CONSUMERLAB

ERICSSON

LIVING LONGER: WELLNESS AND THE INTERNET

The impact of the internet on consumer attitudes to health and fitness

An Ericsson Consumer Insight Summary Report
March 2015

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THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has 20 years' experience of studying people's behaviors and values, including the way they act and think about ICT products and services.

Ericsson ConsumerLab provides unique insights on market and consumer trends. Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people.

Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures. To be close to the market and consumers, Ericsson ConsumerLab has analysts in all regions where Ericsson is present, developing a thorough global understanding of the ICT market and business models.

All reports can be found at:
www.ericsson.com/consumerlab

KEY FINDINGS

Globally, half of the people surveyed are satisfied with their wellness

> However, there are large cultural differences

Internet use and technology needs closely relate to wellness

> More than any other group, those who are completely satisfied with their wellness think that cloud services are essential for personal information, yet they find it more important to manage that information than others. Although 55 percent of them say design is very important, 59 percent also say that they buy technology to fulfill specific functions

The body becomes an improvement project

> 71 percent of consumers are equally as interested in quantifying their behavior as they are in wearables. This implies that consumers see an opportunity to improve their wellness using connected technology

> Technology adoption will start with the fittest: those satisfied with their wellness say they are the first to try new beauty and care products/ services, as well as new health approaches

By using wearables and other cloud-based services, consumers expect to live longer

> Connected wearables, cups, plates, pillows, sheets and medicine bottles are expected to prolong our lives by up to two years per service

Personal wellness includes avoiding environmental hazards, and there is high consumer interest in societally oriented health services

> As a result, consumers see many players delivering health services. This will have many implications for personal data integrity

THE SOCIALLY CONSTRUCTED BODY

Defining wellness: a combination of looks and health

Do you look at yourself in the mirror and think about how you look and whether you are in good shape? Do you approve, or are there areas you wish to improve?

Drawing on data from several recent consumer surveys, this Ericsson ConsumerLab report examines how satisfied consumers are with their overall wellness and how it relates to their use of the internet for health and fitness purposes.

In this report we represent consumers' views on their own wellness by combining two related aspects: satisfaction with their looks as well as with their health.

In a broad 23 country sample, we see that satisfaction with looks and health are indeed related.

When asked to judge both aspects on a 5-point scale ranging from completely satisfied to not satisfied, 10 percent selected 'completely satisfied' with both health and looks. Another 40 percent were at least 'satisfied' with both aspects – adding up to 50 percent of consumers being satisfied with their overall wellness.

Figure 1a shows that there were only small differences in the views between men and women on a global level. Differences were only slightly bigger when looking at country variations.

There are also surprisingly small demographic differences, as seen in Figure 1b. While older age groups may suffer more from ailments, overall levels of satisfaction with their wellness remain on par with other groups.

Figure 1a: Attitudes to wellness by gender

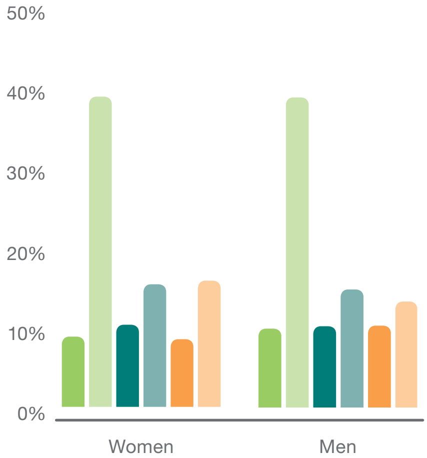
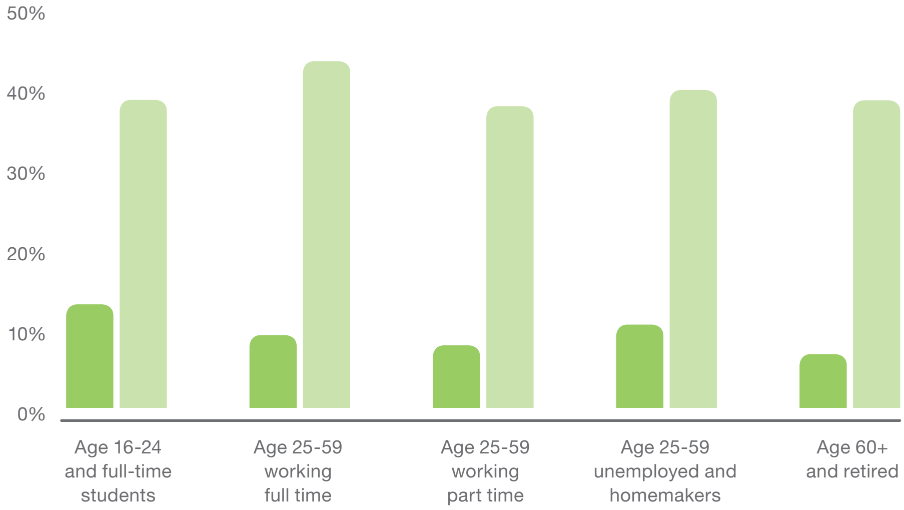


