

RESEARCH

## Retailers see correlation between beacons and mobile coupon redemption: report

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*Target shoppers can send a text to receive a hefty discount*

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Mobile loyalty programs will likely hit 3 billion rewards cards by 2020, with beacons leading the charge in redemption effectiveness, according to a new report from Juniper Research.

In-store beacons are proving to be a successful tool for mobile coupon redemption rates, with a substantial number of retailers seeing positive results, such as McDonald's 8 percent rise in McChicken sales. Juniper's research predicts that beacon-powered coupons will rise to 1.6 billion annually, increased from 11 million this year.

"One of the key findings from this research is that where beacons have been deployed in-store, such as at Macy's in the U.S., coupons delivered via those coupons have generated very high redemption rates," said "One of the most startling success stories from these initial deployments came from China, where the jewelry retailer Chow Tai Fook installed Sensoro beacons in around 200 stores in early-2015.

"Nearly 60 percent of coupons were redeemed, generating an uplift in sales of \$16 million," he said.

### Beacon-powered coupons

Mobile coupons and rewards programs have made significant stride in recent years, as it provides users with a more convenient method of redemption and money saving tactics. The strategy also offers benefits to retailers as it opens up the opportunity to derive a wide base of data from the consumer.

Retailers are focusing on a much more personalized experience when it comes to mobile rewards and coupons, as it is providing with much higher return rates exemplified by the results from beacons. Big retailers such as Sephora and Macy's have showcased their faith in a more individualized shopping experience as the beauty chain's has seen success with its program providing mobile application users with recommendations based on past purchases while the department store deployed more than 4,000 iBeacons.

Beacon developer Swirl claimed that 60 percent of users interacted with beacon-enabled content and 30 percent redeemed beacon-powered coupons at its retail partners such as Lord & Taylor, Urban Outfitters, Alex & Ani and Timberland.

Research has also noted more inclusion with Android devices rather than just iPhone usage. North America and Far East and Asia is seeing the most amount of beacon-shared mobile coupons.

## Mobile rewards examples

Retailers are flocking to incorporate mobile into their rewards and couponing strategies.

For instance, restaurant chain Shake Shack saw a spike in new customers after joining the new Visa Commerce Network, a platform that connects consumers to multiple retailer discounts via mobile notifications ([see more](#)).

Also, convenience store chain 7-Eleven expanded its mobile rewards program via a verification system for age-restricted promotions, enticing shoppers interested in alcohol, tobacco and gambling products to sign up for the application ([see more](#)).

"One of the issues preoccupying retailers on beacon couponing revolves around the extent to which they should push coupons to consumers," Dr. Holden said. "Where beacons are push only we would suggest no more than 2 messages, coupons per customer per in-store visit.

"Alternatively, the approach taken by CTF might be more attractive, make the consumer launch an app and then physically touch on an icon on the smartphone screen to receive the coupon," he said.

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