

WEARABLE TECHNOLOGY

SUMMARY

- The "Next Big Thing" in the digital sector: In 2013, the Wearable Technology (WT) industry will generate global revenues in the amount of USD 2.5 billion.¹
- By 2018, the market is expected to increase more than five-fold.¹
- Apple, Google, Nike and Sony are the current key players which are further developing this market.²

DEFINITION

WT comprises all technical end devices in the form of clothing and accessories. The central function is the recording and processing of data related to its user.

SEGMENT:
Sports and
Fitness

>Devices for the measurement of movement, nutrition and vital functions
Example: Nike+ FuelBand

SEGMENT:
Info-
tainment

>Devices for the extension of smart phone functions
Example: Sony Smartwatch 2

SEGMENT:
Medical

>Technical solutions measuring, storing and sending data for diagnosing and treating patients
Example: Dexcom Glucose G4



Nike+ FuelBand



Jawbone UP



Pebble Smartwatch



Sony Smartwatch 2



Dexcom Glucose G4



Imec EEG

BIG TRENDS

Three big trends contribute to the success of wearable tech

Local

Users want to be informed about the best offers in their proximity and see which friends are nearby.⁵

Mobile

Many devices only work in combination with a smartphone, e.g. for data uploading.

Social

People are used to sharing personal data with others in their close network.

Wearable Technology addresses trends and solves consumers' problems



QUEST FOR INFORMATION

Google Glass³ revolutionizes the way you search for local information, destinations and reviews. This device can pinpoint your location and give you tailored information such as departure times, shopping tips and further useful notifications.



NETWORKING

The Galaxy Gear is Samsung's latest innovation and extends the functions of a Samsung smart phone. The new "smart watch" enables the user to take phone calls, control music playback and even take pictures (with a built-in 1.9 megapixel camera). One can choose from a total of 70 apps such as Evernote or Path.⁴ The Galaxy Gear is supposed to be sold in the US early October for USD 299.

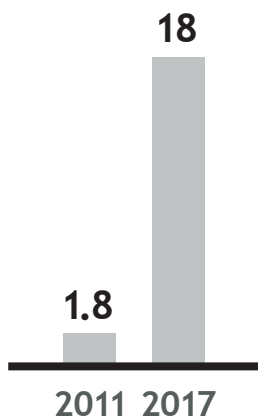


PERSONAL HEALTH

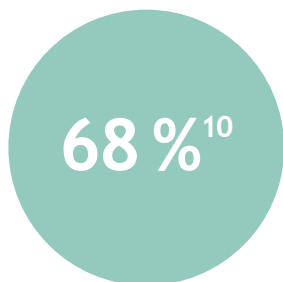
Companies like Dexcom develop solutions which connect iPhones and iPads to conventional medical devices such as blood pressure gauges, heart rate monitors and scales. Through a connection to modern hardware, measured data can be permanently saved, shared or forwarded to doctors.

**"BIGGER
DATA" WITH
WEARABLE
TECHNOLOGY**

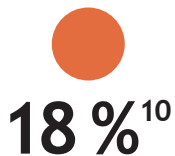
Data volume¹⁰
Global, in trillion gigabyte



Of all digital data¹²:



from final consumers



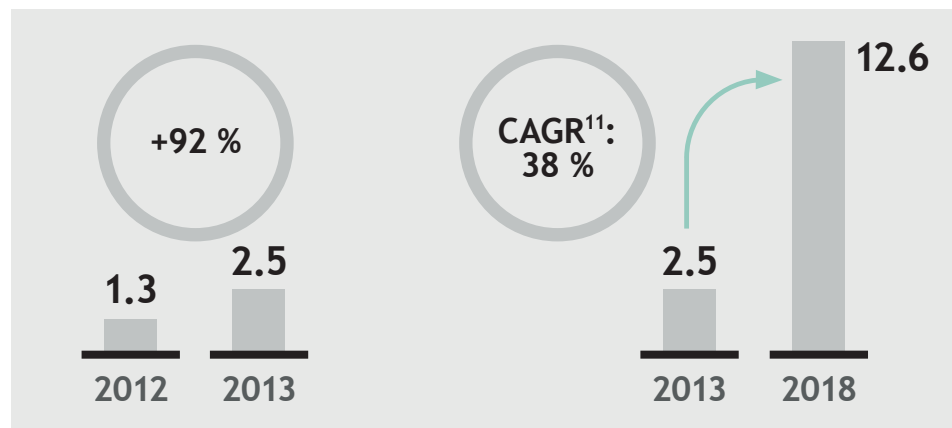
valuable for monetization



has been analyzed
by corporations to date

The market is growing, but at what rate?

MARKET VOLUME (in USD bn⁶)



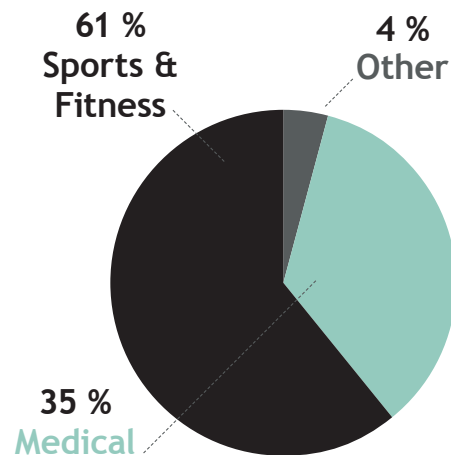
MARKET SEGMENTS (in percent⁷)

"The wearable fitness tech market is booming but also crowded and some evidence suggests it is already ripe for major consolidation."

gigaom.com⁸

"Wearable tech has finally begun to reach the critical masses and could be one of the hottest trends in the industry for years to come."

investopedia.com⁹



What are business opportunities?

OPPORTUNITIES

- b2c:** online/mobile platform to manage all of your personal data (health, fitness, work/life balance)
- b2c:** interior design advice via Google Glass augmented reality features
- b2b:** team up with health insurance providers to develop new membership models (for example, customers delivering data through jawbone get a discount)
- b2b:** run and manage high safety data centers/data storage services

RISKS

- The acceptance among a broad consumer mass is uncertain
- End devices must be functional and accurate to use. Whether this is guaranteed remains to be seen
- Privacy laws, e.g. in Germany, could present a lasting hurdle to market penetration