



User Survey Smartwatches

October 2018

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Scope, Methodology and Sample

Research Conducted in the US and UK

Total Respondents
2,003

US
1,003

UK
1,000

- Online survey
- Conducted in August 2018

Research Scope and Sample

- The main purpose of the survey was to understand ownership and usage patterns of smartwatches
- Sample size: 2,003 respondents
- Geographic reach: US (1,003 respondents) and UK (1,000 respondents)
- The survey was conducted online, on a desktop, laptop, tablet or mobile phone
- Sample definition: smartwatch users aged 16 or over
 - 50% users of Apple Watch
 - 50% users of other brands of smartwatches

Summary of Findings

Summary of Findings

- **Physical stores remain an important channel for smartwatches**
 - 44% of smartwatches are purchased in a store or a mall, and 56% are purchased online
 - Apple's particularly strong sales in physical retail stores reflect its large number of stores in the UK and the US
 - In the US, Best Buy is a key bricks-and-mortar retail channel
 - In the UK, there is no dominant bricks-and-mortar retailer for smartwatches
- **Amazon dominates the online channel in the US and the UK, with 42% and 30% of the online sales respectively**
 - Sales through smartwatch brands' own websites and stores also represent a significant proportion
 - In the US, about 20% of online and offline sales were through brands' own stores
 - In the UK, brands' own stores were responsible for 17% of the online and 39% of the offline sales
- **Majority of smartwatch owners saw their smartwatch in real life before buying online**
 - Four-fifths of Apple Watch owners said they bought the device after they saw one in real life
 - This highlights the importance of having smartwatches in physical retail
 - Word of mouth and online reviews also play a huge role in the decision to purchase

Summary of Findings

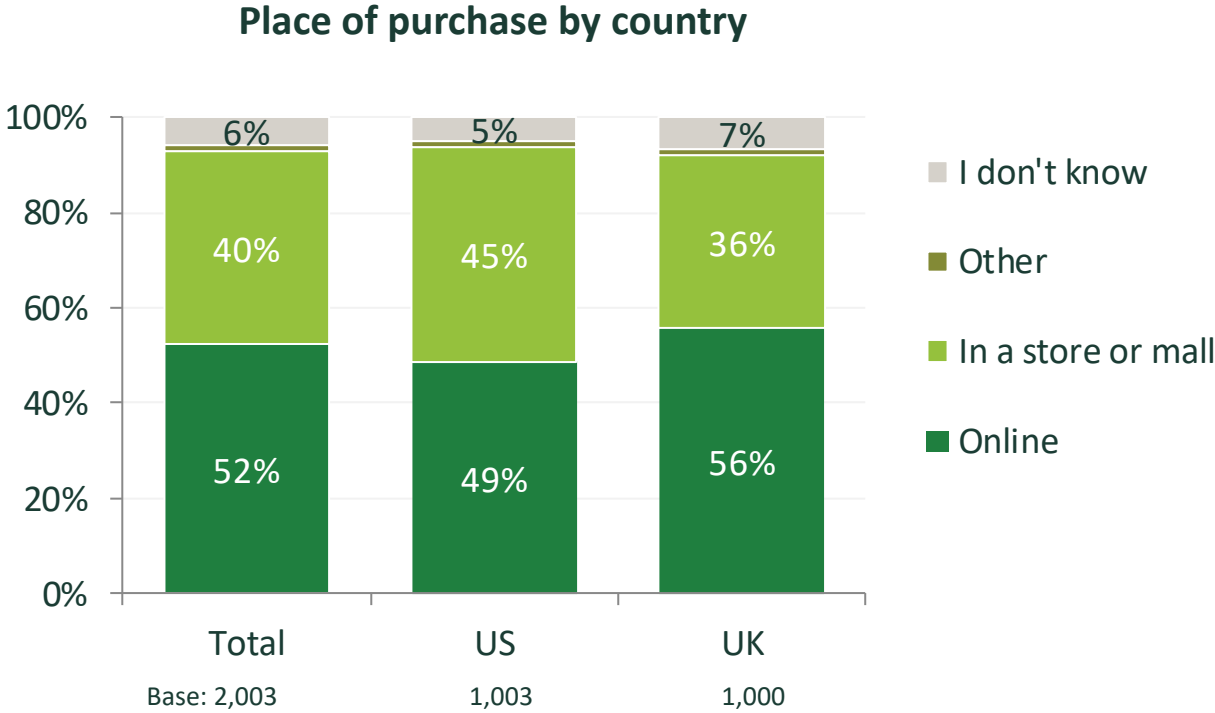
- **Users of Fitbit, Apple and Samsung smartwatches are highly engaged**
 - Over 90% of these owners use their smartwatch every day or most days
 - This level of engagement with smartwatches is higher than demonstrated in our previous smartwatch surveys
 - US and UK respondents exhibited similar usage patterns
- **Checking the time, messaging and activity tracking are the most-used smartwatch features for all brands**
 - People particularly value notifications for activity updates, new messages or e-mails, and incoming calls
 - Smartwatches are useful in wide-ranging scenarios — at home, at work, exercising or any other activity
- **Users on average download seven apps to their smartwatch**
 - Apple owners download more apps, with a quarter of them having downloaded more than 10
 - Fitness, music and messaging apps are downloaded on all smartwatch brands
- **Use of digital assistants among owners of Apple Watch, Wear OS and Samsung smartwatches is fairly high**
 - On average, 86% of users have tried using the voice assistant and 75% use it often or sometimes

