

Is it time for the new big thing?



WRISTLY

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The State of the Apple Watch - Era 1.0

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Is it time for the Apple Watch?

Welcome to the first edition of “The State of the Apple Watch” report by Wristly.

Within a couple of weeks of the first Apple Watch shipment, Wristly began an experimental, user-driven research project. Our goal? To learn about the Apple Watch and to get to a clear understanding of how early customers actually used it. Over the following 3 months, on a weekly basis, we polled a fast growing group of Apple Watch owners. Today, over 2,000 Watch owners continue to shed light and spread insights on this ground-breaking platform.

Today on the eve of Apple’s large San Francisco launch event, we are thrilled to share our first comprehensive report on the “State of the Apple Watch”. Inside, we unpack five of the primary insights we learned from the v 1.0 era of the Watch, before the upcoming release of Watch OS 2.0. As most of you know, the new version of the software is expected to provide a substantially different platform and at last, a plethora of useful and innovative 3rd party apps.

We would like to thank the 2,000+ members of our research project for their ongoing participation to the project and look forward to a continuing collective contribution to the market success of the Apple Watch.

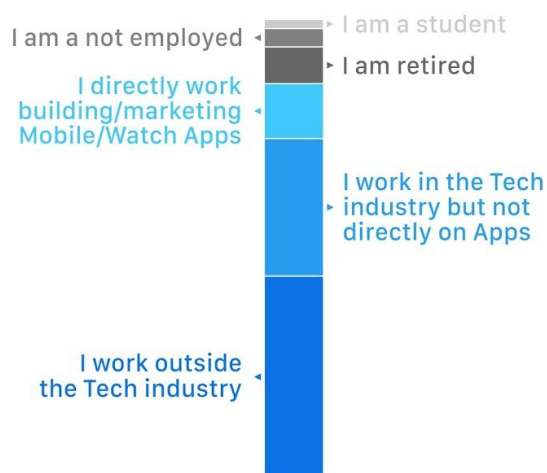
In addition to the Wristly team, we also would like to acknowledge the valued contributions to the project by Ben Bajarin, Mari Cross and Aaron Suplizio.

Profiling our panelists

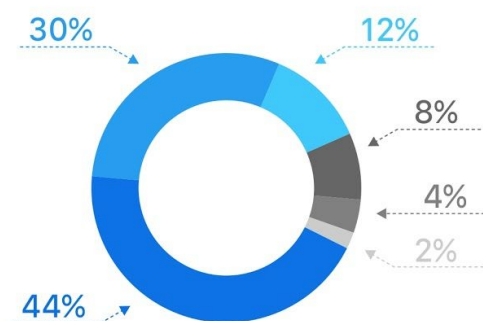
Over a rather short period of time, our panel has evolved rapidly from a primarily male and tech insiders group to a very diverse and broad representation of the market. We are an opt-in group and therefore are likely to have a certain positive bias, but we are able to smooth the differences thanks to our size and the various behavioral and demographic data points we collect. For example, we can now report our findings contrasting 'regular users' to 'super-fans' or 'tech insiders'.



