



# Wearables Weekly

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Another week, another conference full of exciting health technology announcements. Following up on CES 2016, companies gathered in San Francisco at the JP Morgan Healthcare conference, where digital health was a hot topic. Fitbit continues to have a rough 2016 with another lawsuit filed this week. Read the latest below!

#### Apple Watch scooped up over half the smartwatch market in 2015

According to a new report from research firm Juniper, Apple Watch accounted for over 50 percent of smartwatch sales in 2015. This is particularly impressive given the product's April release date, meaning that it claimed a majority of the market with less than a year of sales. The report shows Apple's main smartwatch competitor Android Wear accounted for less than 10 percent of sales in 2015, despite having offerings from numerous manufacturers including Huawei, Motorola, Sony, ASUS, LG, Fossil, and more. Although Apple is currently the market leader, Juniper describes the smartwatch market as far from established and "a category waiting for a market."

### Fitbit hit with new investor suit over alleged fraud

Last week consumers filed a class action lawsuit against Fitbit regarding inaccurate heartrate tracking on its devices. This week, an investor filed a class action suit against Fitbit in California, alleging "fraud on the market" and U.S. securities law violations for false and misleading statements about the company's heart monitor technology to the media and in regulatory filings. The lawsuit seeks compensation for anyone who purchased Fitbit shares during the company's IPO last summer up until last week when stories about the allegedly inaccurate heart monitor hit the press. It is not uncommon for "fraud on the market" shareholder lawsuits to be filed in a situation like this. Fitbit's stock has hit an all-time low.

### IBM and Under Armour partner for next-gen fitness app

One of the more exciting announcements from CES 2016 is Under Armour's partnership with IBM Watson, coupled with the release of HealthBox. Under Armour and IBM are calling this project the "world's first complete health and fitness insights app." The first stage will be an update to Under Armour's existing Record app, which currently has about 160 million users. The app will integrate data from Under Armour's wearable fitness gear, research studies, and external data from IBM Watson. IBM and Under Armour will use this data to find people with similar characteristics, promising to give users more accurate health, fitness and nutrition insights. The Watson-powered app will integrate with HealthBox—Under Armour's recently released suite of health and fitness tracking hardware.

#### Microsoft wants you to trade in your Apple Watch for a Band 2

Microsoft is trying to convince customers to try the new Band 2 with a trade-in program that gives people up to \$250 for an Apple Watch, depending on the model. The company is offering this deal for a variety of wearable fitness trackers from Fitbit Flex, redeemable for a \$10 discount, to the stainless steel Apple Watch with Milanese Loop, which gives consumers the maximum \$250. In order to be eligible for trade-in value, devices must have a working battery, not be password protected, no broken or missing components, and should come with the original charger and accessories. Microsoft will be running this offer through February 7 in the U.S. and Canada.



## **Other Health Technology Headlines**

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Please contact Gillian Christie, Health Innovation Analyst, at <u>gchristie@thevitalitygroup.com</u> with your feedback and suggestions.