Summary of Findings

- **Smartwatch users are highly satisfied with their smartwatches**
 - We believe this reflects the huge progress in smartwatches, in terms of functionality and design
- **Wear OS smartwatch users are less satisfied than others**
 - This is reflected in the lower engagement levels with Wear OS: only 75% use the device every day or most days, compared with at least 90% for Apple, Fitbit and Samsung smartwatches
 - This is a cause for concern, but we believe the latest wave of Wear OS smartwatches aims to address such problems
- **Overall, smartwatches have mostly met or exceeded people's expectations**
 - In contrast to the first generation of smartwatches, we believe people's expectations are now aligned with the reality
- **Longer battery life and waterproofing were the most-requested improvements for future smartwatches**
- **More than half of current users plan to replace their smartwatch within the next two years**
 - Only a very small number of respondents are planning to not replace their device, which is very encouraging

Purchase Journey

Physical Stores Are an Important Channel for Smartwatches



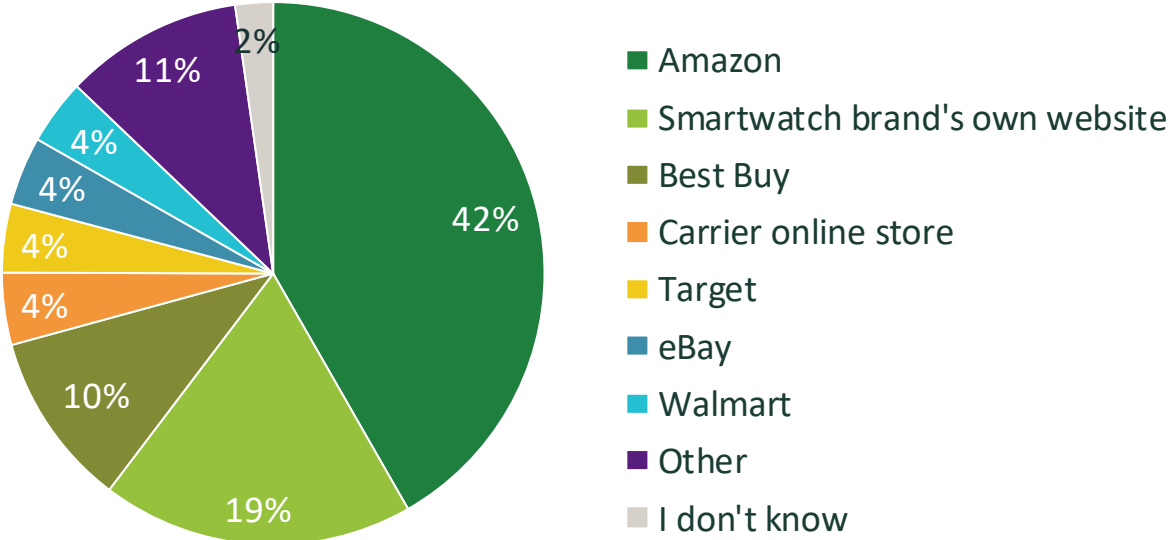
- **Although online is the largest channel, physical stores play an important role and account for 40% of the sales**
- **Physical stores play a more important role in the US than in the UK**
 - This is likely because of high engagement with smartwatches in important retail channels like Best Buy in the US

Base: All respondents (2,003).
Q: Where was your smartwatch purchased?

US: Amazon Dominates Online Sales, and Best Buy Is the Leading Physical Retail Channel

