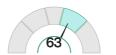
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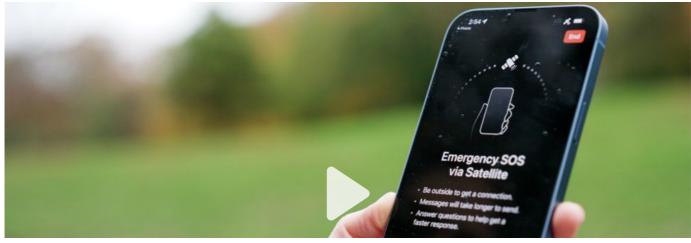
Forget smartwatches, consumers are snapping up these quirky alternatives

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Forget smartwatches, consumers are snapping up these quirky alternatives

By Samantha Murphy Kelly, CNN Business
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(CNN) — In 2015, the same year Apple introduced its smartwatch, a Kickstarter campaign launched for a very different kind of wearable device: a wellness-tracking ring called the Oura.

Seven years later, the Apple Watch is the <u>most popular wearable device</u> while other similar products from Google and Samsung also dominate the wearables market. But something notable is underway: products like Oura, which look and sometimes function markedly different from more mainstream wearables, are gaining renewed traction.

The Oura ring (\$399) experienced a spike in sales during the pandemic, and has seen continued momentum this holiday season, CEO Tom Hale told CNN Business. It provides sleep tracking data without needing to wear a smartwatch to bed and can detect subtle changes in body temperature. It also has no screen. Earlier this year, the company announced it had received a \$2.55 billion valuation and has since rolled out partnerships with Gucci, Strava and other brands.

The ring is among a small but increasingly buzzy group of alternative wearable devices that people are gravitating toward right now, including a fitness band tracker with no screen and headphones that don't need to be put in the ear. Some of the demand stems from shifts during the pandemic, as consumer interest in health monitoring surged. People turned to activity trackers, smartwatches and other devices to keep tabs on their steps, vital statistics and more. Many were also willing to experiment with different form factors, as long as they provided accurate data and were still

comfortable - a trend that continues today.



Oura

The Oura rings

"The funny thing is that most of these devices have been around for a while but have slowly built a name for themselves in recent quarters," said Ramon Llamas, a research director at IDC Research. "But it takes time for word of mouth to spread."



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The devices may also tap into a desire to get the benefits of wearable trackers without necessarily having a screen or device on their body at all times.

Take the WHOOP band, a health tracker without a screen that first came out in 2015. It has a very specific focus on workout recovery, resting time, training and coaching. Founder and CEO Will Ahmed told CNN Business this year's Cyber Monday was its largest sales day ever.

"It wasn't that long ago that people only wore a health monitor if something was wrong. Now, we're seeing people take a much more proactive approach to their health," he said. "This trend has continued even as the pandemic subsides."

Like Oura, the WHOOP is a subscription-based device and targeting a more niche

audience. It's pricy, too: \$480, including a two-year subscription plan.



WHOOP

The WHOOP band

"The challenge is that most of these devices are vying for single-digit market share behind the market leaders, [such as Apple and Samsung]," Llamas said. "That's why it is key to have a well-differentiated segment that you can serve almost exclusively. Companies like WHOOP have been successful because they focus on athlete rest and recovery so well, and those are key factors for many athletes today."

Ahmed said the product is evolving to support this growing interest in health by adding new features related to pregnancy, stress and deeper biometric monitoring. In August, WHOOP announced it <u>raised \$200 million</u> in a funding round led by SoftBank Vision Fund 2, giving the company a valuation of \$3.6 billion.

Health tracking devices continue to take on new shapes and sizes, too, including some that don't require being worn at all. In September, Amazon showed off a non-wearable sleep tracking monitor, <u>Halo Rise</u>, which sits on a nightstand and tracks breathing patterns while the user is asleep. Meanwhile, some companies like Withings let users <u>slip sensors under the mattress</u> to collect sleep data.

There's also a shift in demand for what is arguably one of the original wearables: headphones.

Bone conduction headphones, which like the Oura have been around for years, are also

"having a moment," according to Steve Konig, head of the research department at the Consumer Electronics Association. Rather than sitting inside or on top of the ear canal, bone conduction headphones rest in front of the ear, leaving it uncovered. They transmit audio along the user's bones and jaw to the ears instead of directly into the ear canal. The headphones also feature a soft band that runs behind the upper portion of the neck to secure it in place and minimize sound distortions.



Shokz

Bone conduction headphones by Shokz.

At the same time, the exposed ear allows users to pick up on sounds and the environment around them, crucial for safety when doing activities such as riding a bike or jogging. Unlike earbuds, there's also less concern about it popping out of your ears.

Shokz (\$125) pioneered bone conduction headphones, but the market has since expanded with other brands offering similar designs. Open earbuds – such as ones designed by Sony and Bose – feature a similar design that leaves the ear canals completely open so that the user can hear the outer noise. But some audiophiles say the sound quality on bone conduction headphones and open earbuds is less than stellar.

"In the past 10 years, audio innovation in general has soared because of the introduction of new features, such as noise cancellation technology, built-in wireless capabilities and more," Konig said. "Now, people own multiple pairs of personal listening products for different locations and use cases; some leave them at the office,