

Wearable Technology - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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



"In September 2014, Apple announced the launch of its Apple Watch, while Intel announced its partnership to produce smartwatches with Fossil. While the consumer wearable tech market had launched a decade prior with GoPro's Hero line of cameras, these announcements pushed wearable tech into the limelight."
- Billy Hulkower, Senior Technology Analyst

This report looks at the following areas:

- Crowded field, limited recognition
- Smartphones a challenge to overcome
- Minority of adults typically wear a watch or jewelry

In September 2014, Apple announced the launch of its Apple Watch, while Intel announced its partnership to produce smartwatches with Fossil. While the consumer wearable tech market had launched a decade prior with GoPro's Hero line of cameras, these announcements pushed wearable tech into the limelight and resulted in the market's surge past \$7 billion in sales in 2015, the third straight year in which sales more than doubled. In spite of this rapid growth, the market is still in its infancy and yet to be fully exploited even by leading brands.

As such, wearable tech, including fitness trackers, smartwatches, and wearable cameras, has become a focal point for growth among multiple hardware manufacturers. This report explores the burgeoning market for fitness tech via qualitative and quantitative surveys. Subjects include intent to purchase and expected spending, the role of the gift market, the relationship between participation in sports and ownership, familiarity with brands, and the desirability of specific features on fitness-tracking devices and smartwatches.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+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

Wearable Technology - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

Definition

Executive Summary

The issues

Crowded field, limited recognition

Figure 1: Brand ownership and perception, September 2015

Smartphones a challenge to overcome

Figure 2: Use of smartphone when exercising, September 2015

Minority of adults typically wear a watch or jewelry

Figure 3: Attitudes toward watches and jewelry, September 2015

The opportunities

Everybody runs

Figure 4: Participation in sports, September 2015

Total addressable market composes majority of online adults

Figure 5: Attitudes toward fitness and fitness products, September 2015

Gift market opportunities nearly as large as sales for personal ownership

Figure 6: Intent to purchase wearables, September 2015

What it means

The Market – What You Need to Know

Atypical growth rates show acceleration 2013-15

Smartwatches propelling sales

Fitness trackers largest segment

Majority of adults physically active

Market Size and Potential

Sales pass \$7 billion

Growth potential for wearable cameras

Growth potential for smartwatches

Growth potential for fitness trackers

Figure 7: Estimated US manufacturer sales of wearable technology, at current prices, 2012-15

Market Breakdown

Smartwatch closing in on \$2 billion in 2015

Fitness trackers approach \$4 billion

Most rapid growth for wearable cameras in rear view mirror

Figure 8: Estimated US manufacturer sales of wearable technology, by segment, 2014 versus 2015

Market Perspective

BUY THIS
REPORT NOW

VISIT: store.mintel.com

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

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Wearable Technology - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

Dedicated hardware competes with smartphone apps

Figure 9: Use of smartphone when exercising, September 2015

Market Factors

Universal smartphone penetration a perk and a problem

Figure 10: Ownership of phones, tablets, and computers, August 2015

Americans like to be active

Figure 11: Participation in sports, September 2015

Multiple sport athletes buy in

Figure 12: Ownership of wearables, by number of sports played multiple times per month, September 2015

Elevated participation among younger adults

Figure 13: Participation in sports at least multiple times per month, by age, September 2015

Elevated participation among higher-income groups

Figure 14: Participation in sports at least multiple times per month, by household income, September 2015

Whites, Asians more likely to be active

Figure 15: Participation in sports at least multiple times per month, by race/Hispanic origin, September 2015

Gifting

Figure 16: Total US retail sales in November and December, at current prices, 2008-15

Key Players – What You Need to Know

Sales blossom at GoPro, Fitbit

Foreign powerhouses need to invest in US awareness

Fashion at the fore

What's Working?

Early-to-market leaders retain rapid growth

Figure 17: Global sales of wearable technology, by brand, 2012-15

Smartphone titans take on smartwatch

Figure 18: Smartwatch ownership and intent to purchase, by brand, September 2015

What's Struggling?

Ad buys pay off

Figure 19: Brand ownership and familiarity, September 2015

What's Next?

