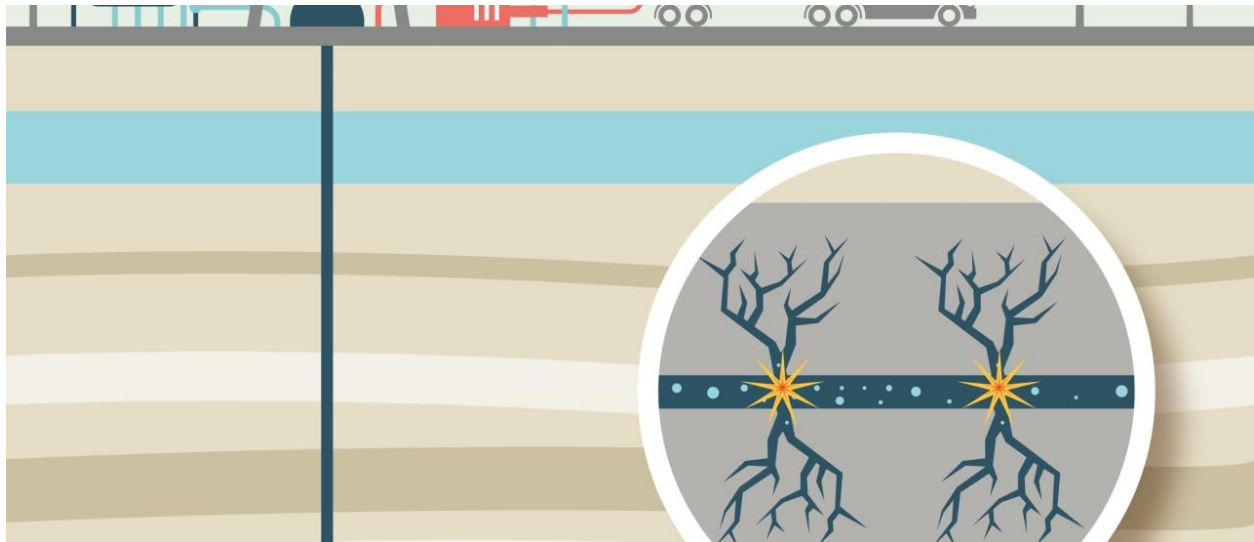


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# iWatching Every Step You Take



By [Henrich Greve](#) , INSEAD Professor of Entrepreneurship

**All-seeing, all-knowing smartwatches that connect the information dots of our lives reflect the many alliances firms like Apple have to manage to innovate.**

A new generation of more advanced smartwatches is about to hit the market. Apple and other manufacturers leveraging Android are optimistic that they will be a hit. The ones already on the market haven't sold particularly well, even though they are the size of a regular watch and can do additional tasks. But this time it's different, say analysts, who have estimated Apple Watch sales at as much as 30 million units in the first year.

Why are the new ones different? Put simply, it is the software you can buy (the apps) that make the difference. They will be giving much more timely and relevant messages to you than those that earlier smartwatches had, and will significantly increase the ways such watches can be used. Earlier smartphones were mostly for people concerned with fitness and health who needed a convenient way of recording data about themselves. The new ones can also be used for shopping, social networking, orientation, mapping

unfamiliar places, and even making payments.

A key feature of this application development, and the reason Apple is seen as the leader even before the launch, is that alliances of firms working closely together is needed for this launch to go well. A normal launch of a smartphone will involve sharing knowledge of the programming language and hardware so that the apps can run correctly, and is a familiar task that does not require alliances. The Apple iPhone and similar devices have a range of new functions related to tactile feel (it can give information through vibration functions) that need to be understood in order to fully use them, and this requires close collaboration.

It also has functions related to location monitoring that go far beyond the GPS functions of existing smartphones. You may have thought your phone was accurate in locating you within a 2 to 5 metres – in fact, you may have thought it could locate you within one metre, but that apparent accuracy is just a guess based on the map information it has. This is nothing compared to what a smart watch can do when helped by locator systems that are or will be installed in buildings and applications that run on the watch – the accuracy will be within a metre. As WSJ Tech columnist Christopher Mims [points out](#), one app from inMarket, which works with a technology called iBeacon, can help users navigate stores, finding what they're looking for and giving intuitive alerts to the user.

And, it can follow your motion so that a locator system will know exactly how you walked around in a store. If you also pay with the phone, it can connect the payment information with the walking information to find out what you looked at but did not buy.

Impressive? Yes. Somewhat worrying? Well, I would certainly start thinking about when I let the phone give away my location information. Or maybe not buy one at all. I am impressed on behalf of what firm alliances can do, but I admit my feelings are mixed. This information collection is set up to be useful for the user of the smartphone and the owner of the locator system (usually a store, but not necessarily). Remarkably, it can survey people more accurately than anything a government has been able to build.

**Henrich R. Greve** is a Professor of Entrepreneurship at INSEAD and a co-author of **Network Advantage: How to Unlock Value from Your Alliances and Partnerships**. You can read his **blog**.

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