

Understanding the Connected Health and Wellness Market

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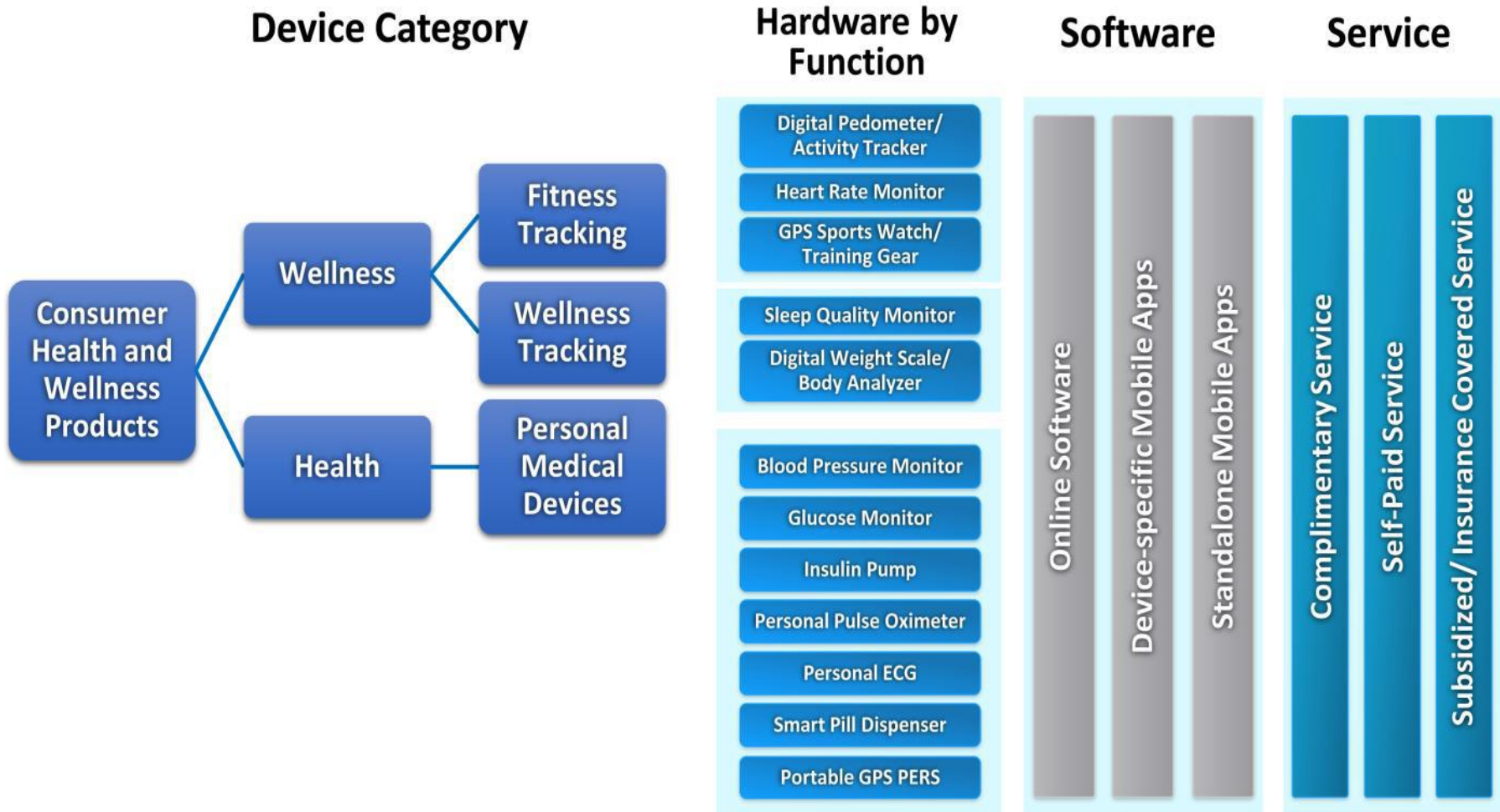
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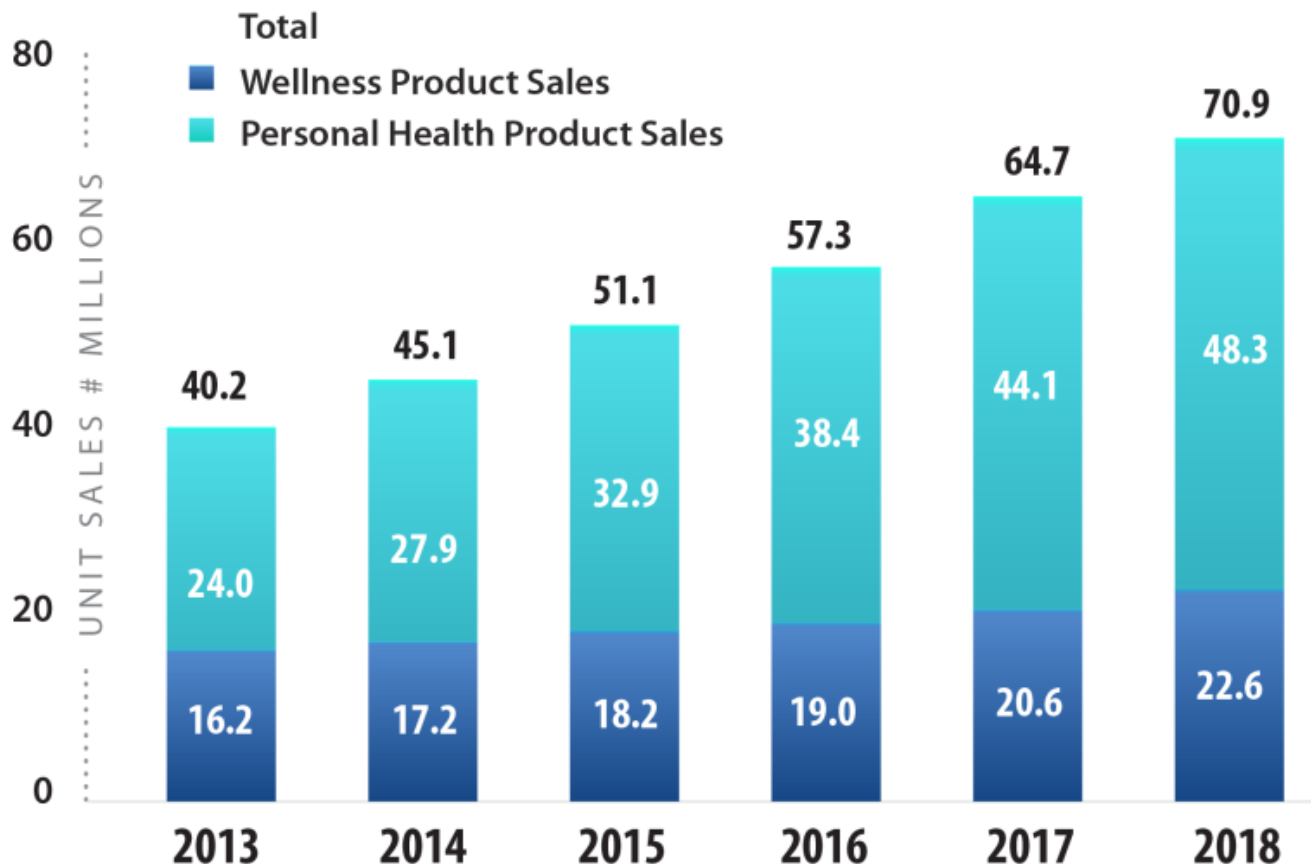




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Personal Health & Wellness Products: U.S. Market Unit Sales