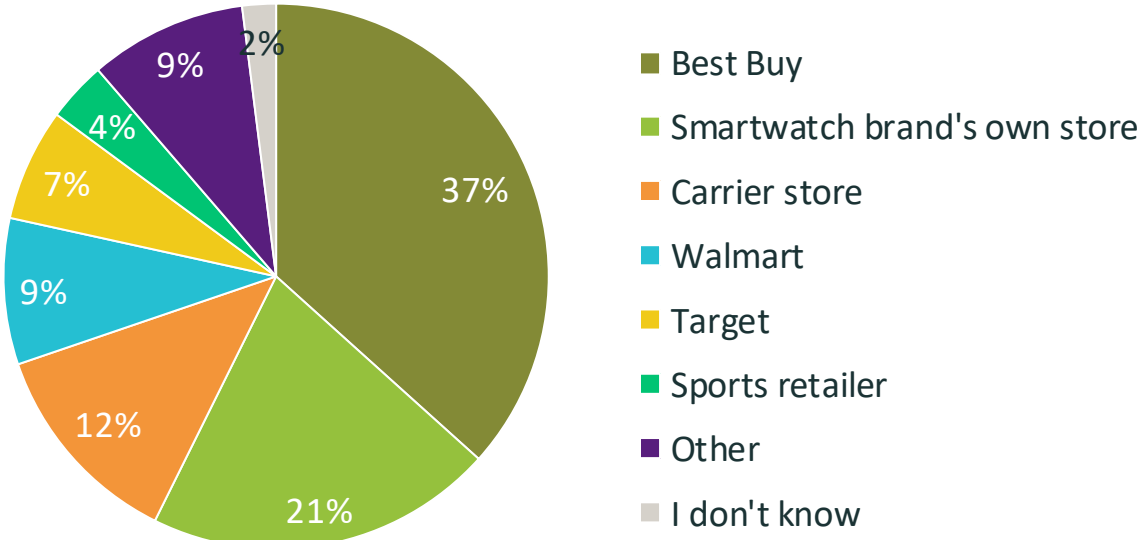
Purchases in US online stores

Base: 489



Purchases in US physical stores

Base: 450



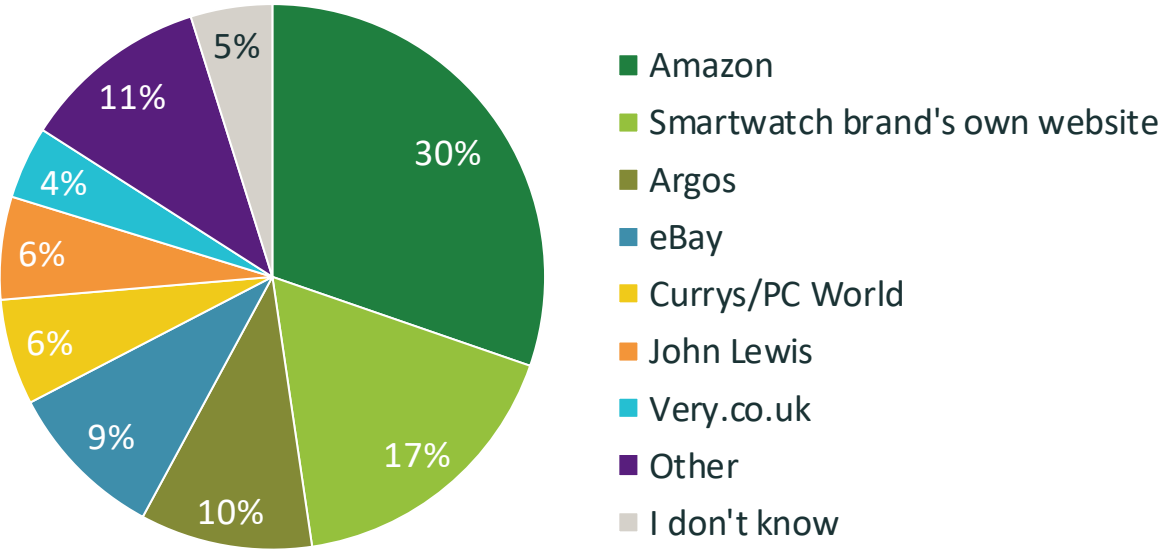
- About 30% of Apple Watches in our US sample were purchased at an Apple store or online on Apple's website
- 50% of Fitbit owners and 45% of Samsung owners purchased their devices on Amazon
- Best Buy is a significant channel for Fitbit and Samsung

Base: US respondents who indicated that their smartwatch was purchased in either online, in a store or other location (939).
 Q: Which website (or store) was it purchased from?

UK: Amazon and Apple Stores Dominate

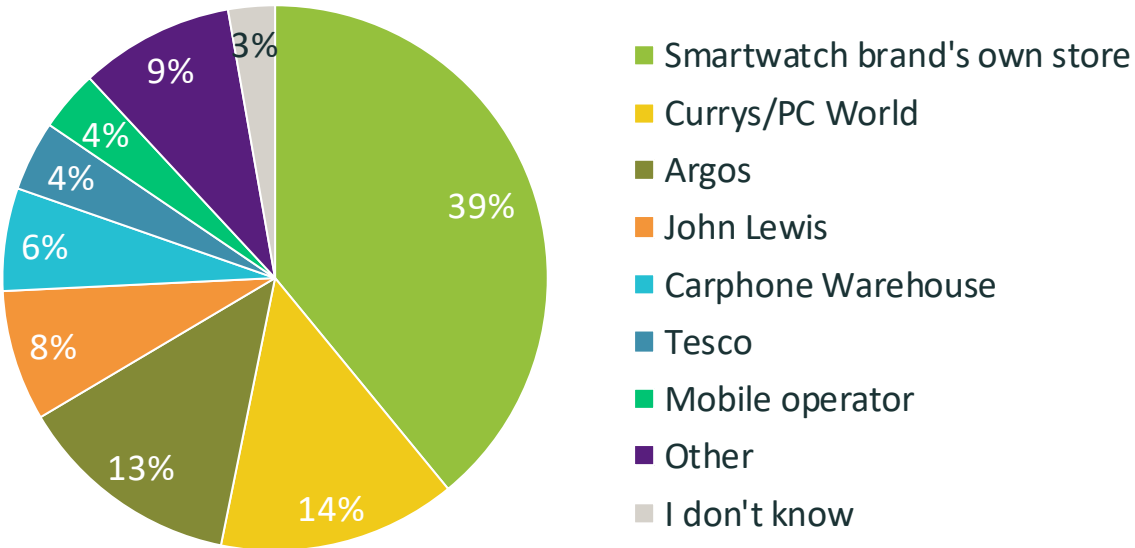
Purchases in UK online stores

Base: 558



Purchases in UK physical stores

Base: 361



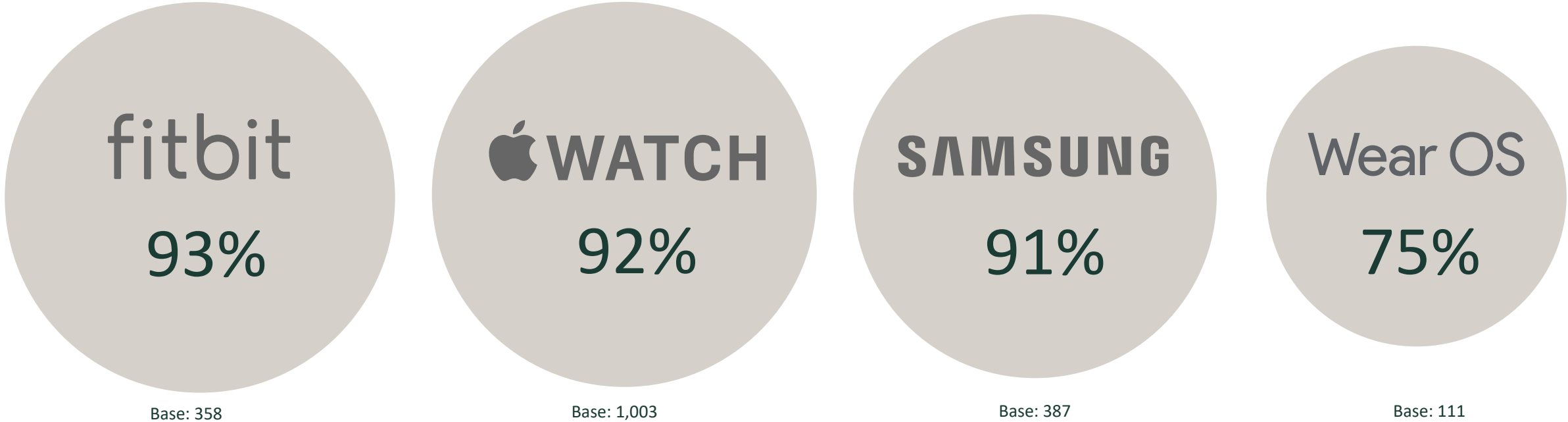
- **Mobile operators and mobile phone retailers are not a significant channel for smartwatches in UK**
- **Amazon is weaker in the UK than in the US**
 - Nevertheless, Amazon is a significant channel for all smartwatch brands
- **Beyond Apple stores, no physical retailer is the dominant channel for smartwatches**

