

# Precision digital marketing now available for and in stores

This paper, prepared by Digital Works Consulting and Airspace, addresses in simple terms the challenges faced by fashion retailers and details how beacons based proximity marketing campaigns can provide a response.

The high street has seen disruption from ecommerce and pure online players, but there are now tools to bring precision digital marketing to the physical world: from creating powerful segmentation profiles, to targeting consumers and improving conversion to sales.

Consumers constantly blend offline and online experiences. Retailers must catch up and make the most of the technologies available to maximise their online and offline presence, providing a seamless experience, acquiring and retaining customers.

## US Digital Shoppers Who Have Made Purchases Webrooming vs. Showrooming, Nov 2013

% of respondents

Webrooming (bought in-store after browsing digitally)	78%
Showrooming (bought digitally after browsing at a store)	72%

Note: in the past 12 months

Source: Accenture, "The Seamless Consumer Retail Survey," Feb 3, 2014

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www.eMarketer.com

According to research by Accenture in 2014,<sup>1</sup> while 78% of US respondents reported "webrooming," or researching online before heading to a store to make a purchase, at the same time, 72% of respondents "showroomed," or bought digitally after seeing a product in store.

<sup>1</sup> <http://www.emarketer.com/Article/Retailers-Look-Merge-Offline-Online-Shopping-Experiences-2014/1010812>

Proximity marketing offers a way to translate digital marketing power and analytics to the physical world. Different technologies have been developed to provide a localised wireless mean to distribute content associated with a physical place, such as:



WiFi within range of a transmitter



Bluetooth enabled mobile phone which can receive content from a Bluetooth Low-Energy (BLE) beacon



Wireless internet with GPS, so the device can request content from internet server



NFC enabled mobile phone which can read RFID chip

BLE and NFC provide the highest accuracy and rely on a hardware element positioned in the physical space of interest, and software-based campaign management system linked to a mobile phone application. For the sake of this whitepaper, we will focus on the commercial propositions which beacons allow, while information on technical requirements and implementation of the above technologies can be easily found on the internet.

Beacons are small, low cost devices, which can be fixed almost anywhere in the shop floor, walls and shelves, to communicate with consumers' smartphones via low emission Bluetooth. Though positioned as an indoor communication technology, it is also a very powerful, unobtrusive and low cost way to get insights from people passing through a physical space, engaging with them dynamically, through a controlled network.



For fashion retailers, this helps:

- Increase footfall by [getting consumers into your shop](#)
- Create insight and intelligence, allowing you to [know what your customers want before they do](#)
- [Turn passive space into intelligent and thinking space](#)
- Offer full service relationship by [integrating loyalty, payment and digital marketing](#)
- Manage an [omni-channel business](#), multiplying your potential



# Get consumers into your shop

Know when people pass by your shop! Using beacon technology, it is possible to pinpoint consumers within 200 feet and allow smartphone users to receive relevant, personalised communications. Combined with CRM information about your consumers, deliver content, offers and information your customers want, where and when it matters.

There are countless studies showing that a vast majority of consumers are interested in getting, literally, on-the-spot, offers by retailers.<sup>2</sup> According to Accenture and IBM,<sup>3</sup> up to **72% of consumers respond to calls to action in marketing messages they receive while they are physically within sight of the retailer**, considerably increasing retailer's ability to drive traffic into their shop.



Furthermore, a 2013 study by IBM across 26,000 non-food shoppers in 14 countries confirmed the crucial importance of brick and mortar stores, as seen through the trend in showrooming.<sup>4</sup> While 6% of all the shoppers surveyed are showroomers, they account for nearly 50% of all online sales, and 25% of them initially planned to buy in store. This means that the **growth in online retail is being fuelled by shoppers who first visit a store.**



Research by Land Securities on retail in 2014 in the UK<sup>5</sup> supports this online/offline crossover, with some of the CEOs of luxury fashion chain quoted as saying:

“we have noticed that the stronger the online offering is, the more people come into the stores”.

<sup>2</sup> <http://www.mdgadvertising.com/blog/the-future-of-proximity-micro-location-marketing-infographic/>

<sup>3</sup> <http://www.voxburner.com/publications/6899-an-introduction-to-location-based-mobile-marketing>;

