

the marketing messages? In your view, is this backer involvement and influence a feature that is likely to continue to develop? What challenges will marketers

face in the future both during the project crowdfunding phase and the eventual launch of the product on the market?

## Case Study

### HAS THE DEATH OF THE WATCH BEEN GREATLY EXAGGERATED? APPLE GETS INTO THE GAME

It used to be that putting on a watch was just a standard part of getting dressed in the morning. How could you hope to move successfully throughout your day, making it to appointments on time, if you weren't wearing a watch on your wrist to let you know what time it is?

Today however, we're surrounded by technology devices at work, home, and even away from home that readily display the time of day. The outcome? Many have come to view the personal watch as an unnecessary device. As a result, the watch industry has been struggling to find ways to remain relevant, searching for the key to how they can motivate consumers to purchase a time-keeping device that many consider redundant with the desktops, laptops, tablets, and cellphones to which they are so connected.

As industry analysts have pointed out, watches may actually be "superfluous" and there are claims that "telling time is secondary today." And even for those more diehard consumers who still wear a watch, according to Marshall Cohen, chief industry analyst in New York at the NPD Group, "there's no practical need for any watch-wearing holdouts to pay a lot for a timepiece."

Apple says, not true! It believes that the death of the watch has been greatly exaggerated and in response, the company recently introduced the Apple Watch. These devices range in price from \$350 to more than \$10,000. The new watches, far from simply telling the time, are actually mini-computers that allow the wearer to check and send messages, surf the Internet, monitor heart rate, and pay in a store.

The watches' introduction has been both praised and criticized. Some point to Apple's ability to interest consumers in any number of technology devices and believe that the Apple Watch will be yet another success story for the company. An early reviewer, *Wall Street Journal's* Geoffrey Fowler, believes that his dependence on other devices has decreased since putting on the Apple Watch and that it's helped him to be more focused. But others cite consumers' waning interest in watches in general, the difficulties in functioning with such a small screen, and they wonder who would really be motivated to make the investment in the entry level model, let alone the top of the line, Apple Watch Edition, with an attention-getting price tag of \$17,000!

So what does Apple think will motivate consumers to buy one of these new gadgets? They talk about consumers' need to quickly and subtly get access to information, which is not always possible with a clunkier tablet or cell phone. Tim Bajarin,

Creative Strategies analyst says, "the flexibility of "glanceable information" is more valuable than people realize today." He also mentions that the new watches will offer options for non-verbal communication, tapping a button to send a message, for instance. Apple CEO Tim Cook calls it "the most personal device we've ever created—it's not just with you, it's on you" and claims that it's the most advanced timepiece ever created, period.

Analysts forecast that Apple will ship 7.5 million watches in the months following its introduction. But critics still wonder if consumers can be convinced that there's a real need for the devices. On top of that, there's a potentially saturated market to consider, with 10 million competing smartwatches shipped in the year before Apple's entry into the product category. Another form of competition comes from the established luxury brand watches that may have already cornered the higher end of the market. Proponents of luxury watches believe that Apple can't match their unique qualities—prestige, resale value, their ability to be passed down as an heirloom, exclusivity, and a less obtrusive look which may be safer for the wearer.

While blogger John Gruber commented on a recent podcast: "I still have no idea why I would want to wear it," early adopters of the Apple Watches and others who believe in the power of Apple to succeed were not surprised by recent announcements from the company about an upgraded operating system and improvements that will make the watches' apps work even better.

So, who knows how this story will turn out—will Apple be the game-changer that played a significant role in how we think about the evolution of the personal watch or will it be seen as having momentarily misstepped into an industry whose death was already a foregone conclusion?

### DISCUSSION QUESTIONS

- CS 5.1** Discuss the possible reasons to buy a watch today. Connect each motivation you identify with an appropriate motivational theory from the chapter.
- CS 5.2** What does Apple really believe will motivate consumers to purchase the Apple Watch? Are there different motivations at the low versus high (luxury version) price point?
- CS 5.3** How do marketers of watches use marketing and advertising to motivate consumers to buy them? Give specific examples.

Sources: Kathleen Beckett, "Who Wears What, Why?" [http://www.nytimes.com/2014/03/28/fashion/who-wears-what-why.html?emc=edit\\_tnt\\_20](http://www.nytimes.com/2014/03/28/fashion/who-wears-what-why.html?emc=edit_tnt_20)