Figure 1b: Attitudes to wellness by lifestage



Completely satisfied with wellness
Satisfied with wellness
Satisfied with looks only
Satisfied with health only
Neutral
Not satisfied

Source:
Ericsson ConsumerLab Analytical Platform, 2014
Base: 28,643 respondents in 23 countries

Source:
Ericsson ConsumerLab Analytical Platform, 2014
Base: 28,643 respondents in 23 countries

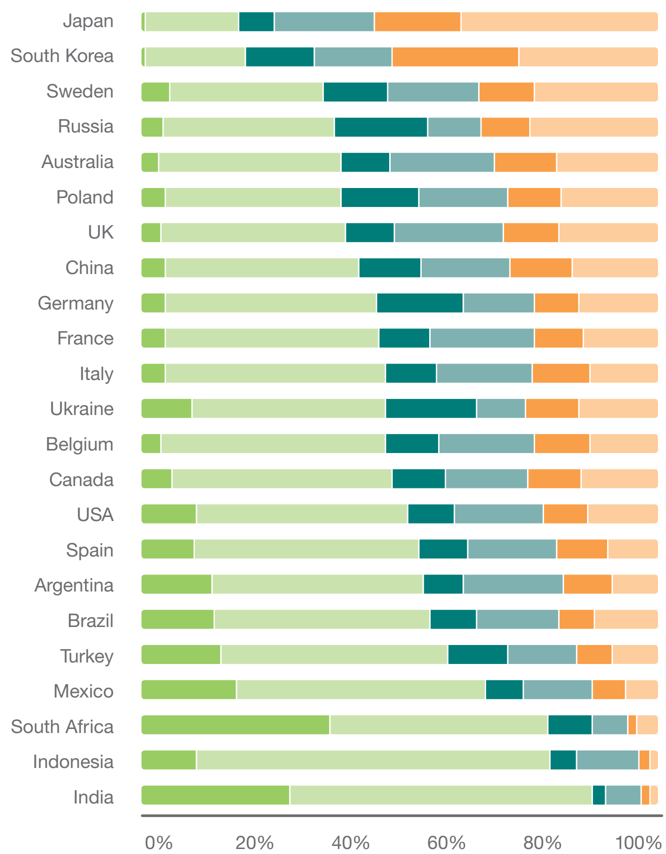
WELLNESS IS RELATIVE

THE SOCIAL CONSTRUCT
Some people perceive the body to be a purely biological entity, whereas others – most notably the famous French philosopher and social theorist Michel Foucault – think of the body as an entirely social construction. Professor Chris Shilling writes in his book The Body and Social Theory (1993) that the body is not only a result of both biological and social processes, it is to some extent transformed by social factors and relationships.

While only 25 percent of consumers are not satisfied with their looks or with their health, attitudes to wellness vary widely. On a country level, Figure 2a shows that only 1 percent of Japanese and South Korean consumers are completely satisfied with their wellness, however as many as 29 percent of Indians and 36 percent of South Africans are completely satisfied.