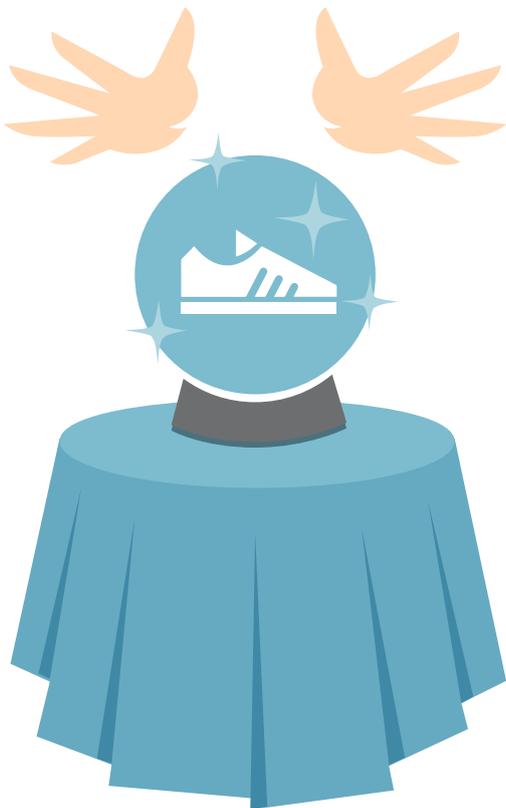
<sup>4</sup> [http://www-01.ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE\\_GB\\_TI\\_USEN&htmlfid=GBE03538USEN&attachment=GBE03538USEN.PDF#loaded](http://www-01.ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE_GB_TI_USEN&htmlfid=GBE03538USEN&attachment=GBE03538USEN.PDF#loaded)

<sup>5</sup> <http://www.landsecuritiesretail.com/media/18900/fashion-insight-report-final.pdf>



# Know what your customers want before they do

Price and personal touch are the most important elements in a highly competitive fashion retail market. Personal touch seems stronger online, as ecommerce platforms offer a new type of personal shopping experience through a mix of self-serve, profiling and learnings from users' clickstream. On the other hand, offering a personal shopping experience in physical stores is an economic choice few fashion retailers can make as they are often faced with reduced staff on the shop floor and little time to train them. However, learnings from online practices can help offer an enhanced in store shopping experience while controlling cost and managing ROI.



Creating offers, propositions and services based on the customer's interests and needs, and your business objectives is paramount to strive, and within reach. Consumer data can be collected from the consumers' use of the brand's mobile app, website and ecommerce platform, and from physical visits and walks through the shops. Analysis will help create highly customised offers that steer consumers to the right merchandise at the right moment, at the right price and in the right channel, in shops and online.

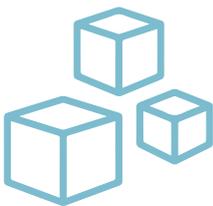
Location based marketing costs consumers nothing, does not require minutes or megabits of mobile subscription, and is a cost effective solution for marketers. Live feedback and integration with consumer profiles help evaluate campaign, redemption rates, call-to-action rates and sales conversions. **By offering relevant and convenient content where your customers are, proximity marketing campaigns have a higher engagement success rate than conventional campaigns.**



# Turn passive space into intelligent and thinking space

Would you like to be able to “see” exactly where things are in your store, understand what consumers are doing, and where and how they are doing it?

So far, most case studies have involved RFID, successfully deployed by American Apparel to track each item in a store within 30 seconds,<sup>6</sup> with measurable improvements in:



Inventory management



Store security



Customer service through better location of merchandise

Even though up to 85% of items in each store have to be tagged one by one, resulting in several tens of thousands of items, the benefits quickly pay back.

In another experiment, Microsoft, Avenade and Accenture developed a smart fitting room<sup>6</sup> that can track, through RFID tags, which items are brought into the dressing room. It is then possible to offer assistance to the customer, suggest other items to pair, find different colours and sizes, call assistants as required – measurably improving the service levels.

<sup>6</sup> <http://resources.impinj.com/h/i/10330092-retail-case-study-american-apparel/>

<sup>7</sup> <http://retailtechnologylab.screenmediatechnology.com/2014/06/is-this-the-connected-fitting-room-of-the-future/>



With beacons, consumers bring their own tag and reader: their smartphones. A smartphone discovering a beacon can register that a consumer has passed through a space and pass that data to an analysis platform in the Cloud, thus providing accurate information on where consumers go, how, how long they stay in specific areas, at what time of the week and day.



With clever positioning of beacons throughout the store, the space can yield a range of actionable data to improve efficiency and maximise ROI.



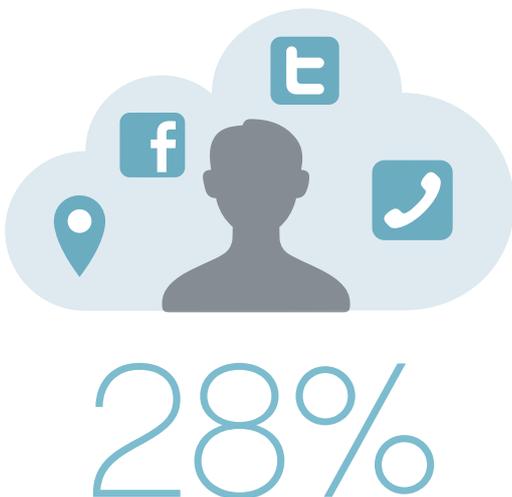
These data points are essential to make good decisions on:

- Shop layout
- Stock and inventory
- How position-in-store, specific merchandise or relational products effect sales
- Sales assistant resource planning and training
- Attribution marketing across offline and online – even if the sale does not happen in the store, consumers who took items into a dressing room are on average 62% more likely to buy it than those who just browsed through the rails. If the purchase takes place online later on, this can still be attributed to the store.

