

Smartwatch market slips on Apple decline: survey

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Staff at an Apple store display the company's new Apple Watch as it goes on sale in Taipei

The global smartwatch market took a sharp downward turn in the second quarter on falling sales of the industry-leading Apple Watch, a survey showed Thursday.

Research firm IDC said global [sales](#) of smartwatches tumbled 32 percent

from a year ago to 3.5 million units.

Apple remained the market leader with an estimated 47 percent market share, but sales fell by more than half from the same period last year to 1.6 million, according to IDC.

The other top vendors including Samsung, Lenovo, LG and Garmin boosted sales over the quarter, according to IDC, which said Apple lost momentum after last year's much-awaited launch and strong holiday season sales.

"This is a very cyclical market," said IDC analyst Ramon Llamas, who noted that consumers appeared to be waiting for a next-generation Apple Watch with improved features.

IDC said consumers are expected a new Apple device and operating system later this year, which led to lower sales in the past quarter.

"Apple still maintains a significant lead in the market and unfortunately a decline for Apple leads to a decline in the entire market," said IDC's Jitesh Ubrani.

"Every vendor faces similar challenges related to fashion and functionality, and though we expect improvements next year, growth in the remainder of 2016 will likely be muted."

Apple does not release data on [smartwatch](#) sales, and IDC relies on its own surveys and data from distributors and suppliers for its estimates.

The survey showed number two vendor Samsung boosted sales 51 percent from a year ago to around 600,000, giving it a 16 percent market share. China's Lenovo was third with nine percent, while South Korea's LG captured eight percent and Garmin four percent.

Llamas said the decline does not necessarily mean a pullback for the overall trend toward smartwatches and other wearable devices.

"We are still in the early stages," he said. "Let's give it some time and wait for a more robust application selection, and a smartwatch that can go through a cellular connection without a smartphone."

Llamas said one new trend is traditional watch makers entering the smartwatch market.

"To date, only a small handful of traditional watchmaker brands have entered the smartwatch market, trailing far behind their technology brand counterparts," he said.

"This seems to be changing, albeit slowly, as key vendors like Casio, Fossil, and Tag Heuer have launched their own models to the [market](#). Still, participation from traditional watchmaker brands is imperative to deliver some of the most important qualities of a smartwatch sought after by end-users, namely design, fit, and functionality."

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