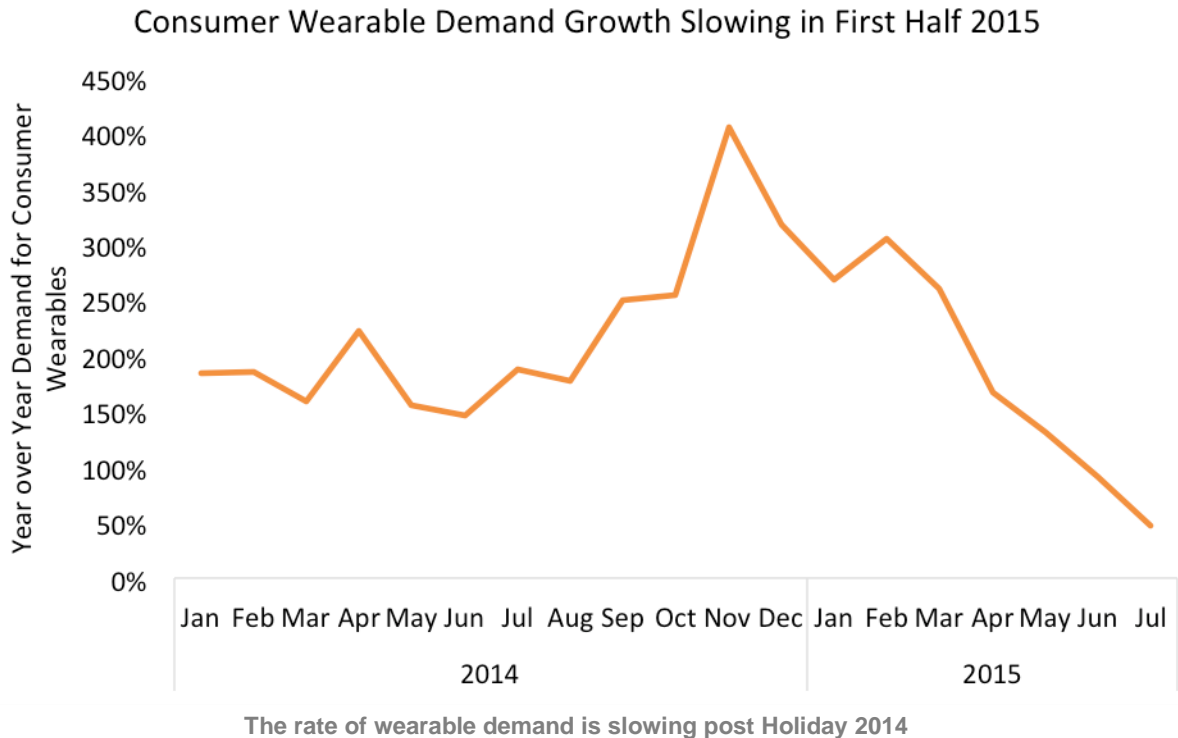


# Consumer Wearable Demand 2014-July 2015

*Consumer Wearable Market Demand Slowed Substantially  
from 2014 to Present after Hitting its Peak in January*

