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Mindfulness and Wellness: A Trend Shaping the Future, Now

Consumers are seeking new ways to manage their health and well-being. Increasingly, they are achieving these aims by engaging with technology in a variety of ways.

Over the past several years, consumers have enthusiastically embraced wearable health monitoring devices like smartwatches and rings, smartphone apps that promote mindfulness, and exercise and wellness products integrated with smart technology.

Continued growth is expected in the digital health and wellness market in 2021. Consumer engagement remains high, and the world isn't becoming less stressful. Consumers will welcome new ideas and new products geared toward helping them manage their emotional, physical, and mental well-being.

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Chapter 1:
Wellness and Tech Trends on the Horizon

As we shift into a new year, existing and emerging tech will have a central role to play in the health and wellness market. The latest advances will enable healthcare providers and wellness brands alike to apply entirely new approaches to interacting with their clients and customers.

Artificial Intelligence (AI)

Industries like cybersecurity and office automation have been transformed by AI over the past several years, and now this technology is becoming integral in the health and wellness sectors.

One example is the role AI plays in how patients manage their own care. AI-powered chatbots can guide patients with help for minor medical issues through smartphone and watch apps, for example. Wearable devices integrated into shirts can record health data and use AI to relay information to physicians, predict serious medical events, and make suggestions about healthy habits.

One industry expert predicts that we'll see increased partnerships between tech companies and healthcare organizations to get the most from AI advances. In a recent **HealthTech article**, Dr. Felix Matthews, managing director and physician leader at Deloitte, says, "Right now, artificial intelligence is mostly individual companies with one variable and one AI algorithm solving one problem."

These advances will lead to opportunities for wellness brands to market their wearables and other digital health tools to large medical systems as part of a holistic patient care approach.

Virtual Reality

No longer limited to video games and applications like military training simulation, virtual reality is becoming a key part of the wellness market. For example, medical facilities are using virtual reality headsets to distract patients undergoing painful or uncomfortable medical procedures.

On the wellness front, **meditation sessions guided by virtual reality** have become more popular, especially as people seek ways to improve wellness while under stay-at-home orders due to the COVID-19 pandemic. Being able to "escape" without leaving the house is a luxury for many people who have mostly been stuck at home for months.

Going forward, we could see more corporations embrace tools like **virtual reality relaxation experiences** to enhance employee wellness. This technology can be used in the office or remotely, in groups or individually. Similar to meditation, virtual reality relaxation experiences typically guide participants through mindfulness exercises aimed at improving focus and reducing stress.

The Impact of 5G

To power the millions of smartphones, smart wearables, Internet of Things (IoT) devices, and other digital demands, the world will require more bandwidth, higher internet speeds, and more server capacity. **Enter 5G**.

Consumers are already opting into **5G mobile service** as it becomes more available throughout the country and world. Companies that develop or sell connected products will need to quickly follow suit to deliver on the expectations of 5G. Consumers will expect tools like mobile wellness apps and wearables to have virtually instant responsiveness.

IoT devices will also benefit from 5G. In the world of wellness, consumers use tools like smart speakers in their homes for a wide array of health benefits. Not only can these devices deliver services like guided meditation, but they can also interact with other IoT devices.

For example, a smartwatch that can interface with a smart speaker might share information about a user's stress level. The speaker can then respond by interacting with the user about how it could help alleviate tension. 5G will become necessary to keep up with features like this.

Chapter 2:
The Health and Wellness Wearable Retail Landscape

Wearable health and wellness devices have become commonplace. Devices like the FitBit have given way to smartwatches that can monitor users' heart rate and track sleeping patterns. The technology is only gaining in popularity.

> **A recent study conducted by Business Insider Intelligence revealed that more than 80% of consumers are willing to wear fitness technology. Use of these devices has more than tripled over the past four years. Today, wearable fitness devices often include multiple wellness tools to address various concerns.**

According to researchers at IBM Watson, the average person may generate more than one million gigabytes of health-related data in their lifetime. Wearables will play an integral role in collecting and analyzing this information.

Wearables Buyers

By mid-2020, one in five Americans had a smartwatch or another wearable health and wellness tracker, according to a Pew Research study. Wearables usage is higher among households earning $75,000 or more annually at 31% compared to 12% of households with incomes that fall below $30,000 annually.

Education level also impacts the typical user profile for wearables. College graduates adopt wearables at higher rates than those with a high school education or less.

> **Pew notes a few differences among gender, race, and ethnicity. Women are more likely to buy a wearable smart device than men (25% versus 18%). The research firm found a small variation across race and ethnicity:**

26% Hispanic adults

23% Black adults

20% White adults

Smartwatches

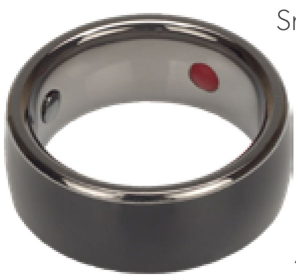
Smartwatches marry the practical elements of mobile phone technology with health and wellness features. The latest models are capable of running a wide array of popular health and wellness apps, and they seamlessly communicate with users' smartphones and other devices.

