
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

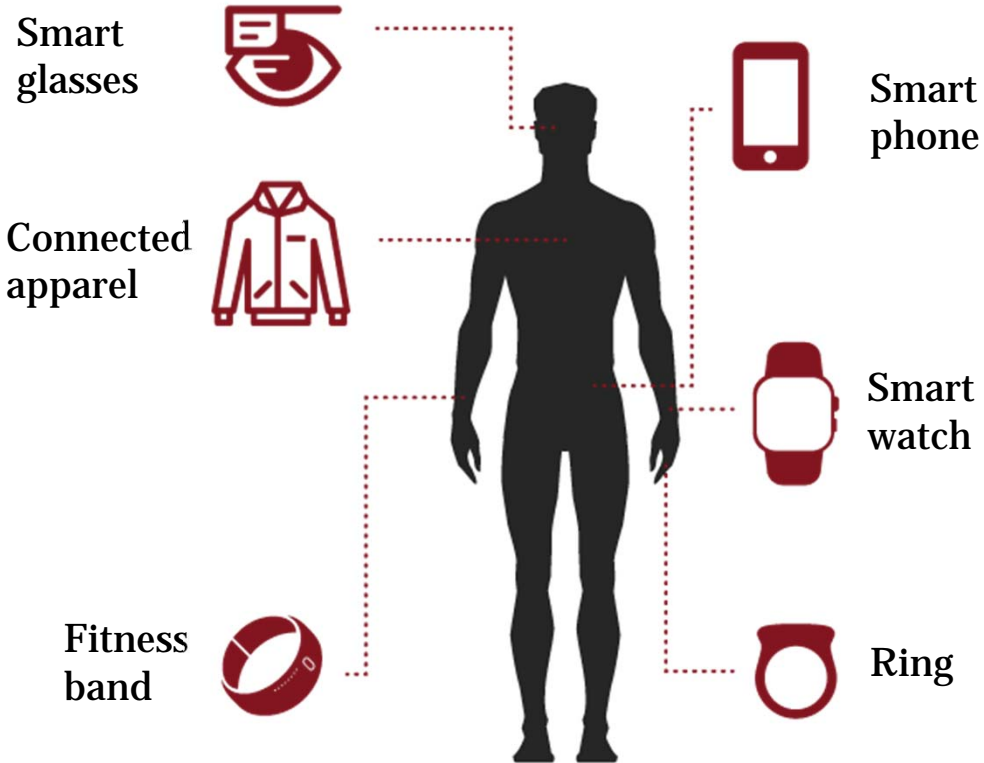


Roundtable discussions with players across ecosystem in multiple cities



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

Strong consumer interest

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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

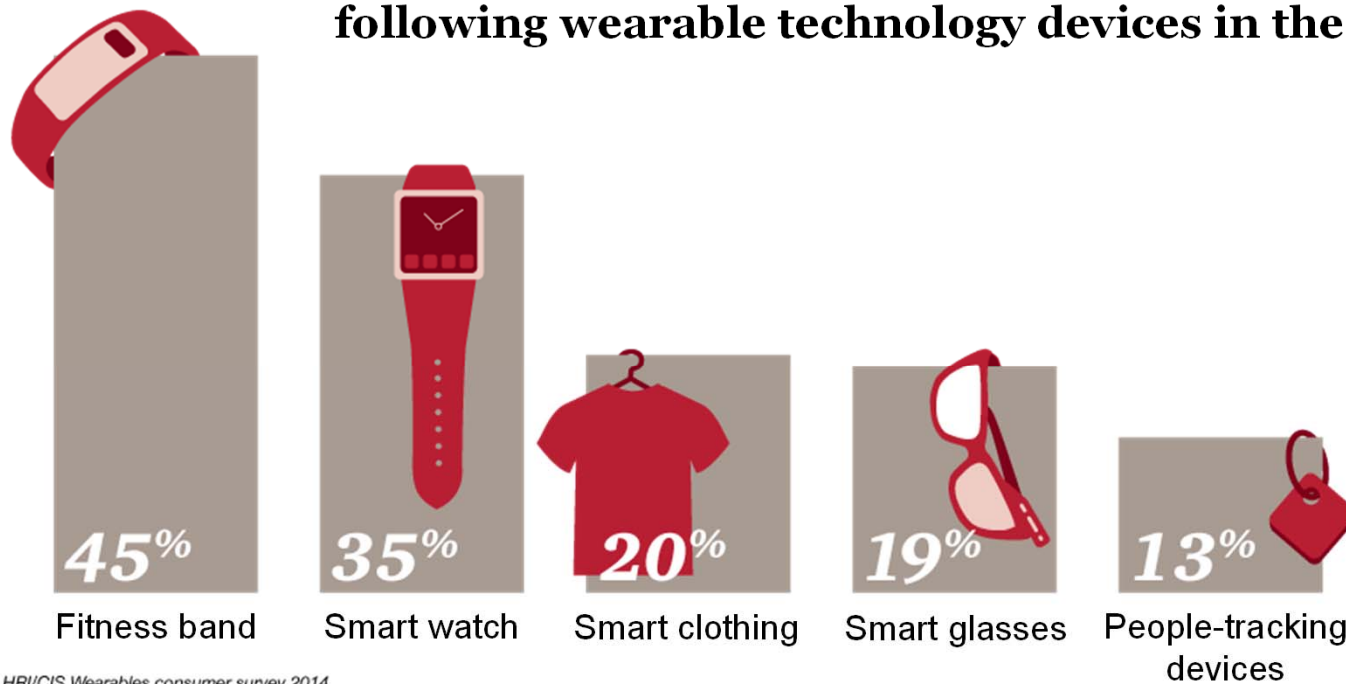
?