Base: UK respondents who indicated that their smartwatch was purchased in either online, in a store or other location (919).
 Q: Which website (or store) was it purchased from?

Usage

Users of Fitbit, Apple and Samsung Smartwatches Are Highly Engaged

Smartwatches used every day or most days, percentage of brand owners

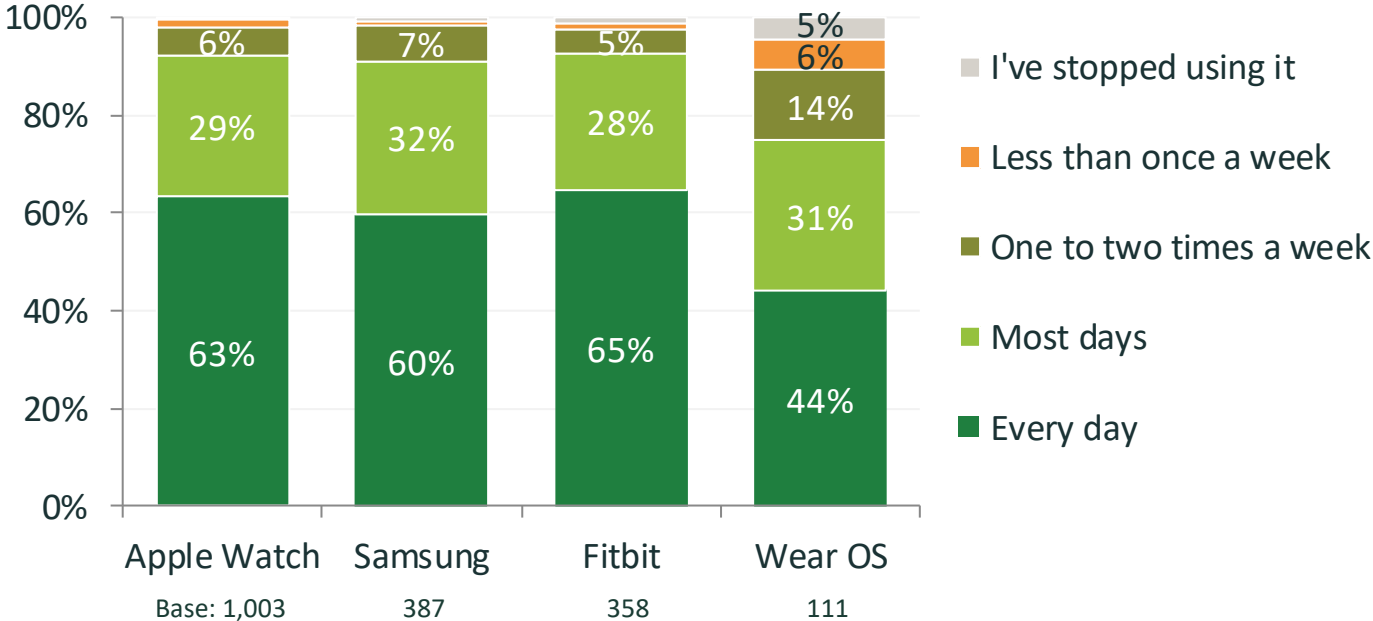


- **Very high usage of Apple Watch, Fitbit and Samsung devices means that users find significant utility in smartwatches despite the need to charge them daily**
- **US and UK respondents exhibited similar usage patterns**
- **This level of engagement with smartwatches is higher than our previous surveys, indicating considerable improvement in the design and functionality of smartwatches over the past five years**

Base: All respondents (2,003).
Q: In an average week, how often do you use your smartwatch? (Every day, most days, sometimes, rarely or I've stopped using it).

