

Fitbit SWOT Analysis

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Strengths

1. Fitbit maintains a leading market position and is a global brand.
2. It is a tech start-up company with the ability to take on risks and have the "first mover" advantage.
3. The product contains great technology and has great value.
4. Fitbit provides a broad range of connected health and fitness devices and is available on a variety of platforms.
5. Fitbit has a direct relationship and maintains continuous communication with its users.
6. Fitbit is widely available with a broad and differentiated go-to-market strategy.

Weaknesses

1. There is a lack of fitness and health credibility of the brand.
2. There are many limited features of the fitbit.
 - a. Not waterproof
 - b. Small screen/limited display
 - c. Device is not capable of running multiple apps
3. The fitbit does not appeal to the fashion world due to its deficiencies in style and materials.
4. Lack of brand awareness.

Opportunities

1. In the U.S., there is an increased focus on managing one's own health.
2. Increase in Corporate and health insurance subsidies for fitness-tracking products & Expanding their corporate wellness outreach programs to grow user base.
3. Opportunity to build a richer data set and tracking.
4. Add on the focus of exercise activities to include dietary expertise.
5. Provide more guidance, coaching and recommendations to users.

Threats

1. New tech start-ups are emerging and coming up with new, improved technologies.
2. There is an increase in competitors.
3. Established athletic brands already possess strong brand credibility in the fitness market.
4. Technology is always changing.
5. Privacy issues emerging from the set of fitness data collected from users.



Summary

The fitness and health wearable industry is made up of 4 main market participants, one of them being “Technology based start-ups,” comprised of companies such as Fitbit, Jawbone, Basis, and Misfit (Winners in Fitness Wearables, 2013). The sales of fitness trackers are thrusting forward reaching nearly \$4 billion in manufacturer sales in 2015, and is due in part to the ability of segment leader Fitbit to make large gains (Intel, The Market, 2015).

Fitbit’s ability to move quick, repeatedly add new features (like sleep tracking and altimeters), provide an open platform, and offer an affordable price, have helped the brand have a successful start with early adopters. Establishing themselves as an expert on health and fitness, and continuing to innovate and build their user base, are critical to the brand’s success and to their ability to defeat the new wave of competitors (Winners in Fitness Wearables, 2013).

Strengths

Fitbit has a leading position in the wearable fitness tracker market and has established their brand as a global brand. Fitbit has 70% of the device market share and 85% of the market by dollar value as of 2015. It is the top-of-mind name in this fitness tracker market and there is good evidence that it will remain the sales leader (McNew, 2015). The Fitbit name has become synonymous with the fitness market.

Secondly, as a tech start-up company and one of the first in the fitness tracking industry, Fitbit has the advantage of speed, agility, and the willingness to take risks. For example, they have introduced 5 new trackers and an intelligent scale in just 2 years. As a ‘first mover,’ the brand also has an advantage over new entrants (Winners in Fitness Wearables, 2013). It is proven that early-to-market brands have been able to maintain rapid sales growth. Global sales at Fitbit are estimated to grow 180%. (Intel, What’s Working, 2015)

Fitbit products have great technology for a low price. It is an innovative product offering a feature rich tracker, wireless Bluetooth 4.0 syncing, extensive battery life, accurate calorie tracker, miles traveled, steps taken and hours of sleep (Mehta, 2013). This all contributes to a very positive user experience. The Fitbit Flex was the lowest price device in its class at \$99 (vs. \$129 & \$149 for some others) (Winners in Fitness Wearables, 2013).

With a broad range of connected health and fitness devices, the Fitbit has multiple types of products, and variations, as well as a selection of levels of functionality and price (McNew, 2015). These variations allow for all sub-segments of fitness & wellness individuals to be satisfied: ranging in goal - weight loss/beginners, casual fitness seekers looking to maintain a healthy lifestyle, or advanced fitness enthusiasts.

Online and mobile management creates ease of use and ability to track one’s lifestyle on-the-go. Fitbit is available on a variety of platforms like iOS and Android and is compatible with any browser. Fitbit has platform openness meaning that it has many established partnerships with other mobile fitness/health apps with ability to import results. Fitbit also allows users to export data (Winners in Fitness Wearables, 2013).

