

MOBILE

## Beacons will conquer travel marketing in 2015 despite privacy concerns

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*Consumers want travel marketers to send relevant information and updates*

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By STAFF REPORTS

Beacons are poised to take flight in airports in 2015, streamlining travel experiences while opening up opportunities for marketers to deliver personalized offers and gain valuable consumer insight.

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According to a recent survey by flight information company Flightview, 53 percent of travelers in the United States would like for airports to track their mobile devices to send real-time updates on gate changes and flight times, but would not want to release personally identifiable information. However, the growing rise of airline mobile applications and the demand for easy mobile booking, mobile payments and relevant updates are likely to push airports to incorporate beacon technology.

“Airports are a perfect environment for beacons to succeed: an indoor space that could benefit from hyper-localized tracking and a captive audience that's looking to kill time,” said Jordan Gray, manager of Creative Labs at **Organic**, San Francisco. “Since airlines don't have a great track record for making use of big data, I wouldn't look to them to implement beacons – that infrastructure will have to come from the airport itself.”

“That's not necessarily a bad thing: similar to the retail space where brands have to go through the store to provide offers, it will be beneficial to have a gatekeeper in the middle to make the most of the experience for brands and consumers, airlines and passengers.”

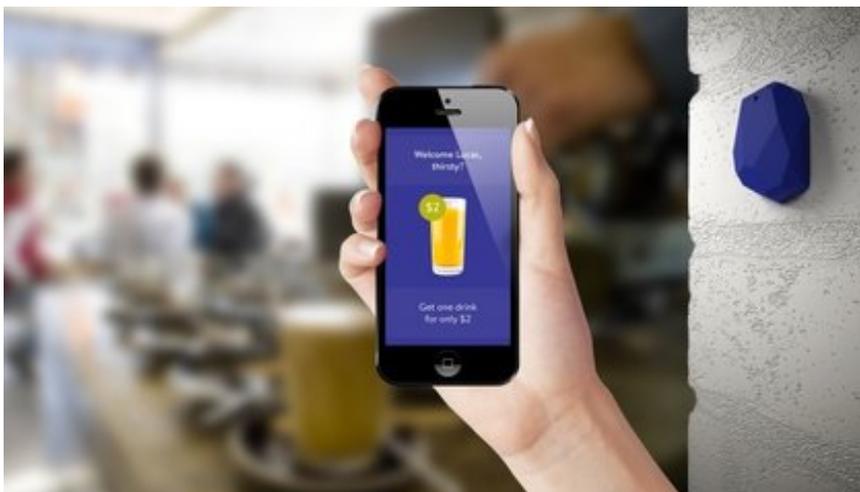
### Receiving contextual information

While some consumers still remain wary about releasing personal information via their smartphone, the sheer convenience of receiving real-time updates about travel plans, accommodations and flights may overpower their initial hesitance.

“From consumer research that we have done, seventy-seven percent of consumers said that they would be willing to share their smartphone location information, as long as they receive enough value in return,” said Rob Murphy, vice president of marketing at **Swirl**, Boston. “For airports, airlines, airport retailers, service providers and travel apps, this means thinking strategically about the type of content and offers that would be most valuable for travelers.

“The more valuable and personalized the mobile experiences, the more willing travelers would be to share some level of personal information. Of course, all of this needs to start with a consumer opting-in to receive beacon-triggered messages and content on specific mobile apps that he or she chooses to download,” he said.

Miami International Airport recently rolled out a new app that leverages navigational beacons to help consumers find the correct gate for departure, as well as sends push notifications for restaurant and retail deals when travelers are walking around the terminal ([see story](#)). The beacons will also target repeat customers, and aid unaccompanied minors in arriving at their designated gate.



*Restaurants and stores in airport terminals can use beacons to send deals and drive traffic*

While the technology likely will help bridge the gap between consumers' demands and travel marketers' data needs, the younger demographic will be more apt to opt-in to notifications, due to their established comfort with mobile devices and exchanging personal information for relevant deals or updates.

“Younger consumers will be more open to beacon-tracking than older consumers,” said Neil Mawston, executive director at [Strategy Analytics](#), Milton Keynes, United Kingdom. “The mobile generation has grown up being monitored online via cookies, GPS or webcams, so the concept of being tracked by beacons inside or outside airports will not be alien to many of them.

“A hybrid solution will evolve, with some information gathered locally via beacons, and some information gathered remotely by mobile websites. For example, a beacon can guide on security-line waiting times nearby, while a website will update on your next connecting flight status at your next airport,” he said.

### Investing in infrastructure

Travel brands, especially airports, must be willing to invest in infrastructure or technological changes necessitated by incorporating beacons. Partnerships with retail brands and mobile payment solutions such as Apple Pay will become requisite.

Standalone airline apps may also take a turn for the obsolete if airports turn to beacons to distribute all general information regarding flight changes, delays, retail deals in terminals and baggage claim directions.

“While airlines stand to gain greatly from the data collection benefits that beacons allow, they don't have a great reputation for making use of tracking to begin with,” Organic's Mr. Gray said. “Maybe the allure of data collected via beacons will be the tipping point for them to perk up and do something interesting , along with the big data they already have access to.

“Similarly, offers and info available to passengers through beacon-enabled apps may be alluring enough to get mobile check-in numbers up. Credit card check-in is fast and easy enough for most passengers that they don't bother with anything fancier, but beacon-enabled perks and information could reel them in,” he said.



*Travelers will become more open-minded about the exchange of information*

Implementing this technology does come with a caveat: ensuring that consumers' devices

are powered enough to be constantly tracked and notified.

“When smartphones and tablets are being tracked, polled and pinged every few meters in an airport, it will drain battery life,” Strategy Analytics’ Mr. Mawston said. “Airports will install beacons, but they will simultaneously have to install more charging points, so travelers can keep their devices topped up and turned on.”

Ultimately, while consumers desire to receive streamlined payment options, customized promotions and real-time travel updates, the price will need to be some personal data. However, experts believe that once users realize the relevance of information that can be sent to their devices, the price will seem much more reasonable.

“At retailers using the Swirl beacon marketing platform, 60 percent of shoppers are opening and engaging with beacon-triggered content,” Swirl’s Mr. Murphy said. “And consumers are loving the experience, with more than ninety percent of consumers satisfied with their in-store mobile experience.

“The real question for the travel industry is not if, but when, beacon-triggered communications will become commonplace.”

Final Take

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