Lower Engagement with Wear OS Smartwatches Is Cause for Concern

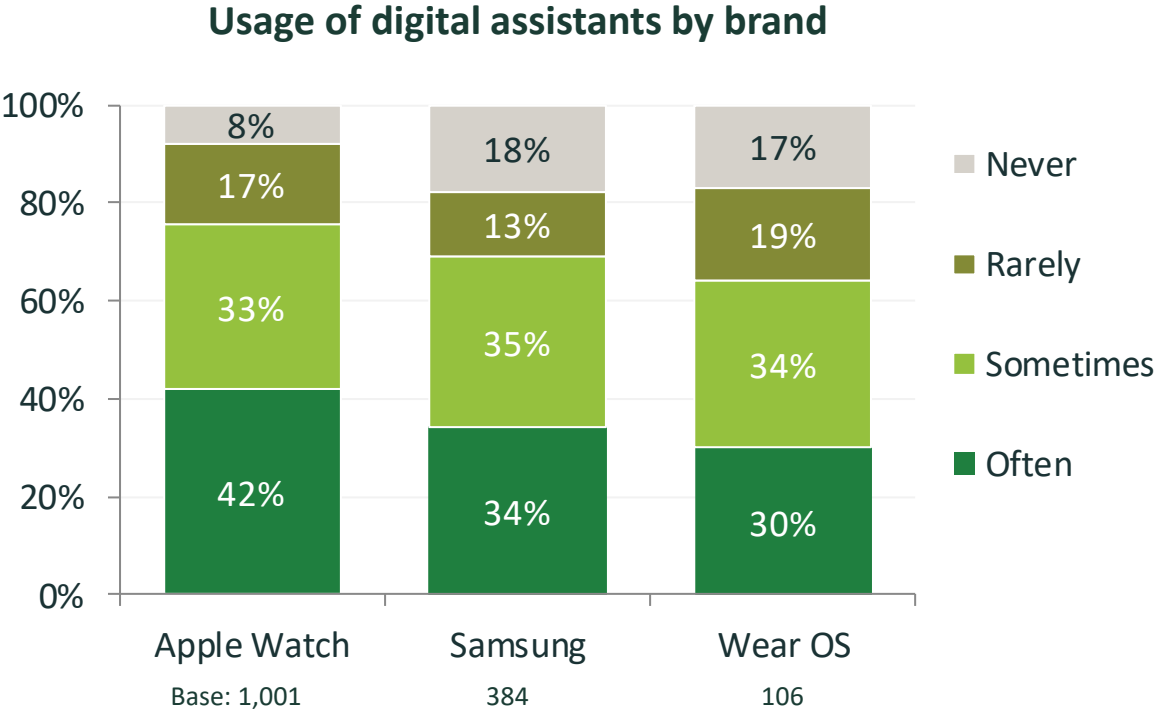
Smartwatches used every day or most days by brand



- On average, 61% of owners use their smartwatch every day
- Lower engagement with Wear OS smartwatches is a cause for concern
 - This is reflected in lower satisfaction levels with Wear OS smartwatches (see pages 42 and 43)
- US respondents on average use their smartwatches slightly more often than UK respondents

Base: All respondents (2,003).
 Q: In an average week, how often do you use your smartwatch? (Every day, most days, sometimes, rarely or I've stopped using it).

Most Owners Have Tried Using a Digital Assistant on Their Smartwatch



- **Voice assistant is used significantly more often by Apple Watch users than owners of other smartwatches**
 - A very small number of Apple Watch users have never used Siri on their smartwatches
- **Between the three groups of owners, on average 86% have at least tried using the voice assistant**
- **Note that voice assistants are currently not available on Fitbit, Garmin or other smartwatches in our sample**

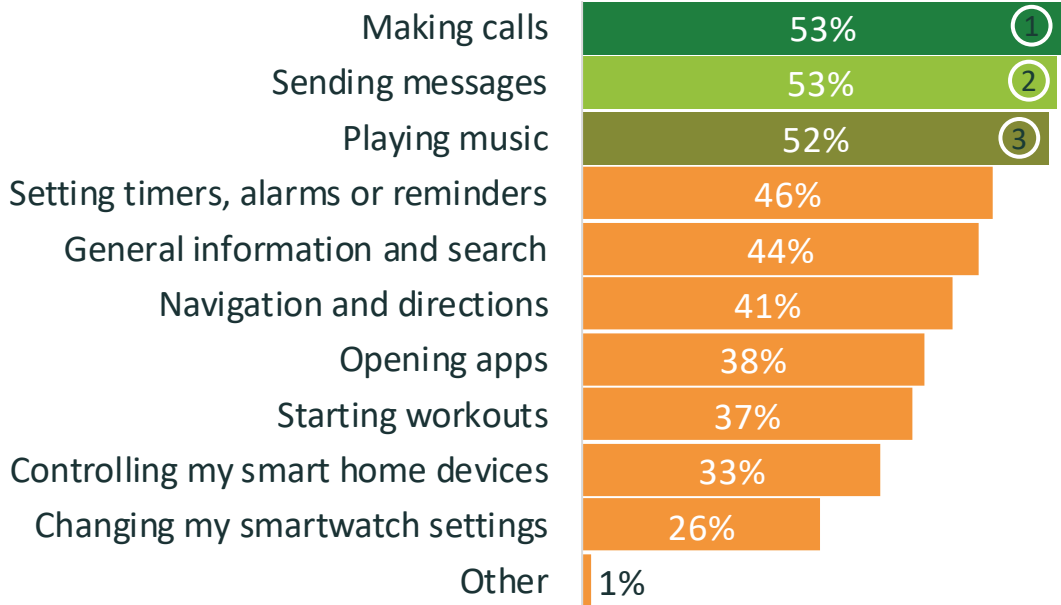
Base: Users of Apple Watch, Samsung and Wear OS smartwatches (1,491).
Q: How often do you use a digital assistant like Siri, Google Assistant or Alexa on your smartwatch?

Digital Assistants Are Used for Broad Range of Functions

What do you use the digital assistant for?