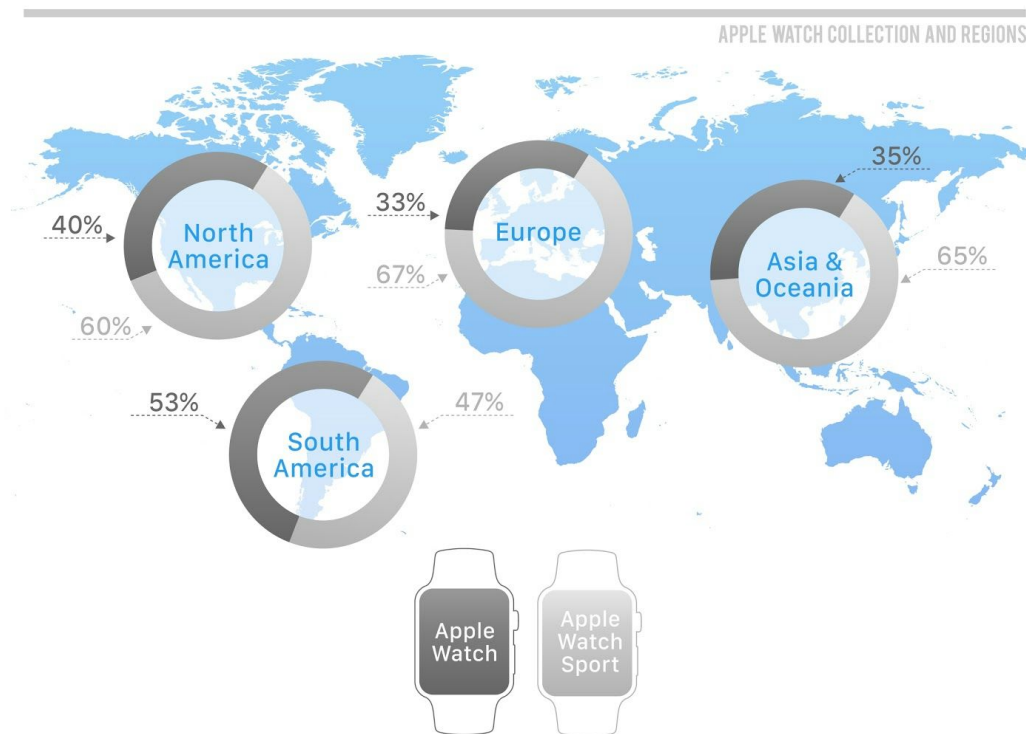
APPLE WATCH SIZES AND GENDER



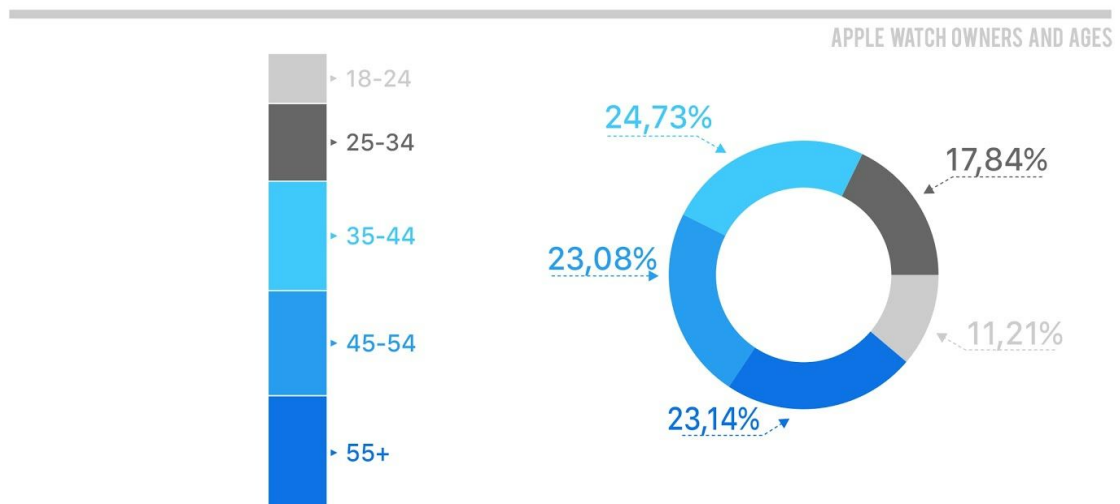
APPLE WATCH OWNERS AND PROFESSIONS



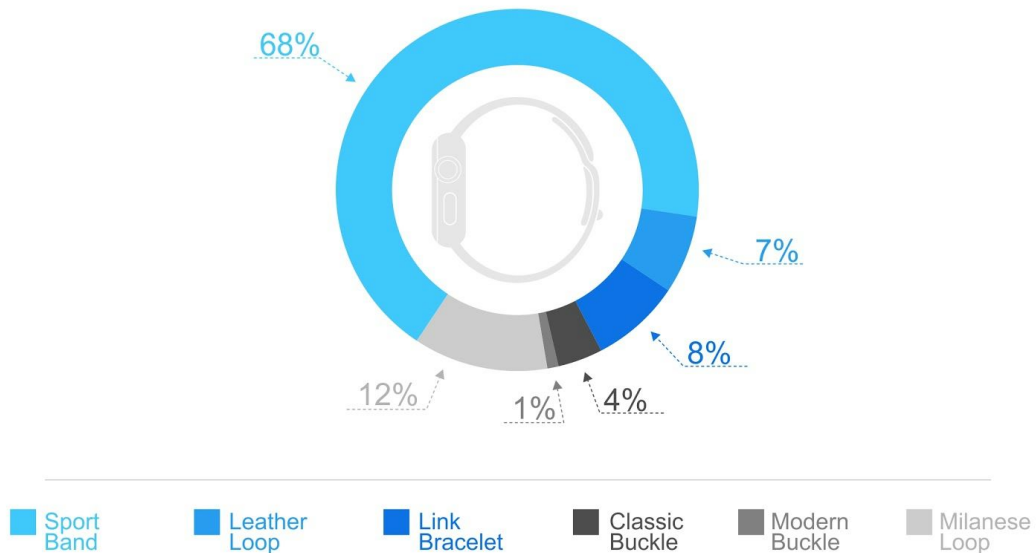
We have panelists in all regions of the world but the majority reside in North America and Europe.



The distribution of our panel is representative for each age strata.

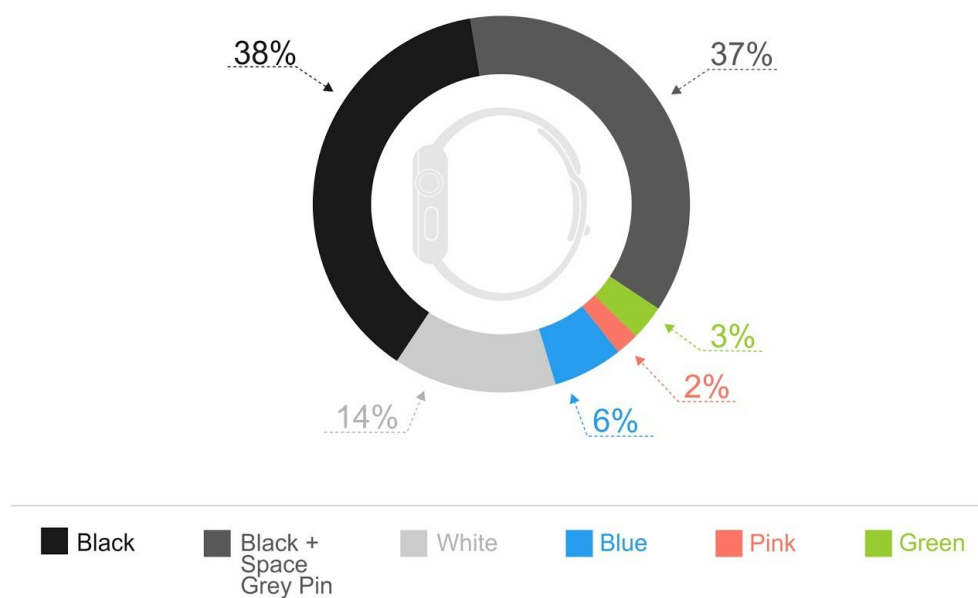


Which band did you purchase first with your Apple Watch? (if you purchased at once more than one, which one do you consider your “primary”)

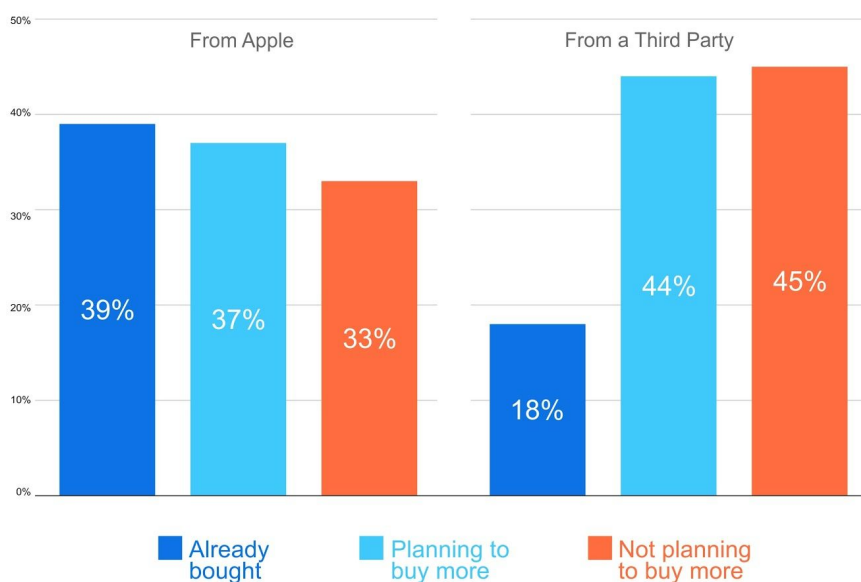


The Sport band is by far the most popular, owned by almost 70% of our panelist. Not surprising, black is the color of choice for most people’s Sport band. About 40% of panelists already own a 2nd band and a further 40% are considering acquiring another.

What is the color of your Sport band?



Do you, or are you, planning to purchase other bands?