Retailers tend to market smartwatches as an addition to consumers' digital toolbox rather than as replacements for smartphones. Later, we'll dive into why this may not be the best approach in the coming years. Gen Z consumers, especially, will bring a new decision-guiding perspective to the marketplace.

> **Smartwatches have been on the market for several years, but we've yet to see the full potential of these handy devices. Industry watchers expect the global smartwatch market to grow in value from $16 billion in 2021 to $60 billion by the end of 2026—a 20.5% increase over the next five years.**

Apple Watch remains the market leader, pulling in **$2.3 billion** in Q3 2020 retail sales, ahead of Samsung and Huawei. The latest incarnations of the Apple Watch include several wellness-focused elements. Similar to other brands, Apple smartwatches come loaded with apps that lead users through activities like guided breathing exercises, meditation sessions, and yoga routines. Consumers can also add other popular wellness apps to use with the Apple Watch and other smartwatches to the default app library.

Smart Jewelry



Smart jewelry technology is similar to smartwatch technology but with a few key differences. These bracelets, necklaces, and rings communicate with smartphones much like smartwatches do, but are more limited in scope. Currently, smart jewelry is mostly useful as a health tracker that can monitor heart rate, sleep quality, exercise metrics, and so on.

A key feature for some smart jewelry is an ability to make calls, including emergency calls. Some retailers have marketed smart jewelry to families as **peace of mind** for older and medically vulnerable adults. Smart jewelry is also appealing to fashion-conscious consumers as an alternative to sportier smartwatch styles.

The smart jewelry market is expected to experience significant growth over the **next five years**. Like other wearables, these products will likely become more sophisticated, gaining abilities like communicating with smart speakers and predicting behavior thanks to new AI enhancements.

Chapter 3:
Health and Wellness Product Outlook in an Era of Uncertainty

If a single word could encapsulate the overall theme of 2020, it might be "uncertainty." More than half of U.S. adults **surveyed by Mintel** self-reported that they experienced stress over the past year, primarily due to their concerns about the future.

Consumer response as the COVID-19 pandemic spread across the globe significantly affected the wellness market, presenting new opportunities as well as unexpected challenges.

As the year came to a close, Americans faced an extremely contentious political climate ahead of, during, and following the presidential election. The health and wellness market has been impacted by this uncertainty in various ways—mostly for the better. Buyers are eager to improve their well-being by investing in health and wellness products.

Wellness Industry Response to COVID-19

Self-care has been a major focus for retailers and brands and has influenced brand behavior across industries. Wellness enhancement is being sold well beyond the health and wellness sector.

As brands and retailers focused on wellness create revenue forecasts, it will be important to consider this increase in cross-sectional products and services as new competitors come to market in unexpected ways. For example, last summer Amazon launched its own **branded health tracker** equipped with a proprietary health data app, Halo.

Sectors like skincare, haircare, and bath and beauty products have pivoted successfully to address customer well-being during an unprecedented period of stress and uncertainty.

> **While many global brands had marketed an emotional self-care or wellness angle pre-pandemic, in 2020, wellness moved to the front seat. Zalando, Europe's largest lifestyle e-commerce marketplace, reported that products like candles, aromatherapy, and detox products were up 300%, year over year.**

Wellness tech brands that can capitalize on consumer interest in these kinds of products by incorporating some of the benefits into their own devices stand to benefit. For example, smart jewelry manufacturers have included tools like **mindfulness reminders** with their latest models, a self-care angle they can use as a marketing focus.

Changes in consumer behavior because of COVID-19—like the trend toward e-commerce and the increased interest in self-care—offer potential new inroads for marketers. Brands should also consider their public-facing responses: consumers respond positively to **brand altruism** and community education and support.

Wellness Industry Response to Political Upheaval

We are living through an unprecedented political and societal era in which more consumers than ever have become politically active. Wellness brands have taken notice.

According to a study conducted by Mintel research, **more than half of adult respondents** reported feeling apprehensive ahead of the 2020 presidential election—a figure that has likely only increased given the steady stream of stressful political news that occurred in the election's wake. Brand response has focused on a kind of activism focused on helping consumers get through these stressful times together.

Brands are also responding to consumer stress around politics in more subtle ways by promoting mental and emotional self-care. The **Hims and Hers brands**, for example, specifically target consumers experiencing stress around politics. The company's election anxiety support groups provide spaces for stress relief while steering participants toward Hims and Hers wellness products.

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Chapter 4: How Consumer Perceptions Will Shape the Wearables Market

As wellness product engineers and manufacturers begin to chart the next course, they will need to consider consumer perceptions about these devices. A **recent report** by Ericsson revealed a wealth of key data around wellness product perceptions in the current and future markets.

> **The report indicates that 73% of wearables users expect to wear multiple wearables and sensors at once. One in three smartphone users estimate they will wear five or more wearables at the same time beyond 2020. Wearable product manufacturers and sales teams will need to focus on how well their products play with other devices on the market, as well as IoT sensors.**

While the trend has been that consumers tend to add smartwatches to their collection to complement rather than take the place of mobile devices, 43% of consumers predict their smartphones will be replaced by wearables in the coming years. Wearables retailers can use this data point to help develop messages targeted toward early adopters.