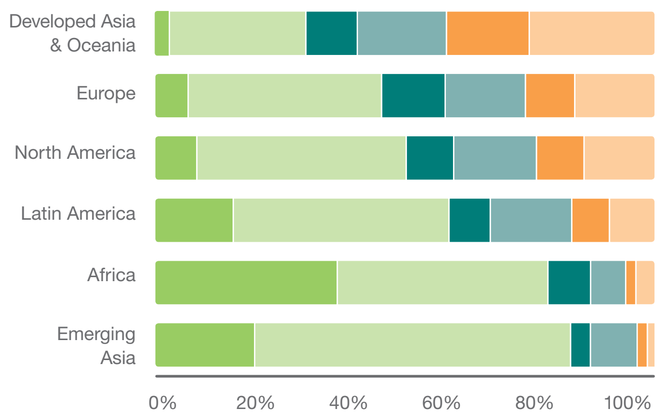
Figure 2b shows that there are extremely large regional differences in overall wellness satisfaction. Does this mean that the Japanese, the South Koreans and others with low satisfaction like the Swedes, Russians and Australians are unfit, whereas Mexicans, South Africans, Indonesians and Indians are extremely fit? No, it just means that people's perception of their wellness is relative to where they live.

Figure 2a: Attitudes to wellness by country



Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 28,643 respondents in 23 countries

Figure 2b: Regional attitudes to wellness



Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 28,643 respondents in 23 countries

FITTER PEOPLE WANT BETTER HEALTH

How we view wellness changes with cultural trends. In this report, we focus on the impact that the online culture in general, and the recent increase in the use of smartphones and apps, has on wellness.

Wellness may not be a typical focus for early adopters of technology. For example, among the different wellness groups we are looking at in this report, smartphone ownership is on the same level across all of them – from those unsatisfied with their wellness to those completely satisfied.

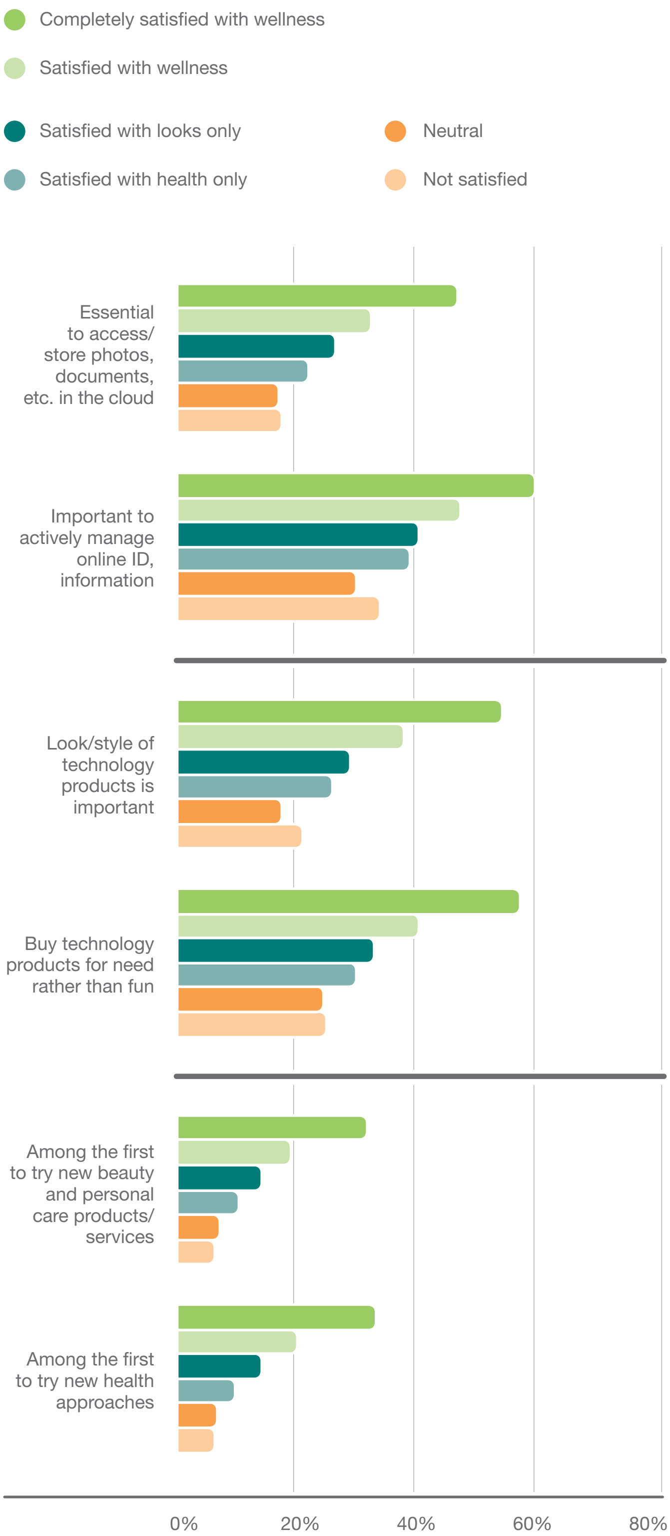
However, those satisfied with their wellness have very specific views on information and communications technology. Figure 3 shows that among those who are completely satisfied, 47 percent see the cloud as being essential for storing personal information, while 60 percent say it is important to manage online information. 55 percent also think a product's look and style is important, while 59 percent buy technology products to fulfill certain needs and not just for fun.

