

RESEARCH

WiFi is better than beacons for in-store analytics: report

November 3, 2015



Photo courtesy of Four Seasons Hotels & Resorts

By CHANTAL TODE

Despite the buzz around beacons, WiFi is the better method right now for helping retailers streamline store layouts, enhance loyalty programs and support new mobile services, according to a new report from ABI Research.

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WiFi, once the dominant in-store location technology, has seen its role come under attack from newer, less-expensive solutions such as beacons. However, WiFi's broader reach along with recent advancements that make it more cost efficient and accurate, underscore its ongoing relevance.

"It's not so much bringing back a focus on WiFi rather waking up to the need for Internet style analytics in-store; and the best way to achieve that today is with Wi-Fi, particularly if you can leverage existing access points," said Patrick Connolly, principal analyst at [ABI Research](#).

"If a retailer already has WiFi deployed, it seems inefficient not to take advantage of a wide variety of companies offering low cost or free in the case of Euclid WiFi analytics solutions," he said. "Access point vendors like Zebra and Cisco are also offering detailed analytics solutions with new WiFi deployments."

"If a retailer wants to implement queue management, staff management, store layout changes, identify repeat customers, new customers, bring services like product search, in-store offers, etc, all of these rely on in-store analytics provided by technologies like WiFi."

Apple creates roadblocks

In the report, WiFi Indoor Location Applications and Revenues, ABI Research forecasts that WiFi indoor location application revenues will reach \$2.5 billion by 2020, according to ABI Research's latest report.

At the moment, WiFi is in a very precarious position as Apple continues to create roadblocks and beacons take mindshare and budgets, per Mr. Connolly.

However, WiFi still offers important advantages, namely that it is ubiquitous on smartphones and is available in more than 50 percent of major retail stores in the United States. This gives WiFi a level of reach that cannot be matched by other indoor technologies.

WiFi vendors such as Zebra and Cisco have also addressed some of the challenges such as cost and accuracy while startups such as Euclid are helping to drive worldwide adoption.

In-store analytics

As retailers increasingly recognize the importance of in-store analytics, they should consider the relative benefits of WiFi, per the report.

In-store analytics represent a significant evolution in people counting and loyalty programs.

The data can be used to streamline store layouts, improve staff management, measure advertising campaign performance, enhance loyalty and reward programs as well as form the backbone of new smartphone services.

However, ABI Research believes that high accuracy standards such as 802.11mc and WiFi Aware are coming to market too late.

Most access point vendors have developed their own high accuracy algorithms to compete with other indoor technologies.

There is also a growing hybridization of WiFi with BLE, camera analytics and other technologies, helping to achieve data validity and worldwide scale. Longer term, this also has potential around proximity advertising and loyalty and rewards.

"There won't be one dominant technology," Mr. Connolly said. "Already, most serious vendors are working with a hybrid WiFi and BLE solution, while others are also using camera analytics, ultrasound and sensor fusion."

Final Take

Chantal Tode is senior editor on Mobile Commerce Daily, New York

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