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Slimmer, health-tracking AI wearables are dominating consumer demand

Article

The trend: Consumers are increasingly interested in AI-powered wearables, and companies are working to find the best way to package their technology.

- Devices that offer health tracking, such as rings from **Oura**, **Samsung**, and **Ringconn**, are reporting growth.
- Lightweight products that can be worn seamlessly, especially smart glasses and smart watches, are also successfully blending into daily life.

Wearable device shipments are expected to reach 635.7 million in 2027, up 17% from 543 million in 2023, per IDC.

Risks of a niche: Companies with a slim catalog that rely on a sole AI item, such as **Rabbit** or **Humane**, have been more prone to failure.

- After seeing high returns and poor reviews for its **Ai Pin**, Humane is repackaging its technology as a software-as-a-service (SaaS) offering for other companies.
- Rabbit's **R1**, an AI assistant, is used by only 5% of owners, according to CEO **Jesse Lyu**.

Ease of use: Although **Meta's Reality Labs** division is still losing money, the company is finding success with **Ray-Ban Meta Smart Glasses**. That can be attributed in part to the sunglasses company's recognizable name and glasses' easy personalization with prescription lenses.

- The familiar design isn't overly "tech-y" and might be more comfortable to adopt than a pendant, necklace, or pin.
- **Other companies could benefit from putting their AI technology in a product that customers already use**, rather than trying to reinvent the hardware wheel.

Trendspotting: We expect that 88.1 million people in the US will be using some type of health-related wearable by 2027.

- Consumers are increasingly interested in tracking their health, putting products like the Oura ring at an advantage.
- Developing wellness-focused features for wearables, or acquiring companies that have already done that work, could help validate high price tags and attract more consumers.

Our take: The AI-powered wearables that are most likely to succeed may be those that are practical and easy to embed in daily life, rather than those with the most cutting-edge design.

As consumers become more willing to pay for devices with health and wellness offerings, the companies that offer competitive prices for unobtrusive wearables—and that can offer more than a smartphone assistant—are more likely to capture the market.

Wearable Device Shipments Worldwide, by Type, 2023-2027

millions

	2023	2024	2025	2026	2027
Earwear	341.6	357.6	371.6	385.4	396.4
Smartwatch	165.2	178.3	190.4	199.5	206.4
Wristband	33.8	30.7	30.0	29.4	28.7
Glasses	1.1	1.8	1.8	2.0	2.1
Clothing	0.4	0.5	0.5	0.6	0.6
Other	0.9	1.0	1.1	1.3	1.5
Total	**543.0**	**569.9**	**595.6**	**618.0**	**635.7**

Note: numbers may not add up to total due to rounding
Source: International Data Corporation (IDC), "Worldwide Quarterly Wearable Device Tracker" as cited in press release, June 4, 2024

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