

Apple signals AirPods could become part of its healthcare device play

Article

The news: Apple is reportedly researching how its AirPods can be used to enhance hearing, measure body temperature, and monitor posture, per The Wall Street Journal.

Why it's a smart move: There's a ton of untapped opportunity in areas like digital hearing loss and posture improvement—areas where Apple could make an easy name for itself given its reach with its devices.

- About **28 million US residents** experience hearing loss, but **only 5%** of these individuals actually use devices to improve their hearing, per WSJ.
- However, Apple has millions of loyal customers, and it could use its mindshare to get more consumers using hearing improvement tech than traditional hearing aid devices.
- Apple sold **60 million AirPods** in 2019 alone, a figure which is likely far higher this year as more consumers have become accustomed to using the tech.

Plus, there's likely high demand for posture improvement tech from consumers working from home:

- Doctors are **seeing** an increase in complaints of neck and lower back pain, dubbed "'pandemic posture," over the past 1.5 years as patients sit for extended periods of time with increased WFH schedules.

Why it could backfire: Some regulatory barriers may prevent AirPods from taking off among some health consumers.

- For example, in 2017, the US gov't mandated the FDA issue regulations by 2020 so that hearing aids can be sold over-the-counter (without prescriptions).
- But thanks to the pandemic, this deadline got delayed to mid-November of this year.
- There's no guarantee this deadline won't get pushed back even further, which could become a problem for Apple's marketing strategy surrounding hearing enhancements.

What's next? It appears Apple is stepping away from primary care and instead focusing on its devices to break into healthcare—and specifically, the world of remote patient monitoring (RPM).

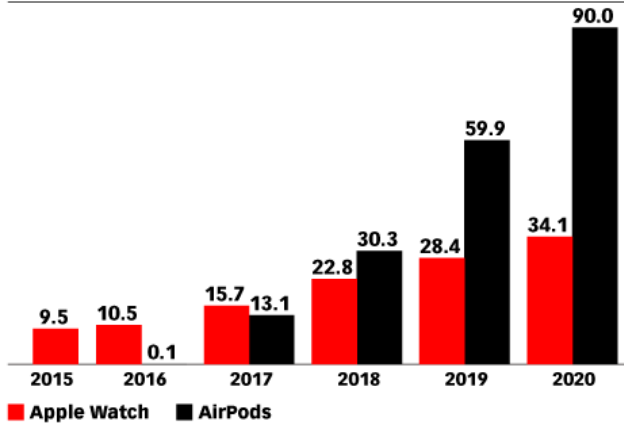
- Apple recently walked back on its healthcare initiative HealthHabit involving health clinics for employees: It's possible the project will never materialize, according to reports.

However, since Apple has been aggressively expanding its Watch's health-related features (like blood glucose monitoring and fertility tracking), we could see it use the Watch and AirPods to facilitate health systems' RPM initiatives.

- For example, it could acquire an RPM business similar to Best Buy: It just **announced** the acquisition of RPM company **Current Health** to boost its home healthcare tech.

- Healthcare companies already have talent who understand the complexities of digital health, which would save Apple the time and effort it takes to put together its own senior leadership team.

Coronavirus Impact: Apple Watch and AirPods Sales Worldwide, 2015-2020
millions of units



Note: 2020 estimate takes into account COVID-19 reporting as of March 3
Source: Loup Ventures based on company reports, March 6, 2020

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