The Rise of Smart Places

IoT, Marketing, and the Digital Transformation of Location

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There has never been a more exciting time to be in marketing
1st generation digital marketing

Awareness building

Photo by Le Buzz on Unsplash
2nd generation digital marketing

Personalization

Photo by Marten Bjork on Unsplash
Next-generation digital marketing

True omni-channel

Photo by Marvin Meyer on Unsplash
Three key features of next-gen digital marketing

Increasing the speed which a customer moves along the buying journey

Optimizing every interaction using behavioural, demographic & propensity data

Integrating communications across established and new, innovative channels

Source: Key Elements of a Next-Gen Digital Marketing Strategy, Altimeter @ Prophet, 2018
Marketers now play a pivotal role in the transformation of organizations

Marketing becomes:

- a driver of demand
- a facilitator of innovation
- a creator of experiences
- an integrator of data
- an activation agent for insights
But not all marketers benefit equally from the shift to digital
“Less than halfway through April, American retailers have announced plans this year to shut 5,994 stores, exceeding the 5,854 announced in all of 2018”

New York Times, Apr 12 2019
“More than 1,000 restaurants went bust in Britain in the year through September, a 24% rise on the previous 12 months”

Reuters, Dec 17 2018
“2,868 bank branches will have closed between 2015 and the end of 2018, with the number accelerating this year”

BBC, Jun 15 2018
Location brands, which rely on a physical presence, are losing relevance
Relevance drives growth

GROWTH FOR THE TOP 50 MOST RELEVANT BRANDS VS S&P 500

NOTE: Based on financials for all publicly traded brands within the Top 50 in US 2017 BRI
But this battle for the customer is starting to shift
We are seeing the emergence of Smart Places

"A physical space — public or private, indoors or outdoors — where connected, sensing technology is used to gather insights into the actions, intent, and behaviour of people in it to support customer experience."

Source: Smart Places, Altimeter @ Prophet, 2018
Smart place devices fall into three broad categories

**Tracking**
Allows brands to know who, and what, is in their location and track their activities.

- Facility tracking
- Object tracking
- People tracking
- Camera
- Microphone
- Accelerometer
- Compass

**Intuiting Behaviour**
Analyse those activities to make assumptions about the behaviours that are driving them.

- AI-assisted video
- Audio
- Consumer devices

**Delivering Experience**
Delivering personalized experiences to consumers based on activities & behaviours.

- Consumer devices
- Audio assistants
- Digital infrastructure

Source: Smart Places, Altimeter @ Prophet, 2018
Investment is increasing

MARKET FOR INDOOR LOCATION PLATFORMS AND SERVICES

2017: $7.2bn
2020: $12.5bn

Source: Gartner, 2017
Digital-only brands are building technology-enabled, physical locations.

Photo by Warby Parker
So, how are brands & marketers using this technology to gain advantage?
Access

For consumers...
Control admission and deliver location specific services.

For marketers...
A real-world tracking mechanism similar to a cookie on a website.

Photo by Disney
Wayfinding

For consumers...

Help customers, employees, and even robotic devices navigate locations.

For marketers...

Understand consumer intent, prioritise service enhancements, and optimize flow.

Photo by Target
Personalized Content

For consumers...
Real-time, personalized content, including offers, rewards, user ratings/reviews, and experiences.

For marketers...
Drive loyalty and purchase in a similar way to online re-targeting techniques.
Payments

For consumers...
Reduced purchase time and automatic connection to loyalty.

For marketers...
Offline customer data set, reallocate check-out staff to higher value customer service tasks.

Photo by Suning
Asset Tracking

For consumers...
Advance knowledge of what’s in stock, automated check-out.

For marketers...
Real-time inventory data, optimised CX.

Photo by SounderBruce on Flickr
Employee Enablement

For consumers...
Focused support from customer service agents.

For marketers...
Turn employees into brand advocates, deployed where and when consumers (or patients) need support.

Photo by RFID Journal
Consumer & Place Analytics

For consumers...
Optimised store & location layouts.

For marketers...
Detailed insights into consumer behaviours.

Photo by Heathrow Airport
Connecting the dots

ACCESS  WAYFINDING  PERSONALIZED CONTENT  PAYMENTS  ASSET TRACKING  EMPLOYEE ENABLEMENT  CONSUMER & PLACE ANALYTICS

Source: Smart Places, Altimeter @ Prophet, 2018
Optimising cross-channel customer experiences

Photos by Fabletics
To drive real impact

For businesses investing in IOT-enabled CX initiatives

65% showed an increase in employee productivity

67% experienced improvements in operational efficiency

68% saw a positive impact on brand equity

Source: Zebra Technologies, 2016
So, where to begin?
1. Educate
2. Form a team
3. Assess the market
4. Extend the customer journey
5. Model data integration
6. Develop conceptual architecture
7. Build a business case
8. Test, learn, & test again
Be ready for next generation marketing

“In a market where many brands are investing in digital to compete for attention at scale, CX can become a significant competitive advantage.

By focusing on experience as a driver for customer value and business growth, marketers at these innovative brands are earning the ability to gain more influence beyond conventional marketing.”

Source: Digital Experience Innovators, Altimeter @ Prophet, 2019
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