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The B2B Marketer's Guide

to Beacon Technology





Introduction

Beacon technology is the latest innovation in proximity marketing, providing both B2B and B2C marketers with new opportunities to deliver better experiences for customers.

Apple's iBeacon has set the stage for exciting possibilities for retailers to reach and engage with customers, but other early adopters including Estimote, shopBeacon and Swirl, are hot on their heels, delivering Beacon applications that go far beyond retail.

We expect beacons to be deployed in exhibitions, events and offices - opening up new opportunities for B2B marketers to deliver relevant and clearly targeted content.

Beacons help marketers to better understand and target their customers, leading to increased engagement and higher conversion rates. This guide is aimed at businesses who want to understand more about beacon technology – what it is, how it is being used, and the opportunities it provides to B2B marketers.

A few simple definitions

Beacon

A beacon is a small wireless device that uses low-energy Bluetooth connections to broadcast tiny radio signals to smart devices that are within range. With the right app installed on a smart device, beacons can exchange data with the app, determine its proximity, and send notifications and content. A Beacon is small enough to attach to a wall or counter top, and has two primary uses:

- Providing timely and relevant content such as alerts, promotions or information
- Identifying customers in a location to enable further engagement

iBeacon

iBeacon is Apple's version of the beacon technology, described by the creators as, "A new class of low-powered, low-cost transmitters that can notify nearby smart devices of their presence". The technology enables an iOS or other hardware to send push notifications to smart devices that are in close proximity.

Bluetooth Low Energy (BLE)

BLE is a technology meant for transferring small amounts of data. It consumes minuscule amounts of energy and allows device batteries to last longer. BLE technology is best-suited for sensors and other small devices that require extremely low power consumption.

Beacons work with any device that has BLE capabilities - including future wearables like smart watches and glasses. Most new smart phones have the capacity to use BLE, Nokia has included the capacity in all its Windows phones and it is a built in feature in iOS7 and Android 4.3.

Pulling it all together

In order for a beacon to communicate with a smart device, three things need to happen:

1. The user must install the app for the location that contains the beacon
2. The user must opt-in through the app to receive notifications
3. Bluetooth has to be turned on

Smart devices can then detect a beacon when in range, enabling timely content to be delivered at the relevant location.

As beacons use Bluetooth, they can work in any environment – even when Wi-Fi or a cellular connection isn't available.



The 'Internet of Everything'

The 'Internet of Everything' (IoE) has become a catch-all phrase to describe every day objects that have network connectivity, allowing them to send and receive data.

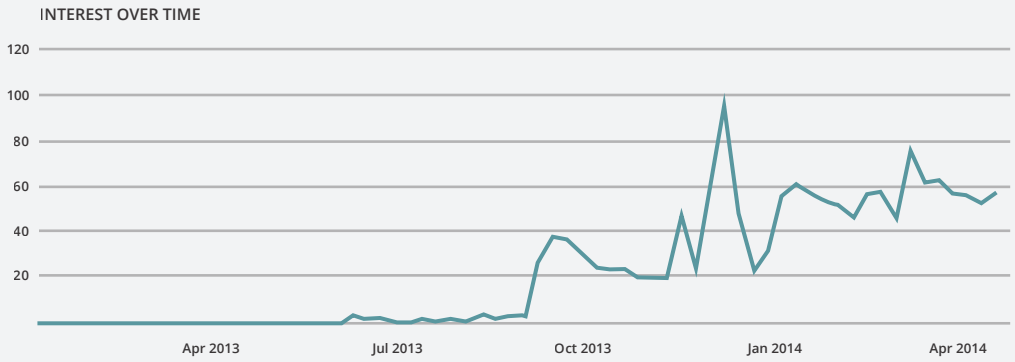
IoE is changing how people and things connect, how we collect and harness data, and how they all work together to enable intelligent processes. On the back of that, the online/offline division is blurring, creating enormous potential for technologies such as beacons to enhance real-life experiences for consumers and businesses.



The emergence of beacon technology

According to Google Trends, 'iBeacon' has become a popular trending keyword since October 2013, but is still considered an emerging technology.

Interest over time for iBeacon. Web Search. Worldwide, April 2013- April 2014
NB: does not represent exact search volume.





