

Report wonders if clock is ticking on smartwatch industry

By Christine Manganas for Pittsburgh Business Times
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The once-anticipated successful smartwatch market that began in 2014 has fallen due to its high prices and designs.

According to a report released Tuesday by Pittsburgh-based technology solutions provider First Insight Inc., demand for smartwatches from vendors such as Apple, Citizen, Garmin, LG and Motorola have “plummeted.”

When it comes to smartwatches, consumers are less concerned with the logo on the device and more concerned with the price of the product. The report said only 8 percent of consumers polled felt that the brand of the product was important.

First insight credited the fall in projected sales to high prices, bulky merchandise and what is

considered by consumers as an ugly design.

75 percent of women and 60 percent of men said they wanted to pay \$200 or less if they were to purchase a smartwatch, but even with Apple’s price cut, they would still be paying \$369 for a new device.

“The smartwatch market is facing multiple challenges, but the biggest seems to be that — to date — no smartwatch on the market really holds value for consumers,” said **Greg Petro**, CEO of First Insight. “Now is the time for smartwatch manufacturers to get smart. They must take time to understand what consumers really want and abandon preconceived notions regarding design and functionality that have led to the market’s decline before it even had a

chance to take root.”

The value score in the report is determined by a combination of algorithm applied to price, consumer preference and responder relevancy.