

PROPHET

The Rise of Smart Places

IoT, Marketing, and the Digital Transformation of Location

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PROPHET
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There has never been
a more exciting time
to be in marketing

1st generation
digital marketing

Awareness building

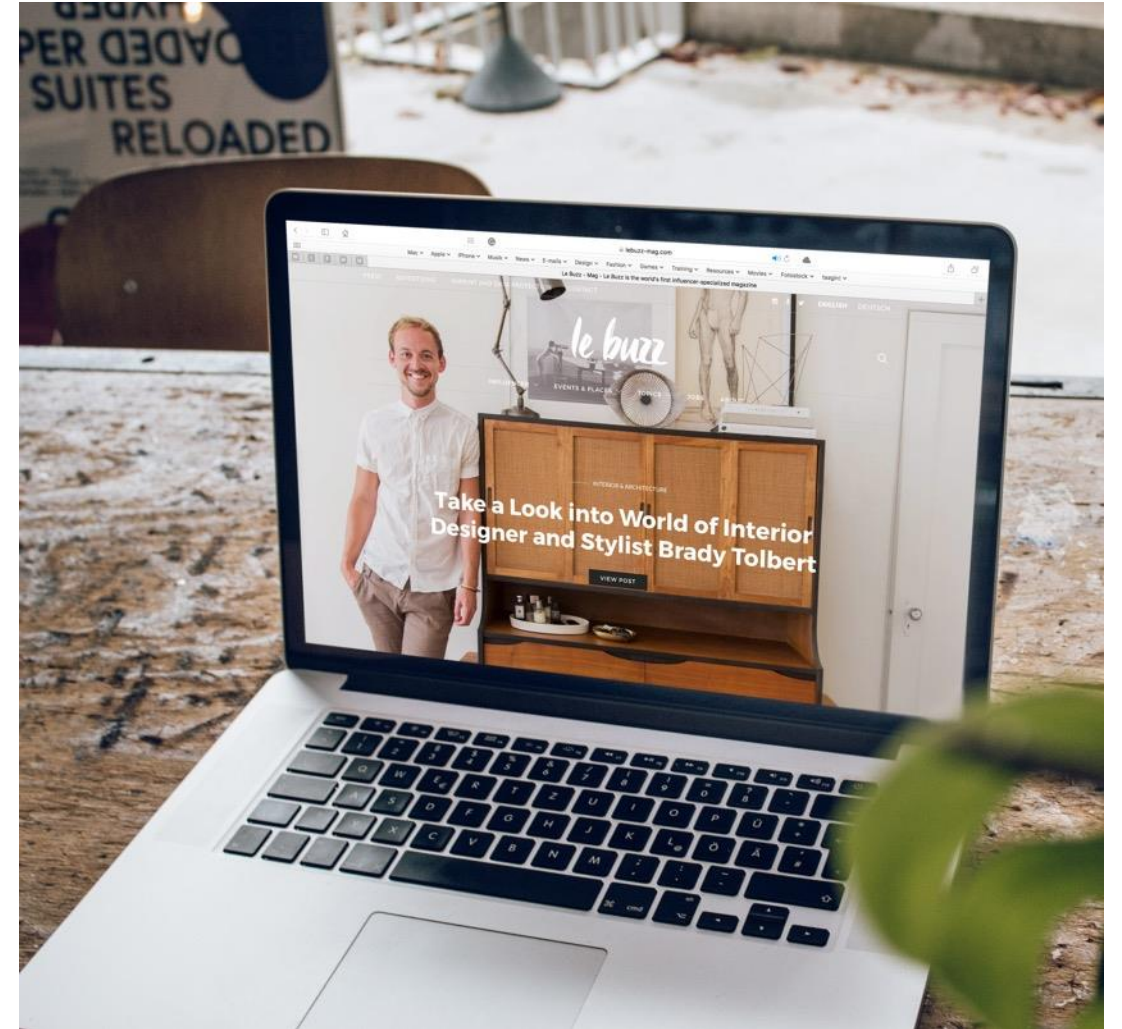


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2nd generation digital marketing