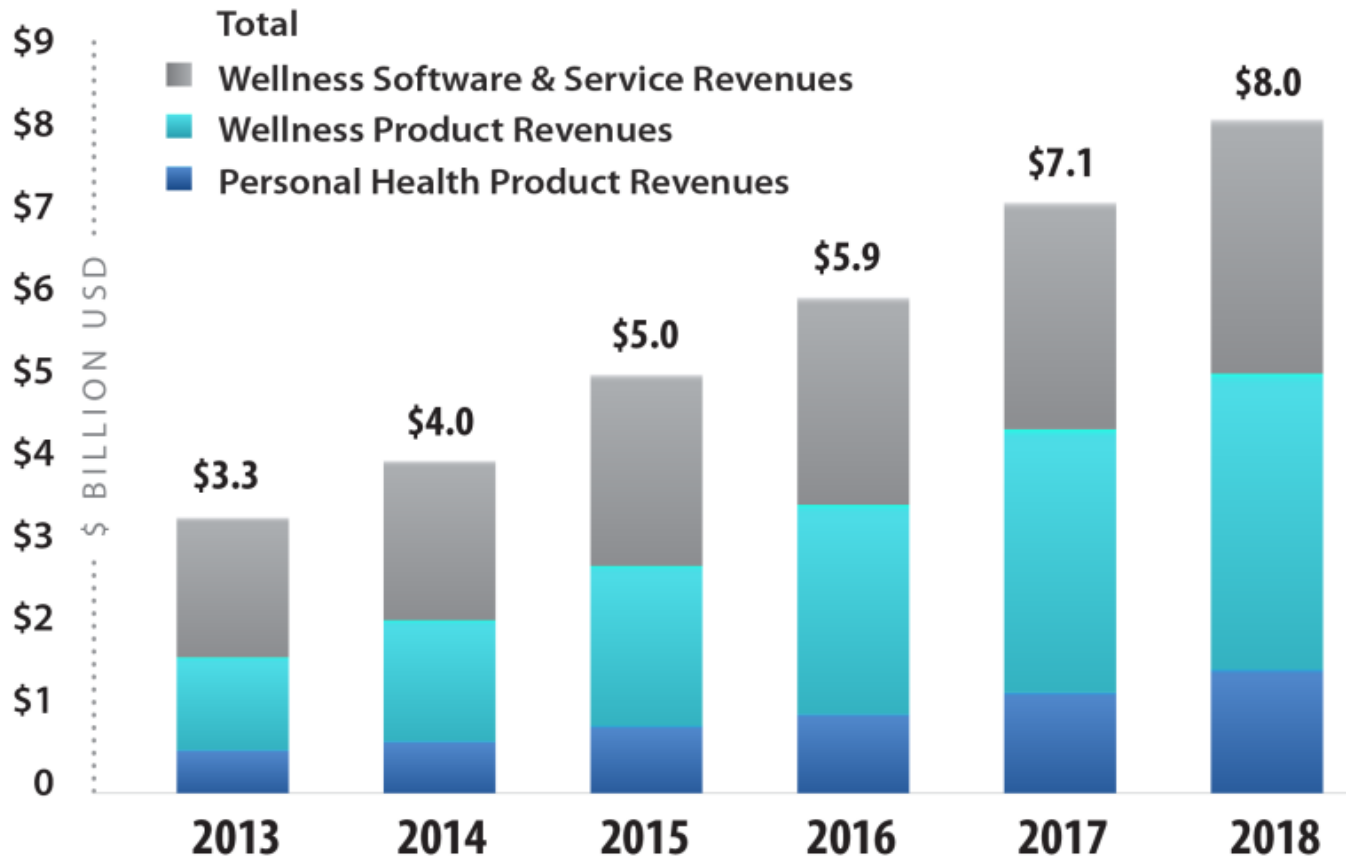
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Connected Personal Health & Wellness Products: U.S. Market Revenues

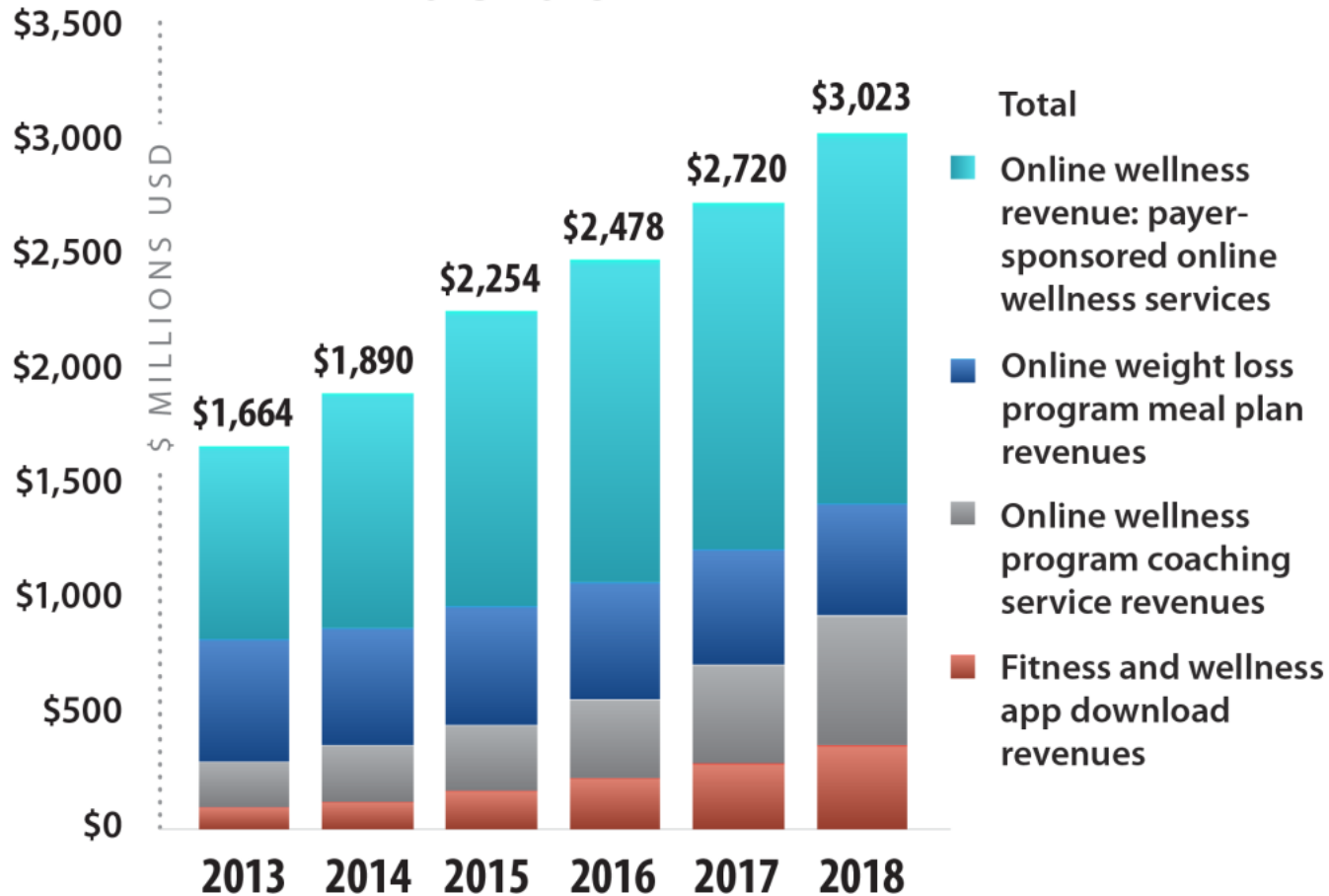
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Wellness Software & Services: U.S. Revenues by Solution

