

CCS

insight

User Survey: Wearables UK and US

October 2013

in association with On Device Research



CCS Insight's Wearables Service

About CCS Insight

With a global team of analysts we are ideally placed to offer comprehensive services tailored to meet the needs of individual clients and help them make sense of the connected world.

Research topics include mobile phones, mobile operators, tablets, operating systems, apps, Internet players, semiconductors and wearables.

We produce a range of reports that bring clarity to the mobile industry.

Clients can expect regular presentations on all aspects of the connected world.

We maintain extensive databases of wholesale and retail handset prices since 2006.

We undertake one-off projects to help clients overcome individual challenges.

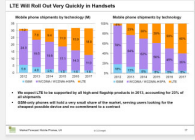
For more information, please contact:
sales@ccsinsight.com



CCS Insight's Wearables Service

The CCS Insight Wearables service offers:

- Meetings and presentations
- Forecasts
- Monthly wearables trackers
- Quarterly analysis
- Access to wearables databases
- Hotlines
- Instant Insights
- User surveys



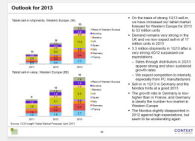
Mobile Phones

A broad package containing five-year forecasts and quarterly analysis of market trends, weekly in-depth reports of recent developments, insights into financial results and news events, and text alerts. This service offers optional pricing reports and database access. [\[Find out more...\]](#)



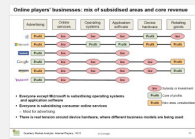
Mobile Operators

This service offers quarterly market summaries of the mobile network operator landscape, weekly instant and more in-depth insights and analysis of key industry developments, and our unique text alerts. [\[Find out more...\]](#)



Tablets

As part of our comprehensive service focussed on the tablet market, we offer five-year forecasts and quarterly summaries, weekly in-depth reports on recent developments, insights into financial results and news events, text alerts, tablet pricing reports and database access. [\[Find out more...\]](#)



Internet Players

This service comprises quarterly summaries of key providers in the online services market, weekly in-depth reports of recent developments, insights into financial results and news events, and text alerts. [\[Find out more...\]](#)



Apps

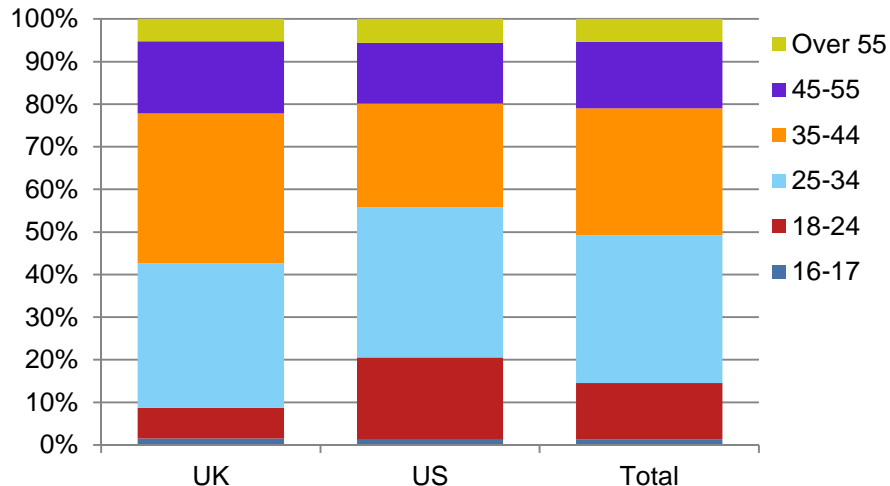
A wide-reaching service offering coverage of the mobile app market, as well as instant analysis of breaking news and more in-depth insights into key industry developments, and our unique text alerts. [\[Find out more...\]](#)

User Survey: Wearables Summary

Objective and methodology

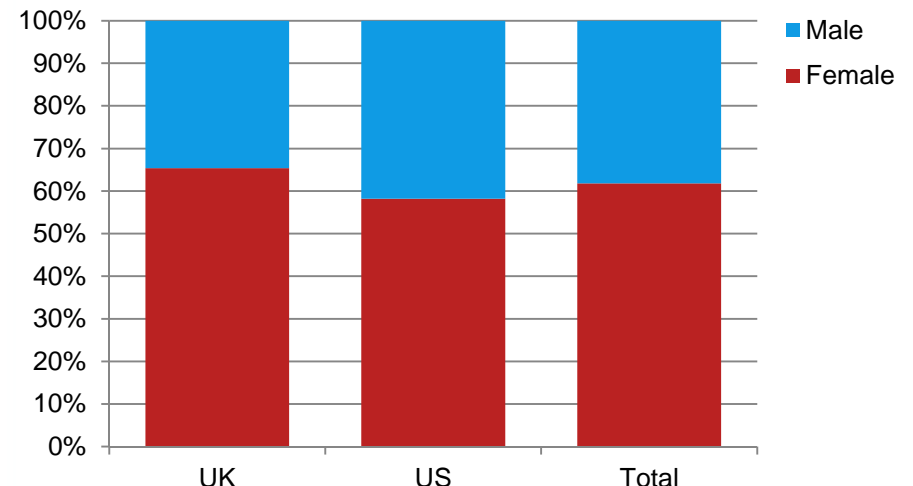
- The key purpose of the survey was to understand awareness of smartwatches and fitness trackers, past and current usage and intention to buy in the near future. The survey was carried out ahead of important product launches in September 2013.
- **Sample**
 - Smartphone owners in the UK and the US
 - Completed questionnaires: 748 in the UK and 736 in the US
 - Respondents completed the survey on their smartphones in early September 2013
 - Sample was not designed to represent the population
 - Over-55s and men are under-represented

Respondents by age group



Sample: 1,484

Respondents by gender



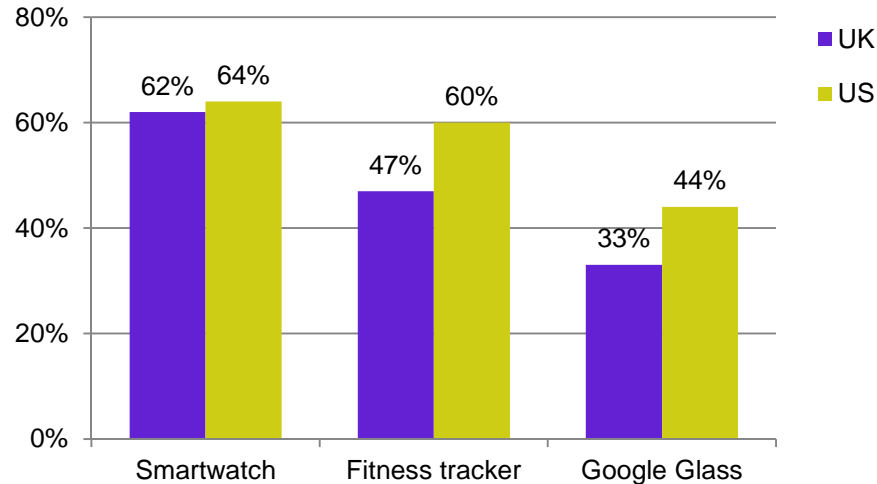
Sample: 1,484

Summary of key findings

- **Awareness of smartwatches and fitness trackers is surprisingly high**
- **However, ownership of these devices is low**
 - Ownership of fitness trackers is higher than that of smartwatches
- **A significant proportion of wearable device owners have stopped using them**
 - They mostly got bored with them, or the device did not provide enough functionality
- **Smartwatches have a wide set of functions, which can prevent people from understanding what they are actually about. The term "smartwatch" seems to be somewhat misleading — many people think the device is about telling the time.**
- **The current owners of smartwatches and those who declared an intention to buy one in the next few months are mostly interested in the smartwatch as a piece of novel technology**
- **In contrast, fitness trackers have a very clear purpose related to monitoring health and well-being.**
- **The key reasons why people own or plan to buy a fitness tracker are the benefits and functionality the device offers; the novel technology factor is secondary**

Consumer awareness: summary

Have you heard of.... ? — positive responses



- **Surprisingly high levels of awareness of all three device categories**
- **Smartwatches enjoy very high awareness, probably because they have been around for some time**
- **Fitness trackers are also well known, though the awareness is significantly higher in the US than in the UK**
- **The most astonishing finding is the high awareness of Google Glass — a device that has not even been launched commercially**