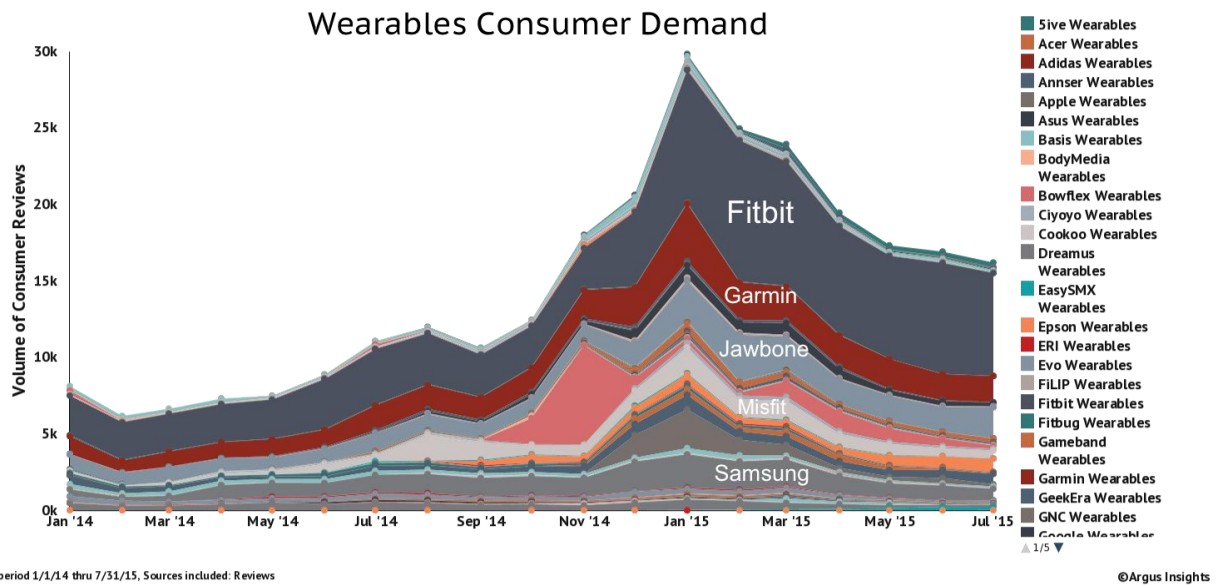
# State of the Wearables Market: 2014-July 2015

The wearables market has been through numerous changes in the past year. New players have entered the market as technology continues to develop. Wearables have evolved from a small niche into a rapidly maturing market including fitness bands, smartwatches, smart glasses, and several other sensor enabled devices. Looking to a data set of over of 327,834 wearables reviews from January 2012, Argus Insights found that while the volume of consumer feedback has grown year to year, the once upward trend has reversed.



Based on our metrics of consumer interest, the wearables market grew incredibly quickly over the last 18 months and while demand continues to increase over where it was a year ago, it has slowed. After the holiday season of 2013, consumers lost interest in new wearables for a very short period of a couple months and then demand began a steady upward march from February 2014 to its peak in January 2015 (with a small dip in September 2014).