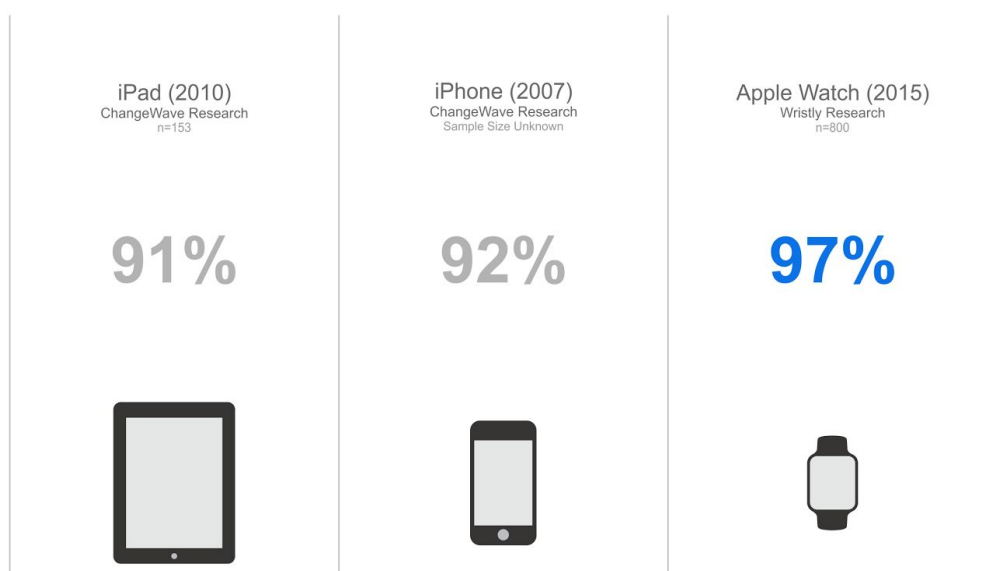


Customer Satisfaction vs Recommendation

This panel presents us with a unique opportunity, allowing us to observe the perspectives of a wide range of consumer profiles very early in the lifecycle of a new category of computing.



Original Customer Satisfaction Levels iPad, iPhone and Apple Watch



For more info or to sign up visit www.wristly.co

Wristly Apple Watch User Research
July 14- July 19, 2015

After reaching critical mass in terms of size and diversity, we set out to understand whether owners were satisfied with their purchase. The answer came back a resounding yes - with a 97% satisfaction rating for the Apple Watch.

However, even with satisfaction remarkably high for a first generation computing device, we discovered a fascinating insight when we dug into our panelists' willingness and desire to recommend the Apple Watch to other people.

We began to observe distinct nuances between the way hard core techies and true early adopters of a technology perceive technology and quite interestingly, how they perceive themselves. While each customer profile was satisfied with the Apple Watch, their willingness to recommend the product to other people varied greatly.

Curiously, early adopters are extremely self-aware that they are early adopters of technology. When it came to asking if they were willing to recommend the product to others we heard things like:

"I really like the Apple Watch but I know I'm an early adopter and am drawn to the latest and greatest before my friends and family are."

"I would recommend it to other early adopters but not to normal people."

"I love the Apple Watch but I am a techie. I'm not sure my non-techie friends and family would like it."

"Would only recommend it to someone who understands what buying a first generation device means."

Early adopters are self-aware of their tendency to gravitate to technology before the majority. Therefore, they are much more hesitant to recommend a product for fear their recommendation may go wrong, want to make sure their recommendation remains valued and take precaution to steer friends in family in the right direction. We saw answers like:

"I'd recommend it if a person was interested in the product but I wouldn't go out of my way to heavily persuade them."

"My willingness to recommend would depend on the type of person and if I felt they would benefit."

While early adopters are more keenly aware of their early adopter habits, their view of technology and the recommendation process is quite different from folks in our panel who are more low-tech by nature. This group didn't buy the Apple Watch because it was new or because they wanted to try out the latest and greatest. They saw the value and functionality of the Apple Watch from day one. Because of this, their process for recommendation was based on genuine value and utility they themselves experienced on a daily basis. As we explored their answers, we saw comments like:

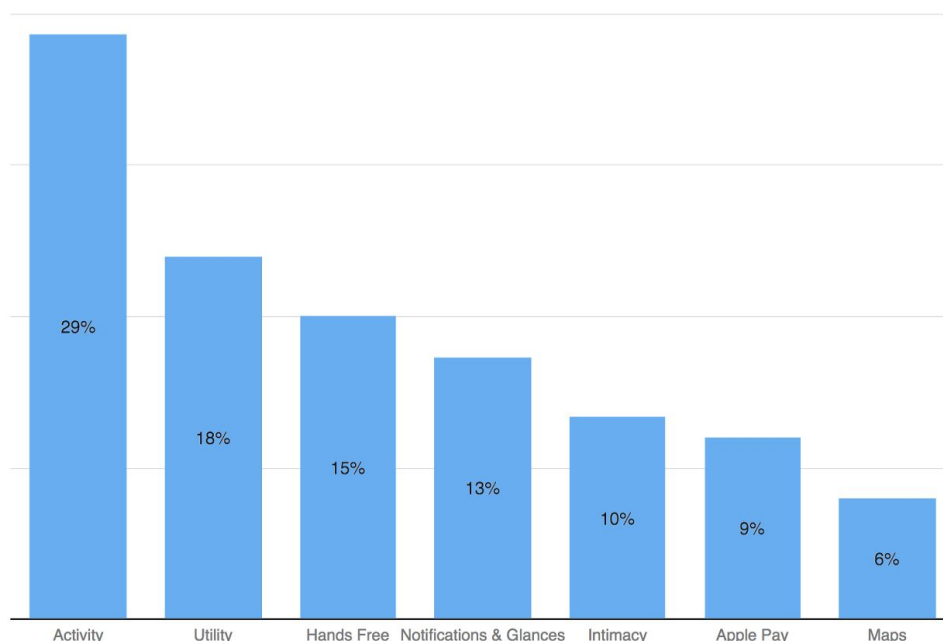
"I recommend it to everyone I know. I see no reason everyone can't find value in this product."

"I find a great deal of value in the Apple Watch and recommend it every chance I get."

"Great product. I recommend it to everyone."



Moments of Delight



Wristly Apple Watch User Research
July 21 - July 28, 2015. N= 690.

In addition to the submitted responses, we had an opportunity to interview a number of our panelists by phone and the same observations held true. Early adopters spoke with a heightened awareness of their tech savvy-ness and those we would classify as more mainstream consumers, spoke much less critically of the Apple Watch.

This ability to see how different segments of the consumer tech market perceive a new technology in its earliest development, make the study unique and has given us some fascinating insights into the differences in perception and mindsets of early adopters versus mainstream consumers at the beginning of a category's life.