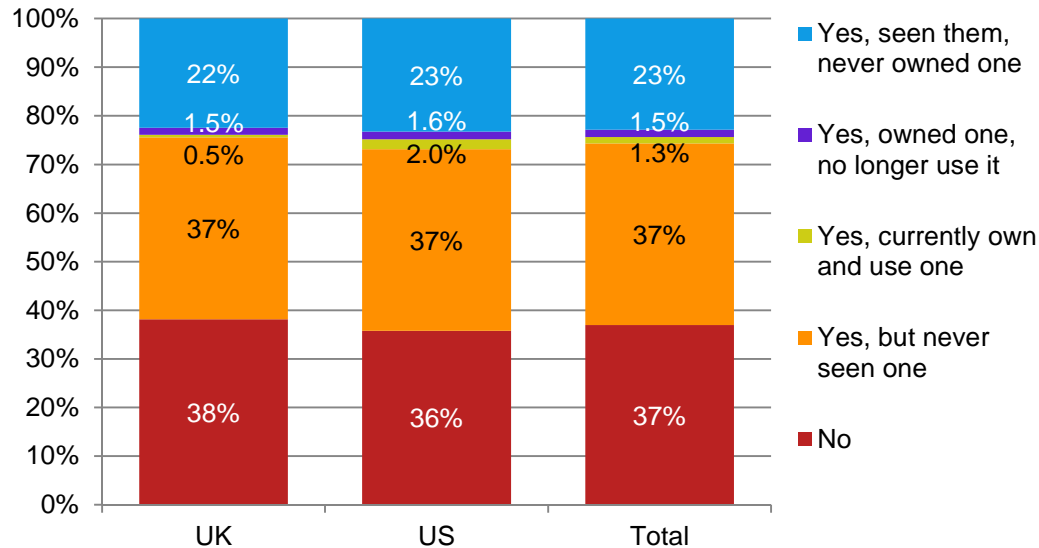
Purchase intentions

- **The survey asked about purchase intention in the near future: by Christmas 2013**
- **Purchase intentions come with a "health warning"**
 - Transient sentiment
 - Heavily influenced by advertising seen in the previous few weeks
 - Expressed without full consideration of pricing
- **Purchase intentions will not translate directly into purchases**
 - Some time elapses between expressing the intention and doing something about it
 - In that time new marketing messages are received
 - And prices change
- **However, they give a good indication of top-level sentiment**
 - A strong general sense of whether the category has the potential to grow

Smartwatches

Awareness of smartwatches

Have you heard of smartwatches?

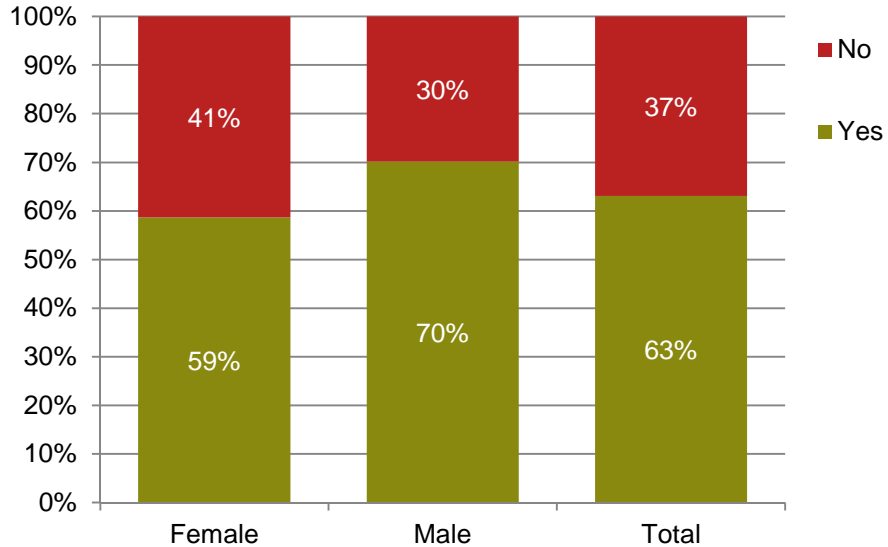


Sample: 1,484

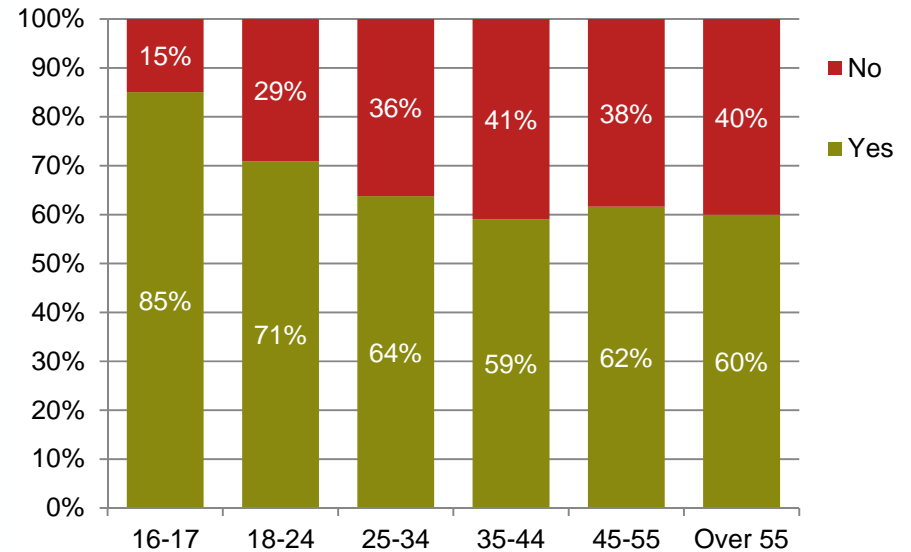
- While reported awareness level is high, only 41% of those who have heard of smartwatches have actually seen or owned one
- Ownership levels are very low: only 2.8% own or used to own a smartwatch, and more than half of those have stopped using the device
- Due to small absolute number of owners, the analysis of the ownership is only directional

Men and younger people are more aware of smartwatches

Have you heard of smartwatches?



Sample: 1,484

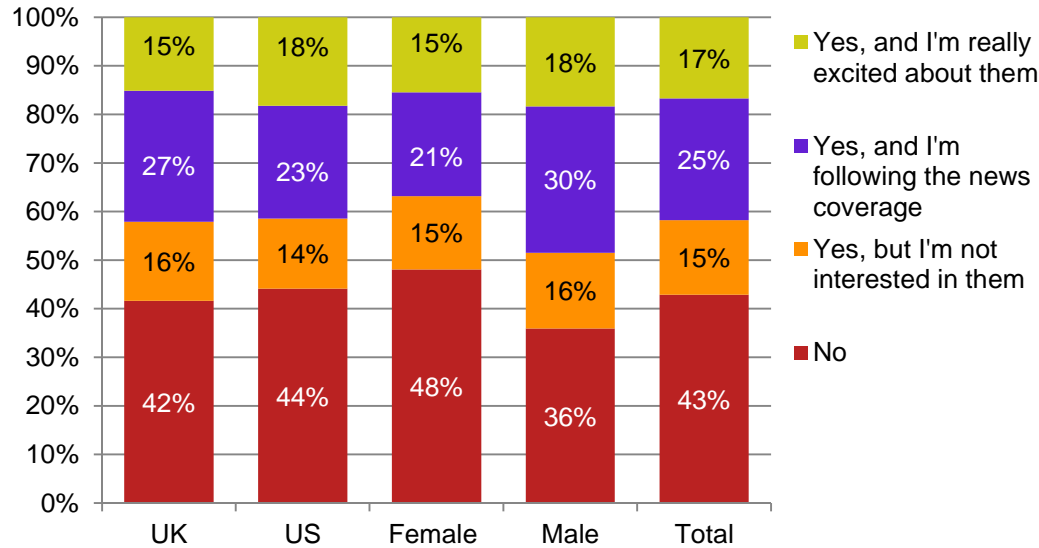


Sample: 1,484

- Awareness among men is significantly higher than among women
- Logically, younger people are more interested in technology and novelty, and show very high level of awareness
- Awareness among those older than 35 is very consistent: about 60%

Awareness and current interest in upcoming smartwatches

Have you heard about upcoming products by Samsung, Google, Apple and others?
(Only those who have heard of smartwatches)