This implies that cloud, privacy, design and functionality needs have to be fulfilled simultaneously in order for connected wellness services to become successful. Fulfilling one or two of these requirements may not be enough.

Fitter people will be early adopters of connected wellness technology

Those who are completely satisfied with their wellness also say they are the first to try new beauty and care products and services, as well as new health approaches. For this reason, we believe that fitter people will be early adopters of connected wellness technology, not those with health issues.

Figure 3: How satisfaction with wellness impacts attitudes to technology



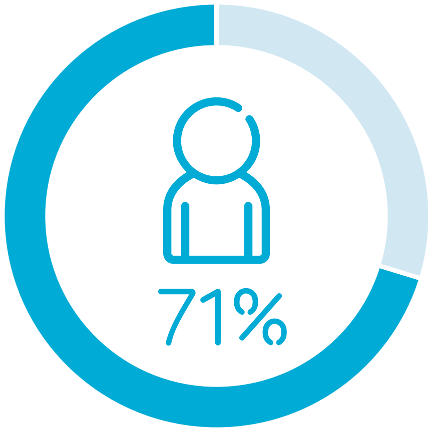
Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 28,643 respondents in 23 countries

THE BODY IS AN IMPROVEMENT PROJECT

The idea of the quantified self has been in the public eye a lot recently. A typical example of self-quantification is to keep track of how many calories are eaten during the day, for example by using a diary or taking photographs to document meals. A more recent example is to use a wearable device to automatically monitor behaviors such as various kinds of movement, and analyze the results using a cloud service.

Our global consumer data, surveying more than 54,000 mobile phone owners across 49 countries, shows that more than half of those who quantify their behavior also use wearables. Two-thirds of those who use wearables also quantify their behavior. In fact, 71 percent of consumers are equally as interested in quantifying themselves as they are in wearables.

This implies that in the consumer's mind, quantification of behavior today starts with wearables. It also means that consumers see an opportunity to improve their health and fitness using various kinds of connected technology.



of consumers are equally as interested in quantifying themselves as they are in wearables

Wearables around the world

When looking at self-quantification activity and use of wearables on a global scale, two things stand out very clearly.

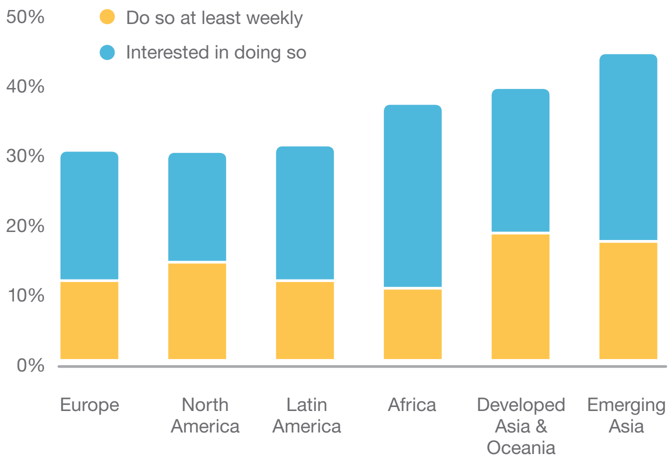
Firstly, there are considerable regional differences, highlighting how cultural considerations have a strong impact on the use of wearables.

