

# FAST TAKE NEWS BRIEF

## APPLE ANNOUNCES THE IPHONE 6, APPLE PAY AND THE APPLE WATCH AT WORLDWIDE DEVELOPER CONFERENCE (WWDC) 2014

On September 9<sup>th</sup>, Apple held its biannual Worldwide Developer Conference in San Francisco and, along with iOS 8 and iPhone 6, introduced several new offerings that have been the subject of intense speculation in the marketing and ad tech world.

The **iPhone 6** will hit stores on September 19<sup>th</sup> in two sizes: the basic 4.7 inch screen (a slight step up from the 4-inch 5S) and the larger 5.5 inch iPhone 6 Plus. Both models boast a thinner form factor, longer battery life and a more sophisticated camera, as well as a higher screen resolution and a much faster processor. Even more compelling was the highly anticipated addition of NFC chips to support mobile payments through the new **Apple Pay** function.

However, the most excitement of all was reserved for the debut of the long-rumored **Apple Watch**. A hybrid timepiece, fitness tracker and digital media hub, wrapped in a casing of stainless steel and scratch-proof sapphire glass; it is the first truly new device Apple has released in 4 years and is poised to shake up marketing as we know it.

### IMPLICATIONS FOR MARKETERS

**The more robust screen size, resolution and speed of the new iPhone is bound to escalate the already considerable consumption of mobile data.** It's reasonable to assume that we will continue to see mobile devices account for an increasingly bigger share of digital media time spent, which will in turn spur brands to invest more heavily in mobile media, mobile content and overall mobile marketing strategy.

**However, the real game-changers are the introduction of Apple Pay and Apple Watch.**

Apple Pay is likely to spur a renaissance in in-store shopping where its ease of use and inherent security will trump the complications and security risks of online shopping. Apple Pay is also likely to increase adoption of mobile coupons and loyalty programs by making it much easier to collect and redeem awards and offers. The marketing potential of the Apple Watch is less clear—its tiny screen doesn't lend itself to the varieties of rich media and video advertising that most brands have come to rely on. It is inevitable that this new device will be used to trigger ad experiences on larger, ambient screens such as television, tablets, smartphones and digital out-of-home. However, it's also highly likely that new, sleeker ad formats will evolve for the Apple Watch itself.

### WHAT TO EXPECT IN THE FUTURE

- **The new iPhone 6/6Plus and iOS 8 will continue to accelerate consumer reliance on the smartphone as a primary screen.** Consumption of mobile data will escalate and interaction with mobile ad formats will escalate along with it, creating a new pressure on brands to understand the nuances of media on mobile to create successful strategies for engaging the mobile consumer.
- **Apple Pay may make it is easier to connect the dots between media exposure and purchase** since consumers will be more likely to complete a purchase on a mobile device given the ease of use and security of the new system.

### ABOUT WWDC 2014

Apple's 2014 Worldwide Developer Conference introduced several new functions, features and products of interest to marketers, including:

**The new iPhone 6, with its bigger, higher resolution screens and a faster processor promising brands a more engaged audience and a more flexible canvas to indulge in for mobile advertising.**

**Apple Pay, the new, highly secure NFC payments system that is poised not only to spread adoption of mobile payments, but to also trigger wide-spread, and increase usage of, mobile couponing and loyalty programs.**

**The Apple Watch featuring a host of new functions that are poised to change consumer behavior (yet again) and present brands with new and unforeseen marketing opportunities.**

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- **The synergy of beacons, Passbook and Apple Pay along with the frictionless experience they enable, have great potential to increase basket size and create true customer loyalty.** Equipped with Passbook and iBeacon, it will be easier for marketers to track the real-world behaviors of consumers in-store and upsell new products and services, as well as to automatically award points, deliver coupons, and apply both to a purchase.
- **For brick and mortar stores, Apple Pay in particular will create a renewed imperative to create superlative mobile applications.** Brick-and-mortar brands will be highly reliant on native apps to trigger in-store experiences via iBeacon, helping to capture foot traffic and to keep online shoppers in the fold by making it quick and easy for them to purchase online with Apple Pay functionality naked into the app interface.
- **Online brands will face a reversal of fortune as consumers forego showrooming in favor of the security and ease of in-store purchase.** They too will feel a renewed pressure to integrate the easy and secure functionality of Apple Pay into their apps and to invest heavily in the promotion of the app experience vs. desktop and mobile websites.
- **The Apple Watch has no clear ad formats at present.** It's likely that the formats that do emerge from Apple Watch will come more in the form of simple, elegant interstitials, sponsored alerts and direct brand-consumer messaging. However, it's a given that the data the watch produces will be used to influence and activate more personalized messages on larger device screens and ambient interfaces such as digital out-of-home and interactive in-store kiosks.

## WHAT DOES THIS MEAN FOR YOUR BRAND?

It's a given that more consumers will be converting on mobile devices, both within apps and through real-world POS systems. It's also likely that these same consumers will be more engaged with loyalty programs and far more likely to redeem coupons and act on offers. Though, Apple Pay will not release purchase data for targeting purposes, brands still leverage the larger screens and faster speeds of the new iPhone to create more effective and engaging campaigns that capture the attention and interest of these real-time consumers. As a result, expect mobile in general, and iOS in particular to be front and center in your media planning for 2015.

## RELEVANT ARTICLES TO EXPLORE

- [Apple's Keynote](#)
- [iPhone 6 Product Video](#)
- [Apple Watch Product Video](#)
- <http://qz.com/262320/the-complete-guide-to-the-new-iphone-6>
- <http://www.zdnet.com/apple-announces-iphone-6-better-specs-new-features-larger-screen-sizes-7000033370/>
- <http://www.nytimes.com/2014/09/10/technology/apples-ambitious-bet-beyond-the-devices.html>
- <http://www.wired.com/2014/09/how-apple-pay-will-become-the-easy-way-to-buy-everything/>

## OVERALL OUTLOOK FOR BRANDS

For brands on all stripes, the pressure is on to fully invest in a dedicated strategy for the mobile customer experience across websites, apps and media.

For many, mobile is still perceived as an ancillary concern and the transition to a mobile mindset is a daunting proposition. However, the return on investment is guaranteed to pay off as consumers begin to treat smartphones, tablets and even watches as their primary decision-making and purchasing tool.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

**Rachel Pasqua**

Head of Mobility

[Rachel.Pasqua@mecglobal.com](mailto:Rachel.Pasqua@mecglobal.com)