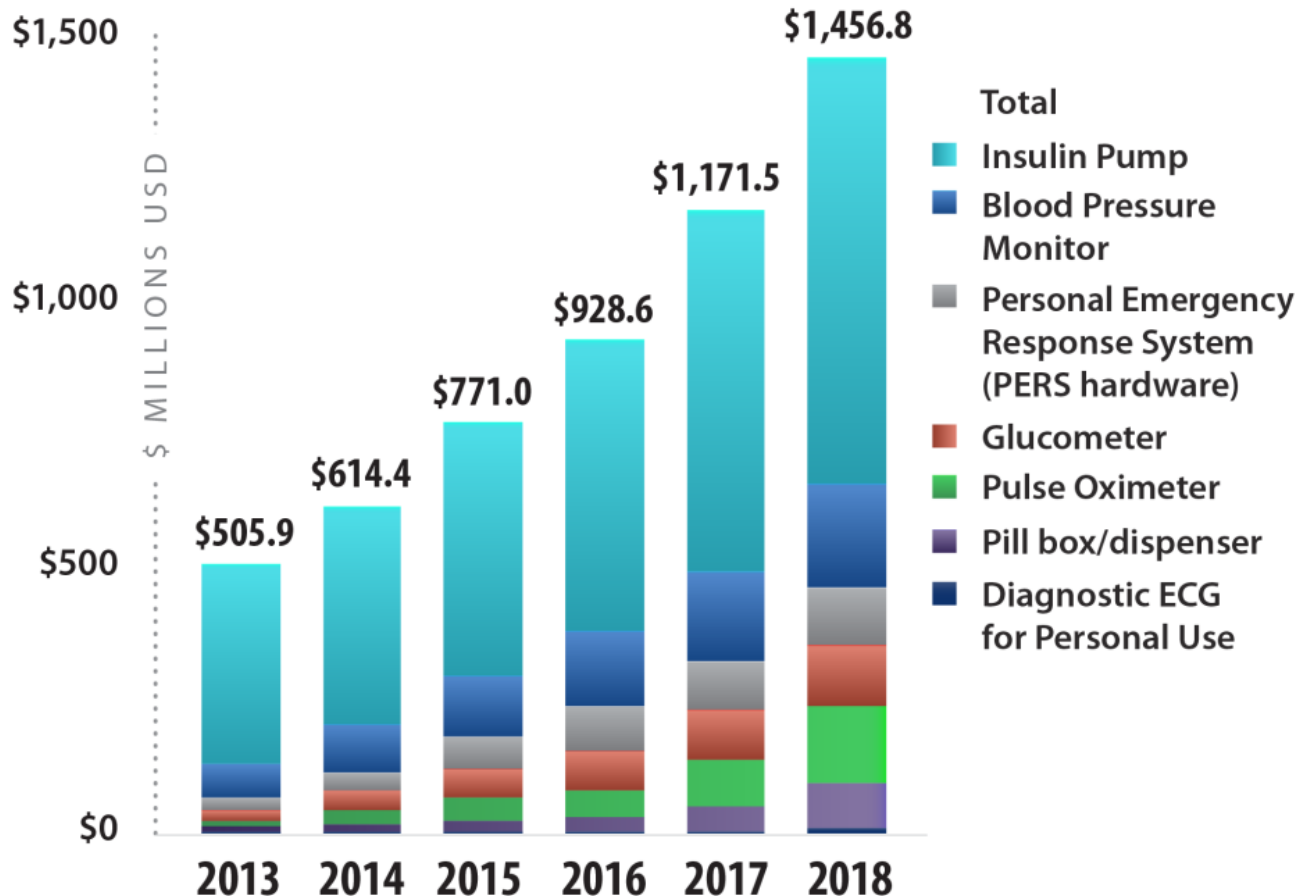
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Connected Personal Health Products: U.S. Revenues by Product

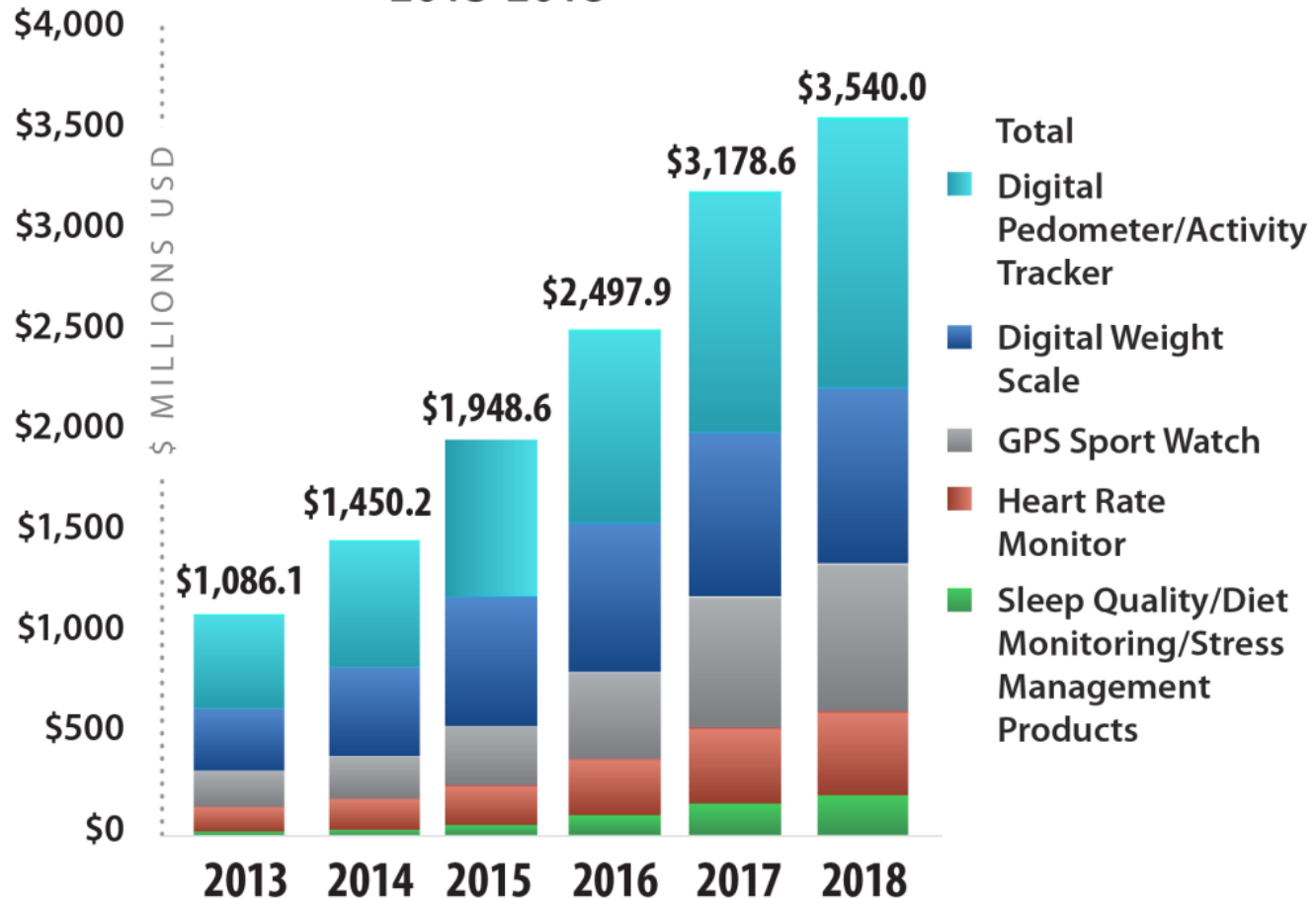
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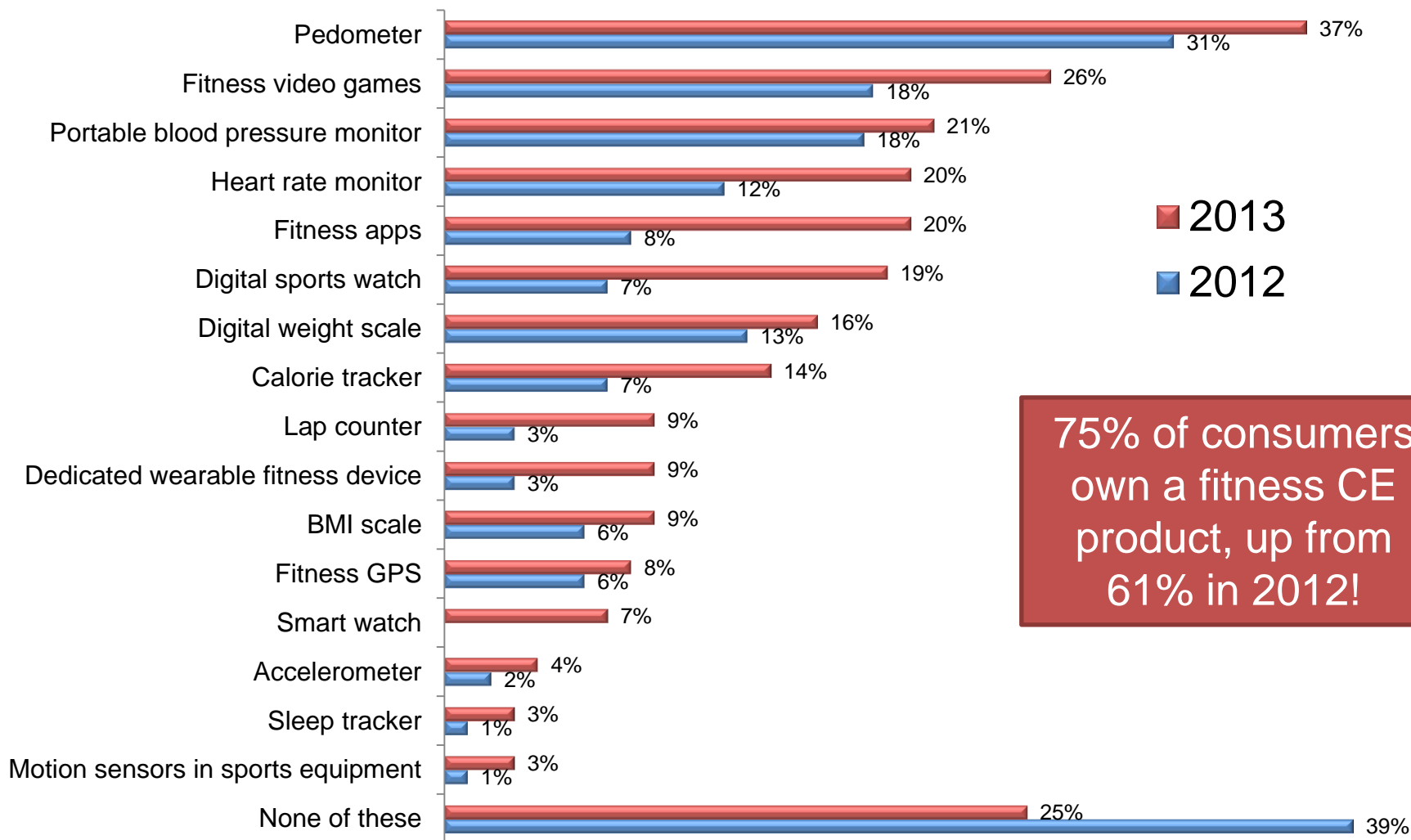
Connected Wellness Products: U.S. Revenues by Product

