

Smartwatches in their current form are only a success in one out of four alternative futures

The entire industry is desperately hoping that smartwatches will be the big thing to follow smartphones. But perhaps the entire industry got it all wrong? Perhaps is there no future mass market for generic smartwatches?

Many large technology manufacturers put a lot of faith into the smartwatch segment, which they hope will become the next big thing to follow smartphones and tablets that have more or less commoditized. The smartwatch manufacturers are also backed by a large number of forecasts, which point at a yearly growth of the so-called wearable market at 35-60 %. Others claim that wearables are just a fad and that smartwatches have been the next big thing for two decades.

Even though it is uncertain how big the wearable market will become, and when it finally will take off for real, the industry players do not dare to wait. Companies are afraid to miss the tipping point and say that when the wearable market finally takes off, it might be swift and with a certain product form that reaches the mass market more or less immediately. Almost the entire ICT-industry are therefore pursuing a strategy where generic smartwatches are the only possible outcome.

Through clustering of a vast number of consumer market trends, we found that the personal ICT-use is mainly affected by six major drivers. People feel technology is socially intrusive, wearables are challenging today's UI, Internet UX is becoming push-based, analytics-based applications are on the rise, sharing becomes normal and controlling your data is increasingly important.

Some of these drivers are directly or indirectly contradicting each other, which give rise to uncertainties for how the market will develop in the upcoming 5 years. The two uncertainties, high vs low trust and high vs low social acceptance were therefore used as dimensions in the scenario model and in extent created four alternative futures.

In the first scenario people have a high social acceptance towards new technology and put a lot of trust towards companies' handling of personal data. In extent this leads to a future where wearables and also generic smartwatches have reached the mass market and have a natural part in people's everyday lives. However in all the other alternative futures, the trust and/or form factor put severe restraints on the adoption of wearables in general and smartwatches in particular. Instead people might appreciate traditional structures, more discrete technology or a future where smartphones have an amplified role.

The result is controversial since almost the entire industry invests heavily on the generic smartwatch segment and pursue a strategy where these products are the only possible outcome. Perhaps they should prepare for a future with an entirely different type of wearables and not put all egg in one basket.