The launch of the iBeacon

Apple subtly launched the iBeacon back in June 2013 at the Apple Worldwide Developers Conference (WWDC). A number of other US companies such as Swirl, Estimote, inMarket and Shopkick are also leading the way building beacon hardware and platforms.

iBeacon has gained significant momentum since its debut in the summer of 2013. It is estimated that there are currently over 400 million deployed smart devices capable of acting as, or receiving, signals from beacon technology.

Major retailers including Apple, Virgin Airlines, Macy's and Tesco are currently deploying beacon technology. One study predicts that by the end of 2014, over 30,000 retailers will have beacons installed.

Beacon technology for businesses

There has been a lot of focus on how beacons can benefit retailers and enhance customers' in-store shopping experience, but there are many ways in which beacon technology can also help B2B marketers to drive engagement and increase conversions. These include:

Tracking and measurement

Beacons provides real-time data to enhance the end user's experience. Think of how businesses use online analytics for their websites, we can see how long people stay on pages, how they navigate around the site and which areas they're most interested in – to help improve usability and design over time. With beacon technology, businesses can apply similar principles, to learn how people are moving around physical environments such as events, exhibitions, or even their own office.

Proximity marketing

Beacon technology takes location-based marketing to a whole new, and much more precise level. Micro-location proximity awareness can be leveraged to deliver highly engaging and relevant content to prospects and customers. For example, at B2B events, beacons can direct people to appropriate exhibition stands, whilst at the same time, deliver contextually relevant information and content to their smart phone.

Content delivery

Beacon technology provides a context from which businesses can deliver timely, relevant content that is more likely to engage an audience because it is being delivered at the right place, at exactly the right time.

Internal communication

In larger organisations, or those with multiple offices, communication and collaboration can prove to be a challenge. Beacons represent a huge opportunity to improve internal communication by enabling employees working on-site to be notified with relevant and timely announcements that encourage the sharing of information.

Enhanced visitor experience

Beacons can greatly enhance a client's experience when visiting your offices, by alerting a visitor or client to relevant information about your business that educates them, increases loyalty, or helps them navigate around your building.

Gamification

Gamification is an emerging area within B2B marketing that has grown considerably over the last two years. It provides a different channel to connect and engage your customers. Beacon technology can be used as an ideal counterpart to gamification; assisting user interaction, increasing motivation and driving desired behaviours.

Beacons for B2B marketers - potential applications for use

Now that you have a clearer understanding of some of the benefits beacon technology can offer, let's look at the potential scenarios and applications for use.



Events and exhibitions

An obvious application for beacons is at exhibitions and trade shows, due to the ability to connect and interact with prospective customers in one constrained geographical environment.

Some examples include:

- Creating welcome notifications as attendees enter a trade show
- Alerting attendees of relevant seminars, demonstrations etc.
- Gamification: from scavenger hunts to push notifications
- Distributing attendee data and engagement to exhibitors, such as delegate footfall and identifying which stands have been more popular



Employee collaboration

In today's office environment, many business-related, yet informal conversations happen around common hubs – water coolers, kitchens, lifts or staff break-out areas. Beacon technology can be used to encourage more people to partake in impromptu discussions around these hubs. A beacon can help make the most of these discussions that take place by sending alerts to other relevant individuals within its proximity – bringing people together to inspire thinking, generate ideas and improve employee collaboration.



Office visitors

Beacon technology can greatly enhance a client's experience when visiting your offices by sending alerts via your smart device when your visitor has entered the building. You might even be able to identify the visitor as they are getting out of their car so they can be greeted by name by the receptionist - giving your client a more personalised and memorable experience.



Content marketing

The surge in mobile usage, coupled with beacon technology, has made it possible for marketers to target their customers with relevant content whenever they are near a specific location, store or office. The true application and benefits of using beacons for content marketing in a B2B environment is yet to be realised, but we believe there is huge potential to provide the right content, in the right location to the right audience.

What do beacons mean for users?

By the end of 2014, 1.4 billion smart phones will be in use, 798 million of them will run Android, 294 million will run Apple's iOS, and 45 million will run Windows Phone, according to a new study by ABI Research. This growth in mobile technology has created a fundamental shift in the way we behave, communicate, and do business. As consumers, we have become more comfortable with the benefits and convenience mobile technology offers, and beacons are just the next stage of mobile proximity targeting.



Personalised content

Beacons provide personalised, timely, relevant and location-based content to be delivered via a smart device that meets the user's preferences. This is a positive feature for users, as it prevents content being delivered if the context or location is not relevant.



