

Fitbit 'smart fitness watch' disappoints market (Update)

January 5 2016



The new FitBit Blaze

Fitbit on Tuesday unveiled its "smart fitness watch," aiming to get into the growing smartwatch segment with upgraded fitness tracking features.

But the company's share price plunged amid disappointment over its prospects for keeping pace with rivals like Apple Watch.

The company, which leads the wearable tech market with its wrist-worn trackers but is being challenged by the rise of smartwatches from Apple and others, said its \$199 Fitbit Blaze watch was available for pre-order and would be in retail stores globally in the coming months.

Speaking at an unveiling ahead of the Consumer Electronics Show in Las Vegas, Fitbit chief executive and co-founder James Park said the new device "strikes a balance between fitness and style."

The Blaze contains a module that can be linked with smartphones running Apple, Android or Windows systems and removed to snap into different bands for workouts, the office or nights on the town, Park said.

It will also allow for notifications of calls, text and calendar alerts, and can control music playing from a phone. It also features a high-resolution color display and a battery that can last up to five days.

"It puts fitness first and has the right set of features that don't overwhelm the user," he told the news conference.

Fitbit led the global market for wearable tech devices in the third quarter with a 22.2 percent market share and unit sales of 4.7 million, according to research firm IDC.

But many analysts expect Apple to take the lead in the sector with its new smartwatch that connects to iPhones and also has fitness-tracking features.

Not enough

Fitbit shares plunged 18 percent on apparent disappointment the company fell short in its strategy of countering Apple and other rivals. Also weighing on Fitbit was a launch by Under Armour of a suite of

connected fitness devices.

Sterne Agee analyst Rob Cihra said the new watch is "not likely enough" to boost Fitbit against its rivals.

The analyst said in a research note the new smartwatch appears to be a "fashionable (Fitbit) Charge fitness band" which "offers a much smaller fraction of the functionality (of rivals), as a not-so-smart watch with limited apps platform play."

"We see the company still needing to prove it can build out a sustainable software and services platform that goes beyond simply selling devices," the analyst said.

IDC analyst Ramon Llamas said Fitbit shares may have been unfairly punished by the news.

Llamas told AFP that it appears that "a modular smartwatch does not appeal to a lot of people" but that Fitbit still has the opportunity to improve its offerings and expand its large user base.

"I think (Blaze) is unfairly being compared to Apple Watch," he said. "But there are still a lot of oars in the ocean to pull Fitbit forward."

Under Armour meanwhile announced its "Connected Fitness product portfolio" which may grab market share from Fitbit.

The Baltimore-based group announced its UA Band designed to be worn all-day, every day to track daily activity, workouts and sleep, a compact heart rate monitor which can measure workout intensity and a connected scale that enables weight and body fat percentage readings.

"For 20 years, Under Armour has changed the way athletes dress and

now we will change the way athletes live," said Kevin Plank, founder and CEO, in a statement.

"We are taking connected Fitness to another level. With the HealthBox suite of products being introduced, athletes will be empowered with the information to make better decisions and ultimately enrich their lives in a way that's never been done before."

© 2016 AFP

Citation: Fitbit 'smart fitness watch' disappoints market (Update) (2016, January 5) retrieved 22 May 2024 from <https://phys.org/news/2016-01-smart-fitbit-eyes-players.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--