Personalization

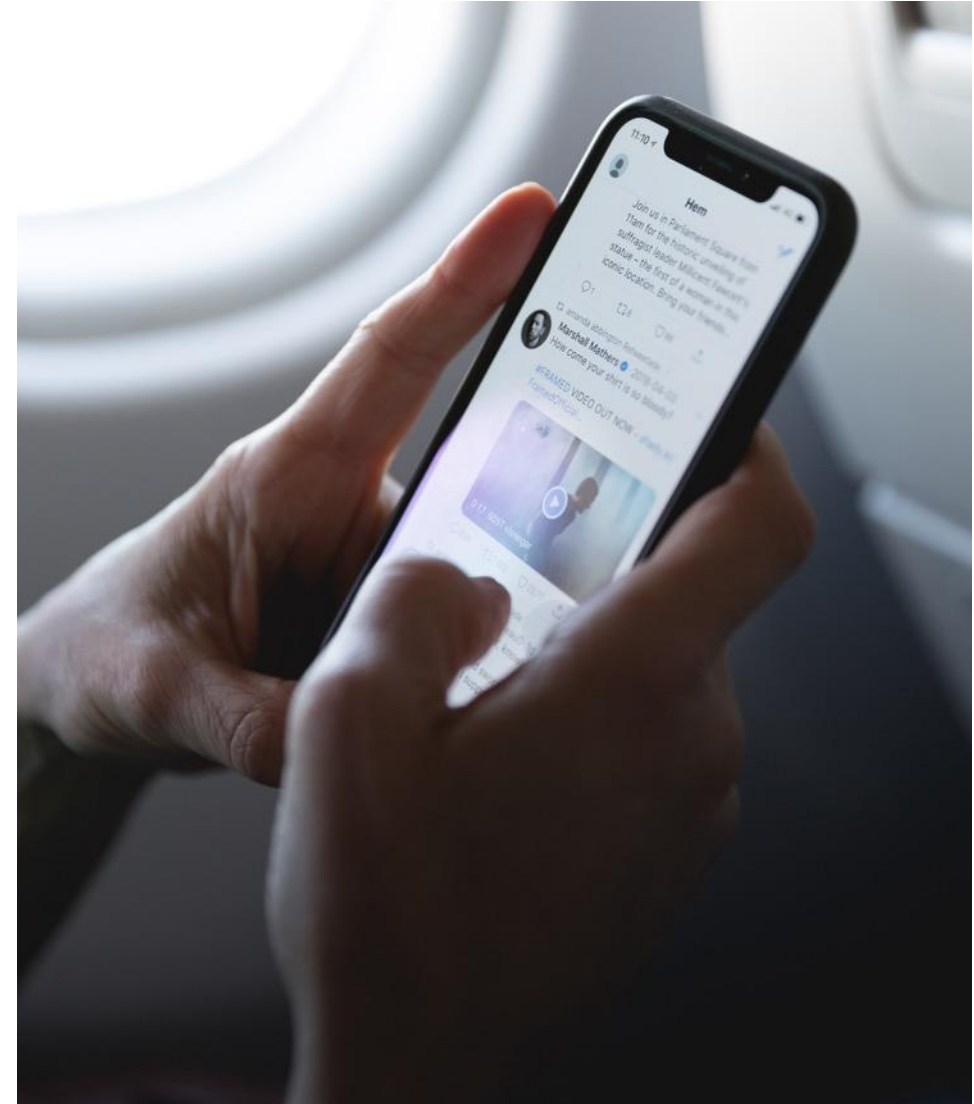


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Next-generation digital marketing

True omni-channel



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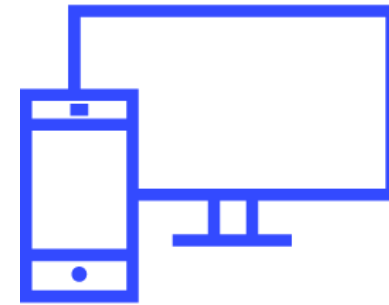
Three key features of next-gen digital marketing