Lines blur between segments

Fitness tech gets fashionable

Advances in tracking sleep

Working with "Little Data"

Corporate and health insurance subsidies

The Consumer – What You Need to Know

Ownership revving up among young and high-income

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

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

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Wearable Technology - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

- Intent to purchase nearly as high as ownership
- Expected spend shows understanding of market
- One in three adults exhibit an interest in synch with fitness tracking

Participation in Sports

Running and walking most popular fitness activities

Figure 20: Participation in sports multiple times per month, September 2015

Niche markets add up

Figure 21: Participation in outdoor sports multiple times per month, September 2015

Fitness classes most popular with women 18-54

Figure 22: Participation in sports multiple times per month, by gender and age, September 2015

Young men head outdoors

Figure 23: Participation in outdoor sports multiple times per month, by gender and age, September 2015

Hispanics lead in sports participation

Figure 24: Participation in sports multiple times per month, by race/Hispanic origin, September 2015

Figure 25: Participation in outdoor sports multiple times per month, by race/Hispanic origin, September 2015

The Fashion Challenge

Styling a blight to most

Figure 26: Attitudes toward watches and jewelry, September 2015

Use of watches less common among young adults

Figure 27: Use of watches, by age, September 2015

Younger adults more sold on current designs

Figure 28: Appeal of fitness band styling, by age, September 2015

Ownership of Wearable Tech

Adoption unlikely to reach majority of adults

Figure 29: Ownership of wearable tech, September 2015

Young adults from \$75K+ households adopted early

Figure 30: Ownership of wearable tech, by age and income, September 2015

Urbanites step into watches, focus on Apple

Figure 31: Ownership of smartwatches/GPS watches, by area, September 2015

Intent to Purchase Wearable Tech

Equal intent to buy smartwatches and fitness trackers

Figure 32: Intent to purchase wearable tech as gifts and for personal usage, September 2015

Intent to purchase pinned on age

Figure 33: Intent to purchase wearable tech, by age and income, September 2015

Urbanites more inclined to buy

Figure 34: Intent to purchase wearable tech, by area, September 2015

Uptick in interest in smartwatches among Hispanics

Figure 35: Intent to purchase wearable tech, by Hispanic origin, September 2015

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
 EMAIL: reports@mintel.com

Wearable Technology - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

Interest in Fitness Tech Hardware

Appearance not superficial

Figure 36: Wearable tech product ownership and intent to purchase – CHAID – Tree output, September 2015

Access to gyms critical

Culture more important than demographics

Figure 37: Product ownership and intent to purchase – CHAID – Tree output, September 2015

Historic Gifting and Intent to Gift

Low historical levels of gifting for fitness trackers and smartwatches

Figure 38: Gifting of wearable tech, September 2015

Gifting trends upward with household income

Figure 39: Gifting of wearables, by household income, September 2015

Parents more likely to gift

Figure 40: Gifting of wearables, by parental status, September 2015

Intent to gift higher

Figure 41: Intent to purchase wearables, September 2015

Appropriate gift recipients easy to think of

Expected Spend on Purchases

Products priced right

Apple likely priced out of gift purchases

Opposing trend for fitness trackers

Placing bets in the middle

Figure 42: Average expected spend on wearables, September 2015

Interest in Tracking Physical Activity

Interest in losing weight top potential driver for sales

Sharing a nonstarter

Figure 43: Attitudes toward fitness and fitness products, September 2015

Based on interests, women to pull further ahead

Figure 44: Attitudes toward fitness and fitness products, by gender, September 2015

Seniors need to know

Figure 45: Attitudes toward health tracking, by age, September 2015

Getting on the ground with Hispanics and Blacks

Figure 46: Attitudes toward fitness and fitness products, by race/Hispanic origin, September 2015

Focusing marketing on pedometer functions to be avoided

Figure 47: Attitudes toward tracking walking, by generation, September 2015

Interest in Smartwatch Features

Smartwatch features enticing to 19%

Figure 48: Interest in smartwatch features, September 2015

Young men top target for smartwatch marketing

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Wearable Technology - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

Figure 49: Interest in smartwatch features, by gender and age, September 2015

Asians most enthusiastic about smartwatch features

Figure 50: Interest in smartwatch features, by race/Hispanic origin, September 2015

Opposition to adopting smartwatches more prevalent than interest in them

Figure 51: Attitudes to smartwatches and new technology, September 2015

Attitudes trend with age

Figure 52: Attitudes to smartwatches and new technology, by age, September 2015

Interest in Monitoring Sleep

Sleep issues trouble 60% of adults

Figure 53: Sleep issues, by gender, November 2014

Youngest adults most likely to report difficulties

Figure 54: Sleep issues, by age, November 2014

One in three worry about sleep quality

Figure 55: Concern over quality of sleep, and interest in monitoring sleep, September 2015

Youngest adults most likely to be willing to wear a device to bed

Figure 56: Interest in monitoring sleep, by age, September 2015

Women more interested in monitoring sleep

Figure 57: Interest in monitoring sleep, by gender, September 2015

Appendix – Data Sources and Abbreviations

Data sources

Consumer survey data

Consumer qualitative research

CHAID analysis methodology

Abbreviations and terms

Abbreviations

Terms

Appendix – Consumer Tables

Figure 58: Attitudes toward fitness and fitness products, September 2015

BUY THIS
REPORT NOW

VISIT: store.mintel.com

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

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com