Secondly, interest levels are still much higher than actual use. Consumers may be delaying purchase, thinking that as smartphones already perform similar tasks, wearables may not yet have found the right level of design and functionality. Figure 4 shows the regional variations in interest levels and use. Although on average 15 percent of consumers already quantify their activities, on average an additional 23 percent are interested in doing so. Figure 5 shows consumer interest levels in wearables. While an average of 12 percent use wearables today, twice as many want to, making the current adoption potential reach beyond a third of global consumer markets.

Indications in South Korea, the home market of many new wearable products, reinforce the idea that adopters of wellness technology are still waiting for these devices to improve both on functionality and design. 16 percent of South Koreans use wearables today, but as many as another 35 percent are interested in doing so in the future, which adds up to more than half of all South Koreans.

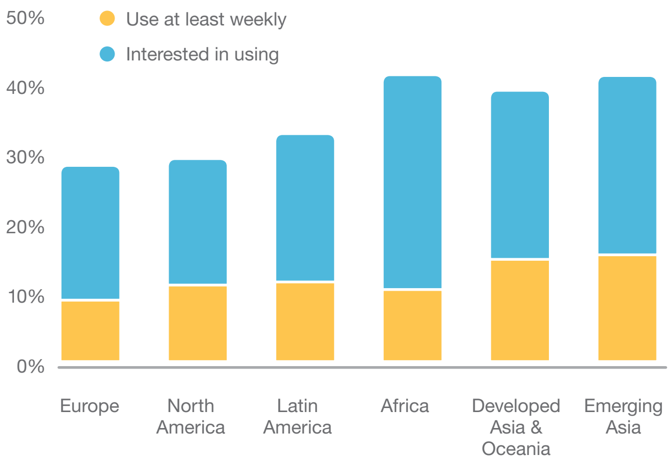
Interest levels in wearables are much higher than actual use

Figure 4: Percentage of consumers who quantify their behavior



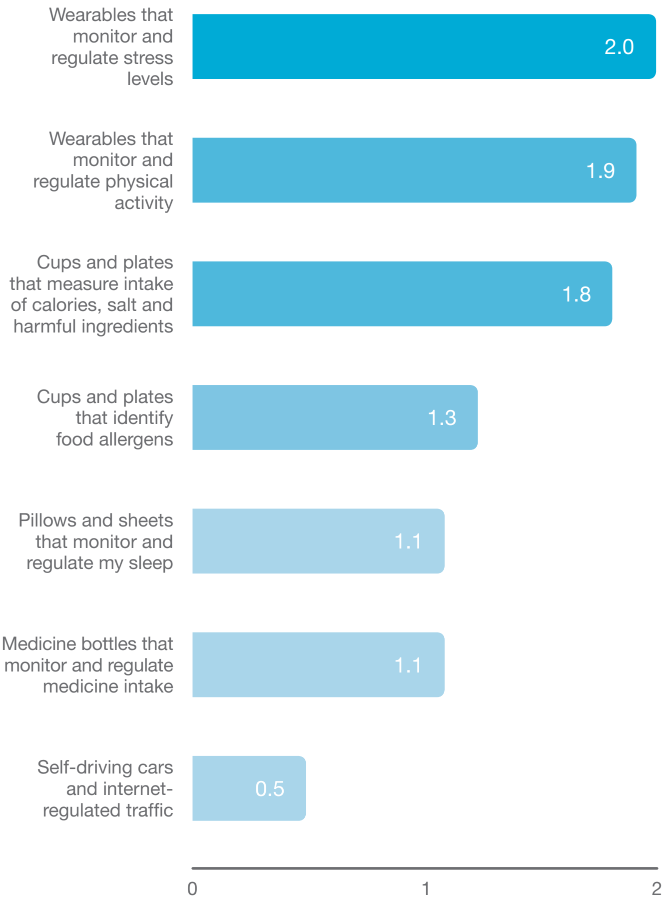
Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 54,775 mobile phone owners in 49 countries

Figure 5: Percentage of consumers who use wearables



Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 54,775 mobile phone owners in 49 countries

Figure 6: Expected increase in lifespan (years)



Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

Longer life

With 12 percent of consumers around the world already using wearables, they are no longer just a novelty. Instead, consumers are clearly starting to use these devices as part of a project to improve their wellness, when it comes to both looks and health.

