# **Galaxy Connect – A New Wearable Experience for Kids**

**User Need**

Parents’ need for communication increases as kids start being mobile without adult supervision.

**Problems**

* Although smartphones seemed to be a good solution to address families’ needs to stay connected, 71% of parents think that potential harm of giving 11 year old or younger kids smartphone outweighs the potential benefits[[1]](#footnote-1). This belief is common across major demographic groups and plays a fundamental role in purchasing decisions.
* Kids want to have targeted yet complete feature set.
  + Kid-targeted devices usually designed with toy-like qualities. They fail to create a “first personal electronics device” experience, lack quality, comfort, reliability, and durability.
  + Toy-like design fail to attract kids beyond the curiosity and exploration phase.

**Market Opportunity**

* Smartwatches are becoming a staple of consumer’s device portfolio. Smartwatch adoption is raising (more than 40% of the households own smartwatches and health trackers[[2]](#footnote-2)). However, LTE devices are only preferred by niche consumer groups who need uninterrupted connectivity.
  + Reasons not to prefer LTE devices:
    - Lack of use cases that require users not carry their phones with them
    - Requirement for an additional cellular contract
* Niche markets offer great growth opportunities for consumer electronics brands to extend their offerings with minimal development costs.
* Lack of leading consumer electronics brands in the kids’ wearable market.[[3]](#footnote-3)
  + Apple has recently announced product plans on extending Apple Watch to kids and elderly. This announcement requires Samsung to take steps in addressing the market needs with competitive product offerings.[[4]](#footnote-4)

**Our Approach**

**Building a software based kids’ wearable experience that offers unique connectivity, entertainment, education features based on existing hardware**

**Feature Set**

* **Connectivity:** Live location tracking, parental control through smartphone app, whitelisting contacts, school mode
* **Entertainment:** Gesture-based content and IoT device control, gesture-based sound augmentation, instant talk (walkie-talkie), activity tracking
* **Education:** Access to location based content at museums, parks, attractions

**Why? – The Rationale**

* **Market development for growth:** Kids’ watch development does not require new R&D and hardware efforts. This implies that kids’ watch offers a low risk growth opportunity for Samsung. Development efforts need to focus on the design, software, marketing. It is reasonable to assume that the marginal benefit of building a kids’ wearable would exceed the marginal cost.
* **Extending product reach:** Samsung has the second largest share (13.9%) in the wearable market after Apple (55.5%)[[5]](#footnote-5). One of the low risk growth strategies for wearables is addressing niche groups with unique sets of features. Kids’ wearable would help Samsung to extend market shares only slightly. However, it helps capturing a new demographics that could, in the long run, open up other product development opportunities.
* **Gaining a unique advantage in the LTE wearable market:** Success in the LTE market requiresconsumers to be convinced on why the watch should exist alongside the phone. Number of convincing use cases are limited. Kids’ wearable provides the set of meaningful use cases. Phone is intended to monitor and control the watch, and watch is intended not to be in close proximity.
* **Stronger Partnerships with MNOs:** LTE wearables require contracts to have access to the network that keeps the device always connected. MNOs can offer installment plans with device sales price and services. Assuming that kids’ wearables would consume less data and be used actively for communication purposes, MNOs would see the benefit in offering such a device in their portfolio

1. <https://www.pewresearch.org/internet/2020/07/28/parenting-approaches-and-concerns-related-to-digital-devices/> [↑](#footnote-ref-1)
2. <https://www.statista.com/forecasts/1101101/wearable-devices-ownership-in-selected-countries> [↑](#footnote-ref-2)
3. <https://www.statista.com/statistics/1110843/market-share-of-kids-smartwatch-shipment-worldwide-by-brand/> [↑](#footnote-ref-3)
4. <https://www.apple.com/newsroom/2020/09/apple-extends-the-apple-watch-experience-to-the-entire-family/> [↑](#footnote-ref-4)
5. https://www.statista.com/statistics/524830/global-smartwatch-vendors-market-share/ [↑](#footnote-ref-5)