

India's wearable tech industry has been on a tear propelled by explosive growth, record shipments, and tech advancements. But sustaining the growth momentum will be a key challenge. Insights into the industry's plans and the road ahead

# CAN WEARABLE TECH SUSTAIN ITS FRENZIED GROWTH?

By Ojasvi Nath

S

**TEPPING INTO A TECH ROLLERCOASTER** that once soared, India's wearable industry now faces a speed bump in 2024. From shipments of a whopping 134.2 million units in 2023, the industry is seen to be decelerating to a single-digit growth in what will be the slowest pace since its inception in 2020.

Despite a strong 74 per cent surge in smartwatch shipments, contributing nearly 40 per cent to the overall market in 2023, festive excitement and discounts took a toll. The average selling price (ASP) fell a substantial 39 per cent, even as the share of advanced smartwatches dwindled from 4.5 per cent to 2.1 per cent, totaling 1.1 million units. Industry giants boAt and Noise, while dominating the charts, faced a dip in profits. Notably, boAt marked its first loss in eight consecutive years during the last financial year.

Looming challenges included non-branded products disrupting the market, the threat of inexpensive alternatives and bundled deals diluting the first-time user experience. Making matters worse are factors like a high base effect, a slowdown in innovation, and a year-end inventory buildup. The upshot: growth subduing for the industry.

## Consumer behaviour is shifting towards holistic health management encompassing fitness, mental well-being, and nutrition tracking



But is the narrative really true? Is the industry growth genuinely plateauing, or is there room for a strategic overhaul to reclaim its "growing" position within the tech space?

### Technology as a Catalyst

Already, a new category is emerging within the sector. The smart rings category saw over 100,000 units shipped in 2023. Ultrahuman is leading the way with a market share exceeding 43 per cent in this innovative category. This expansion into new territories highlights the industry's agility and commitment to push boundaries for fresh ideas and innovations.

Continuous technological advancements have been the driving force behind the remarkable success of the wearable tech industry, believes Harsimarbir Singh, Co-founder at Beat XP (Pristyn Care). "Continuous advancements in

sensors, batteries, and miniaturisation have paved the way for smaller, more powerful, and energy-efficient devices, he says. This evolution has expanded the functionalities of wearables, providing users with enhanced experiences.

Titan's Smart Wearables Division, which swiftly climbed to the fourth spot in the smartwatch category envisions a rapid growth trajectory for the industry. Says Ravi Kuppura, the division's COO: "The market for wearable devices has been steadily growing due to rising health consciousness and the affordability of wearable devices."

Innovation and user-centric design are also fueling the success of the wearable tech industry. According to Varun Gupta, Co-founder, Boul, the integration of wearables with smartphones, the emphasis on health and fitness, and the rise of versatile smartwatches have fueled widespread adoption, making wearables

more than just tech gadgets.

Moreover, consumer demand has been instrumental in shaping the trajectory of the wearable tech industry. The industry's evolution is not only driven by consumer awareness and acceptance but also influenced by positive word of mouth, effective marketing strategies, and compelling user experience.

Affordability has also been a key factor in expanding the reach of wearable devices. "The availability of quality at an affordable cost is another reason which is helping the wearable tech segment grow at a rapid pace," says Gupta, adding that affordability, along with a commitment to continuous innovation, ensures a dynamic market with evolving features and technologies.

Says Gupta, "The future of smart wearable technology is largely focused on enhancing interconnectivity among devices and enabling seamless data synchroni-



sation between wearables and mobile phones.”

**Perspectives on Growth**

Despite the tech advancements and innovations, there are murmurs aplenty about the impending saturation of the wearable tech market. As tech wearables become increasingly integrated into our lives, questions are bound to be raised about the limits the industry may face. But is growth really plateauing, or is there merely a momentary pause before the next surge of innovation?

Kupparaj acknowledges the perception of an impending saturation in the Indian wearable tech industry, attributing it to several factors. Compared to more developed regions, the industry has to contend with cost sensitivity among consumers, cultural attitudes influencing adoption, lack of awareness, and regulatory hurdles. However, he sees significant growth potential, fueled by increasing disposable incomes, technological advancements, and a growing focus on health and fitness. As barriers are addressed and awareness grows, the perceived limit may dissipate, paving the way for further expansion.