In fact, consumers expect that wearables will make it possible to monitor and correspondingly adjust behaviors, and as a result, will let them live healthier and potentially longer lives. However, people are at least as interested in using wearables to handle stress as they are in improving their physical fitness. Consumers believe that monitoring and regulating their stress levels could increase life expectancy by 2 years on average, as seen in Figure 6. Traditional jogging apps and other technologies monitoring physical activity are still sought after, with consumers believing they will increase their life expectancies by 1.9 years.

Our research shows that smartphone owners see cloud-based services of various kinds giving them the potential to live healthier and longer lives – whether the technology can be worn or not.

Consequently, monitoring methods go beyond smartphones and wearables. Cups and plates that measure the intake of calories, salt and unhealthy ingredients are believed to increase life expectancy by 1.8 years and those that identify food allergies could give an extra 1.3 years on average. Pillows and sheets that monitor sleep patterns and medicine bottles that regulate medicine intake would potentially add 1.1 years each.

Most importantly, hopes for increased life expectancy go beyond personal devices and services. By indicating that self-driving cars and internet-regulated traffic will play a part, consumers are highlighting that their individual wellness is also a societal concern.

WELLNESS AND SOCIETY

Enhancing personal wellness does not only mean improved monitoring and understanding of the body. It also entails having better knowledge about, and ultimately increased control over, the environments that we expose ourselves to.

We asked consumers about society-related health concepts and found high levels of interest. 66 percent said a smartphone that checks the water quality of public facilities and compares it with similar facilities nearby would be useful. 62 percent would like a city microclimate monitor on their smartphone that locates cool areas on hot days, and less polluted areas in times of smog. Wearing a bracelet to continuously monitor air quality and pollution levels appealed to 60 percent of those asked.

Uptake of services like these may be initially driven by the individual's need for protection from health hazards. However, these services could create more explicit demands on a societal level when consumers use measurements to pressure authorities into action. As an example, 55 percent of consumers already want a wearable ecometer to select the most environmentally friendly commuting choice.

As seen in Figure 7, consumers in Delhi, Beijing and São Paulo, who are facing bigger environmental challenges, show higher interest and could potentially drive change at a faster pace than in cities like New York, London or Stockholm. Thus, interest in wellness on a personal level may inspire change on a societal level.

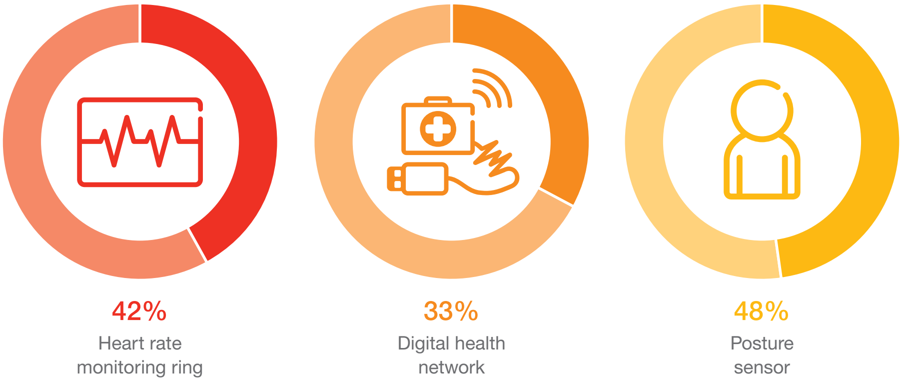
Figure 7: How useful do consumers see these concepts?

	Delhi	Beijing	São Paulo	Rome	Tokyo	Paris	New York	London	Stockholm
Water quality checker	92%	86%	81%	68%	61%	56%	64%	51%	41%
City microclimate monitor	87%	81%	72%	72%	61%	59%	49%	42%	36%
Wearable clean air bracelet	86%	83%	63%	65%	54%	50%	50%	48%	41%
Wearable commuting ecometer	81%	77%	63%	56%	52%	42%	42%	37%	46%

High ● ● ● ● ● ● Low

Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 9,030 iPhone/Android smartphone users in 9 cities

Figure 8a: Predicted daily use of wellness services



Source: Ericsson ConsumerLab Analytical Platform, 2014.
Base: 9,030 iPhone/Android smartphone users in 9 cities

Change will start in cities

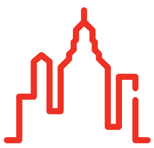
When, and if, wellness-driven change on a societal level happens, it is likely to occur in city centers first and then spread to other geographical areas.