2013-2018



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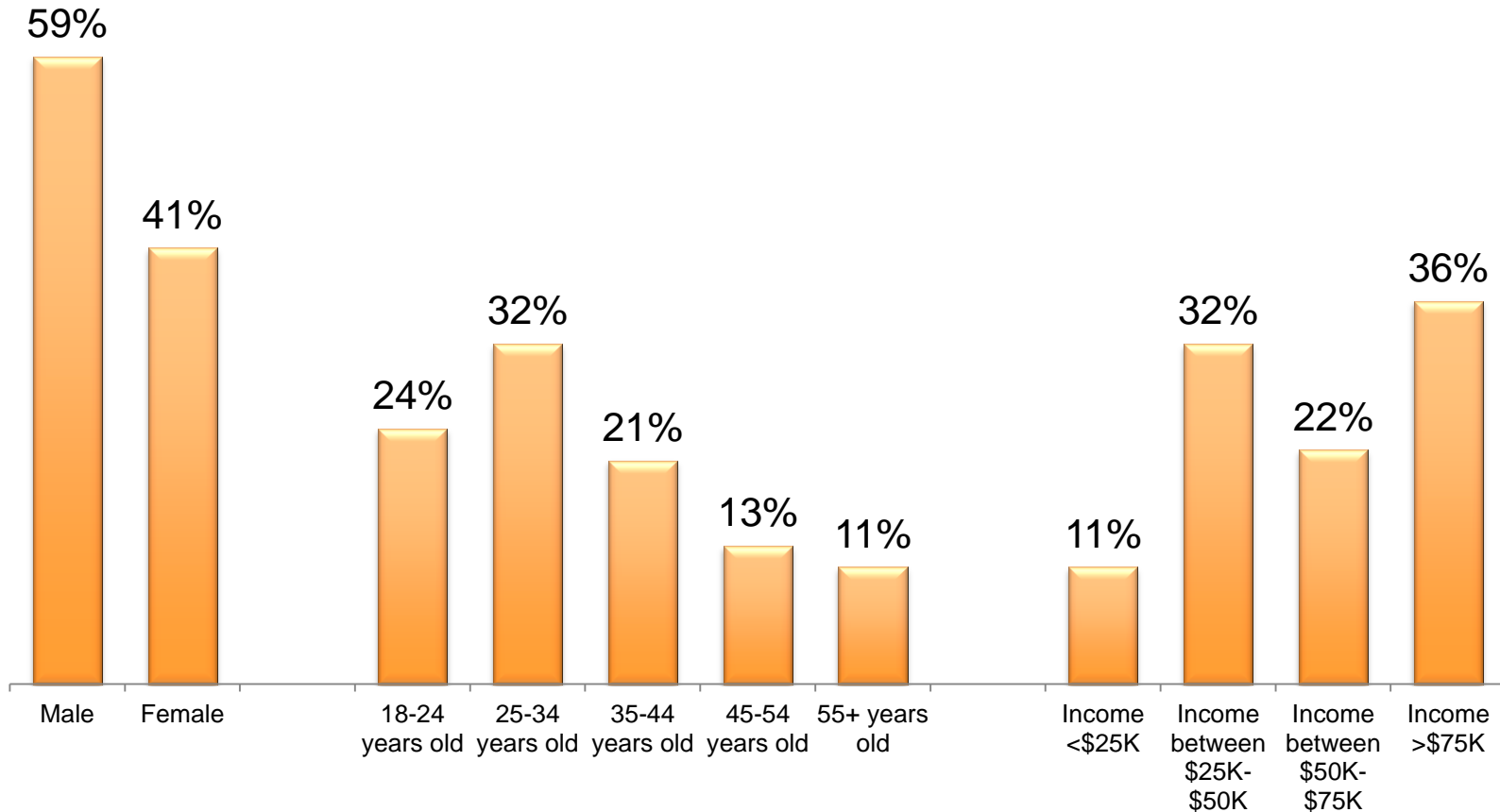
Pedometers remain the most popular fitness devices owned by adults, but dedicated wearable fitness devices have tripled YOY



Base: Online U.S. adults (n=1,006)

Q9B. Which of the following fitness technologies, if any, do you PERSONALLY own?

Who Owns Wearable Fitness Devices?



Base: Online U.S. adults who own a dedicated wearable fitness device (n=89)