Even Singh thinks that the emergence of smart rings and connecting wearable technologies suggests that the industry is poised for further innovation and diversification, dispelling the notion of a saturation and highlighting its early stages of growth.

Describing the Indian wearable tech

industry’s potential as “limitless”, Gupta underscores the importance of providing consumers with reasons to upgrade as a key to driving demand. Despite challenges like slower replacement cycles, Gupta points to the vibrant market with over 125 active smartwatch brands, indicating intense competition and innovation. The



“The availability of quality at an affordable cost is another reason that is helping the wearable tech segment grow at a rapid pace. If we take the case of the Indian wearable market, it’s all dominated by the Indian players”  
**VARUN GUPTA,**  
Co-Founder,  
Boult



## Top Five Smartwatch Companies (market share, year-on-year, growth)

Company	CY22 Share	CY23 Share	CY23 vs CY22 Growth
Fire-Boltt	24.8%	24.3%	69.8%
Noise (Nexxbase)	27.2%	22.1%	41.3%
boAt (Imagine Marketing)	18.8%	14.0%	29.3%
Titan	2.4%	5.2%	283.4%
BeatXP	-	3.8%	-
Others	26.8%	30.6%	98.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>73.7%</b>

Source: IDC India Monthly, Wearable Device Tracker, February 2024



market's consolidation with the top five brands capturing 81 per cent share signifies maturity, and with ongoing innovation and expansion, the outlook remains optimistic for sustained growth.

### The Industry's Response

Breaking the perceived limits involves addressing the challenges strategically, fostering awareness, and ensuring that wearables align with diverse consumer needs. As the industry propels forward, the idea of a glass ceiling becomes an opportunity for innovation rather than a barrier, say experts.

Gupta sees the perceived limits in wearable tech as a combination of both reality and perception. For smartwatches, challenges like slower replacement cycles and repeat purchases can be viewed as limitations. However, he views these challenges as opportunities for product innovation and providing compelling

reasons for consumers to upgrade.

Gupta points to a shift in consumer preferences from smart health bands to smartwatches, seeing these shifts not as limitations but as challenges that can be addressed. His focus on overcoming challenges and tapping into new markets, particularly in Tier-2 and Tier-3 cities, reflects an optimistic approach to driving growth and expanding the reach of wearable technology beyond traditional markets.

According to Singh, the perceived limitations in wearable technology largely stems from both practical constraints and public perception. Practical challenges, such as limitations in battery technology affecting device operation duration and the delicate balance between form factor and functionality, form a substantial basis for real-world limitations.

Singh further points out that unreal-

istic expectations and a lack of awareness about the existing capabilities of wearable technologies contribute to the perception that these devices are more restricted than they actually are.

Kuppuraj agrees with belief that the perceived limits often arise from a lack of awareness about the rapidly evolving capabilities of wearables. He notes that what may seem impossible today could become commonplace tomorrow as technology advances. He acknowledges existing concerns around data privacy, security, and battery limitations but highlights the importance of recognising progress. Challenges like miniaturisation, power efficiency, and sensor accuracy are being actively addressed, emphasising the overall progress in wearable technology.

Sidhartha Tipnis, Partner & Technology Sector leader, Deloitte India, acknowledges India's emergence as a global

**The integration of wearables with smartphones, the emphasis on health and fitness, and the rise of versatile smartwatches have fueled widespread adoption**

## COVER STORY / WEARABLE TECH

leader in the wearables market, attributed to a robust shipment trajectory over the last 6-8 quarters. However, he emphasises the need for a substantial boost to 'Make in India' initiatives, advocating for the extension of Production-Linked Incentive (PLI) schemes to the wearable sector. Enhanced benefits for wearables research and development, along with increased enablement and investments in the supply-side ecosystem, including materials, skilled labour, and logistics, are deemed crucial for the industry.

### The Pricing Challenge

The overall ASP for wearables declined 20.4 per cent, from \$27.2 to \$21.7. Smartwatch ASP dropped 35.3 per cent YoY to \$26.7, while true wireless stereo and neckbands had an ASP of \$19.5 and \$14.2, respectively.

Declining ASP presents challenges for brands, impacting profit margins, innovation investment, and the perceived value of products in a competitive market. Maintaining sustainability and profitability becomes crucial amidst intensified competition and potential constraints on the supply chain.