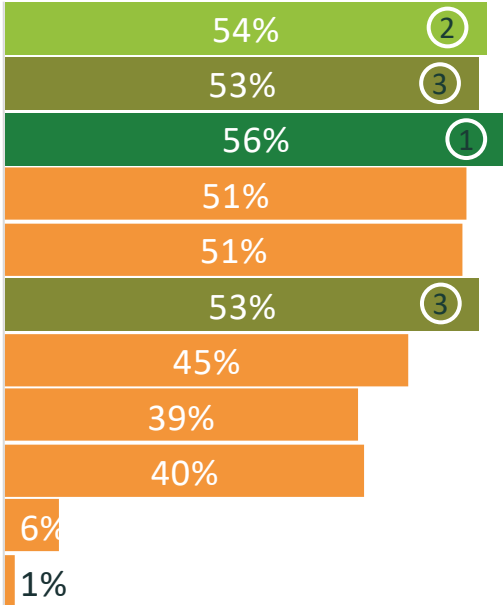
WATCH

Base: 757



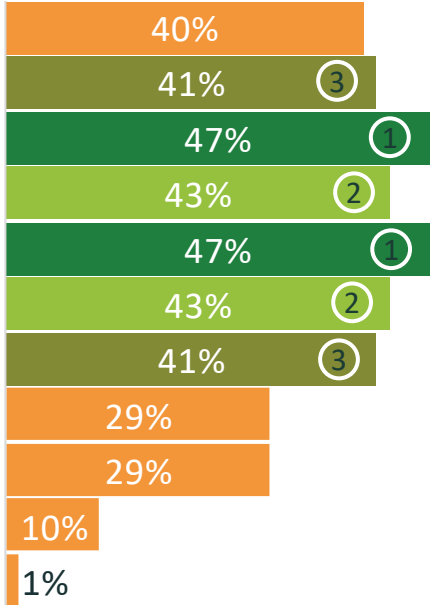
SAMSUNG

Base: 265



Wear OS

Base: 68

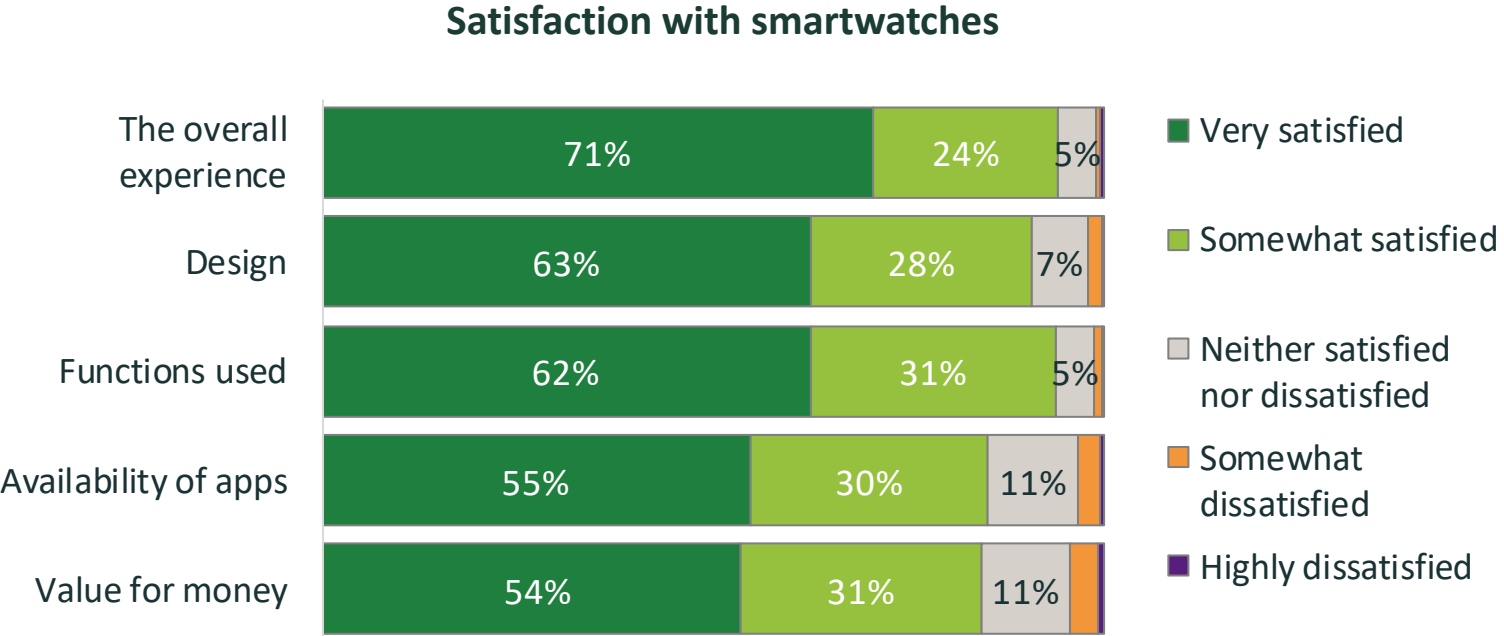


- People use digital assistants for a broad range of functions**
 - US respondents use navigation and general information features slightly more than UK respondents

Base: Users of Apple Watch, Samsung and Wear OS smartwatches, who use a digital assistant on their smartwatch – either often or sometimes (1,090).
 Q: What do you use the digital assistant like Siri or Google Assistant for? Please select all that apply.