As Figure 8a shows, 42 percent of consumers would use a heart rate monitoring ring that syncs with their phone and alerts them when their heart rate reaches a dangerous level every day. 33 percent want their smartphones to collect medical stats in a digital health network that physicians can access, and 48 percent say they would use a posture sensor that gives cues about body movements and future injury risks on a daily basis.

Between one-third and half of consumers predicted that they would use health services at least daily – which is much higher than concepts we tested in other areas, such as communication with authorities or traffic-related concepts. For example, while as many as 74 percent were interested in car or bike sharing, less than one-quarter said they would use this service every day.

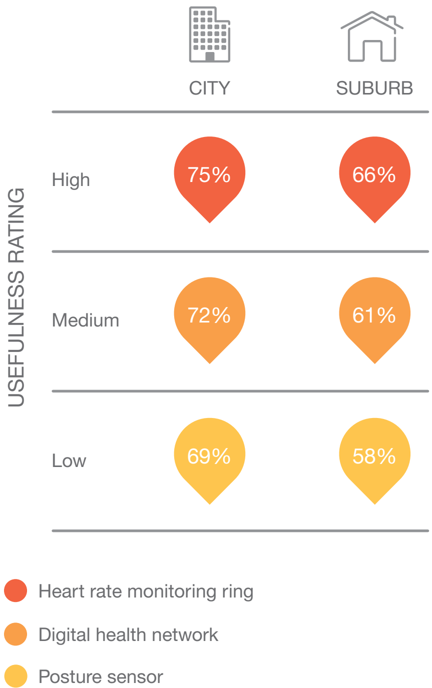
But more importantly, Figure 8b shows that interest in all of these concepts is significantly higher in city centers than in suburbs. On its own, this highlights that the pace of lifestyle change is higher among city center dwellers. If we factor in projected use frequency, these results become even more interesting.

Whereas wellness may easily be written off as a private concern, it is of broad popular interest. It will spur technological development with high usage that will have the potential to transform society at a quicker pace than any other area that we have studied.



Interest in wellness concepts is higher in city centers

Figure 8b: Interest in health services



Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: 9,030 iPhone/Android smartphone users in 9 cities

A new ecosystem

Although there is potential for wellness to cause fast-paced consumer-driven societal change, what may hold it back is the complexity of the ecosystems that need to develop for this to happen. When we asked people who they believe would be the main supplier for wellness-related services, they saw the need for different players to take the lead, depending on the nature of the service.

While three out of the seven concepts tested were seen to be driven by medical service providers, two of the concepts were seen as the responsibility of city authorities, and the remaining two concepts should be provided by technology companies and environmental protection organizations respectively.

Given that the main service providers are expected to differ widely, the ecosystem to join this will be complex. Our research indicates that the platform to make all of this happen will come from the player most experienced in handling personal information in accordance with consumer expectations. In a previous Ericsson ConsumerLab report – The Personal Information Economy – we saw that people think medical information is highly sensitive. Figure 3 also showed that those who are likely to adopt wellness services early on not only view using the cloud for personal information as essential, but they also value the integrity of that information more than others.

Finally, our research shows that although an ecosystem entails cooperation between several parties, consumers want some control over the flow of their personal information. Figure 11 shows that authorities were seen by consumers as the second largest wellness service provider, but in the Ericsson ConsumerLab Smart Citizens report, only 19 percent thought that authorities should be able to forward their personal information to approved companies. Likewise, as many as 66 percent of consumers want full control over the dissemination of their information by authorities.

Although many players will try to deliver wellness services that meet the demand for function and design, the question of who consumers will trust to handle the transfer of their information between services remains open.

66%

want full control over the dissemination of their information by authorities

Figure 11: Who is expected to be the main service provider?

Source: Ericsson ConsumerLab Analytical Platform, 2014
Base: Those who predicted that the concepts will be available within 5 years, out of a total base of 9,030 iPhone/Android smartphone users in 9 cities

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Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With approximately 115,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2014 were SEK 228.0 billion (USD 33.1 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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