

Wearable Devices: New Opportunities — and Limitations — for Consumer Engagement

Smartphones and tablets have unquestionably reshaped the consumer marketing landscape, creating opportunities for brands to create new forms of user engagement through mobile apps. The rising popularity of wearable devices, such as bands, watches, and glasses, is creating altogether new pathways to engage users on-the-go and in-the-moment.

Northwestern University's Spiegel Research Center has been exploring how consumers engage with brands since 2011, and has specifically looked at how wearable technology alters the way consumers interact with mobile devices and branded apps. The Spiegel team has found that because wearables are more portable than smartphones, tablets, and PCs, they create potential opportunities for in-context, habitual use. However, brands should be aware of the limitations related to small screens and imperfect user interfaces when developing their engagement strategies for branded apps accessed via wearable devices.

Wearable Devices Create Unique Opportunities for Anytime, Anywhere Engagement

As mobile wearables diffuse into the marketplace and society, the differences in how consumers interact with mobile devices increases. Unlike typical fitness gadgets, mobile wearables not only track consumers' biometrics or health habits, they also allow users to stay connected to their digital routines, such as emails, texting, and online social networking. The Spiegel Research Center breaks down the unique advantages of mobile devices into the following categories, with wearable technology providing superior benefits relative to traditional mobile devices in each of the following areas:

- **Portability:** Mobile devices can be carried anywhere and used whenever needed, but wearable devices take this portability factor to the next level. Because the degree of portability depends on size and weight, wearable devices provide an even greater level of portability.
- **Personalization:** Mobile devices have positioned themselves into the lives of consumers as highly personal assets that can store large amounts of personal information. Wearable devices add a further level of personalization with their ability to go with you everywhere and even record internal physical data.
- **Network:** A wireless connection enables people to benefit from the online network immediately.

Wearables increase users' access to anytime, anywhere, and just-in-time, in-real-time information.

- **Convergence:** The convergence of technologies has enabled users to own a single device to access a wide array of functions and services. Wearables provide the most portable and immediate access to these converged technologies and channels.

The combination of these characteristics presents interesting advertising and relationship management opportunities—opportunities that create powerful and potentially valuable forms of consumer engagement. Wearables have the potential to do more than reinforce habitual engagement. They can help brands forge new, personalized, and even offline relationships with consumers by initiating context-based, offline learning, which apps on non-wearable mobile devices (i.e., smartphones and tablets) cannot do as easily.

Wearables have already proven successful in creating engagement around fitness goals. Such devices track the level of physical activity and monitor physiological variables like heart rate. These data track progress toward personal fitness goals and can motivate users to complete their daily regimes. They can also be shared on social media with a network of friends who may join in celebration when goals are achieved, or cajole friends into action when they lag behind. The challenge for marketers in other industries is to create contact points that exploit these types of in-context dynamics.

For instance, brands can send out messages that encourage in-store visits in accordance to consumers' daily patterns and location schedules (e.g., when a brand detects that a Facebook user's friend often drives by the store in the morning, or that today a consumer of a certain product has achieved a lifestyle goal, an advertiser can offer a coupon for a related product with a congratulatory message). In short, wearables have the potential to communicate with consumers in the context of their daily lives and in-context activities. This type of engagement can be immensely valuable as brands look to strengthen relationships with consumers.

Limitations of Wearable Devices

Though small screens and streamlined user interfaces make wearable devices more portable, they create limitations in terms of search functionality and information output. Typing and therefore extensive searches are less convenient on wearable devices than on traditional mobile devices. Also, wearable devices are less interactive than smartphones and can be more difficult to learn from. Brands should understand these limitations as they develop their strategies for driving consumer engagement via wearable devices.

Given their small screens and imperfect user interfaces, the Spiegel team believes wearable devices may be most effective for branded apps in cases where users already have a significant amount of information about the brand. Wearables may not be the ideal platform for promoting minor brands or complex products that require learning prior to purchase.

Because more and more Internet traffic comes from smartphones and tablets, next-generation search engines would be wise to adopt a mobile strategy that incorporates next-generation technology such as predictive keyboards or speech recognition into their mobile apps. Equipping branded apps with enhanced search functionality will be ever more critical as apps move into the wearable device space. Improvements in search functionality could include:

- **Assistive typing and voice search:** This technology will enable wearable devices to be used as

exploratory learning tools, enabling brands to convey product information earlier on in the purchase cycle.

- **Personalized search:** The next generation of search engines may offer results beyond simple listings or information retrieval – instead, they may offer “combative” search results that compare competing brands side-by-side or innovative recommendations based on personalized information.

Clearly, wearable devices are a game-changing technology for brands that are looking to reach the next level of in-context, personal engagement with consumers. At the Spiegel Research Center, we will continue to study the impact that engagement across these, and other types of mobile devices, has on customer value.

To learn more about Spiegel's research into the value of consumer engagement via branded apps and what it means for marketing practitioners, download our e-book [Branded App ROI](#). Also, many of the findings of this blog post are explained in more detail in a chapter that the Spiegel Research Center's Rebecca Wang, Su Jung Kim, and Ed Malthouse authored for the textbook *The New Advertising: Branding, Content and Consumer Relationships in the Data-driven Social Media Era*.