American
Heart
Association®

Learn and Live

Recommended Guidelines



67%

of wearable fitness device owners

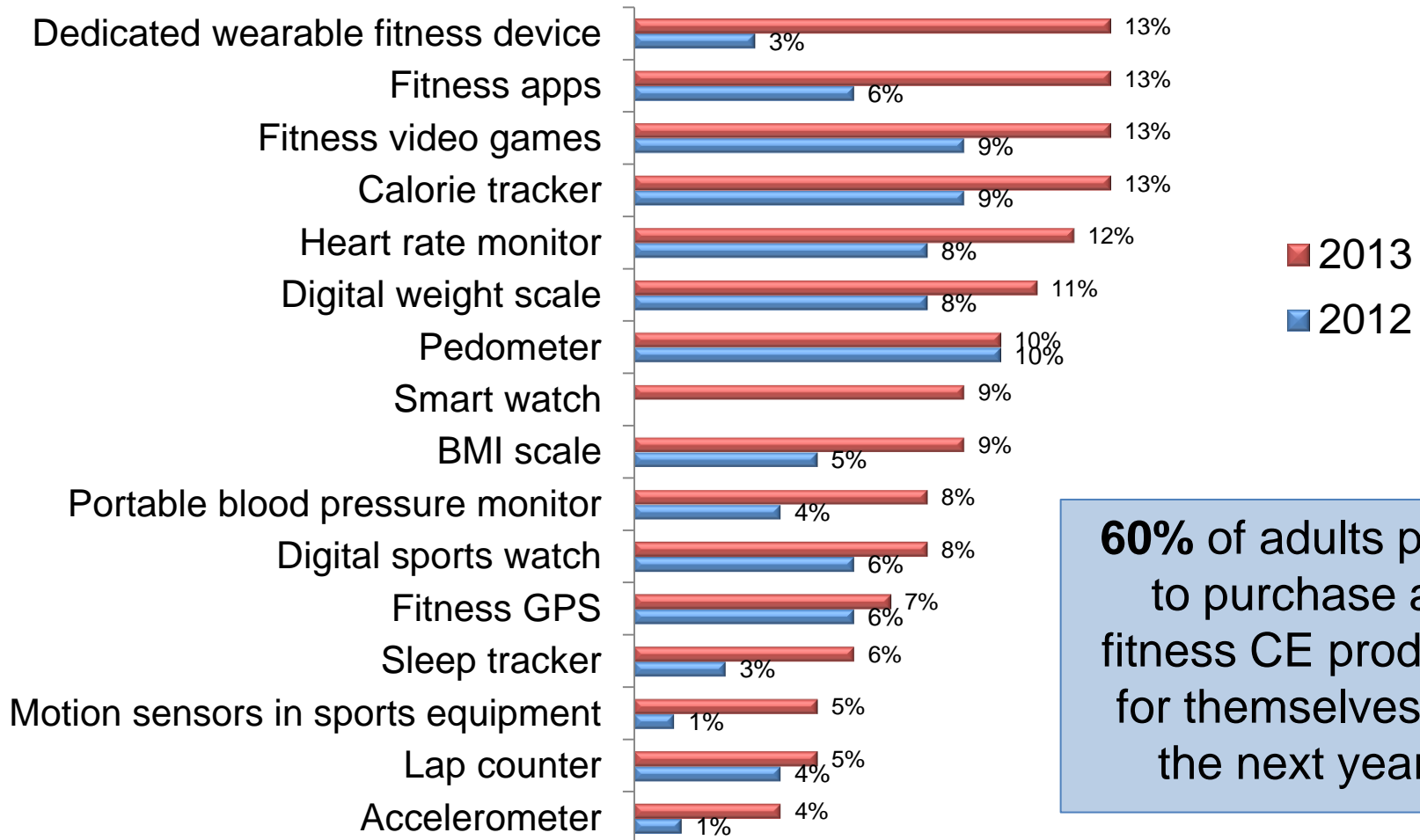
55%

of wearable fitness device owners

Base: Online U.S. adults who own a dedicated wearable fitness device (n=89)

Q3. Thinking about all the physical activities you do in an average week, would you say you meet either of the minimum American Heart Association recommended activity levels below?

Dedicated wearable fitness devices show largest gain in purchase intent YOY for next 12 months

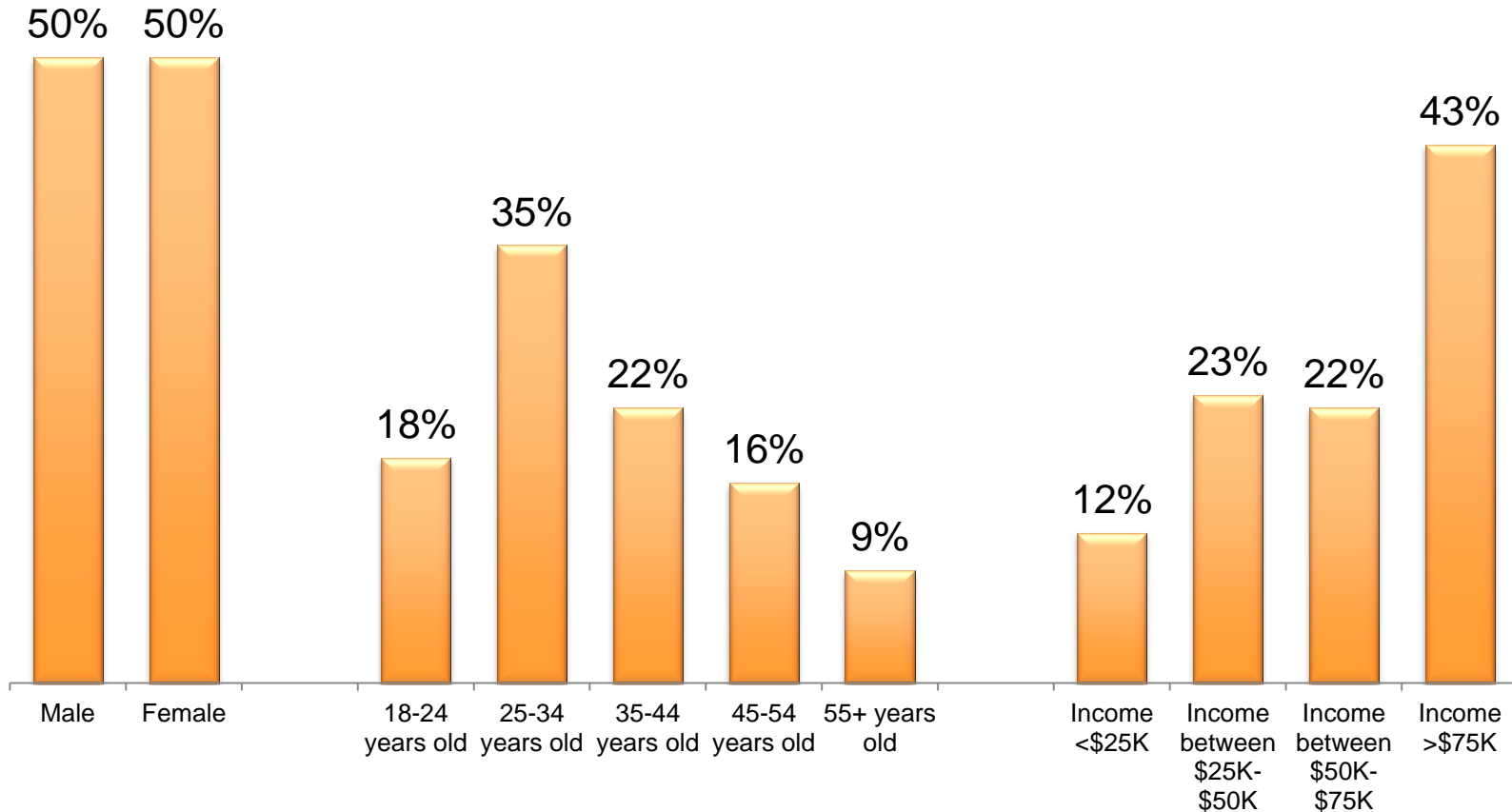


60% of adults plan to purchase a fitness CE product for themselves in the next year

Base: Online U.S. adults (n=1,006)

Q9C. Which of the following fitness technologies, if any, do you plan to purchase within the NEXT 12 MONTHS for YOURSELF?

Who Wants to Buy Wearable Fitness Devices?



Base: Online U.S. adults who plan to purchase a wearable fitness device in next 12 months (n=130)



