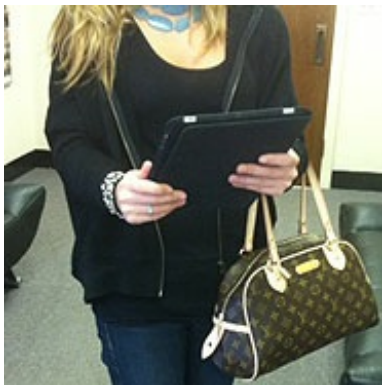


MOBILE

## What does the souped-up iPad 2 mean for luxury marketers?

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By GISELLE TSIRULNIK

The new iPad 2 has opened doors for luxury brands in terms of advertising and marketing opportunities such as one-to-one video chat with customers, augmented reality, in-app advertising and branded applications.

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The new tablet will allow for bigger and more creative branded applications to aid in awareness, engagement and influence purchase decisions. There will be major in-app advertising opportunities, since the new version of the iPad has a faster processor. And, lastly, video chatting and augmented reality on the iPad are opportunities because of the tablet's back- and front-facing camera.

“Apple sold 15 million iPads in nine months, which redefined and re-invigorated both the publishing industry and magazine industry as a whole,” said Derek Bronston, iPhone 360 course instructor at SAE Institute and technology partner of theConspiracy.com, New York.

“This was all done with the limitation of its 3G service only being available on one carrier, AT&T,” he said. “The dual release of the iPad 2 and the inclusion of Verizon as a carrier option in the U.S. will make the iPad and iOS as an operating system the forefront of mobile and tablet devices.

“That said the high-end display, HD video, in-app advertising and in-app purchasing is a giant opportunity for high-end and luxury brands to deliver their marketing initiatives via stunning displays of functionality, graphics and video and make all aspects of customer engagement simple, elegant and full of interactivity.”

Apple's share of the global tablet market reached 85 percent by the end of 2010, and despite the rush of new tablet devices from other manufacturers, [eMarketer](#) estimates the company will account for 78 percent of global tablet sales in 2011.

EMarketer estimates Apple will sell 34 million iPads worldwide in 2011, up from more than 15 million in 2010.

Overall tablet sales are expected to reach an estimated 43.6 million units worldwide this year, up from just 15.7 million in 2010, eMarketer estimates.

### Front- and back-facing cameras

The camera of the iPhone is most notably used for bar code scanning.

But let's face it, the iPhone is much smaller than the iPad and consumers most likely will not be using their new iPads as shopping companions in-store. So bar code scanning probably won't be too popular on the tablet.

However, there are some really cool opportunities in terms of augmented reality.

Another very important opportunity that the front and back-facing camera of the iPad 2, is FaceTime with consumers.

Brands will likely be playing with the click-to-video chat ad units and connect consumers with customer services representatives using the new iPad.

“iPad 2's HD rear facing camera allows for users to shoot high-quality HD video with another user,” Mr. Bronston said. “This is really going to change FaceTime and video sharing in general.

“So user generated content could take a big leap,” he said. “The API for programming has not been opened by Apple yet, other than initiating FaceTime calls to a phone number so developers and designers will have to think of creative ways to leverage FaceTime in their marketing efforts.”

### Apps for branding

Get ready for an influx of luxury brand applications for the new iPad 2.

Already we've seen the luxury market quickly adopt Apple's first stab at the iPad, with brands such as Ralph Lauren, Diane von Furstenberg, Chanel, Vera Wang, Hermes and Lamborghini launching apps for the tablet.

The iPad's large screen is like a canvas for high-end marketers to showcase their products in high-definition.

The iPad and Apple in general command strong high-tech and high-quality brand

recognition.

Additionally, it appears Apple users can be characterized as higher-income, higher-educated users with discriminating taste. This is also the target demographic of luxury brands.

Luxury brands are hesitant to experiment with new marketing strategies because they need to maintain the appropriate aesthetics. The iPad offers a larger screen with a higher resolution, plus an extremely easy interactive experience. This enables the delivery and viewing of high-quality content.

“Regarding browser-based apps, I think we are on the frontier of a major change in the Web as a whole with the adoption of HTML 5 and the huge increase in CPU and RAM that we have now,” Mr. Bronston said. “That said the iPad 2’s new dual core processor and Safari’s nitro javascript engine will make high-powered browser-based apps for mobile a stunning reality.

“Even iPad 1’s HTML5 rendering outperforms every other tablet, so iPad 2 should really know it out of the water,” he said. “In short both the iPad 2’s hardware and software capabilities make delivery of high-end, interactive Web apps a reality.”

The publisher opportunity

Publishers have also made their way to the iPad. Apple’s introduction of a subscription service for media companies that publish content-based apps in the App Store may be a godsend for publishers that have been suffering with monetization models since the rise of digital channels.

With more publishers sure to launch iPad-specific content, consumers will follow. We all know advertisers follow consumers’ eyeballs.

Some publishers have reproduced their entire print magazine onto the iPad, adding digital elements such as click-to-video and click for more information.

Advertisers benefit from this as well, as they get to add depth to their print adverts.

With the new, souped up version of the iPad, affluents may get the opportunity to click-to-video chat with brand advocates or customer service reps.

The possibilities are endless.

In-app ads

The iPad is a mobile device that offers luxury brands the opportunity to significantly expand their reach to an exclusive audience of online consumers. Now that Verizon is in the mix, this is ever-more true.

In terms of creative execution, the iPad 2 allows luxury marketers to engage consumers with their brand and products through interactive ad campaigns, applications and videos. The new processor makes for an improved experience.

Chanel ran rich media ads in the New York Times' iPad application last year. The result was an interactive advertising experience that used video to promote the brand's time pieces ([see story](#)).

Expect to see more high-end advertisers test the waters with the iPad 2.

In-app ads let marketers align themselves with a publisher that already has a built-up audience on the iPad. For example, a brand like Tory Burch may find it beneficial to run ads in a Vogue iPad application.

"Not only will luxury brands' in-app ads have a far greater reach due to the two carriers, in-app advertising via iAd, and application-driven content driven distribution as a whole will become that much more elegant.

"In-app advertising can get very creative as developers write mini applications that serve as interactive advertng modules," he said.

Final Take

*Giselle Tsirulnik is senior editor on Luxury Daily*