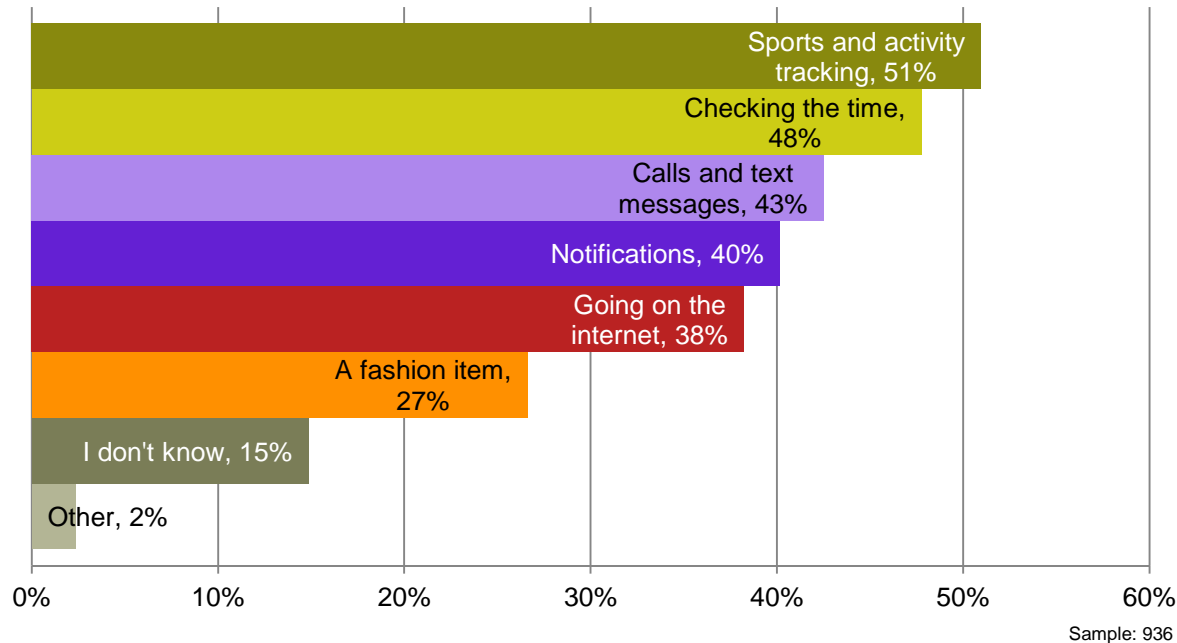


Sample: 936

- **Consumers in the UK and the US have very similar levels of awareness and engagement with news and rumours about smartwatches from top brands**
- **Women are less involved than men**

Smartwatches are perceived as multipurpose devices

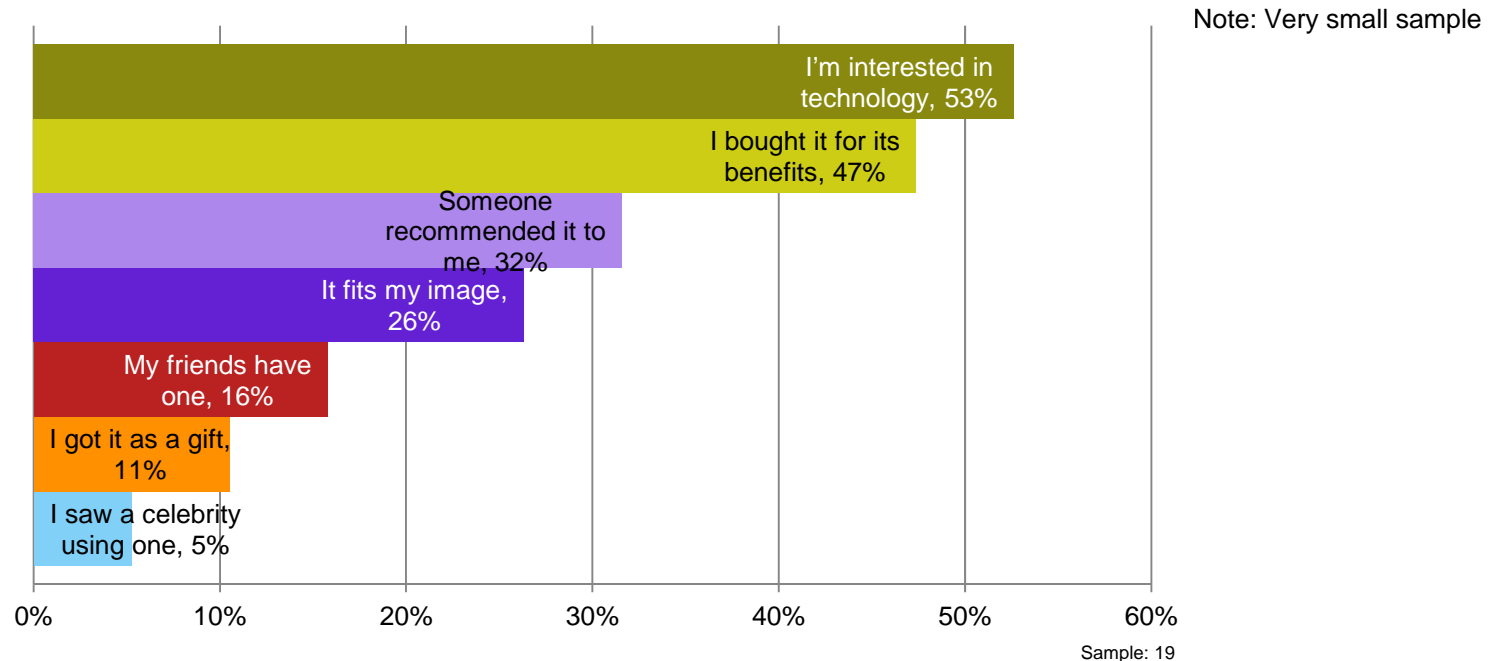
What would you say a smartwatch is mainly about?
(Only those who have heard of smartwatches)



- The multiple functionality of current products portrays smartwatches as "Swiss Army knives"
- Sports and activity tracking features very high: it was stated as a main purpose by 62% of US respondents and 40% of UK respondents
- Checking the time and fashion also show surprisingly high, potentially signalling that people think they know what a smartwatch is all about, but in fact they do not

Most of the current adopters of smartwatches are technology leaders

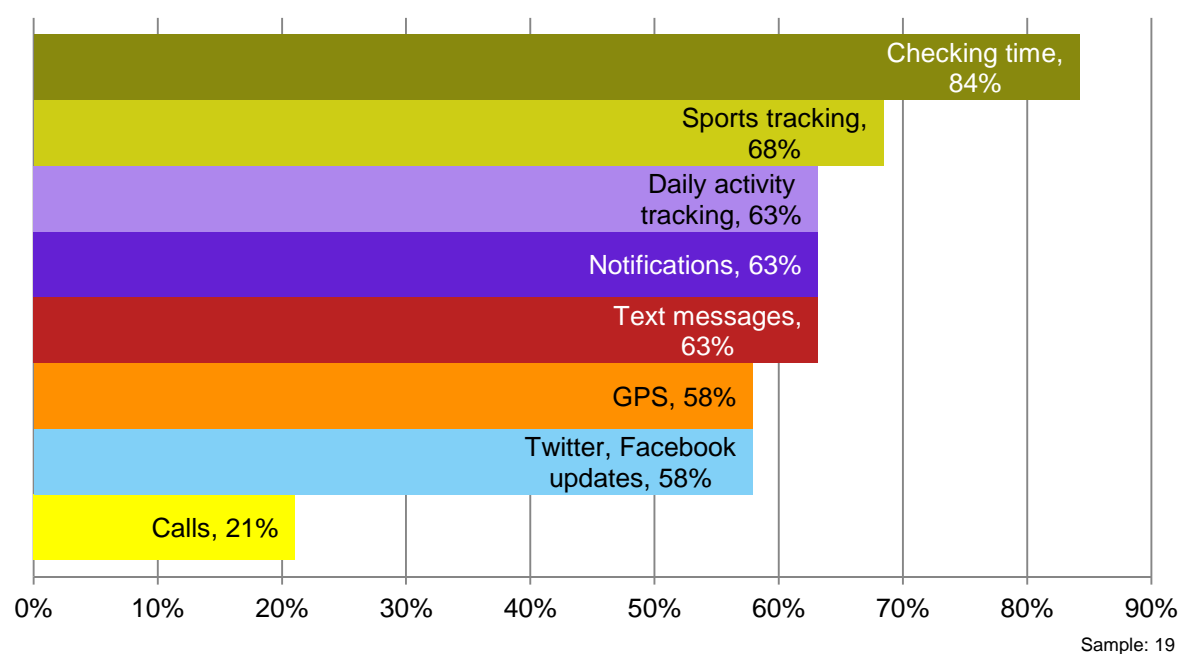
Why did you buy your smartwatch? (Only those who currently own and use a smartwatch)



- Limited ownership of smartwatches means this question was asked of a small sample of people. The results are merely directional.
- Interest in technology is the key reason for purchase, followed by the functionality of the device: smartwatches are bought by those who want to have the latest gadgets

Smartwatches are used for multiple purposes

What do you use your smartwatch for? (Only those who currently own and use a smartwatch)