American
Heart
Association®

Learn and Live

Recommended Guidelines



67%

of potential wearable fitness
device buyers

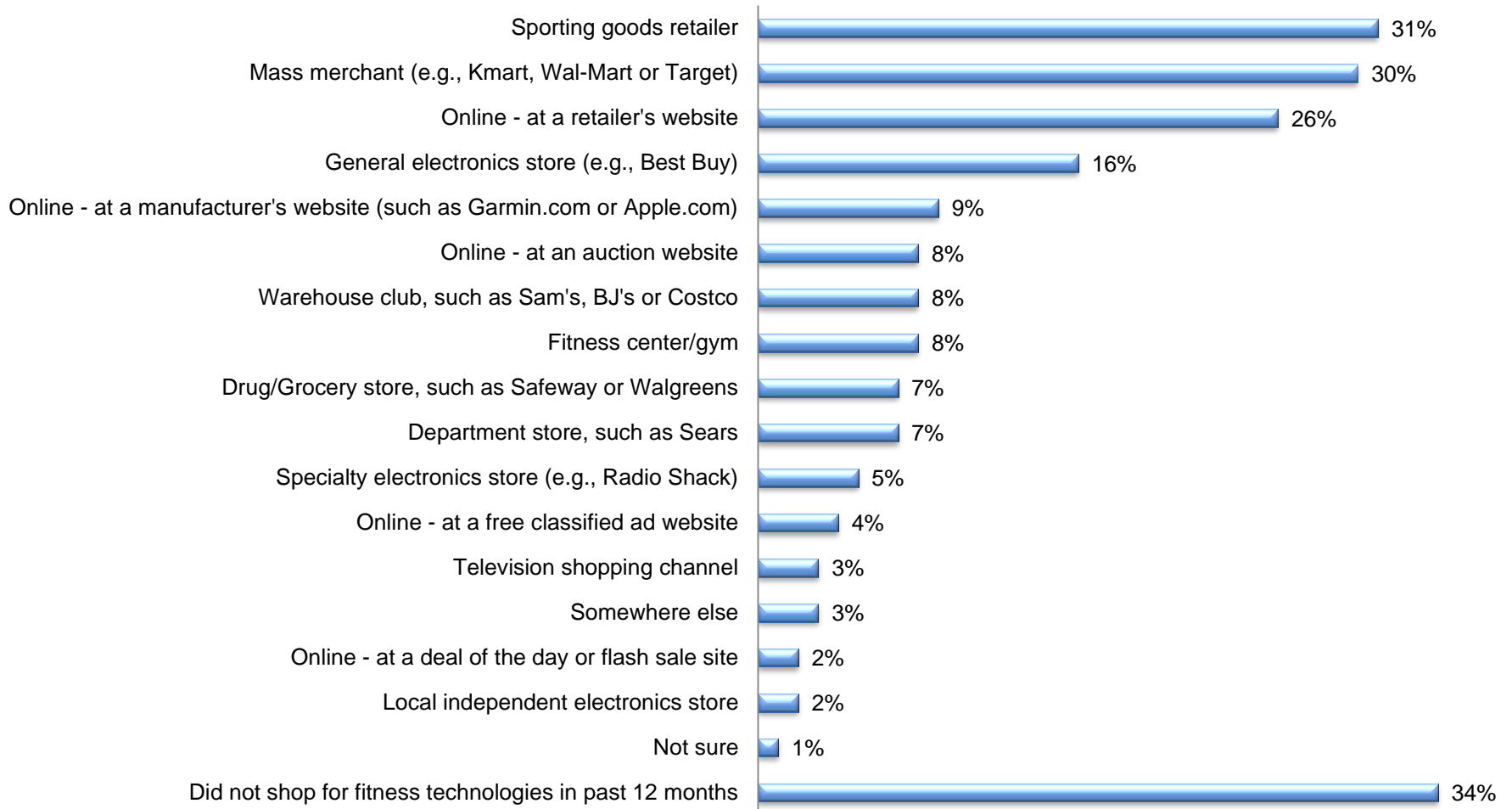
57%

of potential wearable fitness
device buyers

Base: Online U.S. adults who plan to purchase a wearable fitness device in next 12 months (n=130)

Q3. Thinking about all the physical activities you do in an average week, would you say you meet either of the minimum American Heart Association recommended activity levels below?

Consumers look to sporting goods retailers, mass merchants and online retailers to get their fitness tech fix

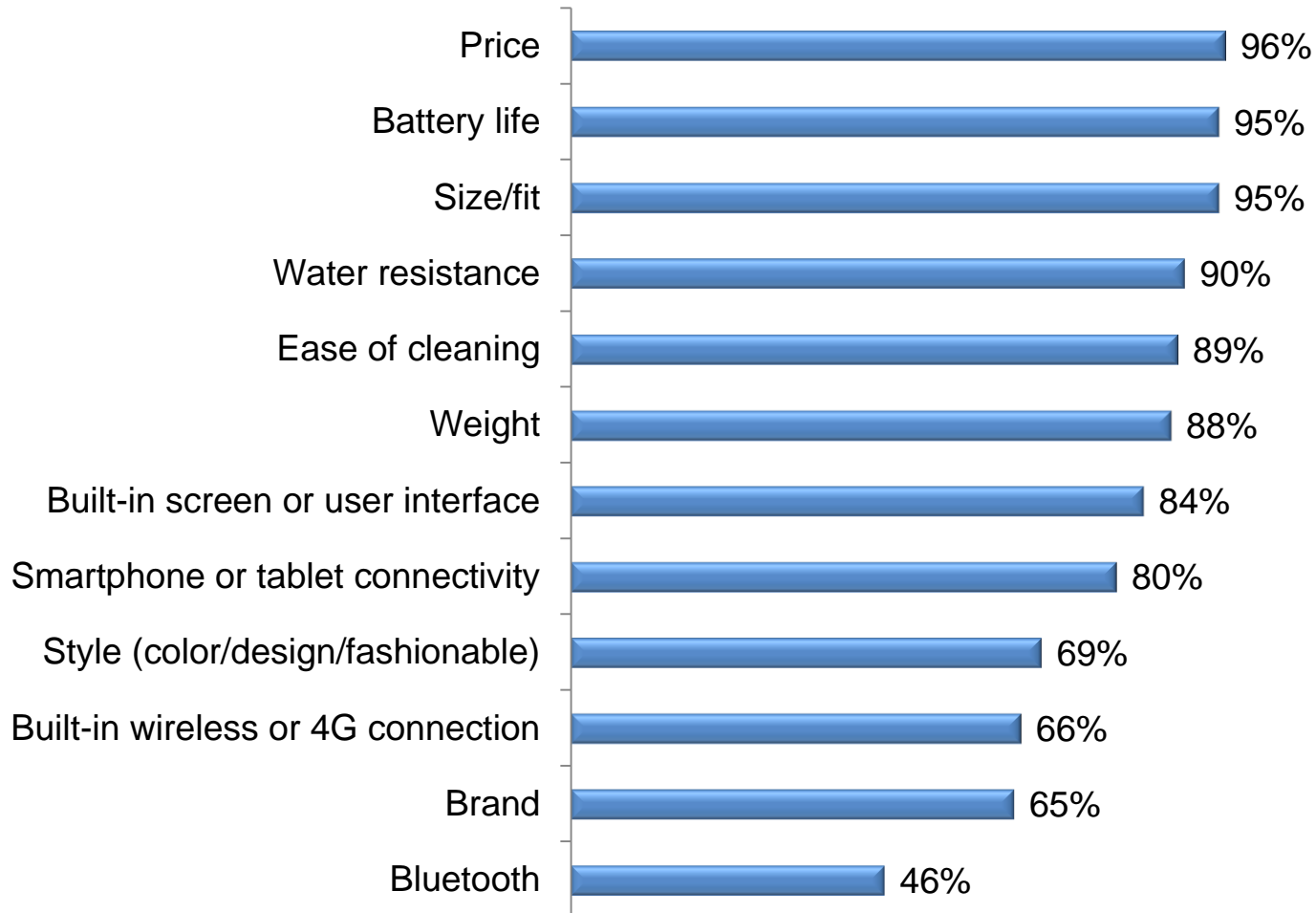


Base: Online U.S. adults (n=1,006)

Q3. Where have you shopped for fitness technologies in the PAST 12 MONTHS?

Most important features for potential fitness device buyers include price, battery life and size/fit

(Net % Very Important + Important)

