



FEATURE

13 wearable tech trends to watch in 2016

Will Fitbit continue to dominate the activity tracker market in 2016? Will consumers pay for insights based on data their activity trackers collect? Just how secure is that information? Wearable technology experts answer these questions and offer other predictions for the coming year.



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The Apple Watch dominated the wearables conversation for much of 2015 and may continue to do so with the second-generation Watch expected in 2016. Fitbit will also likely continue to hold its own in the New Year. Beyond these two safe bets, the future of dedicated activity trackers, and health and fitness wearables, is unclear.

We asked a collection of analysts, wearable technology manufacturers and other experts in the field for their takes on what to expect in 2016 and came up with these 13 trends to watch during the coming year.

1) Popularity of wearables will continue to mount

In 2015, 39.5 million U.S. adults 18 and over used wearable devices, including smartwatches and fitness trackers — an increase of 57.7 percent over 2014, according to eMarketer. That growth will continue in 2016 and beyond, with 81.7 million adults using wearables by 2018, the research firm says.

2) Smartwatches won't kill off dedicated activity trackers

Many tech industry watchers expected the Apple Watch to "unwind the fitness band business, but that hasn't happened," according to a December article in *The Wall Street Journal*.

Apple sold roughly 7.5 million Watches during the past two quarters, according to IDC (a CIO.com sister company). In the same period, Fitbit sold about 9.2 million fitness trackers, more than double the number of devices sold in same two quarters of 2014.

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"A lot of people think multi-function devices will clobber dedicated devices," says Ramon Llamas, an IDC research manager for wearables and mobile phones. "I don't see that happening in 2016 or even in the next few years. These are two product categories that can coexist."

Consumers appreciate the relative affordability of activity trackers, which typically cost between \$100 and \$200, according to Llamas. Smartwatches, however, generally cost \$300 or more, and most people don't feel the "value proposition is there yet," he says. "They ask, 'What can I do on a smartwatch that I can't do on my smartphone?'"

3) Fitbit will remain king of the activity trackers

Fitbit is and will continue to be the top activity tracker brand, according to The NPD Group's fall 2015 Consumers and Wearables Report. Fitbit ownership increased 13 percentage points from February to October 2015, the report says, "and it remains the only activity tracker brand that consumers request by name on a regular basis, rather than just by comparing features or style."

4) Competition will heat up for Fitbit

IDC estimates that 97 percent of China-based Xiaomi's activity tracker sales were made in the company's home country. Xiaomi's Mi Band, however, sells for about \$15. That's far less than the least expensive Fitbit, the \$60 Zip, and Xiaomi could become a real threat to Fitbit if it successfully expands beyond China.

Then there's Garmin, a company known mostly for its portable navigation devices and another potential Fitbit rival. Its "focus on citizen athletes with wearables for running, golf, swimming, hiking, and aquatics kept the company well entrenched," according to IDC. "With a deep and broad product portfolio and multiple price points, Garmin has been well-positioned to cover numerous market segments and address the rising fitness tracker category with its Vivo sub-brand of bands and watches."

Garmin is already a popular choice among athletes. In a November 2015 Piper Jaffray survey of 221 U.S. athletes, 91 percent said they wear a watch when running, and 70 percent of those people named Garmin as their brand of choice. Fitbit was the top pick among people who wore dedicated fitness bands, with 73 percent of the market, according to the survey.

5) Fitbit will add 'advanced sensors' to maintain a competitive edge

Fitbit CEO James Park recently revealed details on the company's future product line, in an interview with *Time*.

"We're definitely going to be releasing devices with advanced sensors that help people track not only more accurate metrics on what we're doing today, but additional metrics as well," Park said. "I can't talk specifically, but things people are going to be interested in in the future are blood pressure, or stress, or more stats about their athletic performance. Those are all things that we're working on and we'll continue to release over time."

Fitbit also "plans to strike partnerships with fashion brands as it has done with Tory Burch in the past," Park told *Time*. Third-party developers could also integrate their software into more advanced Fitbit devices in the future. "We're going to allow third parties in some ways to tap into the power of having an always-on device on someone's wrist," Park said.

A Fitbit representative says the company is "looking at all of the critical imperatives for health and wellness, such as activity level, sleep, nutrition — and the connection to chronic diseases (diabetes, heart disease, obesity, and more) that impact the global population to see how we can further help people."

6) Wearable apps will become more sophisticated — and expensive


Apps from the companies that make activity trackers, as well as compatible third-party software that works with the devices, will become more advanced, and they'll integrate diet and different fitness categories, according to Weston Henderek, director of connected intelligence at The NPD Group. "Apps will take advantage of the sensors in activity trackers and give people a cloud-based repository of their info, along with more recommendations for how to improve their health."

However, with mounting pressure to keep activity-tracker prices competitive in 2016, it will be harder for the manufacturers to make profits, according to Henderek. One way to offset shrinking profit margins will be to charge monthly subscription fees for premium services and

data, he says. Some companies already do. Fitbit's Premium Membership, for example, costs \$50 a year, and gives subscribers personalized 12-week fitness plans and more detailed sleep reports, among other features.

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