AMERICAN MARKETER

Business at its best

COLUMNS

Prepare to target users pairing the Apple Watch with their iPhones

May 4, 2015



Craig Palli is chiefstrategy officer of Fiksu

By Craig Palli

As orders of the Apple Watch build and consumer demand heightens for the tech market's hottest new gadget, this time is likely to be remembered as a turning point for the entire class of wearables from watches to glasses to fitness bands and whatever comes next.

As with any new technology, one of the inevitable steps in that evolution is a changing marketing and advertising environment. Will it be just another incremental step in mobile marketing?

One thing is for certain: wearables will increase connectivity and trigger cultural shifts in behavior two factors that will have an impact on marketers.

Marketing to app users

For advertisers, the main question is how can you market to users of smartwatches and other wearables?

Right now, the most important step to reaching watch users is to build your application user base on the iPhone.

In this first iteration, the Apple Watch does not do mobile Web: to get any content on there, marketers need consumers to install their apps. This highlights the central role that apps play in building consumer relationships: the relationship between a brand and an app user is stronger and longer lasting than with a mobile Web user.

Beyond that, though, the constant use and connectivity means an incredible amount of opportunities to deliver your message to wearable users.

But be careful: given those increased opportunities, consumers are likely to be extremely sensitive to advertising, and clumsy marketing efforts could do more harm than good.

The good news is, the amount of data available for targeting should allow advertisers to blur the lines between advertising and content, such that any marketing messages that are delivered to wearable devices are relevant, contextual and valuable.

Contextual and relevant ads

The proliferation of watches beyond just Apple's hints at a broader future for wearables and advertisers who are already having success in mobile are eager to add watches to their campaigns.

For example, this could include a notification for a restaurant you happen to be near that alerts you at mealtime and offers a coupon.

It could also be a reminder that a credit card bill is due around a user's typical bill-payment time, or a notification

that ticket prices have dropped that goes to sports fans in the vicinity of the ballpark.

No one expects banner ads on watches to do much in fact, they are not even part of the Apple Watch for now.

But these kinds of contextual messages, delivered through apps, are likely to be an important way to connect with consumers.

In fact, the ability to understand context and behavior creates an expectation that all ads should be that relevant.

As a result, no matter what form the ads ultimately take, there is likely to be a high bar for marketing to wearable users.

Increasing engagement begins now

Smartwatches are creating a defining moment for mobile and triggering a cultural shift in behavior.

While mobile phones are incredibly personal devices, watches are even more so: they are in contact with you at all times, not hidden in a purse or pocket.

Smartwatches will likely increase connectivity even further: in a meeting or at a nice dinner, a glance at or a tap on a watch will be more acceptable than using a smartphone, allowing consumers to be more immediately connected to all kinds of information.

While the market for wearable advertising develops, however, there is an intermediate step that many brands may want to take advantage of immediately.

It is likely that iPhones that are paired with an Apple Watch will become more valuable targets for brands to market to, since they will at least initially be early adopters or high-value users. Smart marketers are already targeting that segment.

DESPITE THE lingering questions about the proliferation of watches beyond Apple, and how to market to watch users, advertisers should be extremely interested in particular, brands with a strong affinity to high-end consumers.

While Apple is not the first to come out with a smartwatch, it seems to be the first to really get marketers buzzing about it.

Craig Palli is chief strategy officer of Fiksu, Boston. Reach him at craig@fiksu.com.

© 2020 Napean LLC. All rights reserved.

American Marketer is published each business day. Thank you for reading us. Your feedback is welcome.