A new touch point for content marketing

As we interact with content in a whole host of new ways, marketers will need to think of ways to provide innovative content that will be of value to users and engage with them in new ways. Content suitable for a web browser remains invaluable, but 'snackable' content for mobile users, relevant to their interests and immediate location, is the holy grail of Content Marketing.



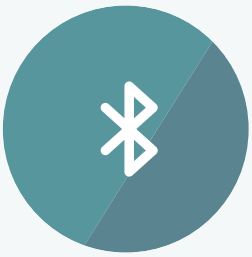
User control

It's still too early to gauge the reaction of beacons, but privacy and intrusion may potentially be an issue. However, remember that the user has to opt in to receive notifications when they install the app so there is a genuine degree of user control.



Potential barriers

Despite the benefits that beacons can provide businesses to target and engage with their customers, they also bring downsides and potential barriers. These include:



Bluetooth activation

Bluetooth needs to be activated by the user in order for the process to take place. This could potentially mean missed opportunities, as not all users will leave Bluetooth open at all times.



Privacy

Beacon technology allows businesses to track a customer's every move whilst they are in the presence of a beacon. However, when the app is downloaded, the user is agreeing to the application terms, privacy policy and practice.



Intrusion

Push notifications delivered to a smart phone may well be relevant, but they can also be intrusive at the same time. If you are walking down the baked beans aisle of the supermarket and you get a buzz in your pocket from the beacon telling you that there's a buy one get one free promotion on baked beans, it may well become intrusive or even annoying. Retailers and marketers will therefore need to use the capabilities with sensitivity, certainly in the early stages, to avoid bombarding users with unwanted advertisements.

5 examples of how marketers are already using beacon technology



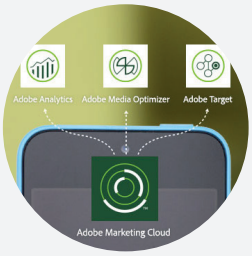
Macy's

Macy's was the first national retailer to implement Apple's new iBeacon in partnership with retail app Shopkick in November 2013. In addition to one-off location-based alerts, Shopkick and Macy's are using shopBeacon's technology to tie customers' at-home shopping with their in-store visits. If a customer likes a specific product in the app, shopBeacon can remind them where that particular product is sold when they enter the store.



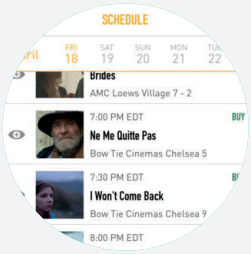
Apple

Apple is using iBeacons in 254 of its US stores. They use it to notify customers when orders are assembled and ready, as well as to alert customers of upgrades when in the relevant section of the store.



Adobe

Adobe are integrating their Marketing Cloud with iBeacons, allowing them to streamline their mobile solution, and help companies develop apps, manage marketing content and measure campaigns, and target and engage audiences in new ways.



Tribeca Film Festival

New York's Tribeca Film Festival is placing beacons around venues in high-traffic areas of the city to keep film festival attendees up-to-date on event happenings. For example, an attendee may receive a push notification on their smartphone when leaving a screening that asks for their feedback on a particular film.



Consumer Electronic Show

Attendees of the Consumer Electronic Show participated in the first promotional iBeacon-based scavenger hunt to explore the event and be rewarded with a special prize. This was a fun way to encourage participants to visit important exhibits across the show floor and introduce them to iBeacon technology.

Summary

There is no doubt that beacon technology is one of the biggest mobile trends for 2014. As more businesses experiment with opportunities, consumers too, will become more receptive as to how they will enhance their experience in-store, and interact with businesses and brands.

In order to see the real benefits, businesses need to be clear about how to integrate beacon technology into a seamless multi-channel user experience - making sure that their content strategy and touch points are well thought through.

The opportunities for both retailers and businesses are endless, for the simple reason that an estimated 170-190m iOS devices are currently capable of being compatible with beacons, with a further 51m iPhones and 26m iPads sold in Q1 2014.

It's exciting to think that there are still many more ideas yet to be realised as to how this technology can be applied to improve our busy lives.

Contact Torpedo for further information about how we can help you to utilise beacon technology in your B2B marketing strategy.

Sources: Oho, Google trends, Beekn.net, Business Insider, E-consultancy, VentureBeat, ABI Research, Patently Apple
Image sources: Estimote, Forbes, Consumer Electronic Show, Apple Insider.com

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