Fitbit’s direct relationship and ongoing communication/relationship with its users helps build a better understanding of every customer’s goals (McNew, 2015). This data is then able to be used to create new features and content to further help each person reach their goals. Such a large user base makes this much more effective than other smaller brands.

Fitbit is widely and easily available. Fitbit not only sells directly on their website but the company has also established a broad set of Retail partners. This provides customers access even

if they are not very familiar with the brand or want to experience the device in person before purchasing (Winners in Fitness Wearables, 2013).

Conclusively, Fitbit is a strong brand with happy users. Fitbit has a very positive response to their brand, 62% positive, calculated by the net of ownership, familiarity, or willingness to purchase a product from the brand (Intel- Ad buys pay off, 2015)

Weaknesses

Fitbit has a lack of credibility in the health and fitness department. This is because it is a tech start-up and rooted in technology and not rooted credibility in the fitness market. There is a lack of provision of high quality and accuracy of data (Winners in Fitness Wearables, 2013).

The Fitbits are limited almost exclusively to fitness features (Jary, 2016). It looks and acts like a smartwatch but does not have as many features as the Apple Watch or most wear devices (Wang, 2012). Fitbits don't run multiple apps like a smartwatch and are only directly comparable on many of their fitness-measuring functions. They are sweat/splash proof but not swim proof.

The device has an athletic design and a cheap-feeling. Those deficiencies in style and materials make for a wearable you won't actually want to wear all day (Wang, 2012). Only 11% of respondents agreed that they like how fitness trackers look. To this end, Fitbit partnered with Tory Burch (Intel- Fashion at the fore, 2015).

Even though Fitbit is a leader in the wearable fitness tracker market, within the fitness & health wearable industry, other more established companies such as Nike, might be easier to imagine as best positioned for the fitness segment.

Opportunities

Fitbit's innovative technology can answer the U.S. populations' increased focus on managing one's own health. Due to several factors that are impacting healthcare, including an anticipated shortage of primary care physicians, and due to the US population experiencing significant growth in the older population, there is a demand for products and services to assist aging. (Intel-Managing your health, 2016)

Fitbit has huge opportunity to dramatically grow user base through expansion of their corporate wellness outreach programs (Winners in Fitness Wearables, 2013). Target is providing subsidies for fitness-tracking products – Bank of America and Time Warner have also done so. While these programs account for a small share of Fitbit's current sales, they are a growing element in total sales. Health insurers have also created programs to integrate wellness trackers into their policies, enabling those with healthy behavior to receive subsidies on insurance premiums (Intel, Corporate, 2015). Affiliates like trainers and gyms are another major outlet.

Fitbit should continue to invest in cutting-edge technologies and sensors that enhance its data set and demonstrate it has the best information.

Build dietary expertise because most fitness experts explain that diet, caloric intake and quality of food you eat are more important to reaching your fitness & health goals (Winners in Fitness Wearables, 2013).

Threats

As the wearable tech market has expanded to include a wide swath of competitors, including tech giants such as Apple, Samsung, Microsoft and Sony, there is a threat to early-to-market specialists. Newer, larger competitors have a greater capacity to spend on

research and development budgets and on ad campaigns. But, Fitbit is projected to show sales growth in 2015 nearly identical to that seen in 2014 (Intel- Early-to-market, 2015).

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Wearable Technology - US - December 2015 **What's Next? - Corporate and health insurance subsidies**

Wearable Technology - US - December 2015 **What's Struggling? - Ad buys pay off**

Wearable Technology - US - December 2015 **What's Working? - Early-to-market leaders retain rapid growth**

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- M I used the table format above and did not go over 1 page for that table.
- M I listed information (4-6 points) in each square from most to least important using complete sentences.
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- M I used 12 pt. font, 1 inch margins on the summary.
- M I did not go over 2 page for the summary.
- M I have six or more high-quality sources (at least one from Mintel) and listed them in APA style above.
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- M All sources are believed to be credible
- M I proofread my work for typos and made sure I answered all the questions in the assignment.
- M If I had questions, I sought help from Dr. Eastin or Wan Wang.

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