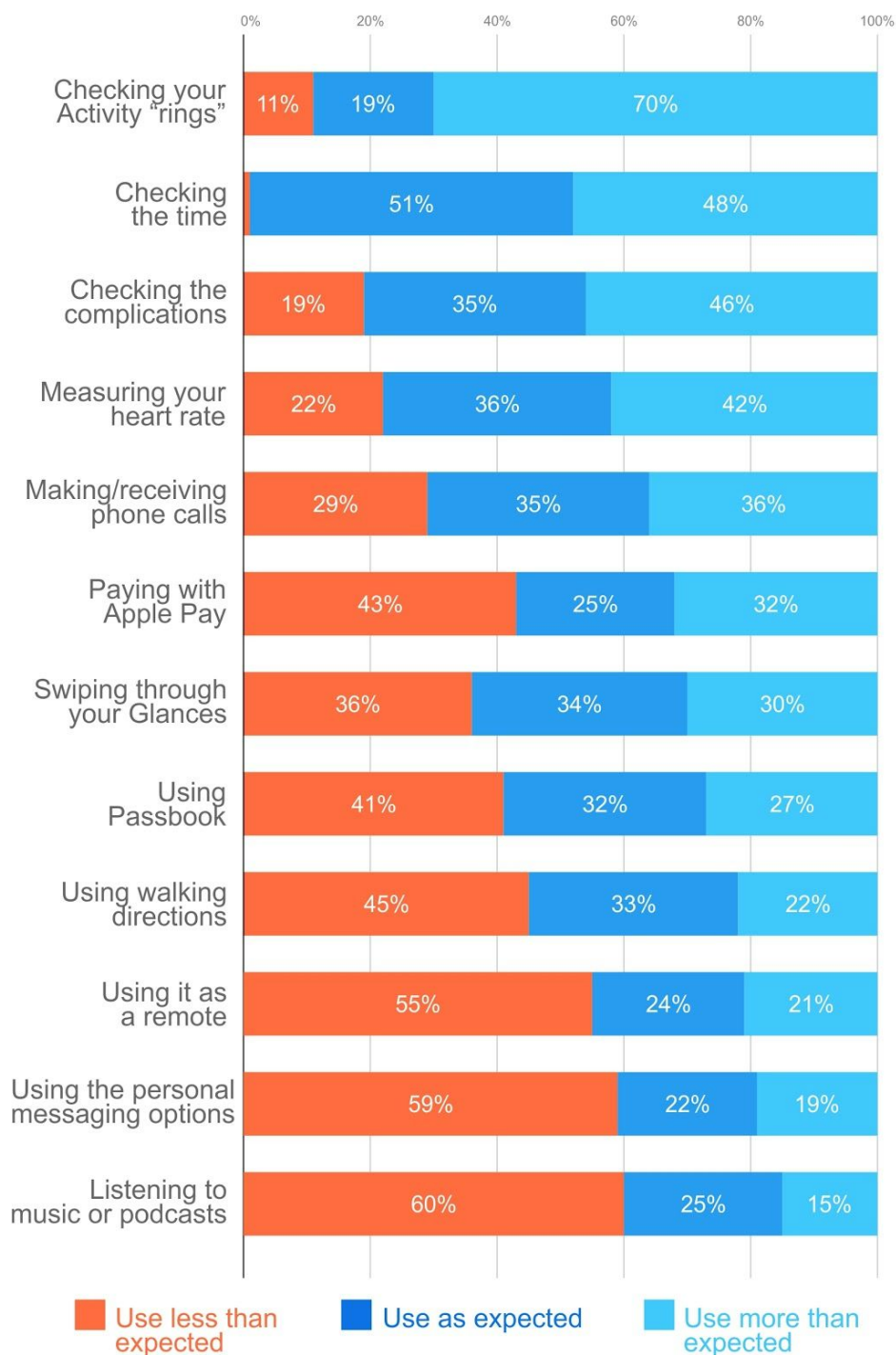
Using the Apple Watch: Reality vs Expectations

The best products not only do a great job at the things they were advertised to do, but they also delight users in ways they could have never expected before buying those products and using them on a daily basis. Ever since the launch of the Watch, the Wristly team has surveyed our panel to better understand where this new product is exceeding expectations and where it is falling short.

But how do those expectations get set in the first place? For context, let's review Apple's top marketing claims for their "most personal device yet":

1. An incredibly precise timepiece
2. Entirely new ways to stay in touch
3. A smarter way to look at fitness

Given the plethora of things that the Watch can do, it is telling to see that Apple has chosen to highlight the Watch's timekeeping precision, its new communication features, and its fitness capabilities. So how did our panel's actual usage of the Watch stack up against Apple's positioning?



Situations Where Apple Watch Usage Exceeds Expectations About Top Claims

Almost 70% of the Wristly panel is using Activity more than expected

When it comes to the Apple Watch delivering on its fitness tracking capabilities, Apple appears to have done a fantastic job. Nearly 70% of our panel is checking their Activity rings more often than they expected and reporting how their behaviors are changing as a result:

"I always love to watch the activity circles spin around after I've done a really long workout."

"I have started exercising with the Watch. It was very nice to have it congratulate (sic) me on my recent activity and weight loss."

"I like when it calls me a fatass, basically, and make me workout more ;) not really calling me that, but having (the) little activity complication makes me work a bit harder each day)."

Apple's thoughtful approach to gamification via the Activity notifications, complications, glances and badges is working so well that for the rare occasions when users exercise without their Watch they **really** miss not getting the credit.

On the 8/29 "90 Minutes or Bust" episode of [The Talk Show](#), host John Gruber and Ben Thompson shared an exchange at the 59 minute mark about how it feels **not** to wear your Watch:

Gruber: "It gives me anxiety though... the anxiety I get when I don't wear it, and we're at this theme park, and I walk 10 miles, and I'm not getting any points for it."

Thompson: "It's like the gamification is working against you."

Gruber: "Yes. Absolutely."

Our Panel is Checking the Time, Complications and Siri More than Expected Too

Not only are panel users tracking their fitness closely, but we found it interesting that they are checking their watch faces not only for the time (48%) but also for complications (47%) more often than they expected. While telling the time accurately is merely a tablestakes feature of all watches, Apple is clearly driving additional engagement with each glance, driven by the additional information and context provided by various watch faces and complications.

And let's not forget Siri, which takes on even more importance with the Watch given the lack of a keyboard input. Back in May, Wristly reported that over half of our panel was using "Hey Siri" multiple times per day. In July we found that Siri was understanding requests on the first attempt over 75% of the time. With higher usage comes some obvious areas for future improvement, including faster and more accurate detection of "wrist raising" to wake up the Watch (a necessary prerequisite for "Hey Siri" that was cited as "Working OK but Not All the Time" 41% of the time) as well as improving Siri's ability to

function properly with any level of background noise (with 61% citing a need for improvement).

Situations Where Apple Watch Usage Falls Short of Expectations About Top Claims

Nearly 60% of our panel use heartbeats, taps and sketches less than expected

Consistent with earlier surveys from our panel, one key area where usage hasn't taken off is with the Watch's new Digital Touch capabilities of sending heartbeats, taps and sketches. While a compelling feature on paper and of the top marketing claims highlighted above, Apple faces a "chicken and egg" problem of requiring both the sender and receiver of a Digital Touch communication to own an Apple Watch. Indeed, our panel put their collective finger on this issue:

"I need more friends with an Apple Watch."

"Only have a few friends that have an apple watch."

"Very cool feature, I just wish more of my friends had Apple Watch??"

For those that do use Digital Touch more regularly, usage is restricted to significant others (which certainly makes sense for something as personal as a heartbeat!):

"Works well for my wife and I to keep in touch. Don't use with others."

Finally, Apple's treatment of Digital Touch communications in the Notifications layer could be holding back engagement as well. Currently, all heartbeats and taps first trigger a notification on the recipient's wrist that, without looking, is indistinguishable from any other notification. The notification must first be viewed and mentally processed by the Watch wearer and then opened – all as separate steps. One could imagine a more immediate personal connection if things like Taps or Heartbeats from a loved one were immediately felt on the recipient's wrist as opposed to the asynchronous treatment that Apple is using today.

Unexpected Value Delivered by the Watch

A final but important aspect of the Watch to consider is the collection of unexpected ways the Watch delivers value. We offer but a few examples of these delightful moments from our collective experience wearing the Watch and from insights derived from our panel and field interviews below:

- While the ability to field a phone call from your wrist is interesting in a Dick Tracy-esque way, a more pervasive and universally valuable feature may be the ability to quickly screen a call without pulling one's phone out:

"EVERY time I don't have to fish my phone out, I like my watch more."