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



Photo by Daniel Case on [Wikimedia](#)

“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



Photo by Marco Verch on [Flickr](#)

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

BBC, Jun 15 2018



Photo from [Wikimedia](#)

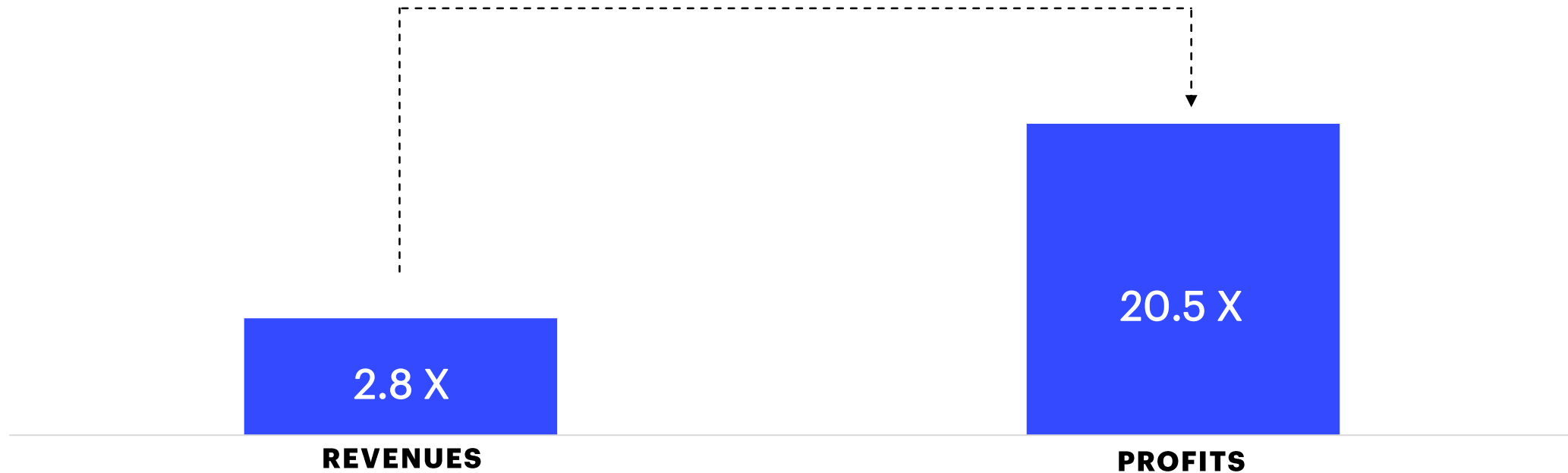
Location brands,
which rely on a physical presence,
are losing relevance

Prophet Brand Relevance Index® 2018



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

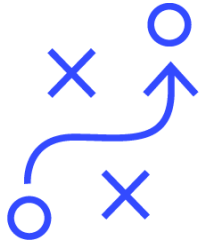
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But this battle for the
customer is starting to shift

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."

