

Google Wants to Buy Fitbit

Written by Bob Snyder
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Reuters discloses Google's **Alphabet Inc** wants to buy wearable device maker **Fitbit**.

Google has yet to develop any consumer wearable offerings, despite an early attempt with Google Glass. But earlier this year Google did buy **Fossil Group**'s intellectual property for smartwatch technology for \$40 million.

While Google and Fitbit declined to comment to Reuters, a deal for Fitbit would come as its Q3 earnings report (Nov. 6th) will show how Fitbit is losing its dominant share of the fitness tracking sector to cheaper products from China. In smartwatches, Apple is making good time on the high end-- and their interest in health apps puts Apple directly on the train tracks blocking Fitbit from bigger growth in high end smartwatches.

Fitbit cut its 2019 revenue forecast in July 2019, with disappointing sales of its attempt to protect its bottom line from the cheaper suppliers. The newly launched cheaper smartwatch, **Versa Lite**, was light in sales.

Yet Google backing could drive Fitbit forward, ensuring its dominance in the middle to high end of the wearable market. Or it could fizzle like Google's attempt with Motorola in smartphones.

The market is thinking positive: Fitbit shares rose 27% on the news, driving up market

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capitalization to \$1.4 billion. Alphabet shares also rose 2%.

For users, Fitbit monitors daily steps, calories burned and distance traveled. They also can display time, measure floors climbed, sleep duration/quality, and heart rate. Fitbit recently launched its latest smartwatch,

Versa 2

, adding

Alexa

, online payments and music storage to this device's capabilities. [Versa 2 shown in photo.]

Fitbit, a pioneer in wearable devices, now partners with health insurers and makes acquisitions in the healthcare market. Some analysts believe much of the company's value today is in its health data. In August, Fitbit signed a contract with the Singapore government to provide fitness trackers and services in a health program that could reach up to 1 million users.

Reuters also reported last month Fitbit was working with an investment bank, exploring a sale: and now we don't need to Google to know exactly who is most interested.

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