# The Apple Watch Effect

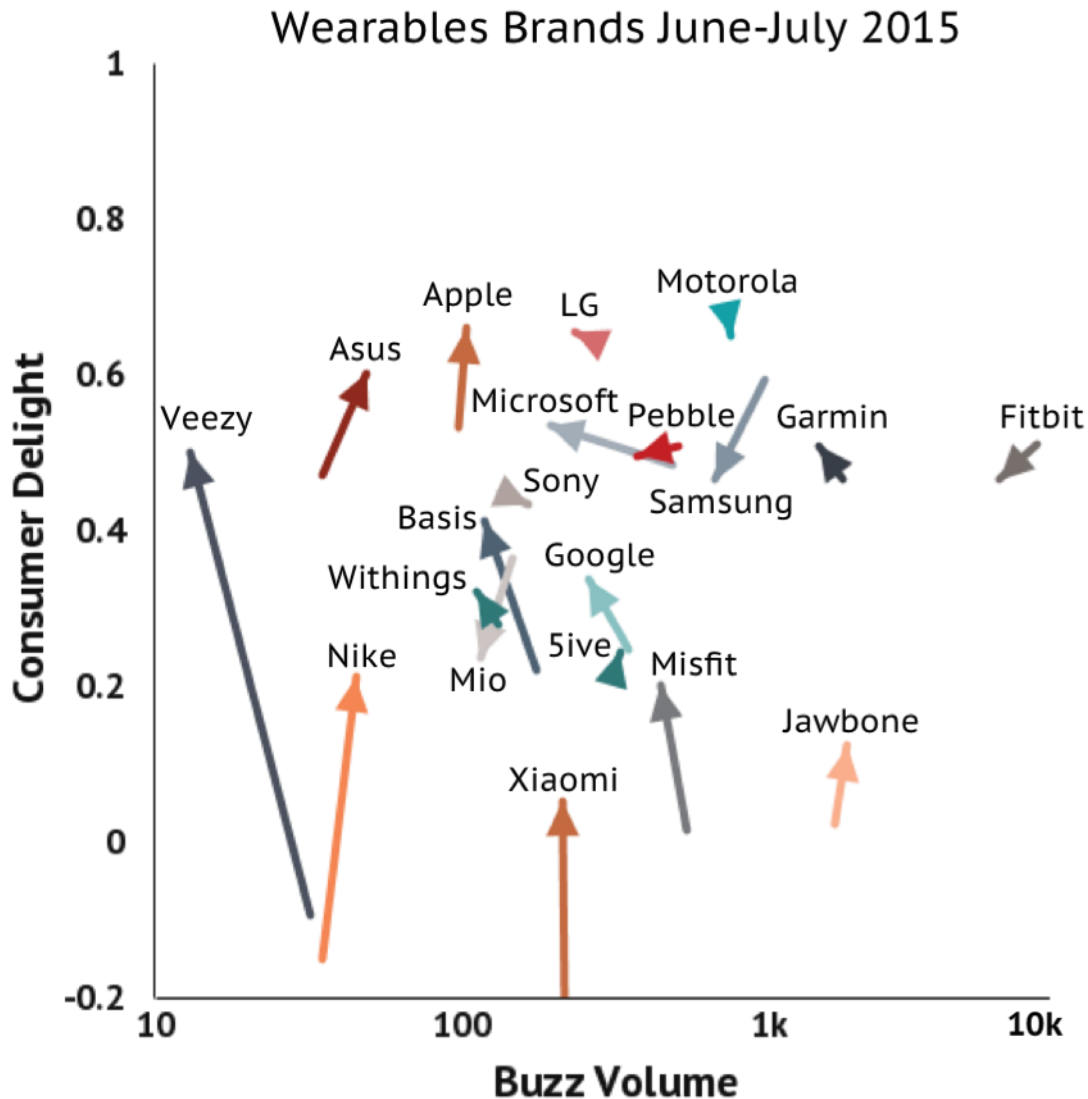


Review Volume Chart displays changes in review volume by brand over time

In the midst of this steady rise of consumer interest in early 2014 came the announcement and release of the Apple Watch. In September 2014 Apple announced their smartwatch, attracting the interest of wearables consumers and causing a slight loss of interest in September. The announcement corresponded with a large loss in mindshare for Fitbit as potential smartwatch buyers waited to see what Apple had to offer. Once details were released however, consumers stopped holding their collective breaths for the Apple Watch, embracing Fitbit and other wearable device manufacturers for the holiday season.

But after a strong holiday surge came the downward trend. Consumers who were interested in buying wearable technology bought in for the holidays, leaving fewer people still looking. The large jump in demand in January left the wrists of interested adopters full – mostly with new Fitbits.

