

CONSUMER ELECTRONICS

Fashion-first, hybrid designs yield success for smartwatch category

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Marc Jacobs' hybrid Riley wearable launched Aug. 30. Image credit: Marc Jacobs

By JEN KING

By taking a fashion-first approach to smartwatch design, the technologically advanced timepiece category has seen consumer interest steadily increase.

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As early as 2015, when smartwatches were still seen as a disruptor rather than a sector draw, experts agreed that the wearables concept required a combination of fashion and function if consumers were to be interested. While tech designs, such as Apple Watch, do take inspiration from traditional timepieces, smartwatches that marry true analog qualities with functionality are growing in popularity and demand.

"The smartwatch in general has increased the attention and interest of consumers in having integrated technology on the wrist, which certainly has benefited fashion watch brands looking to leverage the technology," said Weston Henderek, director at [NPD Group's Connected Intelligence](#), San Diego, CA. "But the fashion category is still relatively new in the true smartwatch space.

"In terms of the U.S. market, our research indicates that Fossil is so far the only competitor that has made any real dent in the category with around 4 percent share," he said. "That compares to over 50 percent share for Apple and almost 25 percent for Samsung.

"However, as Fossil has demonstrated there is a market for these devices and represents a potential new set of buyers for fashion brands looking to appeal to a younger and more tech savvy audience. But many brands are still in a wait and see mode around the category given the dominance of Apple."

Watching wearables

According to latest "WEAR Report Industry Overview and Forecast" from NPD's Connected Intelligence, there has been a 1.5 percent increase in individuals above the age of 18 who own a smartwatch compared to six months ago. The report forecasts that there will be a 60 percent growth in smartwatch owners by the fourth quarter of next year.

Currently, most smartwatches allow for notifications, activity tracking and news content, but music control and picture and video capability are continuing to grow. Connected Intelligence believes that the next round of updates

will entice more first-time buyers ([see story](#)).

Functionality continues to drive interest in the smartwatch category, but consumers remain attracted to timepieces that still look like a regular watch.

For timepiece manufacturers with branded licensing agreements the fashion-first approach has been a lucrative concept.

Fossil Group, for example, holds licenses for the design, manufacture and distribution of Giorgio Armani, Burberry, Marc Jacobs and Michael Kors' standard timepieces ([see story](#)). As smartwatches have taken off, Fossil has also worked with its brand partners to develop wearables.

On Aug. 30, Fossil announced that it would be massively expanding its wearables category. Next year, Fossil plans to add new brands to its touchscreen smartwatch lineup, powered by Google's Android Wear.

Thus far, Emporio Armani and Michael Kors are among the latest fashion brands to offer consumers Fossil's full-round touchscreen smartwatches. The designs will be available in time for holiday 2017.



Fossil designs Armani timepiece across its brand portfolio. Image credit: Fossil

The first Emporio Armani Connected touchscreen, available Sept. 14, features 11 interchangeable straps and a Saved Faces watch application to take the wearable screen from day to night.

Michael Kors' Access Sofie for women and Access Grayson for men will go on sale globally Sept. 25. Both have a touchscreen design facilitated by Fossil and Google.

The brand's fashion-forward smartwatches were launched in 2016 during BaselWorld in Basel, Switzerland.

Michael Kors' timepieces are very popular thanks to an affordable entry-level price point, stylish designs and well-executed marketing. Branching into smartwatches was a logical next step ([see story](#)).



Michael Kors' Access Sofie was the brand's first wearable. Image credit: Fossil

In the last year, Fossil has doubled the distribution points for its connected devices. Sales of wearables have also doubled in the last 12 months.

By year's end, Fossil will have launched more than 300 connected watches across 14 brands. Fossil wearables are now in 50 markets with functions available in 21 languages.

"The benefits for fashion and tech are mutual," said Greg McKelvey, chief strategy and digital officer at **Fossil**, Dallas, TX. "We've made watches smarter and smartwatches more stylish.

"As a fashion watch company, we were excited for technology to come to the wrist, but as design geeks, we hadn't seen anything in the market we'd be proud to wear daily," he said. "So we made something we would actually wear and designed it with the ability to be changed and updated, an idea that distinguishes us in the current wearables market.

"We know technology is a major disruptor in many industries right now even fashion. But to successfully merge the two, we believe you need to have fashion design expertise and focus on fashion first."

Hybrid hype

New hybrid smartwatch styles are also in Fossil's pipeline. Brands with upcoming launches include Armani Exchange, Emporio Armani, Michael Kors and a debut wearable from Marc Jacobs.

At first glance, hybrid smartwatches appear to be analog watches, but are actually connected to a smartphone to enhance the timepiece's functionality.

Marc Jacobs' hybrid smartwatch, the Riley, is connected to an app, compatible with Apple and Android devices, that allows the user to track goals and fitness activities, receive notifications, play music and even take a selfie by using a side crown to activate a smartphone camera.



Marc Jacobs' Riley hybrid design helps with selfies. Image credit: Marc Jacobs

Marc Jacobs' Riley also features an everlasting battery so wearers do not need to worry about charging the timepiece.

Available in four color options, the Riley hybrid smartwatch retails for \$175.

"Our customers are no longer wearing a watch simply to tell time, they are wearing it to stay connected to the people and activities they care about most while remaining fashionably on-point," Fossil's Mr. McKelvey said. "We're thrilled to offer them so many ways to maintain those connections, and to do it with beauty and uncompromised style."

A similar connected approach was recently taken by Marc Jacobs' fellow LVMH-owned brand, Louis Vuitton.

Louis Vuitton's Tambour Horizon connected timepiece combines personalization, fashion and technology together in one design. Louis Vuitton's coinciding campaign focuses on travel and adventure seeking, as the connected watch itself enables seamless travel ([see story](#)).

Demonstrated by new launches and innovations, the smartwatch category still has room to advance.

"As a category, the smartwatch is far from dead as some have been predicting recently," Connected Intelligence's Mr. Henderik said. "The coming launch of the next version of the Apple Watch, which is expected to include a version with built-in cellular capabilities, will drive strong interest into the holiday season."

"In three to five years smartwatches will be more capable and independent devices than they are today, no longer requiring a nearby smartphone for tethering," he said. "The use cases for these devices will also be stronger, extending well beyond fitness and tracking a much wider range of detailed health and wellness metrics. For example, being able to measure things like blood glucose levels."

"In addition, with the increase in technology in a wide variety of home automation devices, smartwatches will be like connected control hubs on the wrist. Finally, we will see many more enterprise related uses for the smartwatch for things like inventory management."