- Many have pointed out that glancing at your Watch is no less rude than pulling out your iPhone in the company of others. But, we've found that it's possible to field a text message or scan an email much more discretely on the Watch than on the iPhone, particularly in situations like office meetings or group dinners where the Watch wearer is not engaged in a 1-1 conversation:

"I was at dinner when I felt the vibration on my wrist. A call from my daughter! I excused myself to the restroom where I could call her back. No one knew I took the call."

- And while many have complained about the Watch being tethered to the iPhone, the ability to "ping" a lost iPhone by tapping your wrist feels a lot more like a feature:

"Allowing me to find my iPhone...which my 3.5 year old son dropped behind our couch."

Our Verdict?

In the few short months following the launch of this groundbreaking new platform, we believe the Apple Watch is successfully delivering and often exceeding expectations on 2 of the 3 of its top-billed features: timekeeping and fitness tracking capabilities. On the negative side, the new Digital Touch features have yet to catch on. That said, future sales, new 3rd party apps and software updates all could help make these new communication features more valuable and habit-forming in the not-too-distant future.

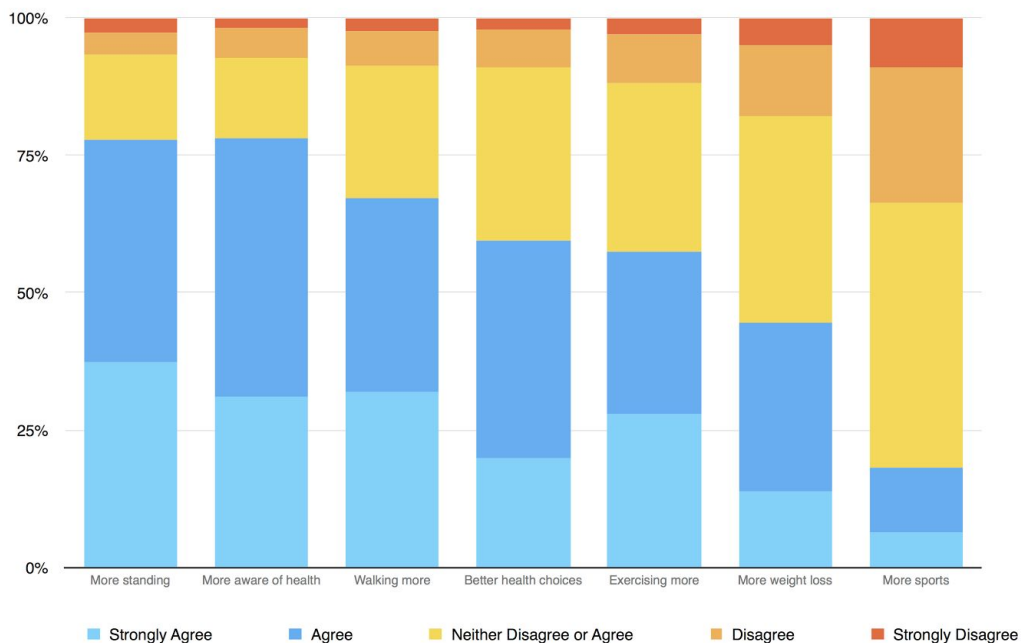
Finally we note that the Watch is distinguished by the sheer breadth of unexpectedly valuable features that will be identified over time. True to Apple's marketing these features are quite personal and unique for every user.

Bravo to a healthier lifestyle - motivation & inspiration

Who knew that those simple circles would be so motivating? So much so, that the Apple Watch fitness and activity tracking capabilities have become some of the Watch's most addictive features. Motivating many to make significant changes in lifestyle and behavior, the consistent feedback of the Activity Rings, the feeling of accomplishment that many users get from achieving badges, and having general access to biometric data has actually helped many owners lose weight, remember to move more throughout the day, and be more aware of overall health while making better lifestyle decisions.



Lifestyle Changes Since Receiving Watch



Wristly Apple Watch User Research
July 21 - July 28, 2015. N= 981-990.

Though some of the behavior changes reported are significant, many changes have been smaller in scope but no less important. For some, the changes included more exercise.



"Prior to the watch I couldn't walk a quarter mile without being in pain. Now I do 5-8 miles at a fast clip every day. That started when I got the watch. It kicked off a lifestyle change for me."

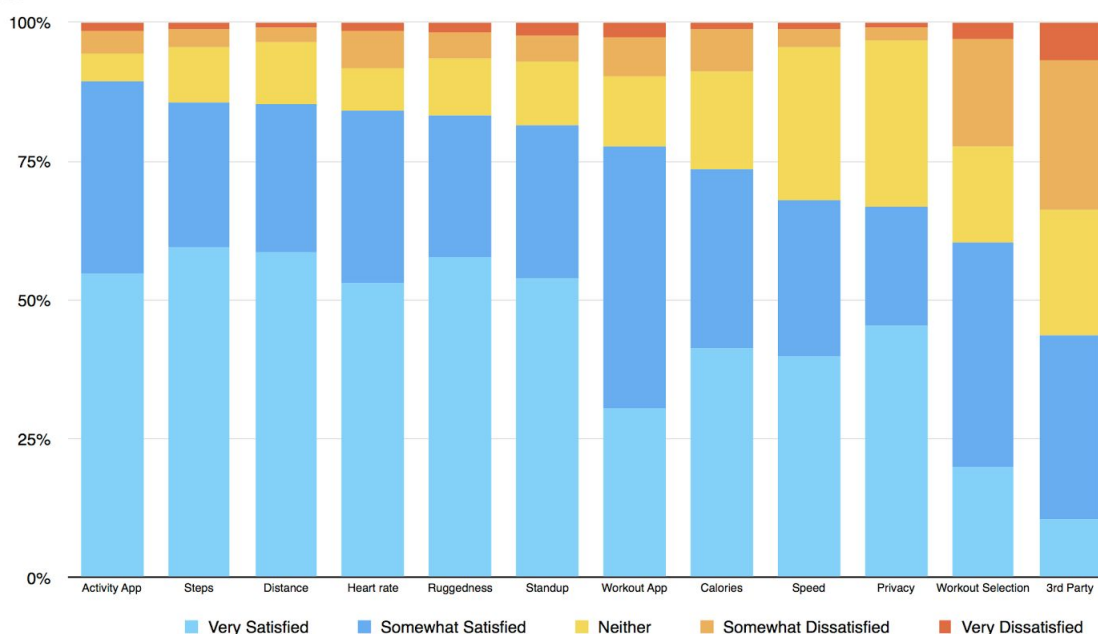
For others who already live a fit and active lifestyle or don't exercise, smaller changes like walking more or remembering to stand more often, have made an impact. Maybe most importantly, just having access to ongoing and easily accessible heart monitoring has helped prevent medical or life-threatening emergencies - we heard from several of our panelists that they noticed abnormal heart beats and shared data with their doctors resulting in changes in medication, advanced testing, and in one case, the need for a pacemaker.



"The watch helped me identify I had a heart arrhythmia, resulting in the receipt of a pacemaker. Doctors/surgeons/staff were initially skeptical, but ultimately amazed and delighted with the technology. Can now track pacemaker. Pretty cool."



