

Peloton ventures into wearables—but it likely won't be a big deal in healthcare

Article

The news: Fitness giant **Peloton** is diving into the wearables space: It's reportedly working on incorporating a digital heart rate armband that'll pair wirelessly with its cycles, treadmills, and

phones that use Peloton's app, [per](#) Bloomberg.

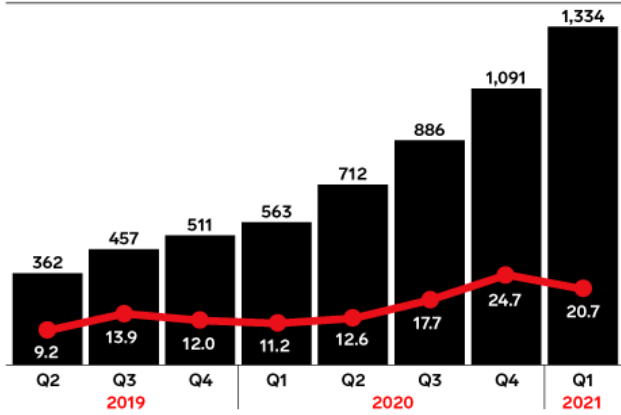
How we got here: This news arrives shortly after Peloton's March [acquisition](#) of a wearables maker **Atlas Wearables**, which developed tech like a heart rate monitor to measure effort levels during exercise.

For context, Peloton already has an Apple Watch app that lets consumers use the Watch's heart rate monitor to track fitness metrics—but debuting a wearable could help it become less reliant on Apple's tech, especially since Peloton's new wearable will supposedly [allow](#) software updates.

The bigger picture: Peloton may roll out additional health features for its wearable later this year—but it likely won't be a threat to giants like Fitbit or Apple.

- **Peloton's new heart rate armband has to be paired with its fitness equipment, which has a higher price point than the likes of Fitbit.** On average, Peloton's bikes cost nearly [\\$2,000](#) each—far more expensive than heart rate trackers like Fitbit's (which cost about [\\$100](#)) or even higher-priced wearables like Apple's Watch. So, consumers likely won't buy Peloton's wearable unless they already own a Peloton bike or treadmill, especially if it means they can buy a less pricey option that [includes](#) more advanced features than heart rate monitoring, like sleep tracking and potentially even blood glucose tracking in Apple's case.
- **Peloton's wearable won't be viewed as a health tracking tool any time soon, but rather a way to rival fitness players like Apple Fitness+.** For example, Apple [lets](#) Fitness+ subscribers integrate Watch metrics like heart rate into their workouts, which is likely what Peloton aims to do with its new wearable.
- **However, Peloton's fitness focus doesn't mean it won't maneuver its way deeper into healthcare anytime soon.** Similar to Apple, Peloton could market its wearable and fitness platforms to payers like United Healthcare, which have become increasingly [interested](#) in providing members with tech that'll boost physical activity (likely since increased activity can [prevent](#) costly chronic conditions.)

Peloton Connected Fitness Subscription Metrics Worldwide, Q2 2019-Q1 2021



■ Connected fitness subscriptions* (thousands)

■ Monthly workouts per subscription**

Note: *person/household or commercial property that has paid for a Peloton subscription, including paused subscriptions; **total workouts completed in the quarter divided by the average number of connected fitness subscriptions in each month, divided by three months
Source: Peloton company reports, Nov 5, 2020

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