



# Watching Apple and the Smartwatch Market

By Maghan McDowell for Women's Wear Daily  
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## **Will the Apple Watch Series 2 be enough to make smartwatches more mainstream? Opinions are mixed.**

On Friday, **the world's most popular and recognizable smartwatch got both an upgrade (Apple Watch Series 2) and a pricing update (some down to \$269)**, but will it be enough to make smartwatches more mainstream? Opinions are mixed.

On one hand, consumers rated **Apple Watch** the highest out of a group of six of the best-selling smartwatches from **Apple, Citizen, Garmin, LG and Motorola** in a study **by crowd-sourced testing firm First Insight**. Researchers asked 1,500 consumers, 30 percent of whom reported owning a **smartwatch**, to offer feedback on factors

such as pricing and likelihood to purchase.

Consumer sentiment toward **Apple Watch** was 41 percent positive, and it received a "value score" of 7 out of a possible 10. The Motorola Moto 360, with a 35 percent positive customer sentiment, came in second.

According to consumers, the Apple brand name, when it comes to smartwatches at least, might not be enough to make a sale: Only eight percent of consumers said that brand was important to them, while 37 percent ranked features and functionality as the number-one factor, which was followed by price, at 25 percent. Speaking of price, 75 percent of women and 60 percent of men wanted to pay \$200 or less for a **smartwatch**. Although the original Apple Watch model is now \$269, the

Series 2 is \$369.

"From Apple's entry into the market to the expectation of how smartwatches could impact our lives, the hype has not materialized," said First Insight chief executive officer Greg Petro. "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."

Lauren Guenveur, who is consumer insight director for Kantar Worldpanel ComTech, which just released its own smartwatch report, said that while Apple "continues to dominate" the smartwatch segment with a 33.5 percent share, growth in the sector is slow. In the next 12 months, 9.3 percent of



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U.S.-based nonowners said they intend to purchase a wearable, Kantar found. This is slightly below 11.3 percent for Great Britain.

“September 7th’s unveiling of the Apple Watch Series 2 showed Apple addressing the key considerations cited by those planning to buy, including GPS, one of the most-desired functionalities, and waterproofing, the most-desired feature,” Guenveur said.

During the summer, the International Data Corp. reported that **Apple Watch sales had fallen, likely in anticipation of the updated models.**

New products and updates throughout the market could contribute to a rise in sales. Last week, **IDC projected that total smartwatch shipments would rise 3.9 percent this**

**year** to 20.1 million units, with unit volume growing to 50 million by 2020. IDC research manager Ramon Llamas said that this growth would be driven by lower prices, untethering from a cell phone and designs that resemble traditional watches.