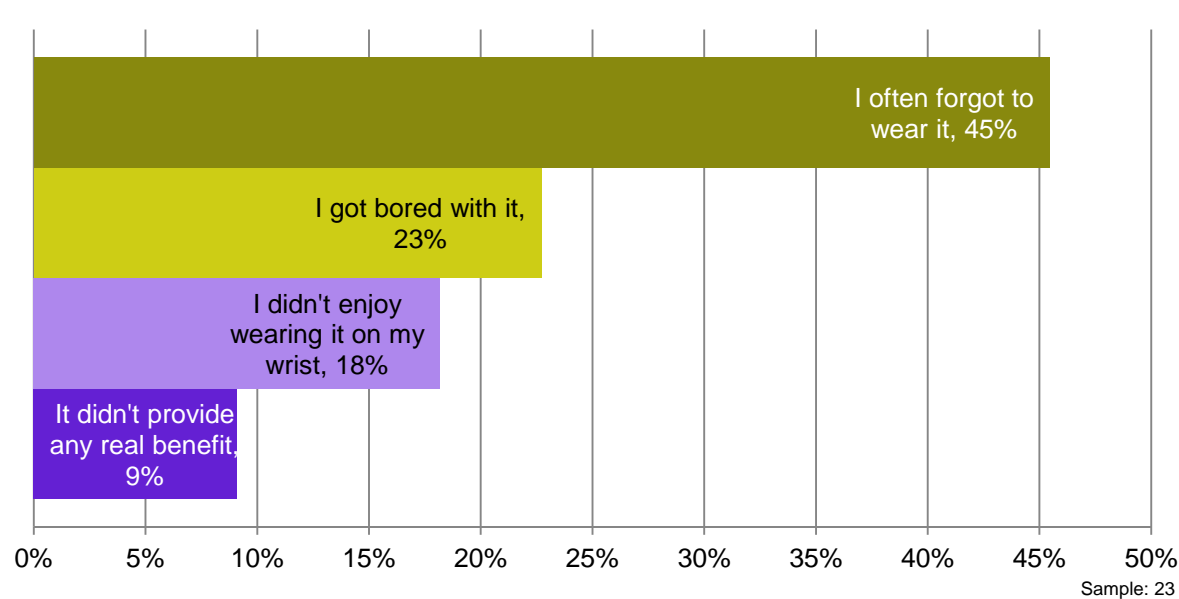


- **Sports, activity tracking and GPS appear high on the list of uses, probably because many existing products are meant to be sports watches**
- **Checking time is a key function, so a good watch must support it, even in sleep mode**

Smartwatches get forgotten

Why did you stop using your smartwatch?

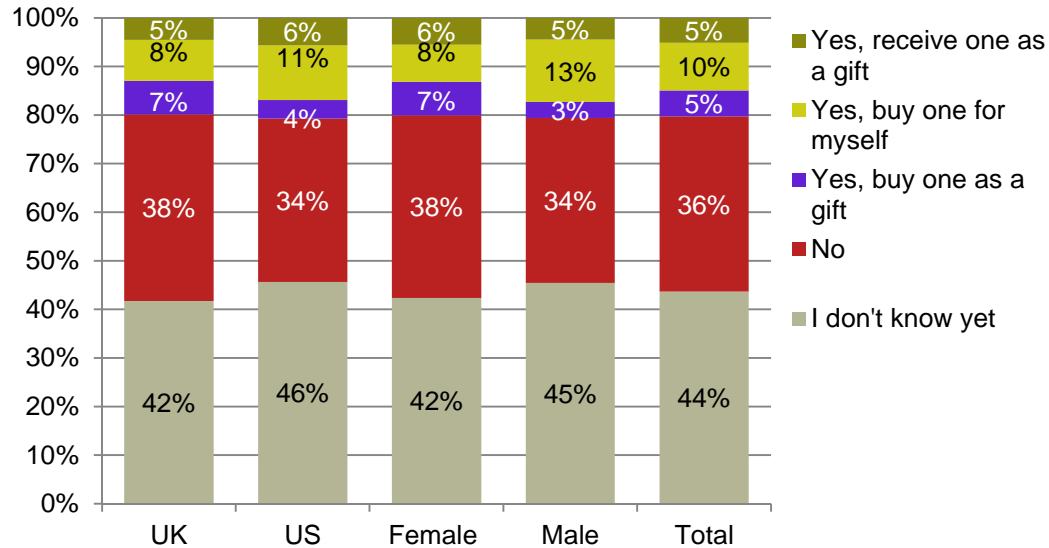
(Only those who used to have a smartwatch and no longer use it)



- Forgetting to wear the watch and getting bored with it are the key reasons people stopped using the device
- Both suggest that the functionality of the device was not "sticky" enough
- The form factor is not necessarily a problem

Purchase intentions for smartwatches

Do you plan to get a smartwatch by Christmas 2013? (Only those who have heard of smartwatches)

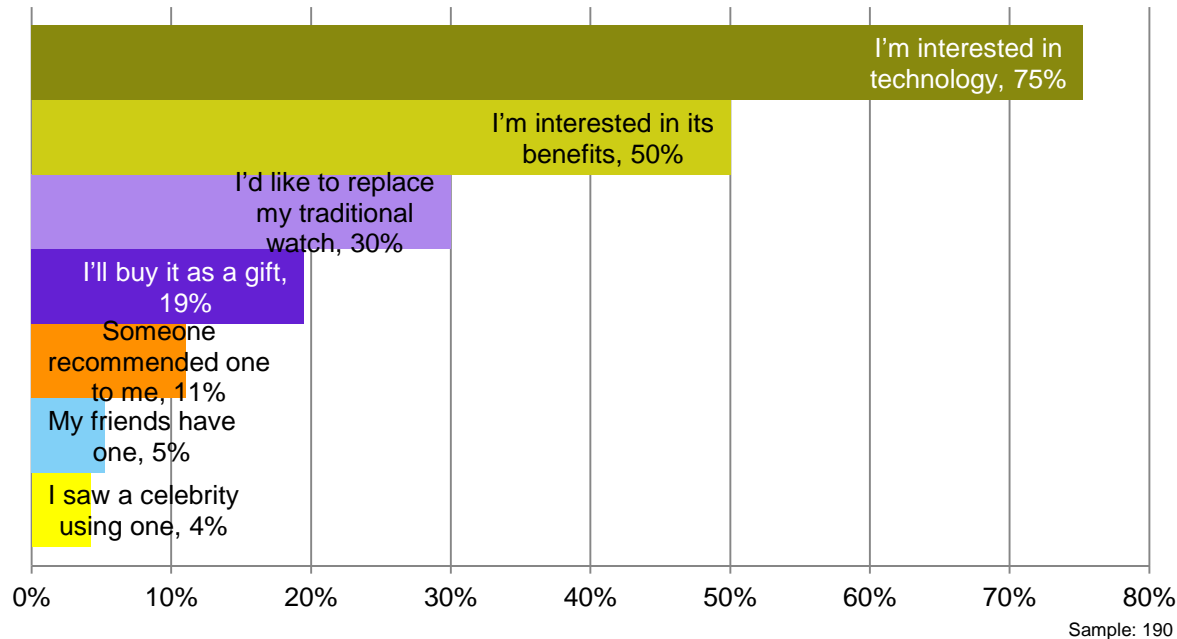


Sample: 936

- Only 36% of respondents completely reject the idea of purchasing a smartwatch
- 20% are considering buying a smartwatch, another 44% could be convinced to at least consider it