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



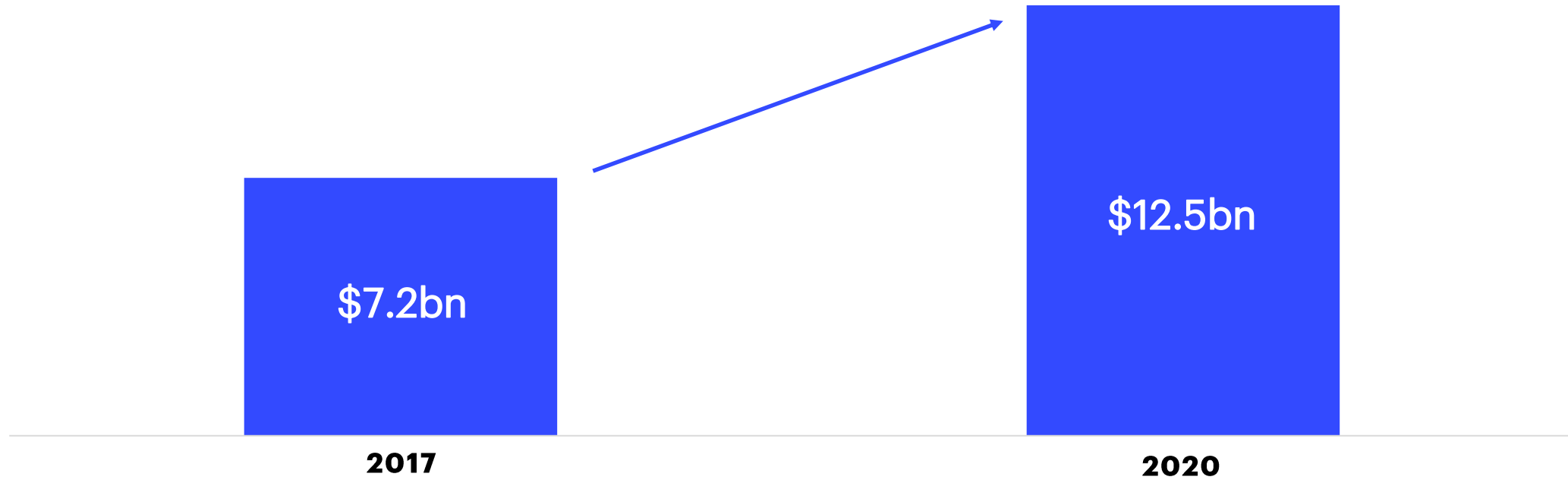
DELIVERING EXPERIENCE

Delivering personalized experiences to consumers based on activities & behaviours.

Consumer devices
Audio assistants
Digital infrastructure

Investment is increasing

MARKET FOR INDOOR LOCATION
PLATFORMS AND SERVICES



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.

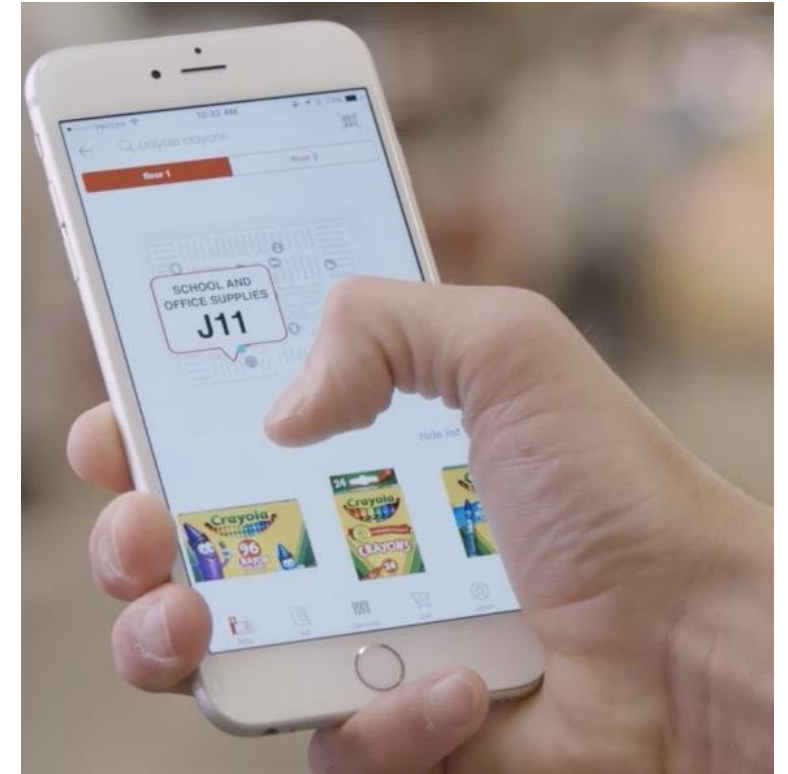


Photo by Target

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.