## Fitbit Won Mindshare, but Smartwatches Drive Delight



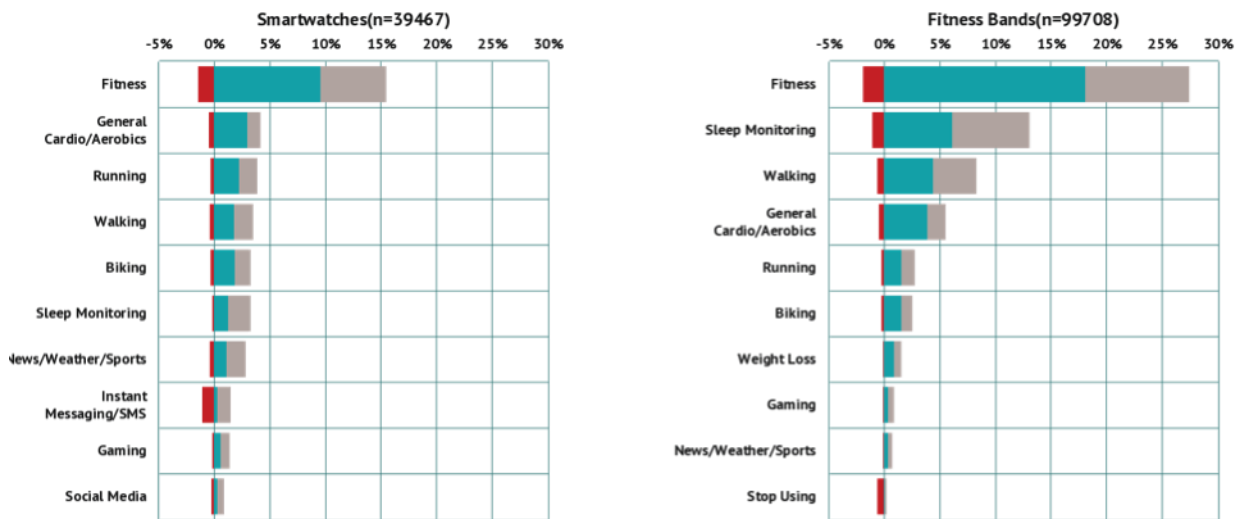
For period 7/1/15 thru 7/31/15, Sources included: Reviews



Brand Threat Quadrant plots review volume against consumer delight to demonstrate month to month changes in consumer perception by brand

According to Argus Insights analysis of over 33,000 consumer reviews from June to July 2015, Fitbit continues to dominate mindshare as fitness bands see more consumer feedback than smartwatches, but smartwatches are making consumers happier. While consumers are buying Fitbits and other fitness bands, according to previous Argus Insights research the majority of users [lose interest](#) in their fitness bands after just 6 months. [Some experts argue](#), that smartwatches will ultimately replace fitness bands since they have fitness and health tracking capabilities in addition to their many other functions.

Consumer feedback supports this, as seen in the funnel below, fitness is top of mind for smartwatch users, but they are also concerned with things like checking the news and sending messages.



For period thru 7/31/15. Sources included: Reviews

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This Attribute Funnel ranks usage by volume of attention, and is spread across by sentiment: negative (red) positive (blue) and neutral (gray)

Fitbit's mindshare continues to grow, but as other devices with more capabilities, like the Moto 360 and LG Watch Urbane, continue to out delight fitness bands, the company could face some difficulties in the long run. Fitbit's early weakness in smartwatches does not bode well for it's future, especially with the propensity for wearable users to abandon their devices. Consumer delight for the Apple Watch is skyrocketing as Fitbit's falls. Will the rise of the smartwatch render fitness bands obsolete? While this is indeed a possibility, Fitbit and other companies are [preparing for this shift](#) by exploring additional capabilities and investing in R&D.

## About Argus Insights

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Argus Insights is Silicon Valley's first big data driven Market Coach. Recognizing that companies are constantly striving to achieve and sustain market fit in the face of competitive threats and shifting customer preferences, Argus Insights continuously monitors and analyzes millions of consumer touchpoints with their patent pending technology to measure the degree to which products satisfy market demand. Through insights derived from the firm's proprietary customer insights platform, clients take targeted actions to improve market fit and revenue performance so they can surpass the competition.

Argus Insights coaches well-established and developing companies from Fortune 100 to small startups on market fit. We publish monthly market fit reports for a variety of B2B and B2C markets immediately at the month's close while other firms force clients to wait a month or more for results, [subscribe here](#).

Take action today, visit <http://www.argusinsights.com/>

## Methodology

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Argus Insights is founded on the fact that mindshare predicts demand. Through curated analysis of global consumer reviews and social media conversations, we provide comprehensive visibility at market, product, and attribute levels to determine what is delighting and disappointing the market. Our customers take action on our insights to deliver better products, more impactful launches, create forecasts, perform competitor analysis, and track events and analyst relations.