Novelty in technology is the main reason for interest in new watches

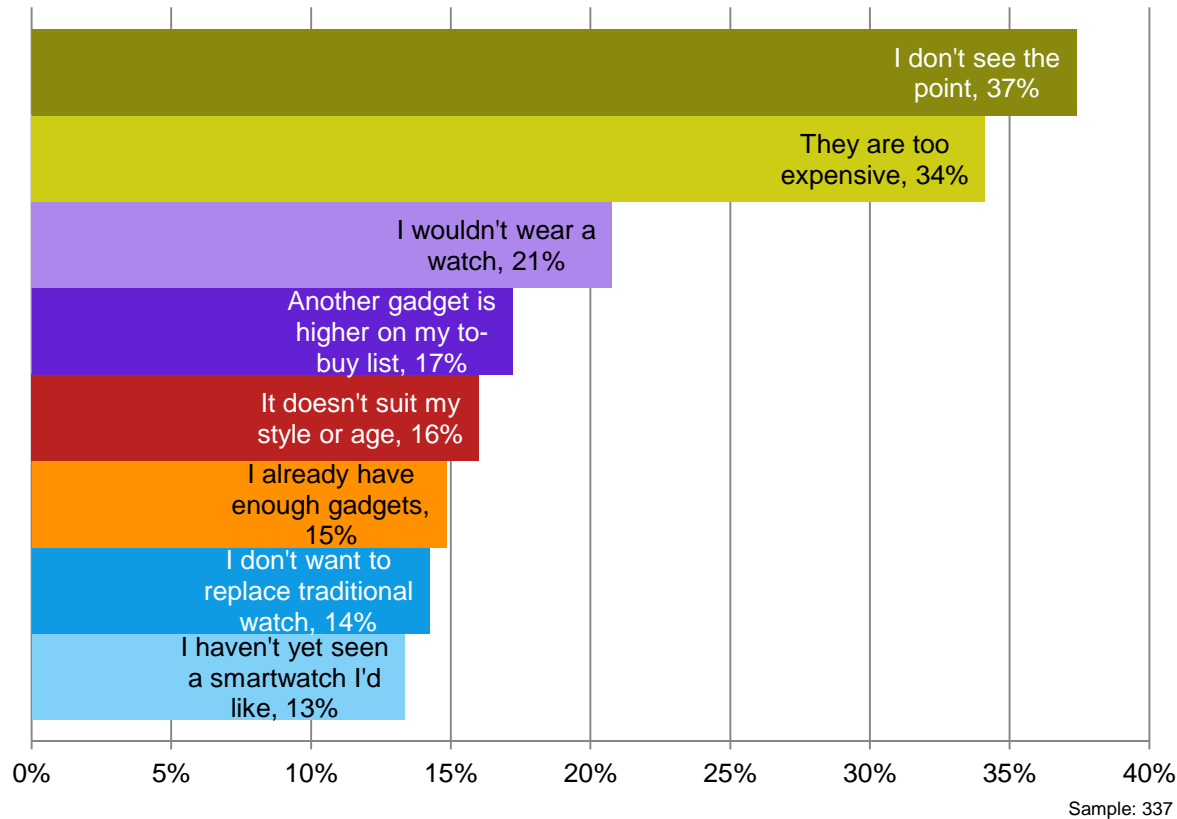
Why do you plan to get a smartwatch by Christmas 2013? (Only those who plan to buy one)



- Although numerous smartwatches with lacklustre performances have been available for several years, the device category still excites people, who are interested in technology
- The actual benefits the category offers are important to only half the potential buyers; the others simply want the latest gadget

Price is a significant barrier to adoption

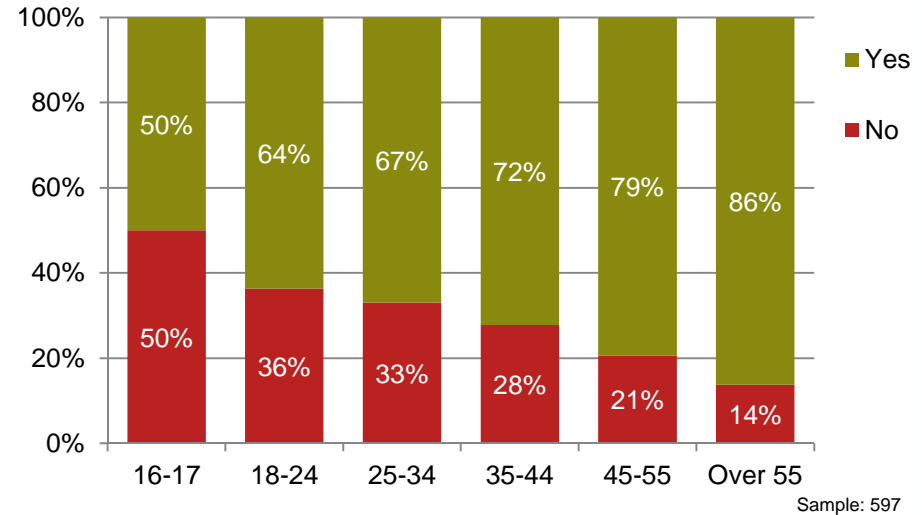
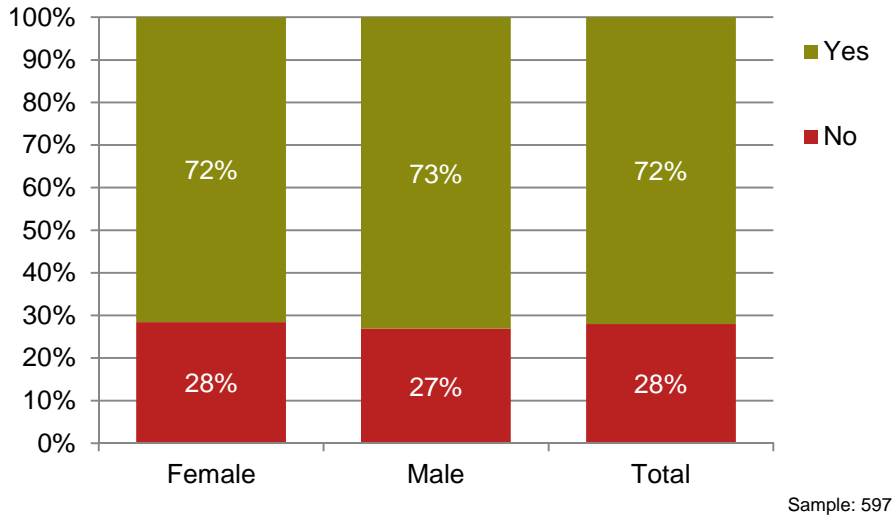
Why do you not plan to get a smartwatch by Christmas 2013? (Only those who do not plan to buy one)



- Only 37% of respondents completely reject the smartwatch as lacking any purpose
- Only one in five reject the form factor: they would not wear a watch

Younger people are less likely to wear wristwatches

Do you usually wear a wristwatch? (UK respondents only)

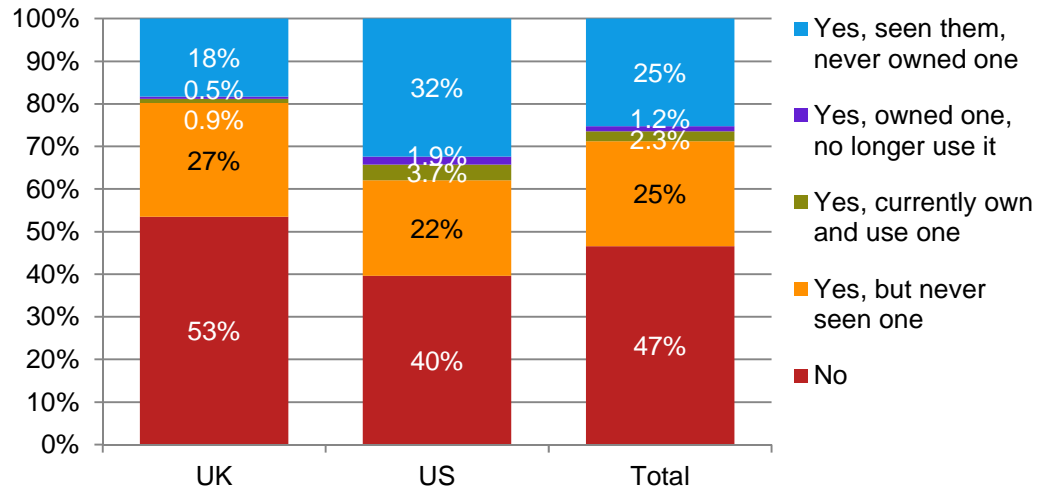


- **A third of respondents under the age of 35 do not usually wear a wristwatch. This could be an obstacle to smartwatch adoption.**
 - Yet consumer behaviour can change: 25 years ago no one carried a phone in their pocket
- **Caution: very small sample size of 16-17 year-olds**

Wearable Fitness Trackers

Awareness of fitness trackers

Have you heard of wearable fitness trackers like the Fitbit, Nike FuelBand and Jawbone Up?

