

RESEARCH

Beacons to influence \$7.5B in millennial holiday spending: report

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Still from Louis Vuitton mcommerce film; the brand is one of the only ones to offer free next-day shipping

By CHANTAL TODE

With the use of beacons by retailers and brands to engage mobile shoppers reaching unprecedented levels this holiday season, a new report from inMarket forecasts that proximity marketing will impact \$7.5 billion in spending by millennials during this period.

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Mobile is increasingly recognized as a key way to reach millennials before and while they shop. As a result, savvy marketers, including Philips Norelco, are using beacon-triggered messages to drive in-store shoppers to the shelves where their products are located and promote them as gifts.

"Millennials are the most desirable demographic for marketers, and beacons plus proximity tools – when coupled with app scale – can provide access to interested shoppers at their most receptive times," said Kevin Hunter, president of inMarket. "The significance of \$7.5 billion really is that marketers can impact this millennial spending while the shopper is in-store, ready to buy.

"We're essentially taking marketers as close to the end of the purchase funnel as possible, and helping them make connections when shoppers are most interested, on their preferred device," he said.

Driving incremental spending

As beacon deployments have grown over the past 12 to 24 months, a number of retail categories are benefitting from incremental spending related to proximity campaigns, a trend that could extend into the holiday gift-giving season.

On the inMarket platform, the top five product categories to benefit from in-store proximity engagements in 2015 were deli items, over-the-counter medication, wine and spirits and non-alcoholic beverages. These findings are based on average incremental spending driven with inMarket proximity campaigns in 2015.

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During the holiday shopping period, product categories popular with gift-givers could also see a boost as brands in these categories leverage beacon marketing.

For example, Philips Norelco is running a holiday campaign on the inMarket platform that focuses on driving traffic into the men's grooming aisle where the brand's electric shavers can be found. The emphasis in the campaign is on giving the products as a gift.

The growing list of retailers with in-store beacons includes Macy's, a number of shopping malls, Vanity, Sephora, Target and others.

The right message

While marketers are optimistic about the potential of beacons, time is still needed to figure out the best types of messages to engage in-store shoppers ([see story](#)).

Millennials are an important target audience for proximity marketing as these consumers tend to be heavy mobile users. InMarket claims to be able to reach 15 percent of U.S. millennials and 38 percent of U.S. millennial moms in stores through beacon-enabled apps such as CheckPoints, List Ease, Epicurious, Viggie and Favado.

Screen-Shot-2015-07-06-at-4.04.06-PM

Beacons are Bluetooth Low Energy devices that connect with nearby partnered mobile apps. InMarket's beacon platform reaches a ComScore-verified 38 million monthly shoppers in thousands of U.S. retail locations.

"Proximity tends to be an excellent way to engage shoppers about new or timely products," Mr. Hunter said. "While we can't comment on campaigns that are in-progress, we do have a number of major brands using the technology to drive awareness and sales for holiday-themed products."

Final Take

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