Satisfaction

Satisfaction with Smartwatches Is Very High

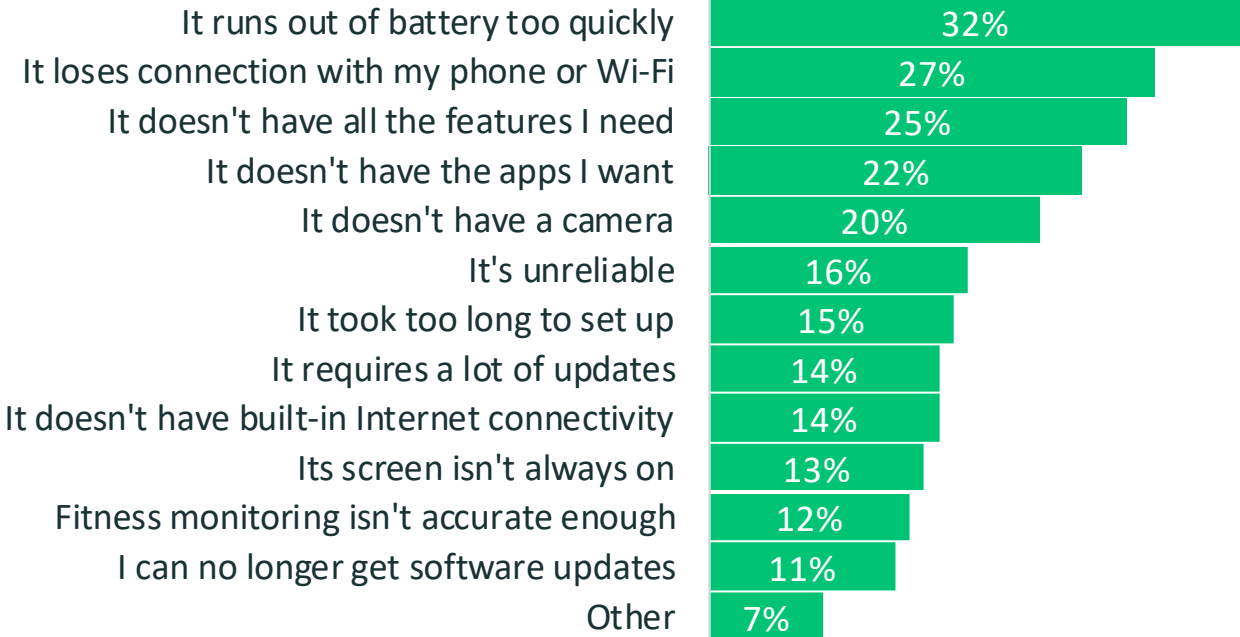


- **Across all smartwatch types, respondents were highly satisfied with their devices**
 - This reflects the huge progress in smartwatches in terms of functionality and design
- **US respondents were slightly more satisfied than their UK counterparts**
 - In the US, 77% were very satisfied with the overall experience; 64% in the UK. This might be culturally defined
- **Wear OS smartwatch users are less satisfied than others**

Base: Respondents who own and use a smartwatch (1,985).
Q: How satisfied are you with your smartwatch?

Battery Life Is the Biggest Reason for Dissatisfaction

Reasons for dissatisfaction with the smartwatch

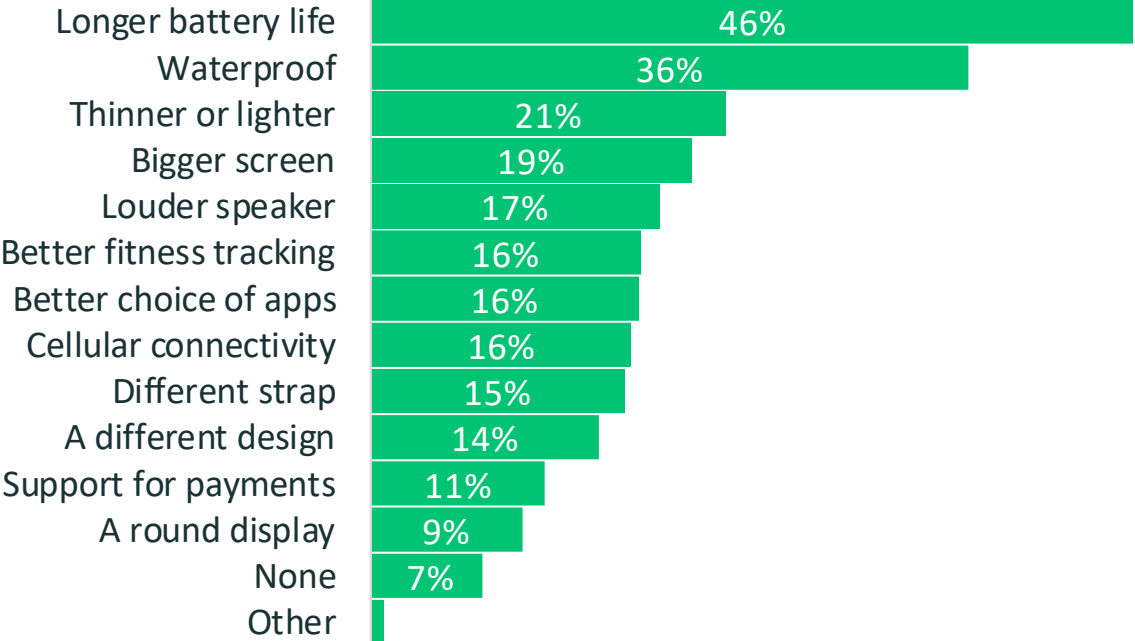


- **Battery life is the biggest reason for dissatisfaction**
- **Other sources of dissatisfaction are connectivity, availability of apps and a lack of features**

Base: Respondents who are not "somewhat satisfied" or "highly satisfied" with the overall experience of their smartwatch (116).
Q: You told us that you aren't completely satisfied with your smartwatch. Why is that?

Longer Battery Life and Waterproofing Are the Most-Requested Features

What would be the top three improvements in your next smartwatch?