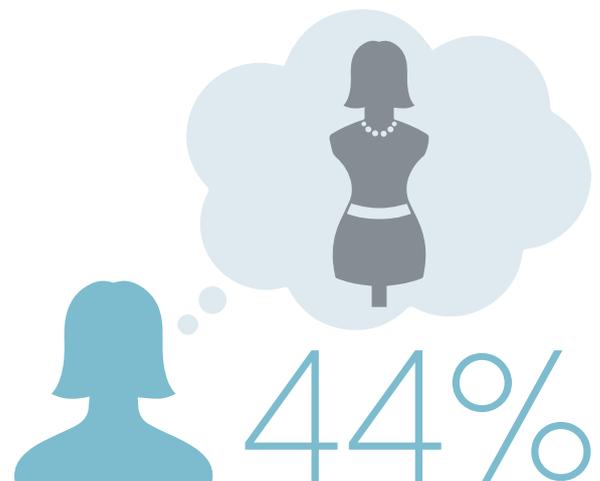


# Integrate loyalty, payment and digital marketing

In a retail environment, it is often only when reaching the till, and only if not using cash, that the shopper can be identified. In the online world, identification takes place as soon as the consumer lands on the brand page or campaign, through account sign in, IP checks or other methods.



Consumers expect their shopping experience to be seamless and customised whenever they interact with a brand. Proximity marketing can be used to up-sell, cross-promote, incentivise, engage, educate, entertain and, increasingly, handle the sale itself.

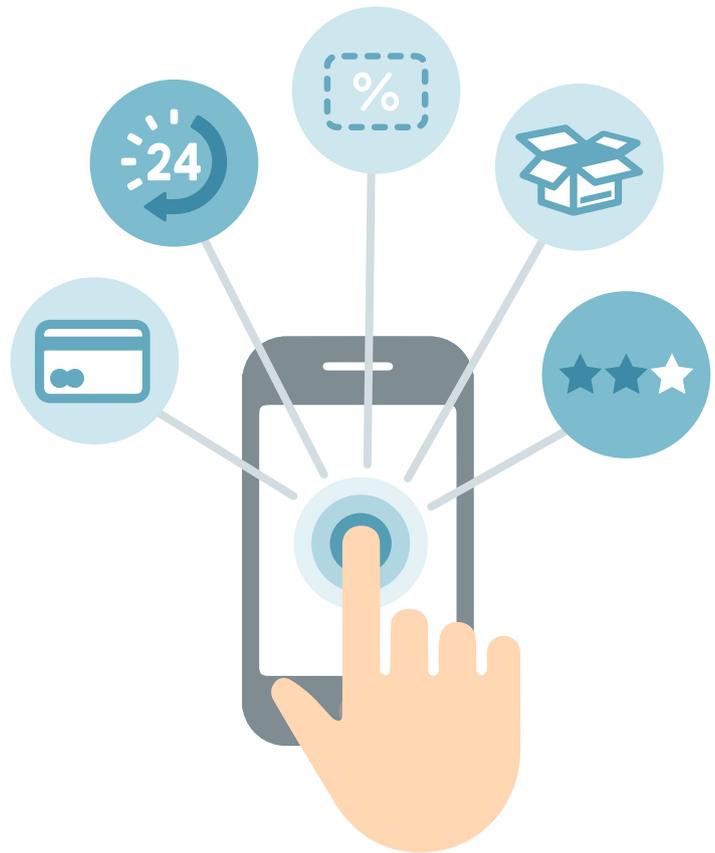


In a recent study by IBM across 110,000 shoppers in 19 countries,<sup>8</sup> it was found that 28% of consumers are willing to share information with trusted retailers, such as social, location and mobile contact methods. 44% of shoppers want on-demand, personalised promotions closing the gap to the 48% of shoppers who want the same online and may feel less directly targeted as they operate in a virtual environment.

