

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Appearance and design is the third most important purchase driver for wearables, ahead of more technological features such as measurement reliability, cross-device compatibility and touch screens."

— Sara Ballaben, Technology Analyst

## This report looks at the following areas:

- Taking wearables into the mainstream
- · How can wearables become more relevant to consumers?

Mintel's consumer research shows that, at present, wearable technology only has a fairly niche appeal and adoption of wrist-worn devices remains limited to 9% of UK adults.

While wearables uptake has been initially driven by health- and sports-related applications, security and lack of a killer application currently represent the main barriers to consumer adoption, despite three fifths of UK adults saying they would actually be interested in some sort of information alert through a wearable device.

Mintel estimates that over 3 million wrist-worn wearable devices will be sold in the UK in 2015, up by 118% from 2014, mainly thanks to smartwatches gaining traction in the market after major product launches from market leaders like Samsung and Apple.

# BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

+86 (21) 6032 7300

+61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### **Table of Contents**

#### Overview

What you need to know

Covered in this report

#### **Executive Summary**

#### Wrist-worn wearables experience strong growth in 2015

Figure 1: Estimated unit sales of wrist-worn wearable devices, by product category, 2014 and 2015

### Less than one in 10 consumers own a wearable device

Figure 2: Personal ownership of wearable technology, September 2015

#### Smartwatches to gain traction in the next 12 months

Figure 3: Plans to buy or upgrade wearable technology, September 2015

#### Wearables are true fashion accessories

Figure 4: Important features when buying wearable technology, September 2015

### Health and sports monitoring attract most interest

Figure 5: Most interesting applications of wearable technology, September 2015

### Three fifths of consumers interested in some sort of information alert

Figure 6: Information alerts that consumers would be interested in receiving via wearable technology, September 2015

## Security and lack of killer application the main barriers to adoption

Figure 7: Attitudes towards wearable technology, September 2015

What we think

## Issues and Insights

Taking wearables into the mainstream

The facts

The implications

How can wearables become more relevant to consumers?

The facts

The implications

## The Market – What You Need to Know

Wrist-worn wearables experience strong growth in 2015

Rise of phablets to boost uptake of wearables

Data security a major barrier to wearable payments

In-home fitness spurs interest in wearables

Wearables' potential in the enterprise segment

### Market Drivers

### Wrist-worn wearables experience strong growth in 2015

Figure 8: Estimated unit sales of wrist-worn wearable devices, by product category, 2014 and 2015

Figure 9: Estimated unit sales of wrist-worn wearable devices, by product category, 2014 and 2015

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

APAC +61 (0) 2 8284 8100



Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### Rise of phablets to boost uptake of wearables

Figure 10: Smartphone screen size, June 2015

#### Data security major barrier to wearable payments

Figure 11: Consumer security rankings of different payment methods, July 2015\*

### In-home fitness spurs interest in wearables

Wearables' potential in the enterprise segment

### Key Players - What You Need to Know

Apple heavily investing in promoting its smartwatch

In-store displays key to success

2016 set to be the year of consumer-ready 3D headsets

Launch activity in the clothing and jewellery segments

Microsoft rumoured to be ready for hearables in 2016

Gesture control arrives to wearables

The year of flexibility

### Brand Communication and Promotion

#### Apple heavily investing in promoting its smartwatch

Figure 12: Recorded above-the-line, online display and direct mail advertising expenditure on smartwatches and fitness trackers, by company, 2015 (year to date)

## In-store displays key to success

Figure 13: Apple Watch range at an Apple Store, 2015

## Methodology and coverage

## Launch Activity and Innovation

## 2016 set to be the year of consumer-ready 3D headsets

Figure 14: Oculus Rift and Oculus Touch controllers, 2015

Figure 15: Google Cardboard viewer, November 2015

Figure 16: PlayStation VR headset used with PlayStation Move controls, 2015

## Launch activity in the clothing and jewellery segments

Figure 17: Digitsole's Warm Weries insole, November 2015

Figure 18: Ringly with black onix, November 2015

Figure 19: Bellabeat's Leaf, November 2015

# Microsoft rumoured to be ready for hearables in 2016

## Gesture control arrives to wearables

Figure 20: Gest, November 2015

### The year of flexibility

Figure 21: Samsung's bendable batteries, October 2015

Figure 22: Polyera's Wove Band, November 2015

### The Consumer - What You Need to Know

Less than one in 10 consumers own a wearable device

Smartwatches to gain traction in the next 12 months

BUY THIS REPORT NOW VISIT: store.mintel.con

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

APAC +61 (0) 2 8284 8100



Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Wearables are true fashion accessories

Health and sports monitoring most interesting applications of wearables

Three fifths of consumers interested in some sort of information alert

Security and lack of killer application the main barriers to adoption

Ownership and Plans to Buy

Less than one in 10 consumers own a wearable device

Figure 23: Personal ownership of wearable technology, September 2015

Millennials the most likely to own wearables

Figure 24: Personal ownership of wearable technology, by gender and age, September 2015

Multiplicity of use cases impacts penetration

Smartwatches to gain traction in the next 12 months

Figure 25: Plans to buy or upgrade wearable technology, September 2015

Core audience drives future growth

Figure 26: Ownership of wearable technology, by plans to buy or upgrade wearable technology within a year, September 2015

Important Features

Young consumers value battery life

Figure 27: Important features when buying wearable technology, September 2015

Wearables are true fashion accessories

Figure 28: Fossil's Q collection of fitness trackers and smartwatches, November 2015

Figure 29: Apple Watch Hermès collection, September 2015

Figure 30: Blocks' removable covers, November 2015

Interest in Applications

Health and sports monitoring attract most interest

Figure 31: Most interesting applications of wearable technology, September 2015

Most promising applications reflect key consumer trends

Secondary use cases could promote certain product categories

Access control could drive adoption among the disengaged

Figure 32: Most interesting applications of wearable technology for consumers who do not own nor plan to buy/upgrade any wearable technology, September 2015

Virtual tourism appeals beyond core audience

Figure 33: Most interesting uses of virtual reality headsets, August 2015

Interest in Information Alerts

Three fifths of consumers interested in some sort of information alert

Figure 34: Information alerts that consumers would be interested in receiving via wearable technology, September 2015

Men look to connect, women to stay healthy

Figure 35: Information alerts that consumers would be interested in receiving via wearable technology, by gender, September 2015

Attitudes towards Wearable Technology

Security and lack of killer application the main barriers to adoption

Figure 36: Attitudes towards wearable technology, September 2015

BUY THIS REPORT NOW VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

APAC +61 (0) 2 8284 8100



Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Building familiarity to encourage mainstream adoption

CHAID analysis

Methodology

Early adopters open to contextual marketing

Figure 37: Attitudes towards wearable technology – CHAID – Tree output, October 2015

Figure 38: Target groups based on attitudes towards wearable devices – CHAID – Table output, October 2015

Appendix – Data Sources, Abbreviations and Supporting Information

Data sources

Abbreviations

APAC +61 (0) 2 8284 8100 | EMAIL: reports@mintel.com