Emerging Wellness Product Categories

Ericsson predicts that the market will see an influx of new wellness products in the near future, based on survey responses. In addition to the smart shirts and wearable panic button devices mentioned previously, consumers indicated they would welcome tech such as non-verbal communication garments. These wearables transfer physical touch sensations between people wirelessly.

Mood detectors are another potential emerging wearable wellness product category. We could see products like skin patches or temporary tattoos that track the wearer's mood throughout the day. These sensors communicate with smart devices to prompt the wearer to respond to rising stress levels.

Consumers will also be more interested in wearable devices that promote peace of mind, beyond options like smart jewelry and smartwatches. Half of survey respondents said they were "very interested" in wearable location trackers and security-related functions that can allow them to discreetly send an alert for help.

Another interesting prospect is the potential for using wearables as relationship tools. Ericsson found that a small segment of consumers would likely respond to wearable technology that supports communication that can be felt through light, sound, and vibration patterns on a wearable device. This niche market could be especially appealing to people with speech-related disabilities.

Gen Z Consumer Perceptions Will Shape the Wellness Product Market

Gen Z consumers, in particular, are likely to embrace wearables at an increasing rate throughout 2021 and beyond. Retailers and marketing teams will need to differentiate these consumers from millennials, who are approaching middle age and participating in emerging tech markets with less frequency.

Gen Z is the largest generation in America—comprising a full 40% of all U.S. consumers going into 2021. Estimated to hold some $143 billion in spending power and $300 billion of influence over indirect spending in the U.S. alone, brands will miss out significantly if they aren't quick to move into this demographic. Ericsson reports that 23% of new wearables users are aged 15-24.

> **Born between 1997 and 2001, Gen Z is a generation that has never known a world without smartphones and social media, which are near-ubiquitous among these consumers. However, 67% of Gen Z consumers prefer brick-and-mortar shopping experiences.**

This figure has surely been impacted by the COVID-19 pandemic, but industry leaders expect this preference to remain intact. It may seem counterintuitive to prioritize brick-and-mortar in 2021, but wellness brands that want to connect with a generation willing to pay a premium for their products will need to consider this approach.

To appeal to Gen Z consumers, new product developers should consider a holistic approach as they design wearables and other health and wellness tech. This generation takes a big-picture view of their health, where physical fitness, healthy eating, and mental well-being all play significant roles.

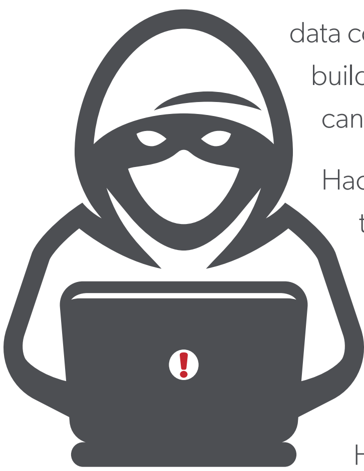
It's not surprising given the tumultuous world events over the past year that 72% of Gen Z respondents said managing stress and mental health is their most important health and wellness concern.

Wellness brands can also make inroads with the Gen Z market by acknowledging that 80% of these consumers have a sense of spirituality and believe in some kind of cosmic power. Creative tech product applications that are able to bring responsive modern devices together with spirituality, mindfulness, and connectedness are likely to resonate with this demographic.

Chapter 5:
The Importance of Data Privacy Protection Across the Wearables Market

Consumers are becoming more aware of the importance of protecting their private data when they are online. This concern extends to wearable health and wellness products, which introduce unique vulnerabilities.

Location data, for example, is integral for many wearables to work effectively, but brands must exercise great care to keep that data locked down. The potential for bad actors to effectively stalk another person through their wearable device is a serious concern.



In some cases, wearables open consumers up to more potential for having their data compromised over computers and smartphones. Brands often skimp on building security frameworks in order to drive down production costs, but this can lead to risks for users and producers alike.

Hackers have become well-versed in breaking into wearables and using them to access the user's smartphone data, where they likely have stored a wealth of personal information. When wearables are connected to a company's server, that network, too, is opened up to increased risk. Spending the time and resources on a strong security framework is a must.

Health data is another potentially risky target for hackers. Private health information is not only something any user would want tightly safeguarded—it's also a category of data that is highly regulated. Brands could be at risk for violating HIPAA laws, for example, should health data be breached from their wearable device.

Conclusion

Wellness products can be the solution to the modern consumer desire to learn more about their own health and to manage their own well-being. Smartwatches have been the leading product in the wearables market, but brands should be aware that today's consumers expect more functionality than ever before—especially as 5G becomes more widely available.

As wellness brands consider how best to address product development and marketing during uncertain times, understanding consumer motivation will perhaps be more important than in years past. Consumers are prioritizing their health, wellness, and peace of mind and will purchase products that enhance each of these factors.

In the big picture, the wearable product market remains strong. As long as brands carefully balance the needs of consumers who have been impacted by historically turbulent times with the game-changing advantages of tech advances, they are well positioned to achieve success in the market.