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## NEWS

(BN) Fitbit Counts on Women as Device Buyers Just Not Board Members

2015-06-18 10:00:00.0 GMT

By Alexa Liautaud

(Bloomberg) -- Fit, fun, flirty, and female -- the "Tory Burch for Fitbit" bracelet targets women who are yogis by day and glitzy fashionistas by night.

Yet Fitbit Inc., maker of the fitness trackers inside the bracelet, debuts Thursday without a single woman on its board.

San Francisco-based Fitbit has a board of five with two vacancies, its filings show. Current members are co-founders James Park and Eric Friedman, executives from two of the company's venture capital backers and a professor of accounting at Santa Clara University.

Male-only leadership at technology companies has long been a focus of critique -- Facebook Inc. and Twitter Inc. both drew flak for the same reason. For Fitbit, though, the disparity is made more glaring by the fact that market research indicates over two thirds of its customers are women.

"It's interesting the company has done so well with female customers so far," said Kaylan Tildsley, a partner at Triton Research LLC. "We shall see if they can perpetuate this boys club as a public company."

A spokeswoman for Fitbit declined to comment.

Fitbit makes wristbands, digital scales, and other devices that track activity like steps taken in a day, heart rate, and -- through a mobile application -- calories consumed. Its market is dominated by female customers: 68 percent of Fitbit owners were women in the second-quarter of 2014, according to the most recent data from Parks Associates.

Fitbit doesn't disclose the gender of its customers in IPO filings.

### Tory Burch

The partnership with Tory Burch, the women's-fashion designer, targets these customers directly -- with brass, silver and gold bracelets and pendants that can disguise Fitbit's Flex devices. The bracelets can cost as much as \$195, in addition to the cost of the tracker itself.

Fitbit's had plenty of success with its current leadership, earning over \$100 million last year as revenue nearly tripled.

It sold nearly 11 million of the units in 2014, more than double the previous year's sales.

Still, diversity could benefit Fitbit in the long run, said Susan Stautberg, co-founder of Woman Corporate Directors.

"You need the people who are using the services on the boards," she said.

Studies by McKinsey & Co. have shown that companies that have women among the senior leadership fare better financially -- with higher return on equity and earnings, on average, than those without them.

### **Venture Problem**

In the technology industry, one reason women are underrepresented on company boards is that they're also still excluded from the senior ranks at the venture capital firms which get board seats early on, said Tildsley at Triton Research.

In the past five years, Zynga Inc., Grubhub Inc., Twitter and Facebook, have debuted without a single female board member.

Since the IPOs, Twitter added Macarthur Foundation Chairman Marjorie Scardino to its board in 2013 and Sheryl Sandberg and Dr. Susan Desmond-Hellmann joined Facebook's board in 2012 and 2013, respectively. Zynga's board also includes two women now.

The rapid growth of the tech industry is shining a light on the issue, even if change is slow to come, Tildsley said.

Companies from Google Inc. to LinkedIn Corp. have begun to disclose data on workplace diversity -- acknowledging a dearth of women in the industry from engineers to business leaders.

"It's definitely an issue that should be dealt with, it just seems to be slow moving," she said.

--With assistance from Leslie Picker in New York.