

H&M challenged with merging affordable fashion and expensive tech

Article

The news: The wearables market may soon be getting some serious competition from fashion brands like **H&M** and its smart clothes, [per](#) Bloomberg.

How it works: Alan Boehme, H&M's chief technology officer, is looking at smart clothing as an alternative to smartwatches and wearables.

- **Smart clothing** is not new—clothing has had integrated sensors since the late '80s. Last year, Google and Levi's collaborated on **Jacquard** smart jackets that incorporated Bluetooth transmitters in their cuffs to communicate with smartphones.
- Boehme is studying how **H&M's clothing could monitor heart rate and hydration levels**.
- H&M already has a head start and has **partnered** with **Boltware**, a fashion-tech company, to develop denim jackets that can simulate hugs. However, not enough consumers voted for this jacket to go into production.

The bigger picture: The growing interest in health and biometric tracking through smart clothing has the advantage of being a more organic and natural platform for incorporating sensors on various points of a body.

- Clothes and shoes are less obtrusive than **watches, fitness trackers, smart rings**, and other devices. There's a potential for disruption, especially in the fitness and fashion industries.
- H&M has the opportunity to gain a leadership position, which could help attract technology and digital health companies looking beyond wearables for future sensor, hardware, and services integration.
- A fashion retailer like H&M piloting connected clothing could have an easier time developing the market than a technology company pivoting to smart clothing.

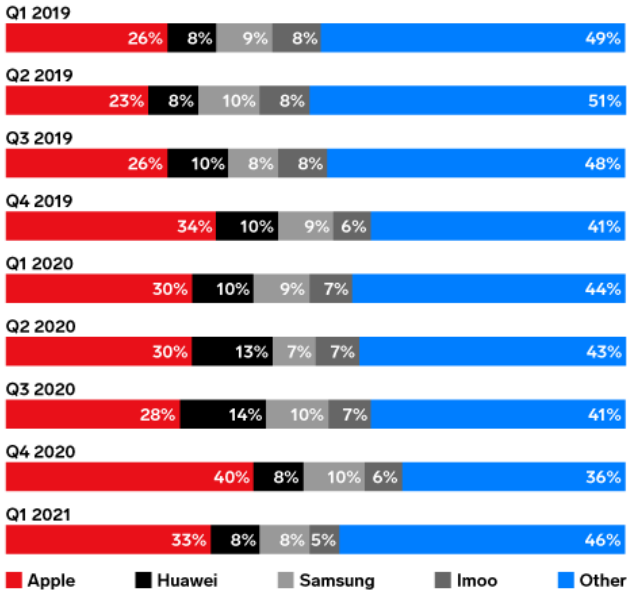
What's the catch: H&M's Boehme is aware his vision of the future faces hurdles. Potential obstacles include creating clothes that can sync to 5G, which would be difficult in countries with low network penetration, and designing smart clothes that make sense year-round.

- The practicality and cost of smart clothes that can't be washed or cleaned in traditional ways—and that require rechargeable batteries—is still a considerable hurdle and could deter consumers who have yet to integrate these into their lives.
- H&M's market position as a seller of affordable ready-to-wear fashion could be challenged by its need to push high-tech wearable technology. It will likely need to subsidize initial products to generate interest.

The opportunity: While it is still considered nascent, smart clothing is an entire segment of emerging technology that's wide open and offers the opportunity for new players to emerge.

Smartwatch Shipment Share Worldwide, by Brand, Q1 2019-Q1 2021

% of total



Source: Counterpoint Technology Market Research, "Global Smartwatch Shipments by Model Quarterly Tracker," May 25, 2021

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