Satisfaction with Health Features



Wristly Apple Watch User Research
July 21 - July 28, 2015. N= 844.

Owners are wearing the Watch in a slew of activities ranging from running to kayaking to beach volleyball and beyond. Though the Apple Watch health and fitness functionality, and specifically the Activity App, gets high satisfaction marks, there remains plenty of room for improvement. We have heard frequent requests for an expanded selection of workouts, improved accuracy of measurement for non-traditional workouts such as boot-camp or cross-fit, and automated detection of workouts to name just a few.



"Pre Watch, I ran under or at 30 minutes (5-6km). Post Watch, I run more, because it motivated me, currently running daily for 46-57 minutes (8-10km). This is just within a month. I'm upgraded. Lol."

The Apple Watch already delights many in its data sharing with third-party apps that offer depth of tracking for specific sports. As third party apps have the ability to stand alone in OS2, Watch owners will be able to fully take advantage of Watch tracking and fitness functionality while maintaining their historical data from workout apps used pre-Watch ownership.

The Watch is changing behaviors for the better. Owners aren't abandoning their Watches, like many have abandoned fitness trackers in the past, so these changes may actually last.

Interacting a tilt at a time

By removing a lot of the friction of pulling a phone out of a pocket or a bag, the Apple Watch is making all sort of interactions with the real world including payment - truly “magical”. Raise your arm, tilt and off you go!



“Wowing a pretty barista with Apple Pay on the Watch.”

We polled our users several times on the topic of the Watch, convenience and productivity over the last months and the results have been totally consistent.

Apple Watch owners love all these frictionless Tilt-based interactions:

- Glancing at their boarding pass while going through security at the airport.
- Turning lights on/off - the Philips Hue app is one of the most liked application in this Watch era 1.0.
- Answering a phone call while carrying child or groceries.
- Dismissing a notification at a glance.

Looking forward, our panelists are also very clear that they desire to continue seeing the Watch delivering on this premise of convenience as it relates to interaction with the external surrounding world. For example, almost 90% of us can’t wait to see their Apple Watch replace their physical keys.

Critically for product teams and developers thinking of building an app for the Watch, the tilt to check the time is the first new behavior learned by all Watch owners. This new behavior paves the way for gestures to become the primary and transformative UX of the Watch. By analog, this reminds us that the Watch platform – and by extension Wearables – is not simply a mini/shrunk-down version of the smartphone platform. Similarly, the Smartphone turned out to be significantly different from the PC.

Ultimately reflected with Apple Pay

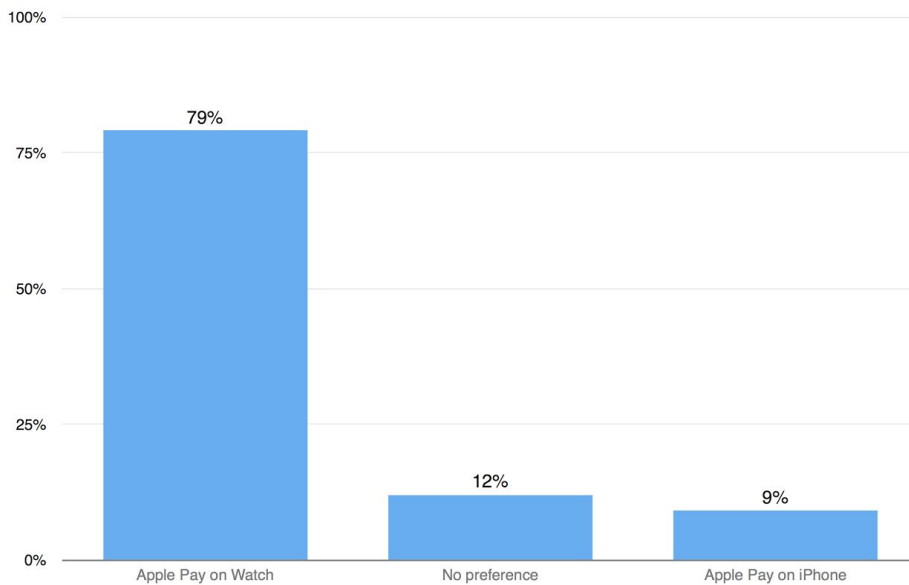
Tilt and gesture is also perfectly aligned to using Apple Pay on the Apple Watch, with payment fundamentally being the ultimate transaction/interaction one can have in the physical word. The data is already conclusive. In the markets where Apple Pay is available, it has found a very strong ally with the Watch.



“Adding my AMEX card to ApplePay and using it on the Watch. Living like Tron!”



Given choice, how do you prefer to use Apple Pay?



Wristly Apple Watch User Research
August 11 - 18, 2015. N= 800.

We did a deep dive early August on Apple Pay and the Watch, and the key takeaways were significant.

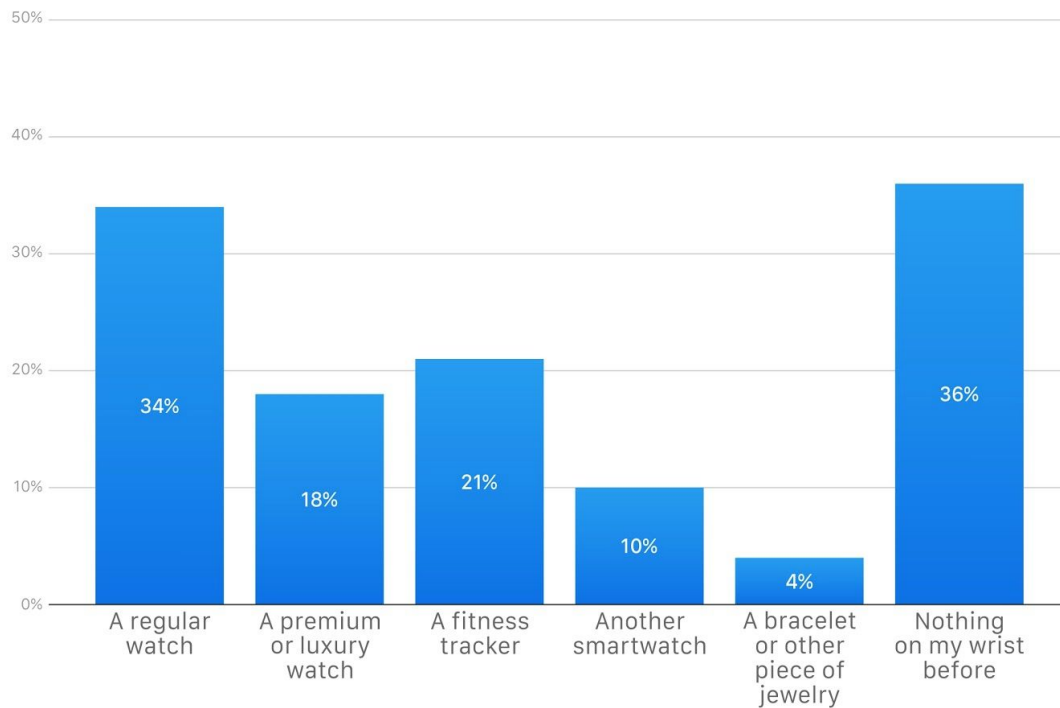
1. Where available, the vast majority have already set-up and tried Apple Pay. The one who haven't yet cite the lack of support by their financial institutions as the #1 obstacle.
2. 81% prefer to use Apple Pay with their Watch and more than half find the experience "magical"
3. Apple Pay users say they visit specific retailers more often because of their support for it and 80%+ also say they use it most of the time when it is available.

