

Apple's Q3 wearables revenues surpassed both iPad and Mac segments

Article

The news: Apple's **revenues** from its **Wearables, Home, and Accessories (WHA)** segment exceeded revenues of the iPad and Mac segments in its **fiscal Q3 2021** (ended June 26). For context, WHA is a catch-all category that includes the **Apple Watch, Apple TV, AirPods, AirTags, and HomePod** speakers.

The company's **earnings** showed a dramatic rise in revenues from WHA sales: The segment brought in **\$8.8 billion** in fiscal Q3, compared with **\$7.8 billion** in Q2 and **\$6.5 billion in Q3 2020**. (Note: Apple does not break out individual products in its earnings statements.)

How we got here: The latest revenues indicate that Apple continues to **dominate the wearables market**. Apple CFO **Luca Maestri** noted that **75%** of Apple Watch buyers in Q3 **were new to the platform**, suggesting there's still room for this category to grow.

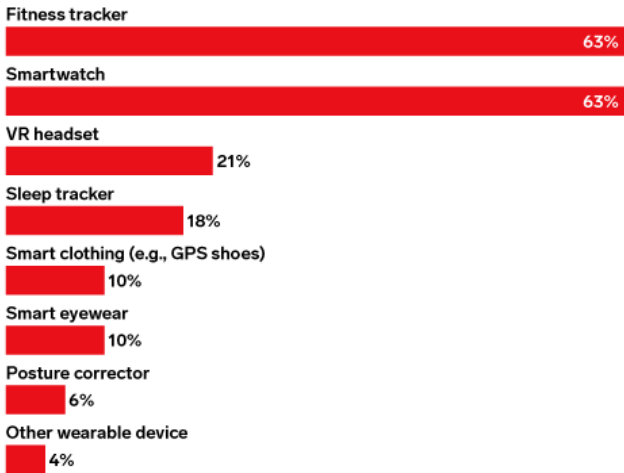
- WHA is Apple's **fastest-growing** business category surpassing Mac sales as early as January.
- Apple Watch adoption **surged during the pandemic** largely driven by a constellation of health-focused features, including a handwashing timer, blood oxygen sensor, fall detection, irregular heart rate (Afib) notifications, and an EKG.
- Meanwhile, **competitors lag far behind** in sales, performance, and innovation. Google is **mobilizing** a consolidation of **Wear OS**, **Fitbit**, and Samsung's **Tizen OS** under its new **Wear** platform, slated for launch later this year. It will need developer support as well as massive consumer buy-in to catch up.

What's next? Apple can keep dominating the wearables market by continuing to add and refine features focused on **health**, fitness, and safety. Apple Watch's wide adoption means Apple has **access to a trove of user health data**, which could later provide the foundation for the tech giant's planned **expansion into more comprehensive health services**.

Competitors continue to have no answer to Apple Watch and AirPods. With competing smartwatches still months away from launch, device-makers will need to find other ways to challenge Apple's wearables and accessories in pricing, functionality, and cross-platform compatibility.

What Types of Wearable Devices Do US Wearable Device Owners Have?

% of respondents, March 2021



Note: n=248; ages 18-69

Source: Quantilope, "2021 Consumer Electronics Study," May 12, 2021

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