The Wearable Future

Unlocking the Opportunity

http://pwc.to/wearables
Key insight from the study

• Consumers are interested in wearables, with current adoption nearly as high as tablets at same stage in lifecycle
• Millennials are most optimistic, especially if device is subsidized
• User Experience is the key to unlocking potential, especially given high rate of lapsed users today
• Opportunities greatest in three key sectors: health, retail, and entertainment...
• ...as well as enterprise use cases
What we did

Surveyed 1,000 consumers, in partnership with BAV (WPP), supported by social listening

Roundtable discussions with players across ecosystem in multiple cities

Immersion sessions in LA with Digital Services team members, including Strategy&
What are “wearables”? 

Device that makes mobile experiences more useful

Complements the smart phone by:

Collecting data

or

Displaying data more accessibly

Smart glasses
Connected apparel
Fitness band
Smart phone
Smart watch
Ring
Strong consumer interest

2012
20%
of Americans owned a tablet after just two years on the market

2014
40%
of Americans own a tablet two years later

2014
21%
of American adults already own a wearable device

2016
?
of American adults will own a wearable device in two years?
Consumers were asked how likely they are to purchase the following wearable technology devices in the next 12 months:

- **Fitness band**: 45%
- **Smart watch**: 35%
- **Smart clothing**: 20%
- **Smart glasses**: 19%
- **People-tracking devices**: 13%

Source: HRI/CIS Wearables consumer survey 2014
*Note: This survey was conducted before the announcement of the Apple Watch.*
Consumer value creation opportunities greatest in 3 sectors

Consumers were asked what are the key drivers of their interest in wearables

- Exercise smarter: 77%
- Collect & track medical information: 75%
- Eat better: 67%
- Find retail deals: 46%
- Controlling home appliances: 32%
- Access to entertainment: 29%
- Plugging into social media: 26%

Source: HRI/CIS Wearables consumer survey 2014

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Health & Wellness

46% of consumers say obesity rates will decrease through use of wearables

70% of consumers would wear employer-provided device for insurance discount

$200M VC investments in digital health devices

56% think wearable vitals monitoring will extend lives by 10 years
Retail

Wearables could enable perfectly timed, enticingly relevant messaging.

72% expect wearables to improve customer service.

37% of Millennials want loyalty rewards for behaviors besides purchase.

Shoppers hope for a more seamless and customized retail experience.

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79% of Millennials expect wearables to make entertainment more immersive

62% of Millennials expect to watch TV on a wearable screen

64% of Millennials excited to try a wearable from a media and entertainment company

Media company of future combines insights with curated experiences
Enterprise

Adoption path is clear in enterprises since it is driven by ROI

Platform fragmentation less of an issue since customers buy solution all at once

Use cases cut across customer service, manufacturing and empowered front line

Use cases driven by need for easy access to information and value of real time feedback

November 6, 2014
Need to build capabilities to unlock opportunities and realize potential

Lean Start Up principles

- Human-centered Design
- Minimum Viable Products (MVP)
- Agile Development

Development Cycle

DISCOVER & PLAN ➔ DESIGN & DEV SPRINTS ➔ FREQUENT SMALL RELEASES ➔ VALIDATE & LEARN ➔ SCALE

Continuous testing in market

Successful MVPs are scaled out

Insights inform future plans
Closing thoughts

1. Look 3 Years Out and Build For Today

2. Define Your Own Winning Capability System and Ecosystem of Partners

3. Build Out the Stepping Stone Roadmap to Transform the Organization

4. Drive Waves of Pilots to Enhance Speed and Accountability of Programs
Thank you

• Find the full report here:  http://pwc.to/wearables

• Join the Wearable Future Webcast:
  Wednesday, November 12, 2014
  12:00-1:15 pm ET
  meetpwc.com/wearablefuture

• Matthew.Egol@strategyand.pwc.com
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