Gestures with the tilt as primary example will continue to model new interactions model designed to continue removing hassle and friction compared to using other devices.

The great battle of the wrist

The Apple Watch is much more than a new device. For us it is the catalyst for the next phase of personal computing and the entire wearables market. The best supportive evidence we can offer to that is that a hig

What did you wear on your wrist before your Apple Watch? (check all that apply)



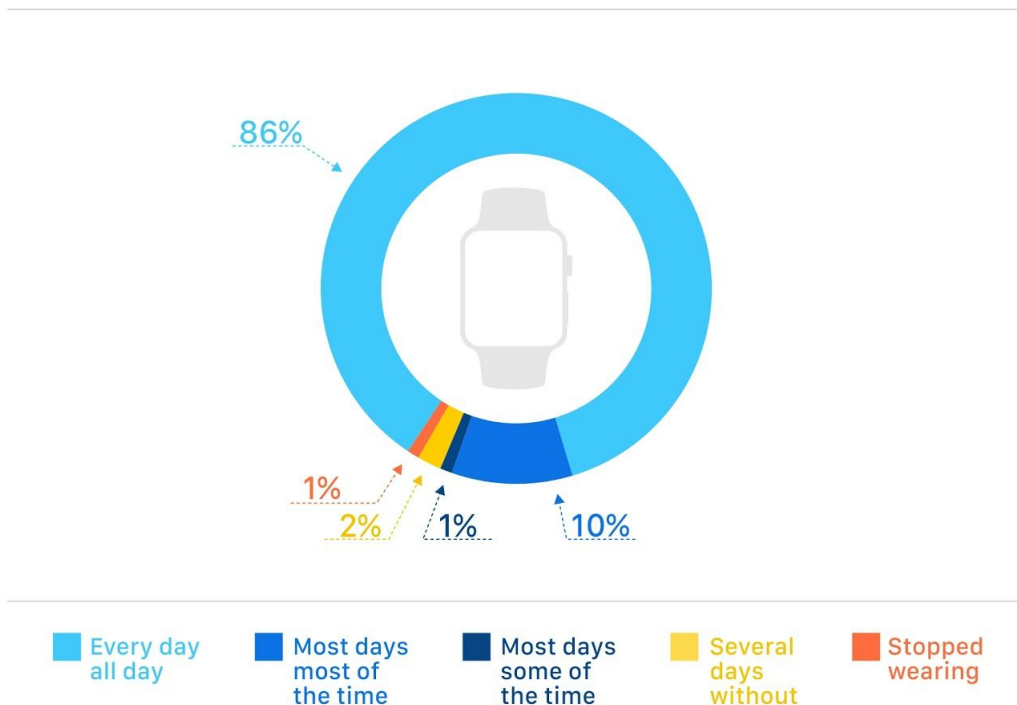
h 36% of our panelists didn't wear anything on their wrist before getting the Apple Watch!

In the not too distant future, a large majority will wear this new type of device, and Apple being successful in "owning" the prime real-estate of the wrist is a very strategic, habit-forming, long-term move.

The Watch redefines "always-on"

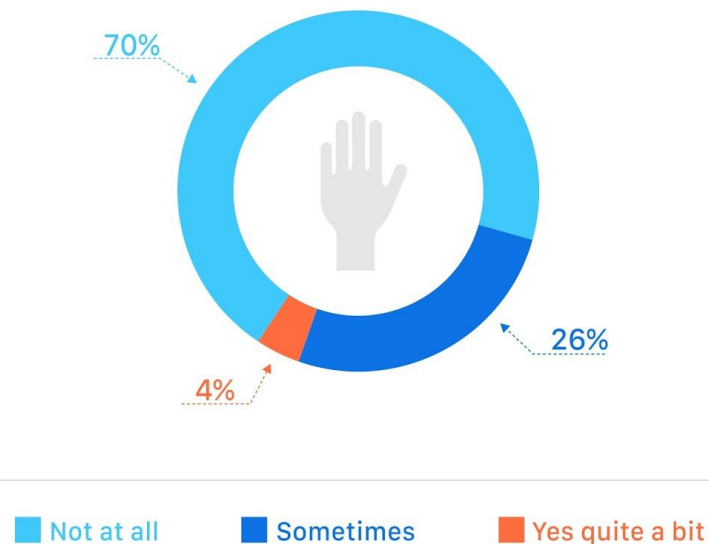
Making change also requires consistency. We asked you how often you wore your Watch, and an astounding 86% of you say you wear it all day, every day. Another 12% wear it most of the time most days, leaving only 1% of our panel that goes more than a few days without wearing it. Only 3 of you reported that you stopped wearing the Watch. Tim Cook mentioned his own set of numbers during the earnings call — citing 94% of customers continuing to wear their Watches. Our numbers are a tad higher but consistent, with the difference likely attributable to the opt-in nature of our panel.

How regularly have you been wearing your Apple Watch?



The industry referred to mobile and the smartphone as being “always-on” compared to the PC. This time around there is probably as much of a step change in not only “always-on” but “always connected”, and always on as being worn most of the time. While the Apple Watch compared to most wearables to date has a very low rate of abandonment, we were intrigued to learn how hard was it for users to stop wearing what they used to wear before. Somewhat surprisingly on the aggregate, a large majority (70%) didn’t miss it.

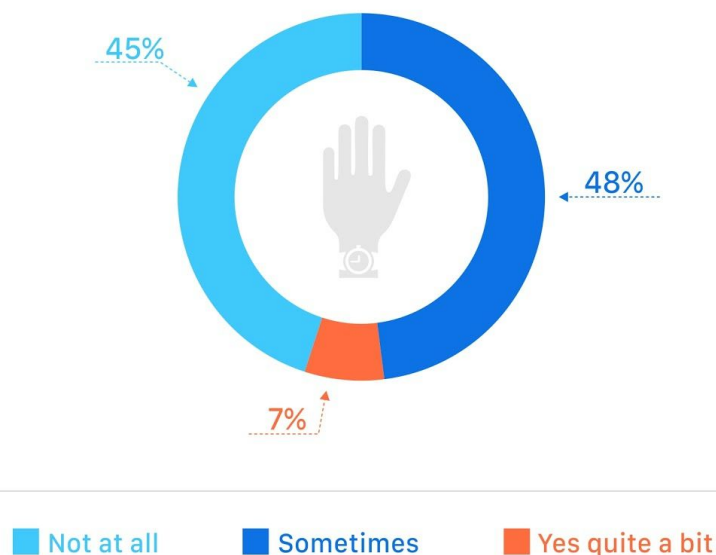
Do you miss wearing what you used to wear previously on the wrist where you now wear the Apple Watch?



