

A supply chain crunch didn't stop Apple from dominating the wearables market in Q4

Article

The news: The global wearables market hit a record number of shipments in Q4'21 at **171 million** units, **up nearly 11%** from the year prior, per new IDC data.

How we got here: Consumer demand was driven primarily by interest in health and fitness tracking products, and **Apple** dominated the wearables market yet again.

- Apple recorded nearly **60 million** shipments of its wearables, far ahead of **Xiaomi**, which ranked second with **14.6 million** units, per IDC data.
- **Samsung** maintained its third-place rank, shipping **13.6 million** wearables during the same time period.
- Notably, **Google's Fitbit** didn't make IDC's top 5 list this year, which likely means it had **less than 9.2 million shipments** (the amount of wearables **Imagine Marketing** shipped, earning it the 5th spot in the list).

Supply chain crisis averted: Tech companies experienced less supply chain barriers in Q4 2021 than in earlier quarters of the year, which enabled Apple to get more wearables to health consumers.

We initially thought the supply chain crisis presented an opportunity for competitors like Samsung to overtake Apple in the smartwatch market. Now it appears some supply chain problems are dissipating—which actually helped Apple retain its top spot in the market.

- That's because Apple was able to get more of its Watches online and in-store for consumers to purchase.
- While the “supply has been a constant battle for many companies during 2021, many of the issues began to subside [in Q4'21] and allowed brands to ship record volumes while broadening their product lines,” according to IDC.

What's next for smartwatch vendors lagging behind Apple? Healthcare consumers are worried about privacy—a factor Apple competitors could take into account more this year to prop up the value of their wearables in the eyes of potential customers.

It's no secret that Apple has presented a hard stance on privacy over the last year. It has been heavily marketing a commitment to privacy in combination with **AppTrackingTransparency**, for instance. That could be a key reason why consumers are flocking to its wearables rather than competitors' like Samsung.

- About **39% of health consumers say the biggest drawback of wearables are their security vulnerabilities with sensitive health data**, per a recent survey by Software Advice Research.

In fact, Samsung has already begun a plan to make more healthcare consumers comfortable with the security of its tech, including wearables.

- The company recently revealed a new “Privacy Dashboard” on its devices, which lets users see which apps have permission to access users’ data, per The Verge.
- We could see **Google** implement new privacy safeguards for its Fitbit devices sometime soon, too—particularly since some regulators raised privacy concerns as Google completed its acquisition of **Fitbit** last year.