of American
adults will own
a wearable
device in two
years?

Strong consumer interest



Consumers were asked how likely they are to purchase the following wearable technology devices in the next 12 months



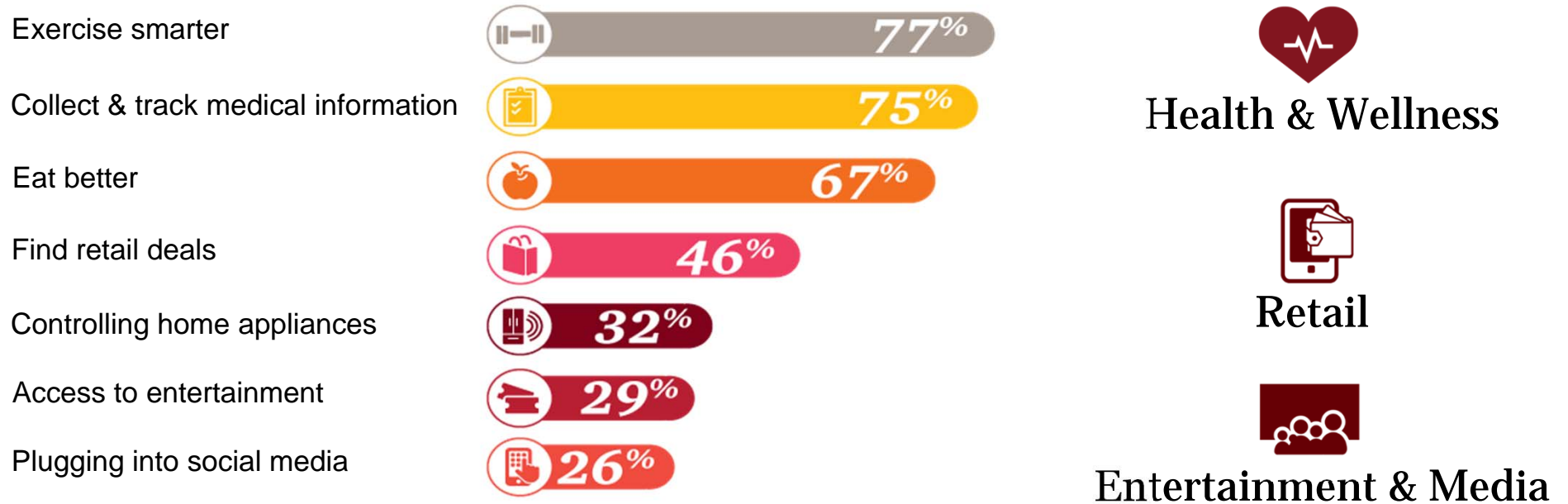
Source: HRI/CIS Wearables consumer survey 2014

* Note: This survey was conducted before the announcement of the Apple Watch.