However, when we zeroed in on those who used to wear a premium or luxury timepiece, the numbers changed significantly with a majority missing their luxury item. In other words, for quite a few people, which watch to wear today is still a very deliberate personal decision and more than just habit.

Do you miss wearing what you used to wear previously on the wrist where you now wear the Apple Watch?

Premium/Luxury Watch owners

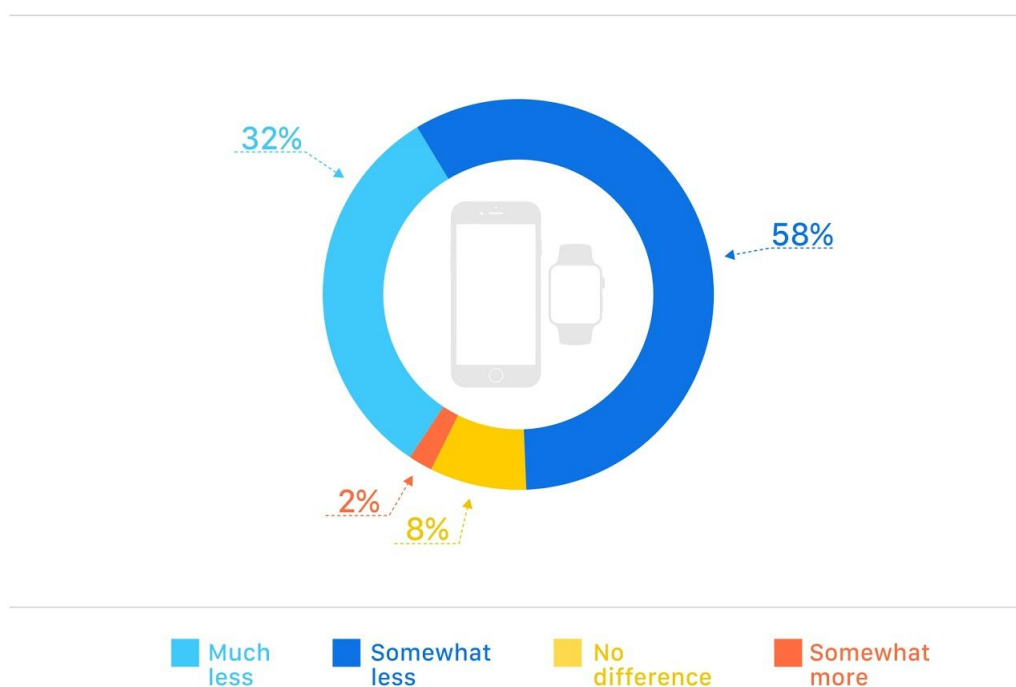


Quantifying the Watch impact on the iPhone usage

Having established that the Watch is now a regular habit for most of its owners we wanted to decipher the potential related impact of its usage against regular iPhone use.

First in May, more than 90% of our panel at the time confirmed our own personal impressions that our usage of the iPhone post watch had somewhat decreased.

How do you use your iPhone since receiving your Apple Watch?



With such a large number, we went looking for ways to quantify the differences with actual data more than impressions. In June we discovered the Moment iOS app developed by Kevin that seamlessly allows any iPhone owner to monitor its usage - Moment specifically tracks how often one “picks-up” the phone to use it and how long is that session active with the screen on. For more details, head to Moment’s web site at <https://inthemoment.io/> or simply download it from the App Store.

We solicited our panel in June to participate and quite a few immediately signed up for the experiment. The goal was to collect their data as users of Watch + iPhone and Kevin was to provide us with aggregated normalized data for non-Watch owners. We would then compare the two data set.

We received the data in July from about 100 of our users - they each had run Moment for at least a week or two and we then proceeded to aggregate and compare the daily averages per iPhone model as we had made an assumption based on anecdotal feedback that the iPhone 6+ user population would show differences vs the smaller iPhones.

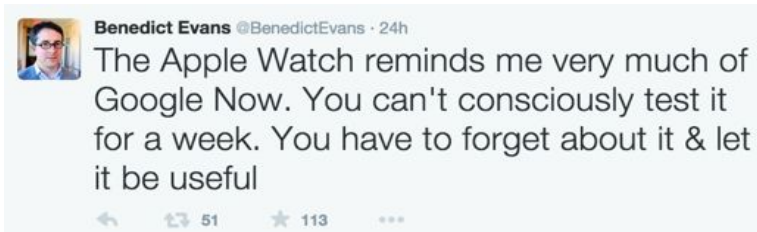
iPhone Model	w/Watch Pickups	No Watch Pickups	Abs Diff	Relative Diff
iPhone 5s and iPhone 6	36	48	-12	-33%
iPhone 6 Plus	32	46	-14	-44%

The results are impressive. Not only the Apple Watch drive a significantly reduced number of phone “pick-ups”, more than 30% in either case!

Clearly the Apple Watch is second to none in enabling a seamless triage of the various notifications and interruptions coming to us constantly. Consequently if (or when?) the Apple Watch becomes more of a mainstream device, our collective time spent staring at the iPhone screen will substantially diminish and that could materially impact some of the current “winners” of the iPhone era - Facebook, Twitter and other Snapchat types?

Parting Thoughts and Observations

What a great deal of this research has taught is how across many consumer profile segments and demographics, the arc of the Apple Watch bends toward convenience and a



myriad of highly personal moments of delight. This has certainly been the observation of many of the smartest pundits commenting on the value and role of the Apple Watch but our data quantifies this conviction.

The Apple Watch, encompassing glanceable interactions with a tilt of the wrist, payments, communication, notifications, and a highly addictive activity monitoring has played a central role in eliminating friction in every-day moments for the vast majority of its early owners:

“When I was holding my son in my arms & so couldn't get to my phone but texted my wife he was awake.”

“Receiving a beautiful text and photo of my children from my wife on my wrist. So immediate, and personal.”

“Received a call while I was in the middle of making omelettes and was able to take a call right from my wrist without holding my arm up to my mouth.”

“Calling my wife on my watch while cycling during a thunderstorm to open our garage door.”

“Taking a phone call from my lawn guy while standing in a checkout line then paying with the watch.”

Moments like these make it clear that the watch is indeed the most personal device ever created and reinforces our conviction that it is only the beginning of a new interaction model. Despite the somewhat expected initial negativity for this new and exciting category of computing, we are confident there is more than enough promise here to suggest wrist based computing is not only a viable category but one which will help humans interact with each other and the digital world in new ways.

If you own an Apple Watch and are interested to continue receiving our weekly insights. Please simply join the project at www.wristly.co.

It only takes a couple of minutes each week and you are helping shape the future for it.

About Wristly

In a few years there will be as many wrist-based devices as smartphones and -- in our opinion -- the Apple Watch is the catalyst for the wearables computing platform. Our vision is to contribute to the Apple Watch success by delivering innovative tools and services to developers and marketers of the platform.

We publish a free weekly insights report from the completed research surveys of our opt-in "Inner Circle" members. We will shortly begin to offer a paid subscription product that will grant access to our research data at a granular level to help drive actionable business and product insights. Wristly, Inc. is an independent startup and does not have any financial or commercial relationship with Apple, Inc.

Here are a few factoids about our project!