Kuppuraj sees the declining ASP as a challenge for Fastrack Smart, known for higher ASP. He highlights prioritising quality over mere price competition. He views declining ASP as an industry shift, not a hindrance. Titan's strategic "focus on superior products" aligns with its goal to expand market share, highlighting the brand's belief that quality ultimately outshines price in the long run. "This approach has been instrumental in gaining customer trust, positioning Fastrack Smart as a credible and trustworthy brand," says Kuppuraj.

According to Gupta, Boulton prioritises providing high-value products without compromising quality. Targeting the entry-level TWS category, which saw a 15 per cent sales increase YoY in H1 2023, Boulton's strategy involves competitive pricing for feature-rich devices. Capitalising on economies of scale, streamlined



Continuous innovation, cutting-edge technologies, and a focus on affordability and accessibility are crucial for the future of wearables in India, fostering inclusivity and widespread adoption"

**VIKRAM KHER,**  
VP - Lifestyle,  
Harman India

supply chains, and local manufacturing, the brand says they could deliver affordable yet high-quality devices with excellent sound and display quality and extended battery life.

Boulton has become one of the top five smartwatch brands today by integrating technology and design to meet the market's inclination towards cost-effective alternatives. "The decrease in ASP represents an opportunity to reinforce our standing as a leader in making technolo-

gy accessible, offering consumers the best value for their investment," says Gupta.

### India Strategy of Global Brands

Currently, Indian players dominate the wearable tech market, but global brands are strategically entering, focusing on differentiation.

Lifestyle audio solutions provider Harman sees abundant potential in the Indian wearable tech sector. According to Vikram Kher, VP - Lifestyle, Harman



## CHALLENGES FOR INDIAN WEARABLES MAJORS

boAt	BEAT XP	BOULT	TITAN
Complexities in power management	Battery life	Lack of penetration in Tier-2 and Tier-3 markets	Privacy & security concerns
Dependence on AR & automatic processing	Striking balance between affordability and quality	Slow replacement cycle	Ethical consideration in AI and algorithms
Persistent security vulnerabilities	Overcoming cost barriers	Addressing price sensitivity	Aggressive price slashing compromising quality

Photograph by Unsplash

India, 2018 and 2019 saw a surge in TWS devices that significantly enhanced accessibility. However, current trends reveal a nuanced shift, indicating that early adopters are now inclined towards sophistication, prioritising superior sound experiences and distinctive designs. Accordingly, Harman is strategically navigating the premium and mid-premium segments of the TWS market.

Kher says the key lies in offering "unique and innovative products" that

cater to a variety of use cases, including sports, lifestyle, work, and travel. Global companies should ensure a comprehensive range across different price categories, providing tailored audio solutions to suit every lifestyle and preference. He adds that the roadmap should include the launch of innovative audio solutions aimed at enhancing customer experiences and lifestyles.

Kher further says that a brand's adaptability shines through its capacity to

connect with customers across various age groups and backgrounds, providing solutions tailored for work, sports, leisure, or travel. "Implement a robust global marketing strategy that engages diverse customer segments through strategic placements in high-traffic areas, impactful social media campaigns, and partnerships with influencers," he says, adding that the product lineup should integrate features that enhance the overall user experience, including elements like displays, spatial sound, noise cancellation, and ambient awareness.

### Trends & Product Innovations

A substantial number of customers gravitate towards premium and futuristic products with enhanced functionality, notes Nishant Sardana, Director, Consumer Electronics, Personal Computing & Large Appliances, Amazon India. Top smartwatch and wearables brands such as Fire-Boltz, Noise, boAt, Samsung, and Amazfit have consistently observed high demand on Amazon in India.

Amazon has witnessed an increase in brand-based product search keywords, thus indicating that customers already know which brand they prefer, even before they begin their shopping journey on Amazon India.

According to Sardana, besides a growing preference for fitness gadgets and premium devices with better build quality, high specs, and performance, there is a shift from analog watches to smartwatches, indicating changing consumer behaviours.

Some other notable changes in the wearable tech landscape are being witnessed, particularly in India. While globally, branded wearables typically start from Rs 8,000 plus, the Indian market has exploded with offerings at under Rs 3,000, driven by the entry of several direct-to-consumer brands with an aim to capture market share. The affordable price points combined with striking features such as Bluetooth calling, and AMOLED displays have fueled the rapid



## COVER STORY / WEARABLE TECH

adoption of smartwatches by customers across the country.