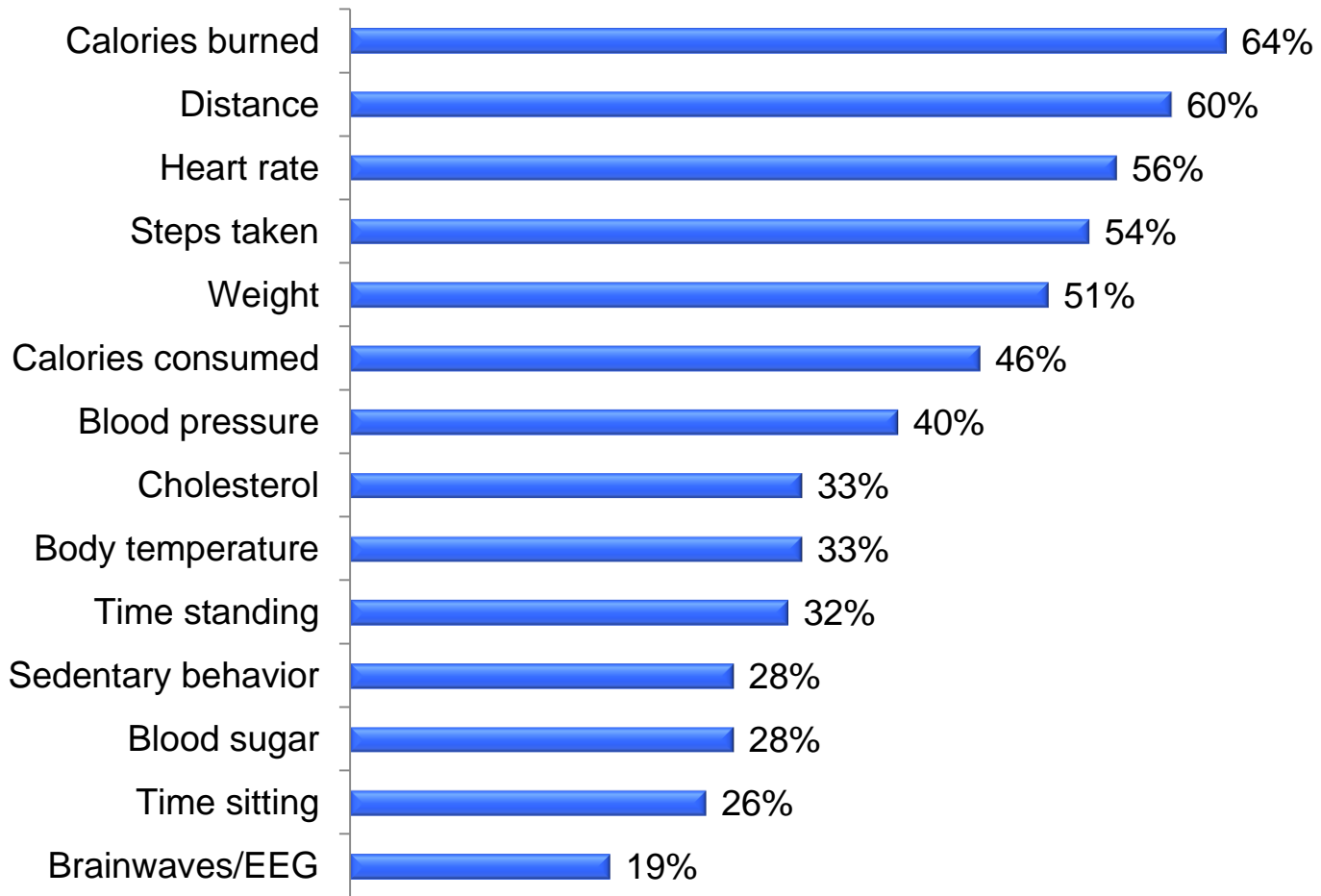


Base: Online U.S. adults who plan to purchase a wearable fitness device in next 12 months (n=130)

Q14. How important are the following features in the wearable fitness technologies you plan to purchase for yourself in the next 12 months?

Key statistics to track include calories burned, distance, heart rate and steps taken

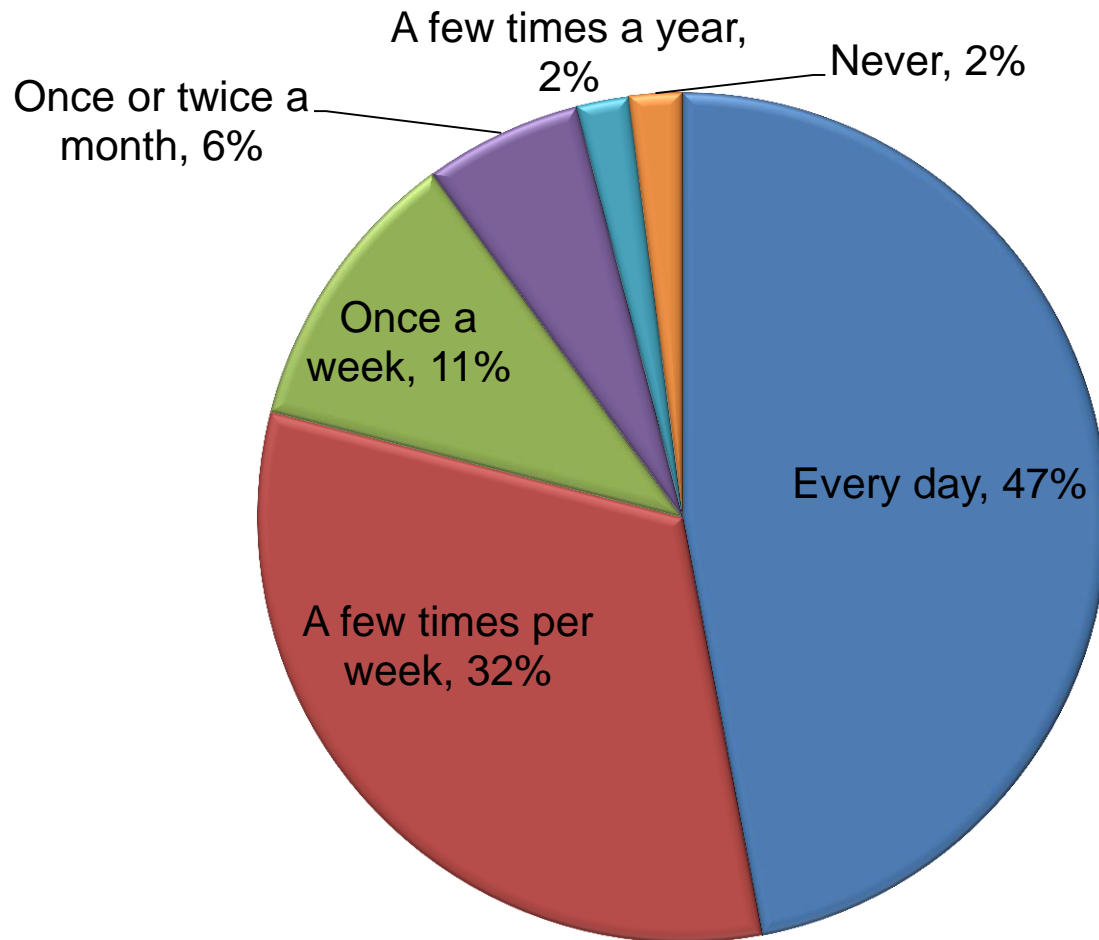
(% Very Important)



Base: Online U.S. adults who plan to purchase a wearable fitness device in next 12 months (n=130)

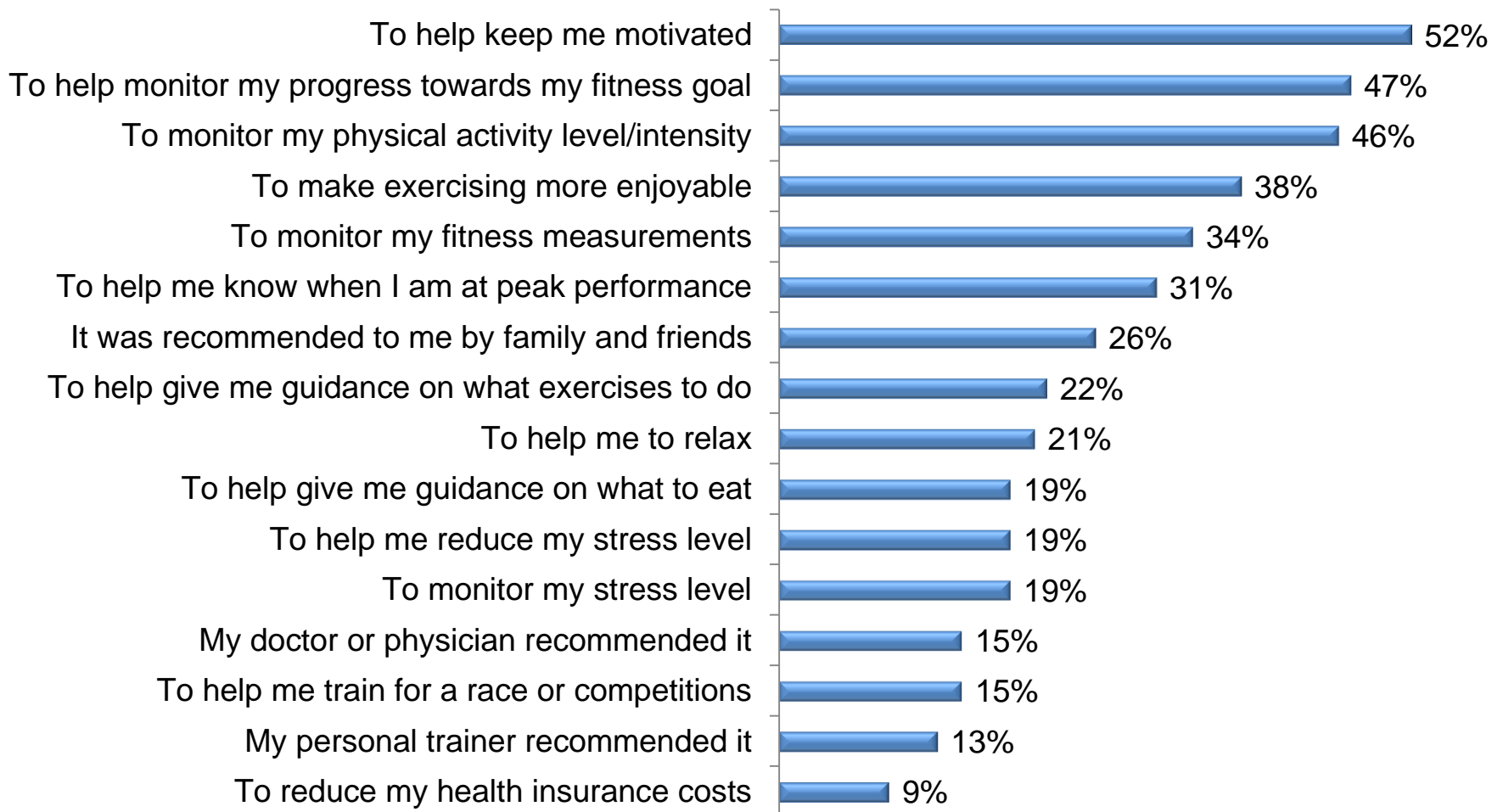
Q15A. Thinking about the wearable fitness tech you plan to purchase in the next 12 months, how important is the ability to track the following statistics when deciding which device to purchase?

