

COLUMNS

Predictions for mobile proximity and beacons in 2016

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By A LUXURY DAILY COLUMNIST

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Mobile proximity is ready for its coming-of-age moment this year, thanks to a better understanding of technology, methodology and best practice from all parties involved.

Here are five predictions for mobile proximity in 2016:

1. Marketers will require better data authenticity and accuracy to make smarter connections with their consumers, leading to wider adoption of first-party GPS and beacons, and a move away from third-party data. Effective mobile proximity campaigns require accurate data, but in 2015, location fraud was a real issue.

Take, for example, programmatic location data, of which more than half is inaccurate. Of the 37 percent of data that was accurate, it was only to 100 meters. That is an entire city block in New York, or the difference between the grocery store and the dry cleaner next store in a suburb.

If marketers want to create verified in-store engagements through mobile, and effectively communicate with their shoppers at the most important time in the purchase cycle, they need to demand better, fresher data from location providers.

2. Offline retailers will leverage digital tactics such as retargeting and pre-targeting to help drive real world sales. Ecommerce just passed offline sales on Black Friday for the first time. This is perhaps the most significant shift for retail in the past century, and something that has been speculated about since the early days of the Internet. Now that it has finally happened, many offline retailers might be thinking about how they can survive such a monumental shift in consumer behavior.

The smartest retailers are using digital marketing tactics and tapping in-store mobile engagement to drive incremental sales, while others are making the in-store experience more exciting.

As marketers' understanding of proximity technology gets better, the conversation is moving beyond simple in-store engagements and toward previously impossible tactics for offline brands and merchants such as retargeting.

Formerly the exclusive domain of ecommerce, retargeting has been one of the most successful methods of marketing for digital companies for nearly a decade.

Now, thanks to the accurate data provided by beacons and their ability to function like an offline cookie, offline marketers can level the playing field with their ecommerce competition and deploy retargeting based on offline store visit data.

Results have been exciting thus far, with retailers driving an 8 percent increase in store visits thanks to retargeting via store visit data from beacons.

3. Consumers will expect contextual mobile and added value in offline shopping

More than 84 percent of smartphone owners use their devices in the store to help them shop, and applications in large part have become the conduit for marketers to connect with shoppers in the store.

But in order to be effective, these engagements must provide some kind of value to the shopper, both in native context of the app and the place in which they are delivered.

Some of the most successful mobile engagements are happening in the grocery setting, where the most frequent shopping trips occur and there are many products on the shelves.

Hidden Valley provided a great example of how to reach shoppers with quality content, running a campaign about quick and easy dinner ideas through the recipe app, Epicurious. The campaign created a natural connection that made sense from a consumer standpoint.

Another app, List Ease, simply reminds shoppers to check their list upon entering the store, before deploying a branded interstitial.

The friendly reminder to check your list perhaps even saving you a trip back to the store if you were to forget an item is worth a branded interstitial in the consumer's mind.

These digital benefits in offline shopping are what millennial consumers expect from marketers and any ads delivered need to be worth it from the shopper's standpoint.

4. Mobile proximity will move out of innovation budgets to become the fastest growing piece of mobile ad spending in 2016

The hype phase about beacons and proximity technology is over, and we now have real best practice guiding brands and retailers to engage shoppers at appropriate times and places.

Now that marketers have a better understanding of the technology and what is required of them to make it all work, we will see the end of the toe-dip era and more brands jumping into the pool.

The combination of opportunity, existing in-store consumer behavior, best practice, location data accuracy and experience with proximity campaigns will pave the way for tremendous growth in 2016.

5. Proximity will start to be used more effectively by nonprofits

Retail and consumer packaged goods brands have been on the forefront of beacon and proximity technology, and advertisers are achieving real success with the technology.

But the real exciting developments might come from a different group: nonprofits.

Earlier this year, a company called Wayfndr deployed beacons to the London Tube system in an effort to help the visually impaired navigate the subway system.

Back in the United States, the Zac Brown Band leveraged beacon technology to drive awareness for its partner charity, Warriors to Summits. In 2016, we will see more exciting uses of beacon technology outside of retail or events and in new places.

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