

COLUMNS

Dreaming of a beacon-focused Christmas

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London department store Fortnum & Mason goes all out for Christmas. Image courtesy of Fortnum & Mason

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We are rapidly approaching the most wonderful time of the year again. In preparation, marketers have been gearing up for the holiday shopping season which comprises as much as 30 percent of retailers' fiscal-year sales. And this year, the stakes are higher than ever.

The National Retail Federation expects overall holiday sales to grow 3.7 percent, reaching \$630 billion. Savvy consumers start holiday shopping earlier every year 29 percent of consumers start buying before Halloween.

As consumers get bombarded with advertisements and promos, it becomes more important than ever for retailers to distinguish themselves. This is where beacon technology can make a difference.

Through a retailer's application, beacons can deliver highly targeted messages to shoppers' smartphones as they browse aisles, leading them right to the products they want, as well as comparable recommendations.

Marketers can use behavioral data from beacons and app activity to deliver promotional messages and shopping opportunities as consumers actively place items into their carts.

The holidays are a good time to evaluate how to use beacon technology with marketing efforts.

Deliver what shoppers want

An increasing volume of retailers is in a favorable position to implement beacons.

Eighty-five percent of consumers prefer to shop in a physical store, and 90 percent of consumers shop with their phones while in-store.

With 55 percent of shoppers naming in-store promotions as the best enhancement to the experience, beacon-enabled marketing messages present a great opportunity to convert customers.

Beacons can be used to give customers in-store promotions, exclusive coupons and discounts, or self-pay options to avoid long lines.

Infrastructure and setup

Marketers wanting to implement beacons should be aware of the infrastructure challenges.

These Bluetooth-operated sensors must be in all locations where notifications will be pushed to patrons.

Beyond that, a scalable amount of consumers must be aware of the app and use it while in-store, with push notifications activated. Otherwise, they will not receive messaging.

For that reason, marketers must invest in monitoring and encouraging app adoption.

Setting up beacon technology can be work-intensive, but the returns can be well worth it.

The consumers who marketers are able to identify are not only in the correct target audience they are also in the right shopping mindset. The brand is reaching them in-store as they are actively making purchase decisions.

That is the beautiful thing about beacons: The brand can have a direct conversation with the right consumer, in the right app, in the right store, at the right time.

Beacons have been a prominent fixture in Macy's in-store holiday marketing.

After installing beacon technology in 4,000 of its locations to boost holiday sales in 2014, the retail giant launched its "Walk in and Win" beacon campaign on Black Friday 2015. It offered shoppers \$1 million in gift codes and branded experiences through a beacon-based mobile game.

The campaign not only helped to drive app downloads during a major shopping holiday, but it also enabled Macy's to boost in-store engagement.

Where beacons advertising is going

Some mobile location tech companies are taking advantage of what beacons have to offer by setting up physical beacons at various points of interest, to listen to and gather customer location data to improve the hyper-local advertisements that they are serving.

Data from beacon signals are also becoming available for media buyers in ad-exchange app inventory.

Tech companies can gather anonymized retailer data on customers and leverage it to better understand the preferences and interests of individual users.

As this begins to proliferate, advertisers will be able to provide highly targeted mobile-app ads in real time to customers based on in-store location data.

Consumers now expect personalized, convenient experiences that automate routine tasks and enhance everyday life.

In-store beacons deliver the shopping experience that consumers want and give bricks-and-mortar retailers the tools to outmaneuver online competitors during major shopping seasons.

IF RETAIL MARKETERS want to take full advantage of beacons' potential, the upcoming holiday shopping season is a learning opportunity. This is a good time to gain more shopper interest and gauge how users choose to interact with the brand.

There is no quick and easy plan to activate a beacon campaign. But if there is interest, you need to prepare now because major shopping seasons come more than once a year.



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