

Fitbit shares jump on first sign of healthy holiday sales

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Shares of Fitbit Inc. climbed after the fitness-tracking device-maker saw its first sign of strong Christmas sales.

Fitbit's app ranked No. 2 in the free apps category on Apple's app store on Monday, second only to YouTube. On Christmas Day, Fitbit was No. 1 on that list.

Fitbit stock rose \$0.95, or 3.3 percent, to close at \$29.93.

This holiday season is a big test for Fitbit, which is facing increased competition from other wearable fitness trackers and the Apple Watch.

An RBC Capital Markets report from November said Fitbit sold 4.8 million wearables in the third quarter, up 106 percent from the same period a year ago. And at a Barclays global technology conference in early December, Fitbit Chief Financial Officer William Zerella said the company had devices in 48,000 stores across the globe, 35,000 of which were in the U.S.

But when the San Francisco-based company filed for an [initial public offering](#) in June, analysts questioned whether it would be able to hang on to its No. 1 position in the fitness-tracking wearables market as competition from Jawbone and Garmin became more intense, not to mention the debut of the Apple Watch just two months earlier.

Despite the fanfare over the Apple Watch, which has some health-tracking features, Fitbit still gained market share. According to a report from research firm IDC, Fitbit controlled 22.2 percent of the market in the third quarter, compared to Apple's 18.6 percent.

"We think we target a different customer than someone who is really looking for a general purpose smartwatch," Zerella said at the tech conference. "Apple will come up with new

generations of their devices and will get smarter and do all kinds of other things, I'm sure, but obviously, we're not standing still either."

Fitbit's holiday sales seem to mirror a larger trend this season. Holiday spending as a whole increased 7.9 percent from a year ago, according to the MasterCard SpendingPulse report, which tracks retail sales from Black Friday to Christmas Eve. Part of the jump was due to the rise in online shopping, which was up 20 percent this year.

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