

## WEARABLE TECHNOLOGY

# Will Apple Watch move the dial?

The technology giant has a proven track record of shaking up consumer behaviour. Its latest product may do the same. **Matthew Chapman** reports

**T**he wearable tech market has suffered a volatile few months. After years of hype, the Google Glass consumer launch was shelved in January, rocking confidence in the category.

But fast-forward three months and hopes are high that Apple can revitalise the market with its smartwatch.

Despite mixed reviews of the Apple Watch reports are already pouring in that variations of the device sold out during the pre-order period ahead of its April 24 release date. The grey case and black wrist strap were among the most popular styles to be snapped up.

Apple has always had more than its fair share of early adopters, disparagingly dubbed 'fan boys'. But it appears the Apple Watch is already on the cusp of going mainstream.

Disruptive technologies analyst at Forrester James McQuivey argues the Apple Watch has already proved a tipping point for the wearable tech sector and believes it will sell 10 million units in its first year. But he points out the momentum must be maintained. "Even selling 10 million will not be a success for Apple if it does not sell 20 million in the next year," says McQuivey. "It is, however, a great success for this industry."

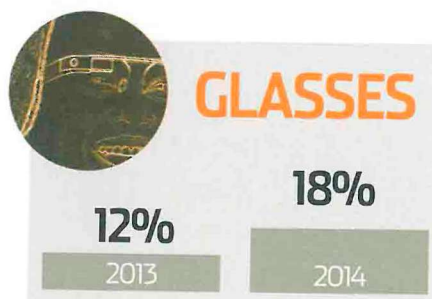
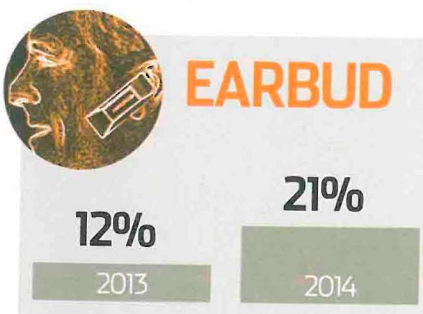
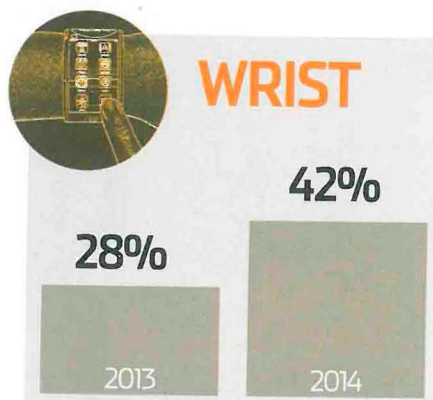
Smartwatches have failed to grab the public's imaginations until now. Despite electronics giants Sony, Samsung and LG entering the sector, the biggest success so far has been the Pebble, which began life as a Kickstarter crowdfunded project in 2012. Pebble's initial funding target was \$100,000 but after a month on Kickstarter it received pledges totalling more than \$10m.

McQuivey estimates the hype generated by Apple will add an additional 1 million unit sales to the next generation Pebble watch.

## Mixed reviews

Reviews have been mixed for the Apple Watch and McQuivey is reserving judgement on whether it will prove a "smash hit".

## Where do people want to wear technology?



Source: Forrester Research

"However, what you know about Apple is version two is going to be better than version one," says McQuivey. "The iPod did not get to its first million until two years after it went on sale."

McQuivey says sales will be driven by the least expensive version of the Apple Watch, which retails at £299.

Shifting 10 million units in the first year would make the Apple Watch one of the fastest-selling device launches in history and is emblematic of a new consumer trend.

"We call this hyper adoption – where the consumer is ready to adopt at a rate that we have never seen before," says McQuivey. "They are adopting four or five devices simultaneously."

## Broad appeal

An advantage of the Apple Watch is it has been designed to appeal to both men and women whereas other smartwatches have failed to do so, according to Carl Uminski, chief operating officer and co-founder of mobile marketing specialist Somo.

"It is a beautiful device, early indications show people enjoy wearing it and more importantly women will enjoy wearing it," says Uminski.

He argues the only company to have embraced women so far in the wearables market is fashion brand Tory Burch, which designed a range of Fitbit devices.

Apple has added an extra veneer of cool to the launch by instilling an air of exclusivity. It will only stock the Apple Watch at its own stores and a handful of other retailers including Selfridges and Galeries Lafayette.

As well as holding its smartwatch back from retailers including Dixons Carphone, shoppers had to book an appointment at their local Apple store to pre-order the device. However, in a break with tradition, Apple encouraged shoppers to buy the watch online, rather than queue round the block for the device.

"To provide the best experience and selection to as many customers as we can, we will be taking orders for Apple Watch exclusively online during the initial launch



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## How the smartwatches stack up



**Apple Watch**



**LG G Watch R**



**Samsung Gear S**

Screens	1.5 inch & 1.65 inch, retina	1.3 inch OLED	2 inch curved OLED
Operating system	Watch OS	Android Wear	Tizen
Battery life	18 hours	Two days	Two days
Cost	£299 to £13,000	£199	£320
USP	Contactless payments with Apple Pay technology	A smartwatch that actually looks like a watch and has a crystal-clear screen	Uses 2G or 3G to function independently of a smartphone



**Sony SmartWatch 3**



**Pebble Time Steel**



**Moto 360**

Screens	1.63 inch LCD	1.25 inch colour e-paper display	1.56 inch LCD
Operating system	Android Wear	Pebble	Android Wear
Battery life	Two days	Seven days	15 hours
Cost	£179	£137	£199
USP	A built-in GPS	The richest eco-system of apps	The Moto Maker service allows personalisation of device at checkout

period," said Apple's senior vice-president of retail and online stores Angela Ahrendts.

### Boost for watches

The Apple Watch will result in a big shift towards smart tech in the traditional watches sector, according to Uminski. But he suspects that it could be a short-lived product category as other forms of wearable tech take over.

"I think old-school classic watches will now become smarter," says Uminski. "But I think in the future wearable technology will become something you don't see so much."

He believes that wearable tech will become invisible by being incorporated into clothes.

If the Apple Watch is to boost sales of traditional time pieces, will the device have

**"I think in the future wearable technology will become something you don't see so much. At the moment it is very visible"**

**Carl Uminski, Somo**

a halo effect on other wearable tech?

Not yet, according to McQuivey. "We are going to have to wait for someone to connect the dots between these devices," he says.

"Technically it is possible right now – it is the services that connect those that have to be stitched together."

Apple and Microsoft are working with their Siri and Cortana services to move towards creating what McQuivey calls a "wearable all-body network". But he says it will take five or six years before a network of wearable tech devices is truly connected.

However, Apple Watch has so far lived up to the hype, indicating wearable tech is no flash in the pan. Retailers should take note.

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