Almost half of wearable fitness device owners use them daily, another third a few times per week



Base: Online U.S. adults who own a dedicated wearable fitness device (n=89)
Q11. How often do you currently use the fitness technologies you personally own?

Motivation, monitoring goal progress and physical activity levels are the key reasons for use



Base: Online U.S. adults who own and use a dedicated wearable fitness device (n=87)
Q12. Why do you use the fitness technologies you own?

Positive reinforcement and competition are the most compelling motivators for less frequent users

47%

Positive Reinforcement

If the device gave you more positive feedback when you accomplished your goals

43%

Competition

If the device allowed you to compete with yourself and/or other users (people you may know or people who inspire you, such as athletes)

38%

Gamification

If the device turned your activities into a game and/or allowed you to keep score

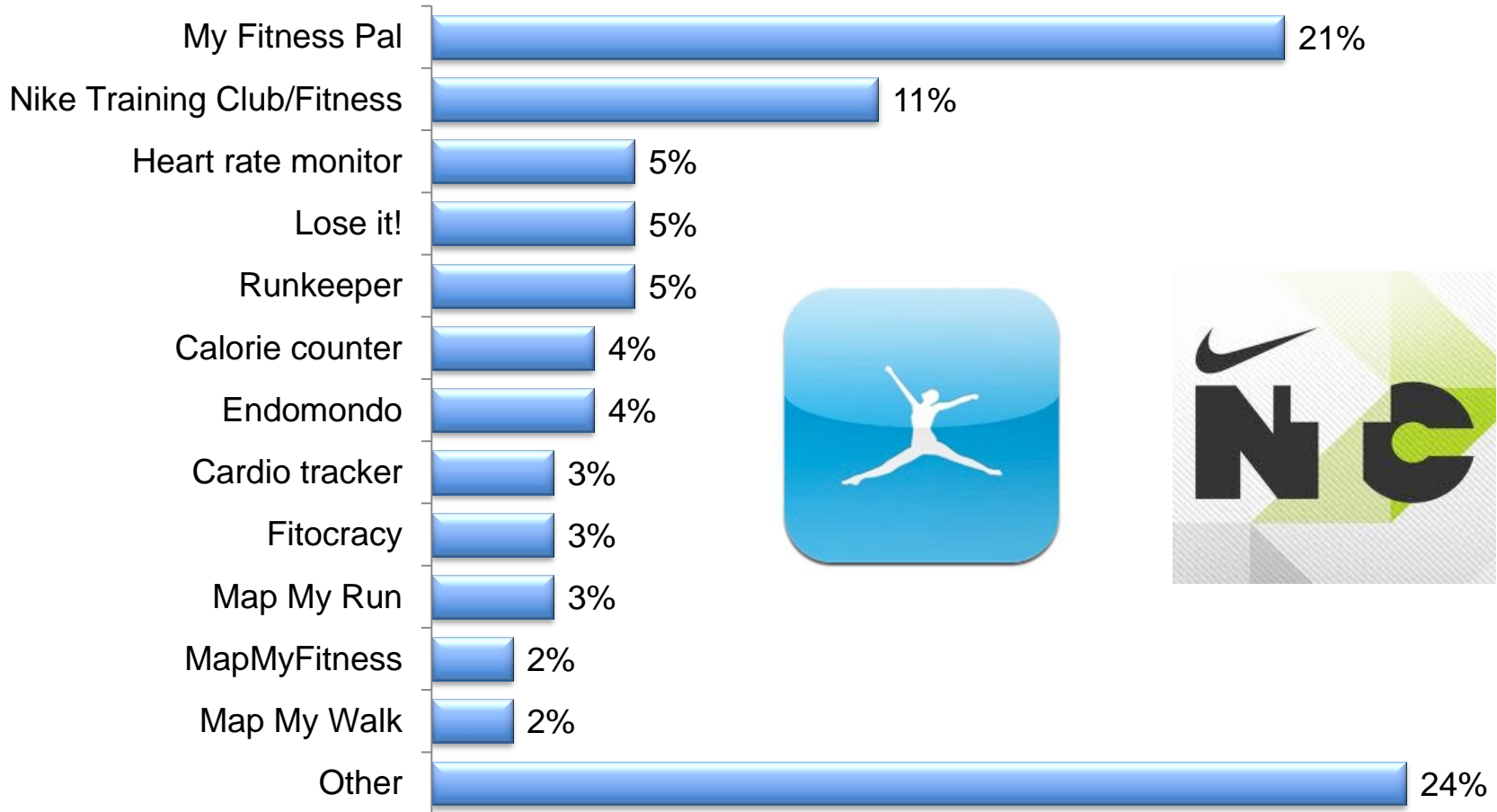
25%

Social Networking

If the device allowed you to share and discuss your results on social networking websites with your friends and had strong privacy options

Base: Online U.S. adults who own and use a dedicated wearable fitness device less than every day (n=47)
Q13. Which of the following would encourage you to use your fitness technologies more often than you do now?

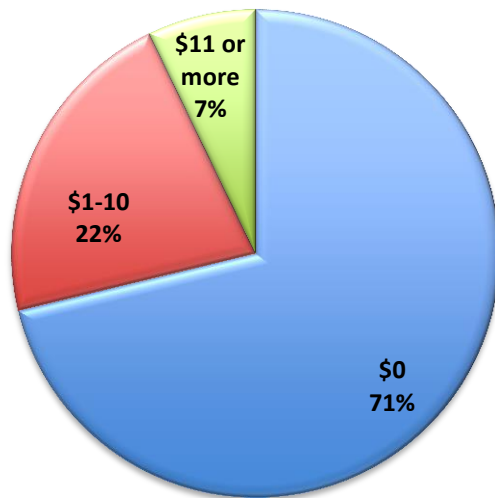
My Fitness Pal and Nike Training Club/Fitness are the most used fitness apps



Q. You mentioned that you have used fitness apps in the past 12 months. What is the one fitness app you have used the most?
 Base: Online U.S. adults who have used fitness apps (n=101)

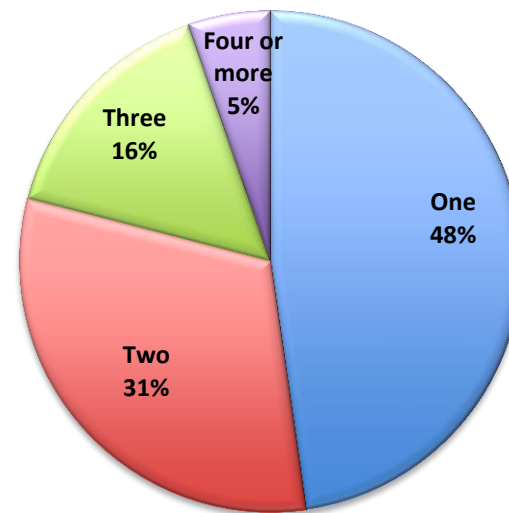
Fitness app users rely on free options and stick to a couple of primary apps

Money Spent on Fitness Apps in Past Year



Average Amount Spent:
\$8.57

Number of Fitness Apps Used in Past Year



Average # of Apps Used:
1.82

Q. How much money would you estimate you have spent on fitness apps in the past 12 months?

Q. How many different fitness apps have you used in the past 12 months?

Base: Online U.S. adults who have used fitness apps (n=101)

Takeaways

- Exploding market growth – is it sustainable?
- Key demographics for wearable fitness devices remain younger, affluent consumers in good fitness – opportunities in other segments?
- Tracking workouts and monitoring fitness statistics are huge motivators – position devices as “partners” instead of “tools”
- Devices have become part of the daily routine for owners – goals are addicting!