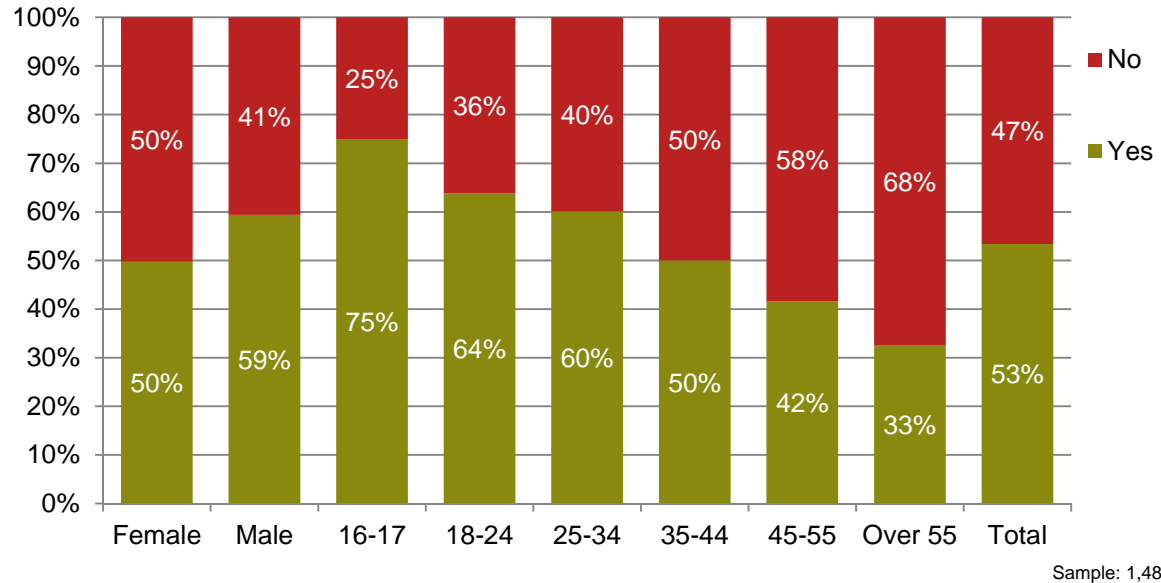


Sample: 1,483

- **Awareness and ownership of fitness trackers varies significantly in the US and the UK: 38% of the US respondents have seen or own one; in the UK this figure drops to only 20%**
- **More than 5% of respondents in the US own a fitness tracker: higher than for smartwatches**

Awareness of fitness trackers is much higher among the young

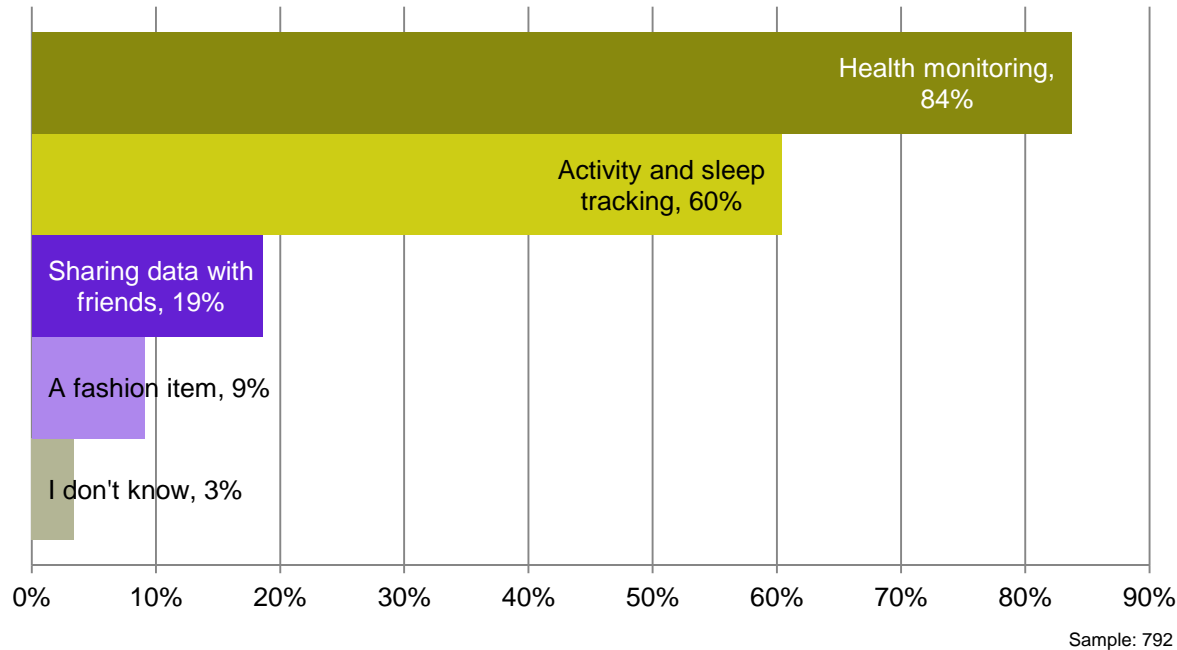
Have you heard of fitness trackers?



- Awareness among men is slightly higher than among women
- Unlike smartwatches, the awareness of fitness trackers depends heavily on the age group

The purpose of the fitness trackers is very clear

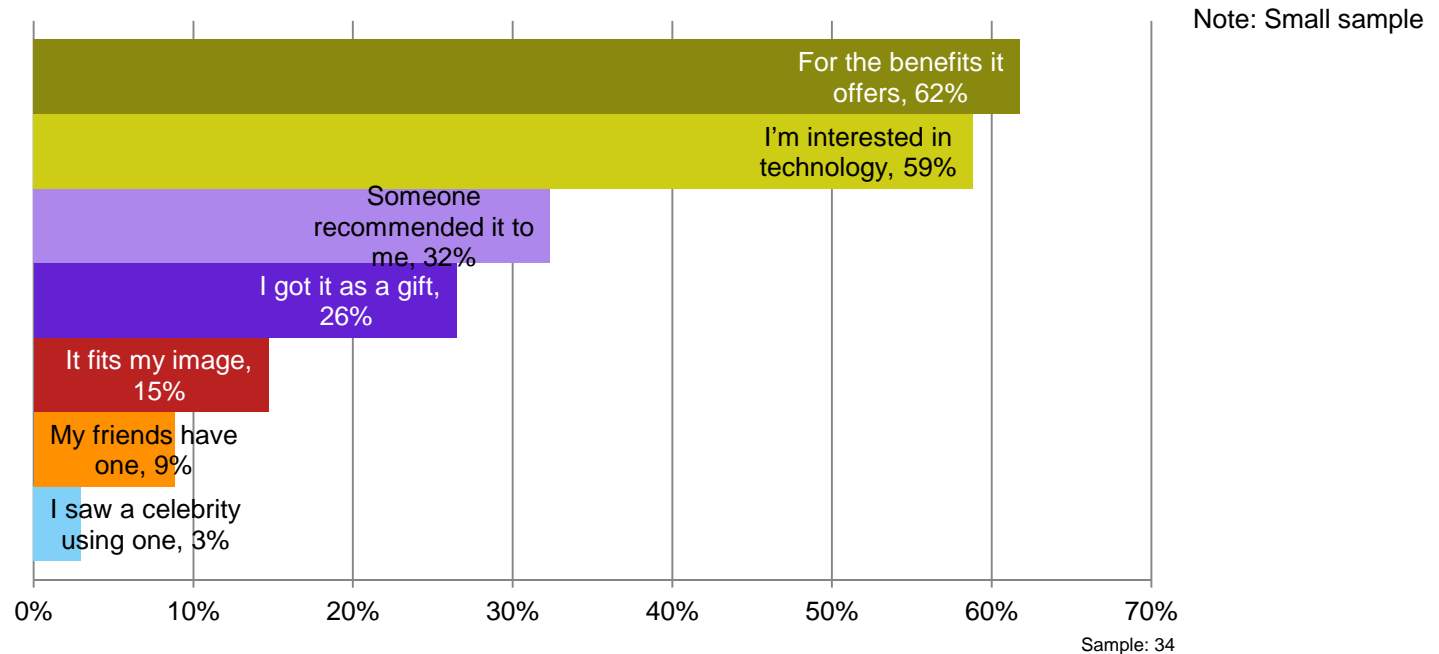
What would you say a fitness tracker is mainly about?
(Only those who have heard of fitness trackers)



- **While the name we chose to describe the devices in the questionnaire is suggestive to an extent, it is astonishing that almost all of those who have heard of fitness trackers associated them with health monitoring**

