

## Running together for customer engagement: Apple Watch and Nike +

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By Jaeyeon Choi

Apple revealed its much-anticipated Apple Watch product March 9, finally joining the hot trend of wearable technologies. Apple Watch sales begin April 24, but many companies have been developing apps that will be compatible with the device since November 2014. One of the apps that has already been confirmed for launch and compatibility with the Apple Watch is Nike + Running. This is not a surprise as Nike has been working with Apple since 2006 through its Nike + iPod Sports Kit and both Apple and Nike executives have mentioned a continued strong partnership between the two companies in the future.

Since when has Nike, with roots as a sportswear company, become so techy? More than 10 years ago, Nike realized that its customers' behaviors were changing along with rapidly evolving technology, and in order to survive, the company had to transform. One of the IMC Spiegel Research Center's insights is that customers who use an app spend more frequently. By building an app, Nike is trying to stay engaged with its

customers, not only in the retail stores but in their daily lives, on their wrists, and tracking their workouts. Another insight from our studies is that "disengaged" customers – referring to customers who previously used a company's app but have ceased to do so – <u>spend even less after "disengagement"</u> than what they spent even before downloading the app. This also explains why companies including Nike are striving to be continuously involved in the customer's life. What better way to stay engaged with a customer than on his wrist 24/7?

Wearables are the new black in marketing for 2015, and one of the biggest benefits wearable bring is trackability. We carry around our phones everywhere, but wearables will be actually on user's bodies, providing more accuracy and data, collecting every step and heartbeat of its users. Take Marsh Supermarket for example. In preparation for the roll-out of the Apple Watch, the supermarket chain has installed iBeacons in all of its locations. It is soon to become the world's first ever retail chain that will offer a truly "connected" experience for the Apple Watch users. Marsh will be sending offers and deals triggered by the location of the shoppers. Nike, along with other smart brands that have foreseen the future of wearable technology, will continue to keep running along with their customers, actively engaged in their life's journeys.