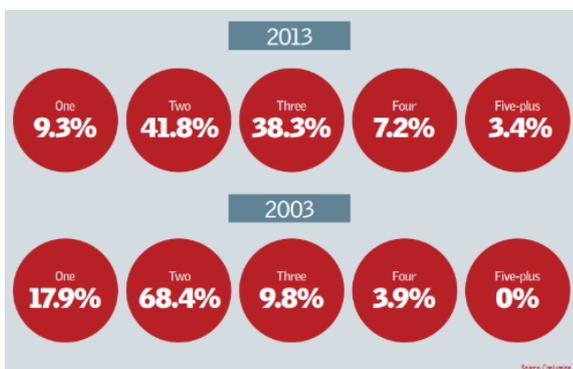
<sup>8</sup> [http://www-01.ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE\\_GB\\_TI\\_USEN&htmlfid=GBE03643USEN&attachment=GBE03643USEN.PDF#loaded](http://www-01.ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE_GB_TI_USEN&htmlfid=GBE03643USEN&attachment=GBE03643USEN.PDF#loaded)



# Manage an omni-channel business



Fashion retailers all face the same challenge, in that consumers demand around the clock availability and flexibility from shopping, using more and more channels to find out information, check stock, price, delivery options, loyalty rewards available, reviews; and the list continues to grow.



The connected consumer in the UK is more likely to use 2 or 3 channels, which leaves retailers grappling with complex interconnected customer decision journeys<sup>9</sup> and constantly updating their capability to gather consumer data, cross-reference it and deliver actionable analysis on attribution across all channels and marketing activities.

Most of the time, retailers are organised in a product-oriented way, where product managers have specific volume or revenue targets, often depending on the channel.

<sup>9</sup> <http://www.landsecuritiesretail.com/media/18900/fashion-insight-report-final.pdf>



When embarking in the transformation to an omni-channel business, various teams and departments need to collaborate to define strategies based on a common customer-centric business vision. This work may be lengthy and require full attention and support from senior management with consequences across supply chain management, staff incentive schemes, budgeting, service level agreements, inventory, marketing, to name but the most obvious.

A first step could simply be to develop a proximity marketing campaign, along the areas suggested above, with measurable goals and defined timescale. This can be done based on the mobile application of a beacon network provider, or integrated into the brand's existing mobile application.

From our recent independent survey, more than half of UK retailers are investing in proximity marketing technology within the next 6 months.<sup>10</sup>



Get on board, find out more about Airspace pilot: <http://airspace.cc/airspace-pilot/>, a three-month, low risk, low cost, measurable way to trial proximity marketing, with 50 beacons at your location of choice, technical and business support for live analytics and campaign management.

<sup>10</sup> <http://airspace.cc/download-full-whitepaper/>





Digital Works Consulting (DWC) is a specialist digital and mobile consultancy; digital is all we do. DWC specialise in helping two main types of client, UK based or international, to successful digital business:

- Mature companies looking to adapt to digital change and require business and IT transformation.
- High growth digital businesses needing to mature towards a successful exit.

Working with clients in sectors such as telecoms & mobile, financial services and fintech, e-commerce & retail, entertainment & media, martech and other sectors. Bringing our difference – an absolute focus on digital and these core attributes:

- Proven methodologies | solving business needs in digital
- Deep digital expertise and experience | each DWC consultant has at least 15 years in digital
- End-to-end service | across think, execute, grow, support
- Extensive contacts and partners | our network is yours
- Great spirit | multi-skilled, flexible, passionate, engaging

Enabling your success. In digital. For more information, visit

[www.digitalworksconsulting.com](http://www.digitalworksconsulting.com)

**Elise Korolev** is an action orientated marketer with over 15 years in international strategic and operational roles across mobile networks, software development, and mobile platforms. She has driven marketing strategies at global and regional levels, assessed and executed technology investments and expansion plans to unlock new products and markets and successfully develop effective go-to-market strategies.



**Airspace** is a proximity marketing solution for delivering highly relevant brand engagement when smartphone users are in store. Formerly known as Geemo, Airspace allows retail and leisure venues to create proximity marketing networks - Airspaces - that engage visitors and generate deep and rich data on how consumers use the location.

Airspace Pilot is a ready-to-execute package of everything you need to trial proximity marketing and in-store analytics. Retail and leisure locations can use Pilot to quickly set up a proximity marketing network – an Airspace – in one or more venues and start engaging visitors via their smartphones. Pilot is ideal for running an engagement campaign during key shopping events, for example major sales or holiday periods, to encourage footfall and increase conversion. Pilot can also be used to promote leisure experiences centred around a key venue, such as a football stadium or an upcoming calendar of events, such as a festival.

Our proximity engagement specialists are ready to help you trial this breakthrough technology.

For more information please visit

[airspace.cc](http://airspace.cc)

**Ian Malone** Ian is the founder and CEO of Airspace and also We Are Apps, a specialist developer of location-based applications. He has spent nearly 20 years delivering marketing solutions for brands, the past five of which have been focussed entirely on the mobile space. As a leading thinker in the proximity marketing space he regularly advises brands and agencies on how contextual marketing is going to dominate the brand relationship in-store.