However, there's a prominent gap in the market for customers seeking options in the price range of Rs 5,000-15,000. Brands in this segment have struggled to justify their higher prices, often offering similar features to their cheaper counterparts, and missing essential features like Bluetooth calling.

According to Tipnis, key consumer trends propelling growth in the Indian wearable market include a significant behaviour shift. Wearables are evolving from mere fashion accessories to essential components of the digital lifestyle, with a focus on entertainment, physical fitness management, mental well-being, and nutrition tracking. Additionally, the emphasis on affordability by the digital Indian consumer has led to a rationalisation in ASP in 2023. This shift has expanded choices across both premium and affordable segments, fostering further growth in the industry.

Tipnis highlights the continuous advancements in biofeedback technology, the trend of miniaturising devices, and consumers becoming more open to sharing information. These factors are expected to lead to new compelling use cases, innovative business models, and increased gadget innovation. The extensive possibilities include expanded remote healthcare tracking, nutrition management through subscriptions on aggregators/hyperlocals, enhanced mindfulness (digital detox, mental relaxation, AQI responsiveness), and entertainment options via AR/VR. Furthermore, evolving digital lifestyles are anticipated through ongoing gadget innovations.

Kher underlines the shifting trends in the mid-premium and premium segments of headphones and TWS,



**"The declining average selling prices of wearables, such as smartwatches and TWS earbuds, are emblematic of the evolving tech landscape. We see declining ASP as an industry shift, not as a hindrance to our approach"**

**RAVI KUPPURAJ, COO,  
Titan's Smart Wearables  
Division**

reflecting the growing importance consumers place on superior sound quality.

Beat XP aligns with 2024 trends by implementing a uniform UI/UX design across all models, developing a single in-house app for seamless integration, and focusing on customer-relevant feature development. The brand also maintains control over hardware and software through in-house development, ensuring flexibility to respond to market trends efficiently.

Beat XP also noticed a rising trend in women-centric smartwatches with advanced health tracking. The industry is incorporating digital payment solutions and contactless tech like NFC to align with the growing digital transaction

trend. Efforts are directed at addressing practical challenges in specific Indian regions, focusing on improving battery life and ensuring durability in rugged environments.