Consumer value creation opportunities greatest in 3 sectors

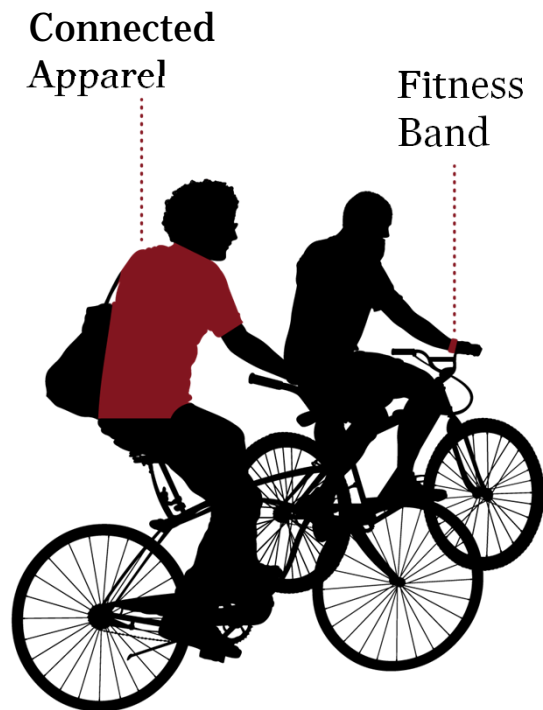


Consumers were asked what are the key drivers of their interest in wearables



Source: HRI/CIS Wearables consumer survey 2014

Health & Wellness



Connected
Apparel

Fitness
Band

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

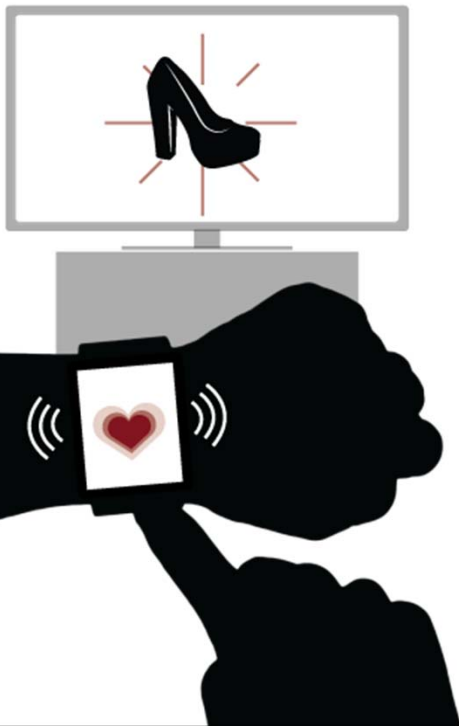
70% *of consumers would wear employer-provided device for insurance discount*

\$200 M *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*

Entertainment, Media, and Communications

&



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



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

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

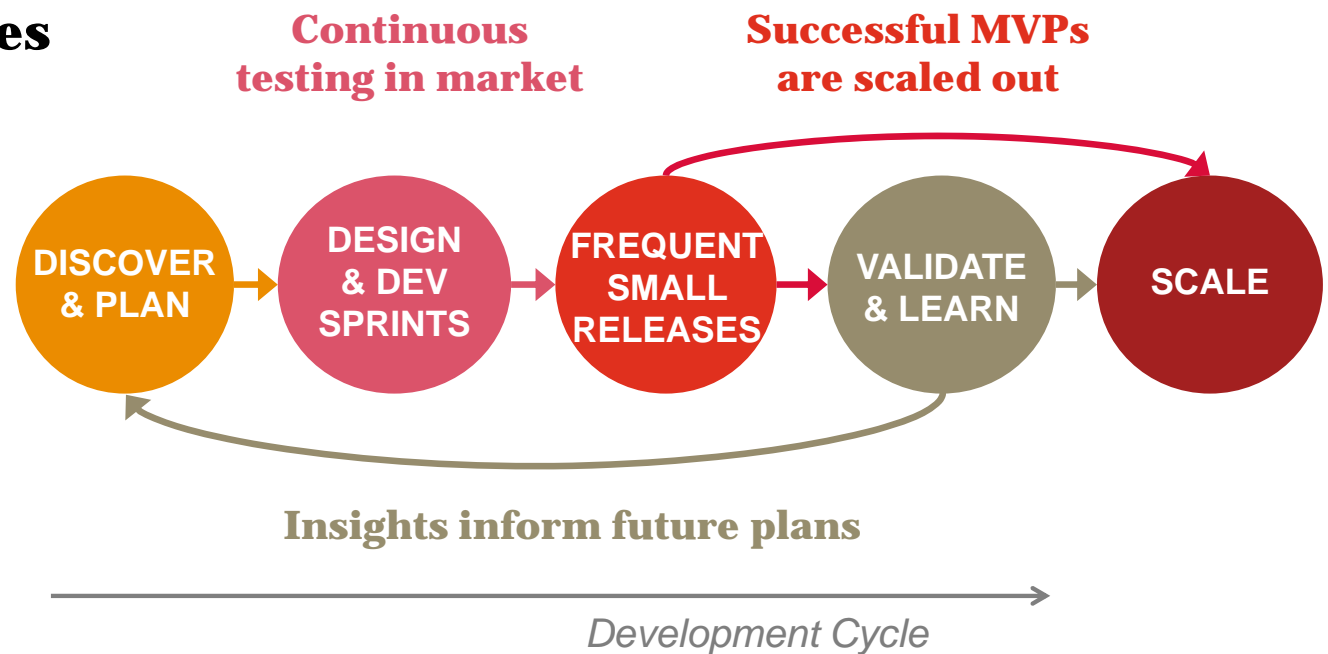
Use cases driven by need for easy access to information and value of real time feedback

Need to build capabilities to unlock opportunities and realize potential



Lean Start Up principles

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



Closing thoughts



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

Are you prepared to become a disruptor?

www.strategyand.pwc.com/digital

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