

Challenges in the horizon for Apple Watch



SINGAPORE — After a long wait, the Apple Watch is finally going on sale. This is Apple's first foray into an all-new product category since it introduced the iPad in 2010.

BY ANG SWEE HOON - MARCH 17

SINGAPORE — After a long wait, the Apple Watch is finally going on sale. This is Apple's first foray into an all-new product category since it introduced the iPad in 2010.

Is this a game changer that will take Apple into a higher playing field? After all, they have had radical innovations.

The iPhone, when it was first introduced, revolutionised the mobile phone industry. It used to be that a mobile phone was used for communicating, either verbally or via text. Now, the mobile phone is that and more — for playing games, emailing, taking photos, telling time and weather, and storing a host of information.

The iPhone redefined mobile phones as smartphones, and took away a big chunk of sales from cameras, mp3 players, and watches.

Another game changer was the Sony Walkman, when it transformed the way people listen to music. The Walkman gave music lovers a private and convenient way of listening to their favourite tunes — as opposed to using a loud and big boom box that may annoy those who do not share the same music interests.

For the uninitiated, the Apple Watch is a music player like the iPod. It is also a fitness tracker that tracks one's heart rate. Like a mobile phone, it can also handle text messages and calls. It has an audio recording function, and like other Apple products, it is supported by a wide range of applications, or apps. It can also serve as a remote control for smartphone devices linked to it.

When the Apple Pay, an app that allows a customer to pay for things online, is introduced, the Apple Watch will have this feature

But will people embrace the Watch as easily as they did with the iPhone? Are the new features so radically different that they will change the way people use watches, and hence, redefine watches?

For consumer acceptance to take place, a new product must offer superior benefits to what was being offered, be compatible with one's lifestyle, and easy to understand and use.

What is noteworthy is that the Apple Watch continues to work within the Apple 'ecosystem' — which is a bane and a boon.

Converting the un-converted

For those who already have an iPhone or iPad, the Apple Watch easily integrates into the system. But a non-Apple user would have to have at least an iPhone 5, in addition to the Watch, to benefit from what the latter has to offer.

As a standalone, the watch does not do much good except to monitor one's heart rate, pay using Apple Pay, and play downloaded music. Its relative advantages are tied to being in Apple's ecosystem. This is a major hurdle for many consumers.

Die-hard Android and Samsung users are unlikely to switch to the Apple ecosystem unless there is a very compelling reason to do so. But it seems redundant to have an Apple iPhone and Watch, when both offer similar functions except for the activity-tracking device found in the Watch.

The litmus test

If Apple is able to convert Android users through the smartwatch, Tim Cook would have repeated what Steve Jobs did with the iconic iPhone.

But first, Apple needs to consider that there are “old school” people, who wear watches just to keep track of time.

Just like why we still see hardcopy newspapers today despite the proliferation of online media outlets, watches will be around for some time yet. Watches are also status symbols - Luxury watches, for instance, are positioned as a status accessory and not merely as a functional product.

Presently, the one distinctive feature that the Apple Watch offers is heart-rate measurements. However, people who wear a dedicated activity-tracking watch look for waterproofing and durability — features that the Apple Watch should also offer to make it compatible with the lifestyle of sports buffs.

There is also the matter of aesthetics. Unlike the iPhone whose innovative design and touch screen wowed many when it was first introduced, the Apple Watch seems ho-hum.

Expectations have been high that Apple will introduce a design that is slick and beyond what one can imagine.

But the Apple Watch appears to fall short here. Based purely on looks, it will be difficult to identify an Apple Watch in a lineup of watches

However, one advantage the Apple Watch has over the iPhone or iPad is that because it is to be worn and becomes part of one's body, it is less likely to be misplaced or stolen. However, because of its dependence on the Apple ecosystem, the loss of the iPhone would strip the watch of many benefits.

In contrast, earlier innovations such as the iPhone and Walkman changed the way we communicate and the way we listen to music. They were innovations that were consistent with what people wanted — ease of use and privacy.

Lessons from Google Glass

There have been some innovations that consumers were less receptive to. For instance, the idea behind Google Glass — of reading information through the lenses while seeing things that are ahead — may not have sit well with some people.

If people are uncomfortable with what a new product does, take-up is likely to be impeded.

In the case of the Apple Watch, it is not so much the discomfort of wearing a smartwatch — we have lived through comic hero Dick Tracy's era — but that the watch needs the accompaniment of the iPhone to realise its full potential. This is a limiting factor adoption of the Apple Watch.

On the bright side, the Apple Watch will push competitors like Samsung and LG to better their wearable technology.

It is still early days in understanding what the Apple Watch can do and how to use it. But Apple needs to convince the public that the smartwatch is not a redundant accessory.

It has to have sufficient exclusive features that carve a place in consumer lifestyle, much like the way the iPad fulfills people's desire for a portable notebook.

Ang Swee Hoon is Associate Professor of Marketing at the National University of Singapore Business School