Photo by Cali Group

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.

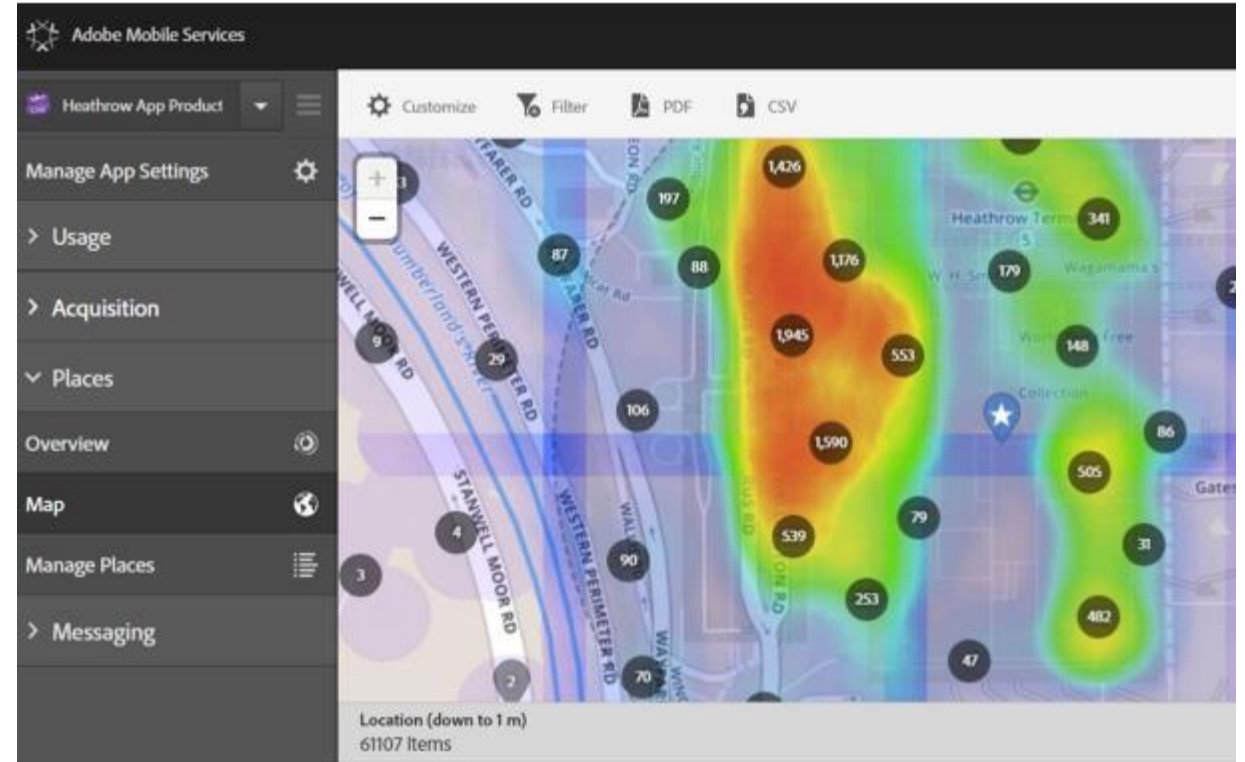
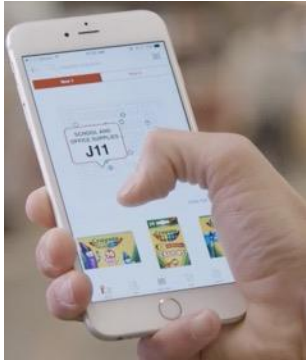


Photo by Heathrow Airport

Connecting the dots



ACCESS



WAYFINDING



**PERSONALIZED
CONTENT**



PAYMENTS



**ASSET
TRACKING**



**EMPLOYEE
ENABLEMENT**



**CONSUMER
& PLACE
ANALYTICS**

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

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.”

Find out more



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