Utility is a key driver for the current owners of fitness trackers

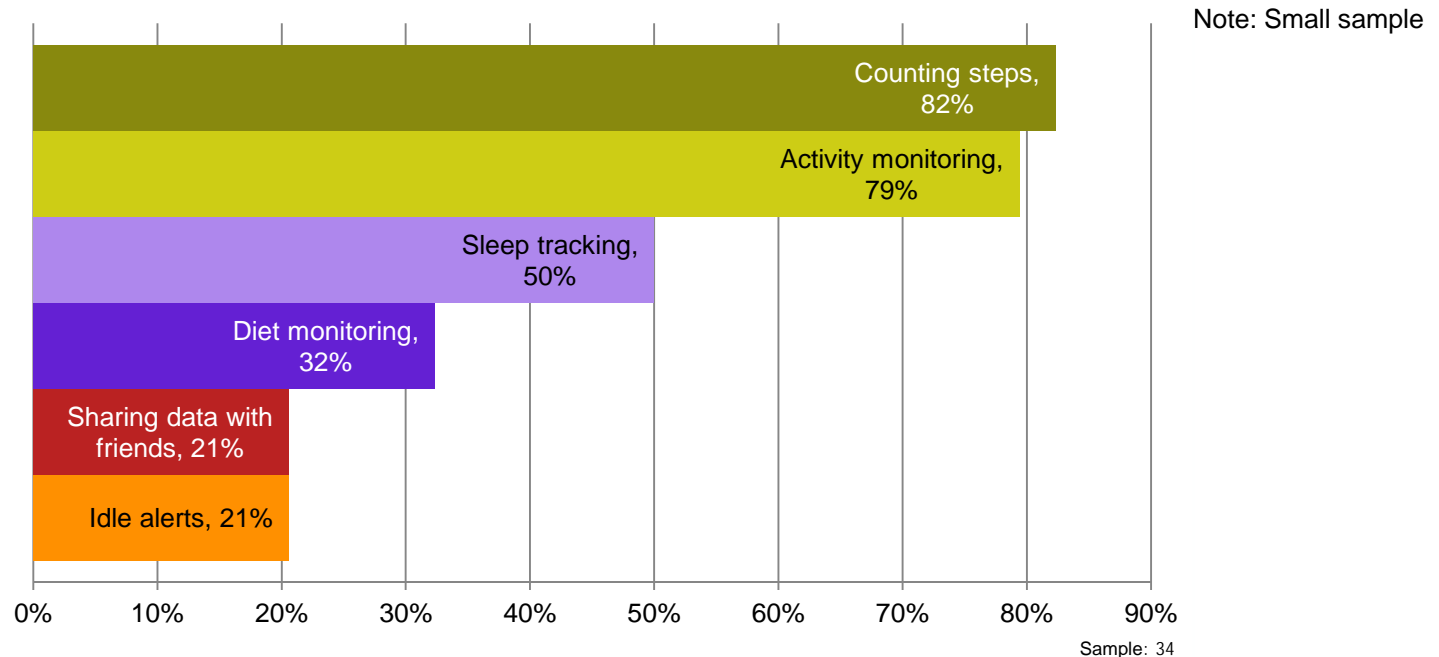
Why did you buy your fitness tracker? (Only those who currently own and use a fitness tracker)



- Limited ownership of devices means this question was asked of a small sample. The results are only directional.
- The clear benefits of the fitness tracker make the device attractive to not just "techies"

Fitness trackers are mostly used for their core functionality

What do you use your fitness tracker for?
(Only those who currently own and use a fitness tracker)



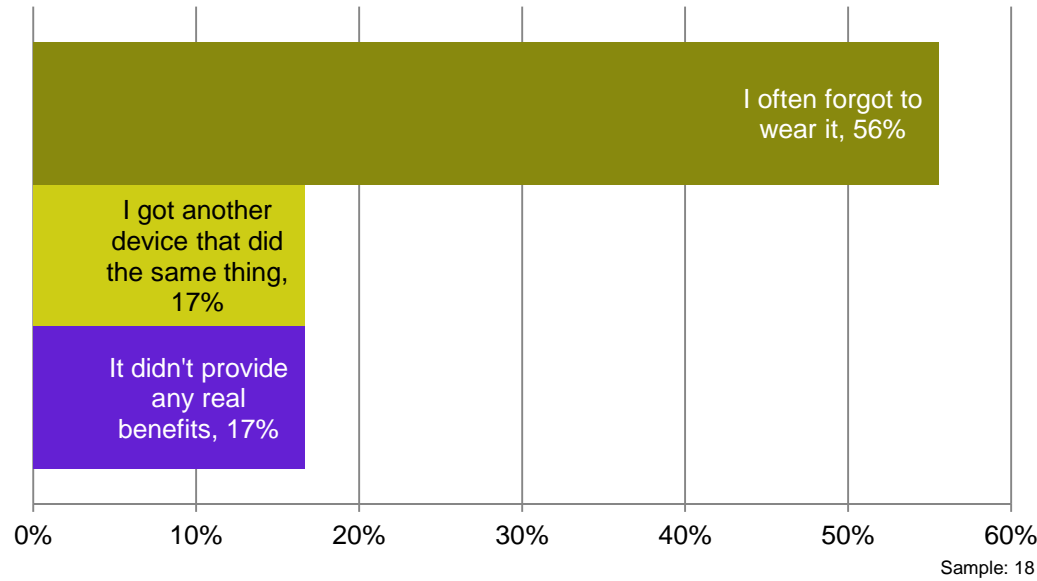
- **Only a third of respondents control their diet through fitness trackers**
- **About one in five shares results on a social network (for example, Facebook); such activity is known to significantly increase ongoing engagement levels of the device**

Fitness trackers might be a "love it or hate it" category of device

Why did you stop using your fitness tracker?

(Only those who used to have a fitness tracker and no longer use it)

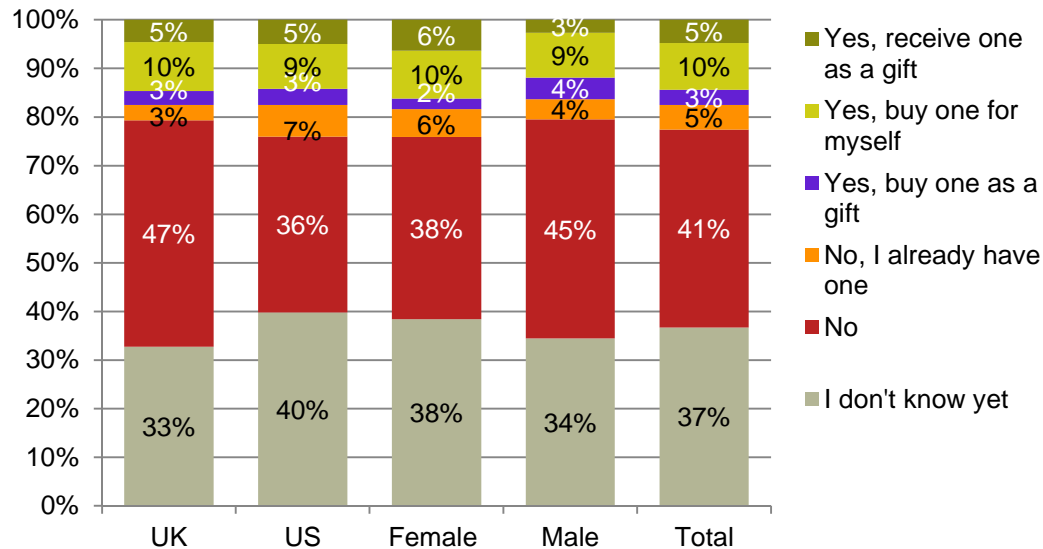
Note: Very small sample



- This is a very small sample and the results should be seen as directional only
- Forgetting to wear the tracker is the key reason for abandoning it in a drawer. This might be the result of the device's form factor or because it provides benefits of no real value to the owner.

Purchase intentions for fitness trackers

Do you plan to get a fitness tracker by Christmas 2013? (Only those who have heard of fitness trackers)

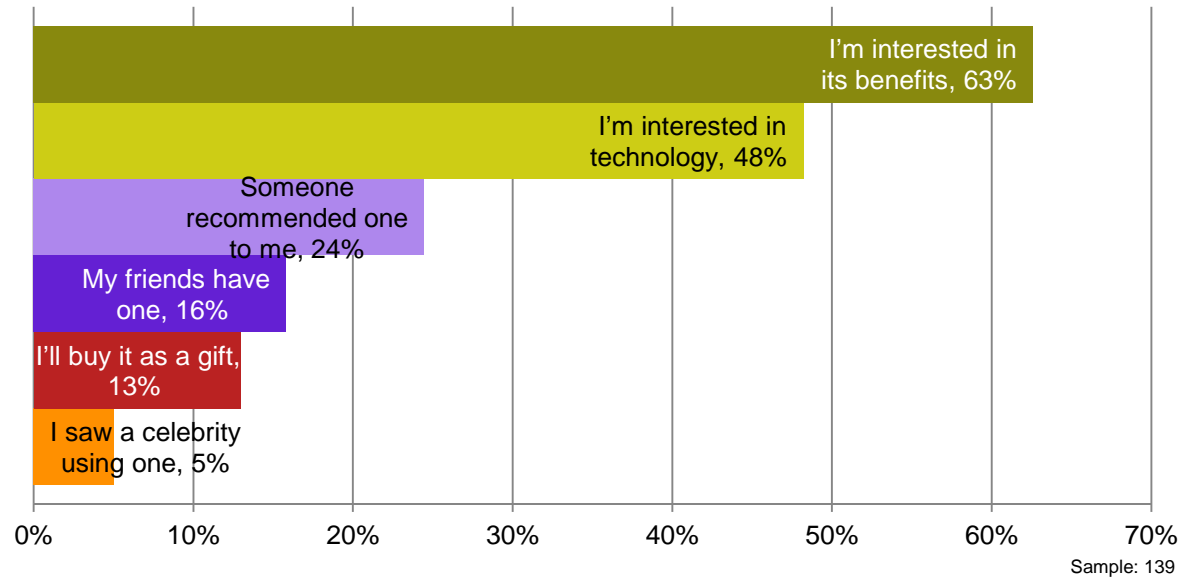


Sample: 793

- **US consumers are a bit more enthusiastic about fitness trackers. Only 43% of those who have heard of the device reject the idea of buying one. This number is 50% in the UK.**
- **Women are more inclined to consider buying a fitness tracker than men**