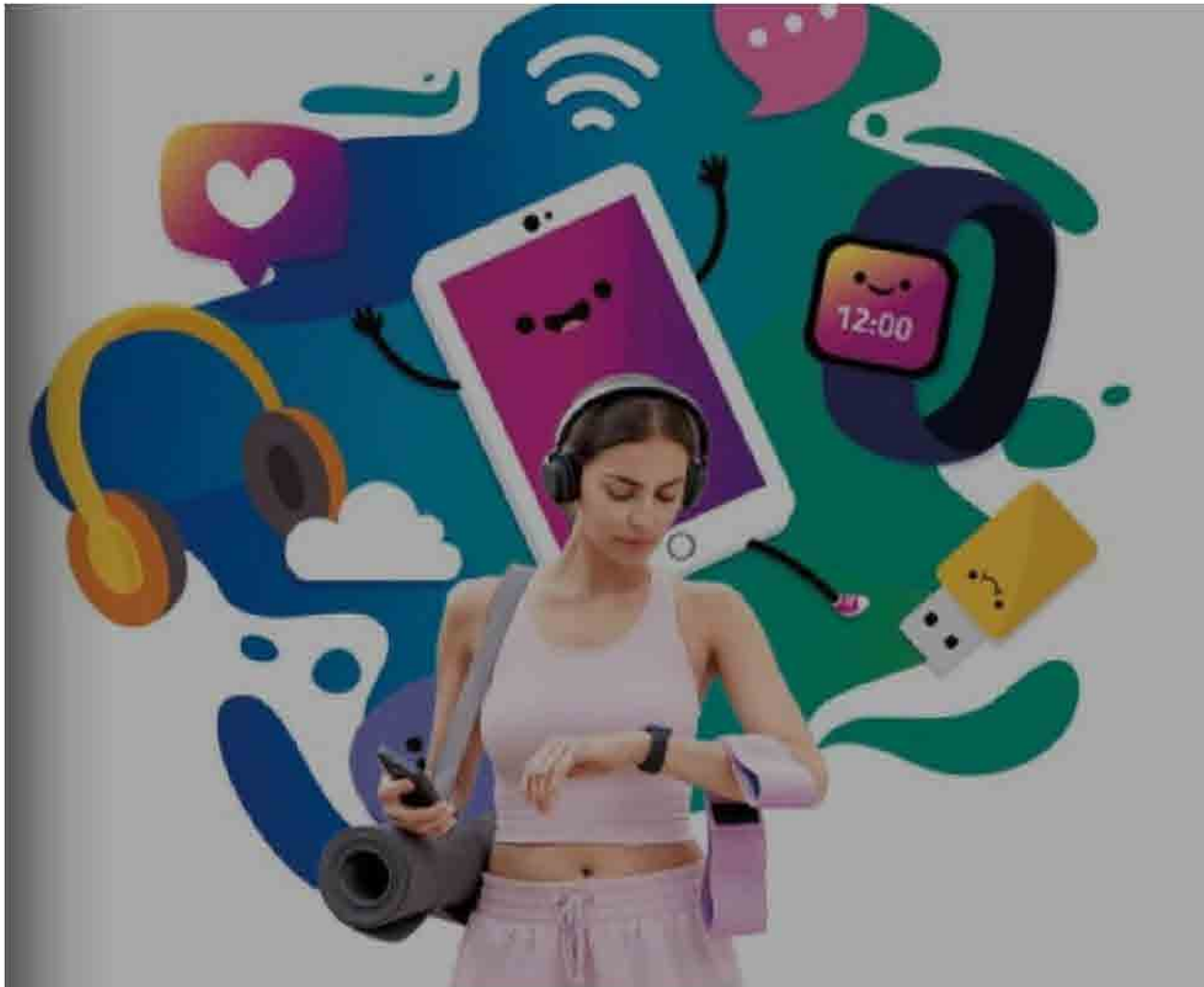
Titan Wearables anticipates 2024 trends with collaborations for accurate sensor results, gamifying physical fitness, and introducing platform-initiated programmes. The brand works closely with a global AI-based nudge engine to enhance understanding of consumers' body vitals and actions, emphasising advancements in UI/UX. Titan anticipates further growth in intelligent functionalities, seamless connectivity, and stylish designs.

Boult embraces 2024 trends by devel-

**"As wearables continue to evolve, their integration into broader digital ecosystems becomes increasingly defining. The seamless assimilation of wearables into smart homes and healthcare systems, coupled with interconnectivity and interoperability with other devices, shapes the industry's future trajectory"**

**HARSIMARBIR SINGH,  
Co-founder, Beat XP**





Photography by wayhomestudio/Envato Elements

oping a user interface and user experience tailored to customer demands. It sees AI developments as impactful, enabling individualised and interactive wearables. Key factors include linguistic and cultural representation, data privacy, accessibility, ecosystem creation, health-care integration, regulatory frameworks, strategic alliances, and investments in R&D. Collective efforts in consumer education and functional value generation ensure an expansive trajectory for the wearable tech sector in India.

### Conclusion

Despite facing challenges and murmurs about a perceived market saturation, the wearable tech sector in India exhibits signs of robust growth, with several key factors reinforcing its resilience.

The pioneers in the category are actively increasing advertising, propelling the sectors forward even amid single-digit growth. Noise has effected a 128 per cent increase in advertising, from Rs 89 crore in FY22 to almost Rs 285 crore in FY23. Incidentally, b9A's loss too is attributed to heightened costs associated with business development and advertising.

Contrary to concerns, industry leaders remain optimistic, citing the unprecedented surge in shipments driven by continuous innovation, affordability, and consumer-centric design. Challenges like market maturity, cost sensitivity, and cultural attitudes are actively being addressed, paving the way for sustained growth.

Innovative approaches, from enhancing healthcare applications to tailoring

products for specific demographics, indicate that the industry is far from reaching its limits. The declining ASP is seen not as a hindrance but as an opportunity for brands to reinforce their commitment to quality and provide high-value products.

To sum it up, the Indian wearable tech industry is not hitting any kind of ceiling; it's breaking barriers and redefining its role in consumers' lives. The narrative suggests that the industry's trajectory is marked by continual innovation, adaptability, and a collective effort to turn challenges into opportunities. As wearables become more ingrained in daily life, the industry is not just ascending; it's soaring into open skies, ready for the next wave of advancements and experiences. ■

*ojasvi@businessworld.in*