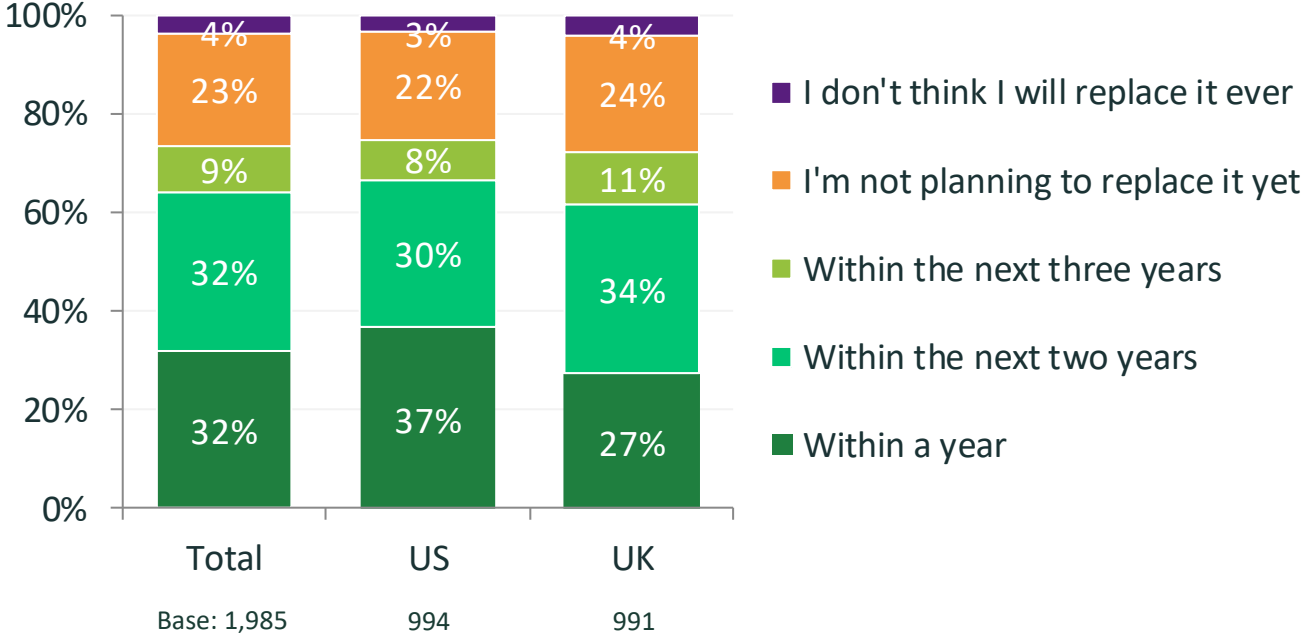
- **The requirement for longer battery life might be a constant: users always want more from their battery**
- **The requirement for waterproof devices is quite significant, as it will mean that people will need to remove their smartwatch from their wrist less often and so make the devices even less likely to be abandoned**

Base: Respondents who own and use a smartwatch (1,985).
Q: What would be the top 3 improvements which you would like to have in your next smartwatch?

Replacement

Only 4% of Owners Would Not Replace Their Smartwatch

When do you think you will replace your smartwatch with a new one?

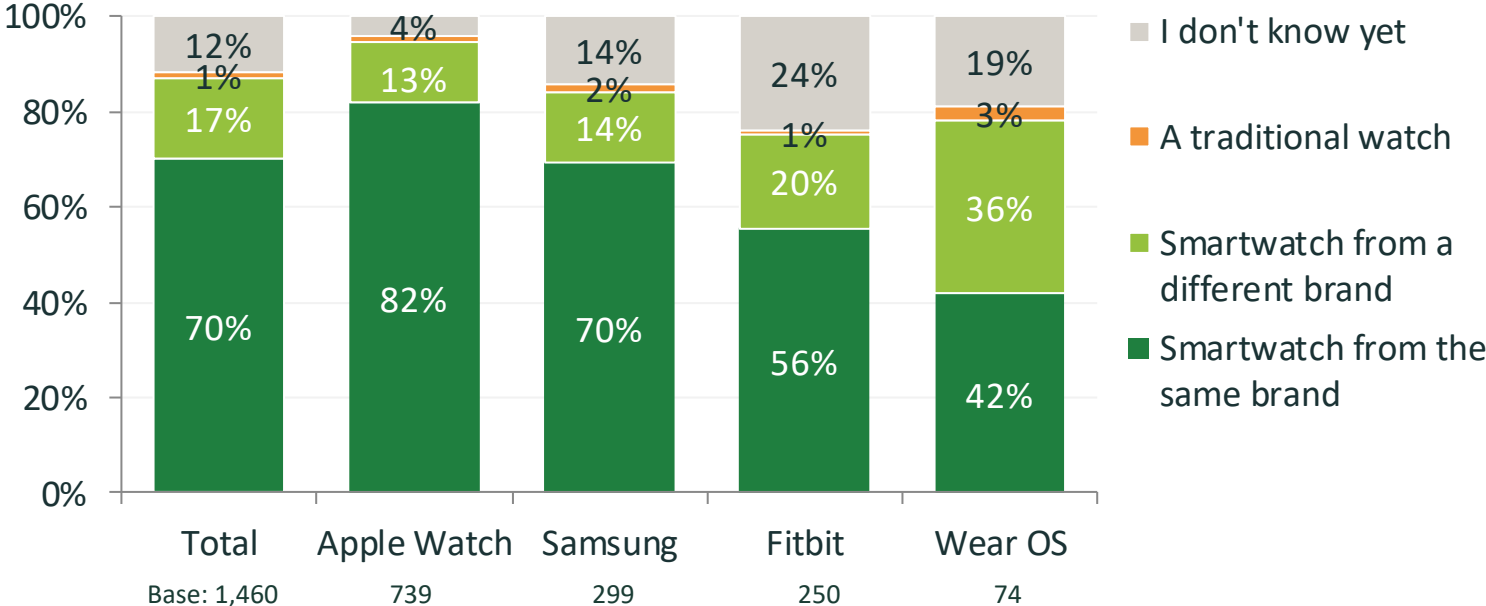


- **64% of current users plan to replace their smartwatch within the next two years**
- **US respondents are more likely to replace within a year**
- **Responses were very similar for all brands**

Base: Respondents who own and use a smartwatch (1,985).
Q: When do you think you will replace your smartwatch with a new one?

Apple Watch Owners Exhibit Highest Degree of Loyalty to the Brand, Followed by Samsung

What are you most likely to replace your smartwatch with?



- Users of Apple and Samsung smartwatches are very loyal to the brand
- Wear OS users are more likely to switch to another brand
- Almost no one wants to switch back fully to a traditional watch

Base: Respondents who indicated that they are planning on replacing their smartwatch (1,460).
 Q: What are you most likely to replace your smartwatch with?



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