Benefits rather than novelty create interest in fitness trackers

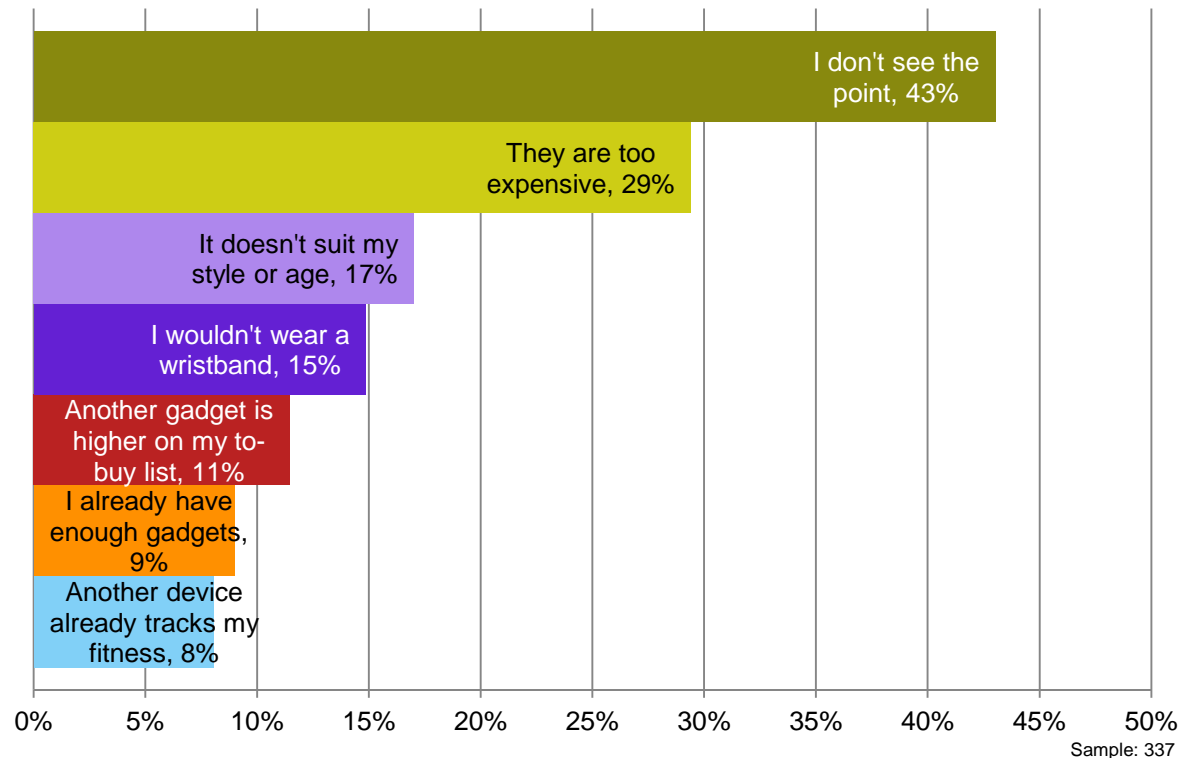
Why do you plan to get a fitness tracker by Christmas 2013?
(Only those who plan to buy one)



- Potential buyers of fitness trackers have a pragmatic approach to the device
- The market is clearly still in its early stages and has the potential to develop further — followers (people who would buy a device because someone else has one) have not yet joined the market

No perceived need is the key reason for rejection of fitness trackers

Why do you not plan to get a fitness tracker by Christmas 2013? (Only those who do not plan to buy one)

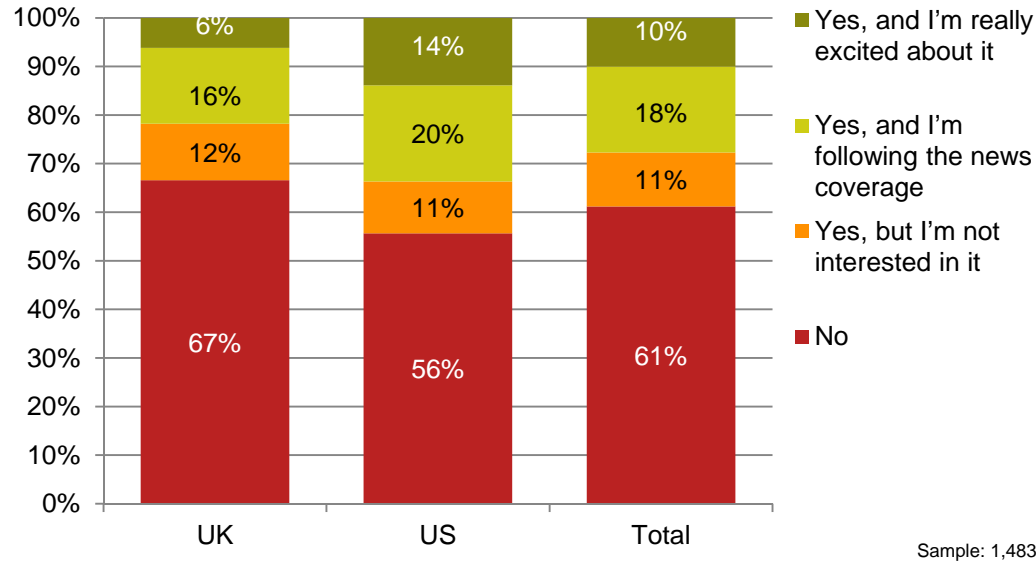


- **Although the benefits of fitness trackers are very clear, almost half of those who would not buy one do not believe they need one**
- **Price is less prohibitive than for smartwatches. This reflects the lower retail price of fitness trackers.**

Google Glass

Awareness of Google Glass

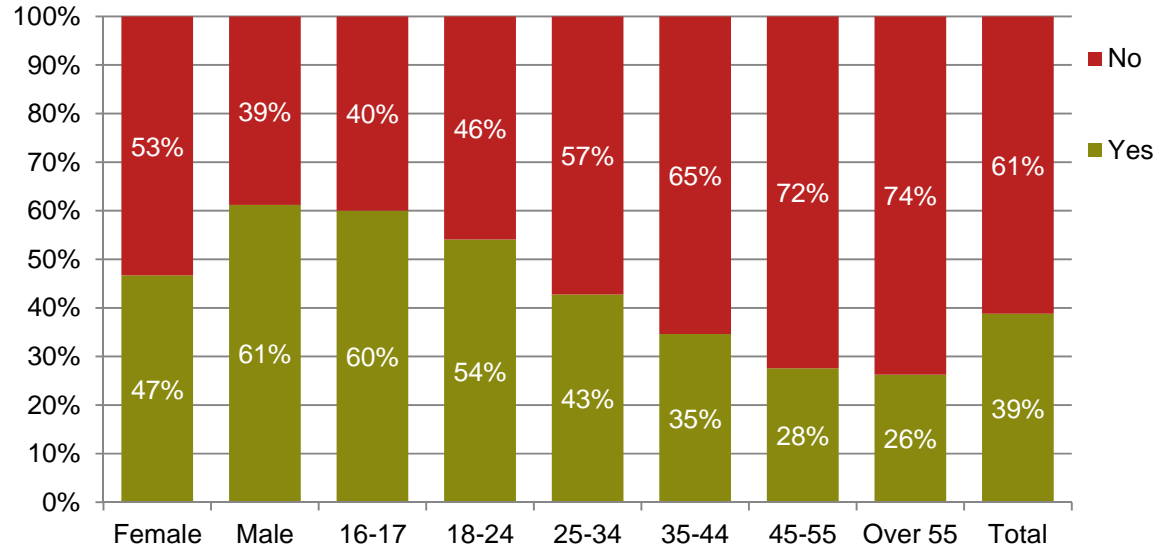
Have you heard of Google Glass?



- Awareness is very high for a device that is not yet commercially available
- Unsurprisingly, awareness is higher in the US than in the UK, as the US is the lead market for the product
- Almost one in three respondents in the US is interested at least to the extent of following news about Google Glass
- This suggests good potential for the device, though these are very early days

Awareness of Google Glass by age and gender

Have you heard of Google Glass?



Sample: 1,483

- Awareness among men is higher than among women
- Awareness among younger age groups is significantly higher than among older groups

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