The role of Technology

Technology is simply a tool we use to help get the potential consumer’s attention. The Marketing Content is the key to converting the potential consumer into a consumer!
WHAT IS PROXIMITY MARKETING?

Proximity Marketing sometimes referred to as “Hyperlocal Marketing”, uses a variety of technologies and approaches to target potential consumers at a specific location with advertising content or information designed to entice them to purchase goods or services from a business located in their immediate proximity.

For example, a coffee shop or restaurant could use a Bluetooth Beacon device, attached to their building, to send an advertisement or coupon to the mobile phones or Bluetooth enabled tablets of potential consumers who are passing by the building. The advertisement is only seen by the potential consumers in the immediate proximity of the shop or restaurant.

Another example of Proximity Marketing is a retail store placing QR Code labels or NFC Tags on products throughout the store. The potential consumer can scan the QR Code labels or NFC Tag with their mobile device and view a video on their mobile device explaining the benefits and features of the item the QR Code label or NFC Tag is attached to. Only consumers in the shop can watch the videos.

Digital Signage is also an example of Proximity Marketing. Using video screens for advertising and information sharing is a very cost-effective way to impress and focus potential buyer’s attention on the product or service a marketer wants to sell. The screens can be used in storefront windows, as menu boards in a restaurant or they can be integrated into sales displays through a store.

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[What defines it as Proximity Marketing?]
WHY IT IS EFFECTIVE?

Since the promotional information or advertising is presented to the potential consumer while they are in the immediate proximity of the store or restaurant the client is more likely to act on the promotion if the promotion is relevant and they are already in the area.

A good example is a consumer who is out shopping and passes by a restaurant or coffee shop and they receive an advertisement or coupon for that location. The consumer is more likely to act on the promotion if they can simply walk into the local shop as opposed to someone who is across town who receives the same advertisement or coupon.

Proximity marketing also allows the marketer to influence the consumer at the point of purchase, the point where many purchase decisions are made. This type of marketing improves the seller’s chances of upselling the consumer at the time of purchase.

In addition to increasing sales and margins, Proximity Marketing is very cost effective. The technology is easy to deploy and the entrance costs into Proximity Marketing are relatively low compared to other marketing approaches. Finally, Proximity Marketing is easy to expand and very flexible, allowing the marketer to easily respond changes in the marketplace or product demand and inventory.

The technologies and the approaches used in Proximity Marketing can be used in many other types of application but for the purpose of this whitepaper, we will focus on marketing businesses in the local proximity.
One of the fastest growing technologies used by marketing groups today is Bluetooth technology. Digital marketers use a low power Bluetooth transmitter called a "Beacon". The "Beacons" transmit a message to the potential consumers, in the immediate proximity, mobile phone or tablet. The message is typically a web link for a landing page ad, Facebook page or data for an app that has been installed on the consumer’s device.

A link appears as a message in the notification area of the mobile phone or tablet or activates an app on the consumer’s device. When the potential consumer “clicks” on the message they are linked to the internet to the Landing Page or Facebook page. There the potential consumer typically has the option to "opt-in" into a mailing list, SMS list or request information be sent to their email account or some cases they potential consumer could be linked to a coupon which can be downloaded. When the Beacon’s data message is designed to work with an app, the reaction to the Beacon’s data message could cause the app to activate and display information such as a video or it could trigger the app to send data such as the consumer’s location back to a database.

The "Beacon" can only transmit and does not receive any information. The information transmitted can also be Telemetry such as location, temperature or pressure which can be used by an app the customer has downloaded to help them locate items, places or products.

There are two key message formats the Bluetooth Beacons use EDDYSTONE or IBEACON. The Eddystone format works with Android devices natively and iPhones which are running Chrome and Physical Web apps. The Ibeacon
format is limited to the iPhones at this time.

The only requirement for an Android phone to receive the Eddystone format message are the Bluetooth receiver and the “locator” function are activated.

The low powered Bluetooth Beacons on the market today have an effective range of 2 to 70 meters (7 to 200 feet). The power on most Beacons is adjustable so you can control how large an area you want the potential consumer to receive the message. You can configure a beacon to broadcast up and down a street or in large space like a School gym or you can restrict the signal to a single display in a retail store application or the checkout register.

Most of the Beacons available at this time are programmed using an app on a mobile phone or other Bluetooth devices and a few are internet capable allowing you to remotely monitor and program the beacon's message.
QR Codes were originally created to help track parts in the manufacturing process of vehicles. A QR Code (short for "Quick Response Code") is an image that can be read by a smartphone or tablet’s camera. Several app developers have created free QR Code reader applications, which once downloaded; allows a device’s camera to acts like a “scanner” and "read" the QR Code.

Once scanned by your smartphone, the QR Codes can link the device to a web page, contact information, send an SMS, or links the device to information on the internet.

The majority of QR Codes used in marketing applications are being used to download coupons, view videos, purchase items, process orders, and advertise products, display maps, and auto-dial phone numbers.

QR Codes can be printed in magazine ads, newsprint ads, displayed on Digital Signage screen, Restaurant menus, and building locator plaques or even on t-shirts.

Potential buyers are 83% more likely to buy a product after watching a video that explains all the features and benefits of that product. A QR Code label can be generated that can be placed on a product and when scanned will link the potential consumer’s device to an online video. All the potential buyer needs to do is scan the QR Code with their phone and they instantly view an informative video on the product on their smartphone or device!

In another approach, a QR Code can be permanently linked to Landing Page. The information on the Landing page can be changed without affecting the QR Code’s function.
allows a vendor or service provider to provide an object like a calendar, coffee mug or mouse pad with a QR Code on it to a potential consumer. Each time the potential consumer scans the QR Code their device will display the message on the Landing Page. The vendor or service provider can change the offer, coupon or discount on the Landing page as often as they like. So the potential consumer scans the same QR Code on the object as often as they like and will see the vendor’s latest offering.

QR Codes can be used in many applications and cost only pennies to create. The only downside of QR Codes is that the potential consumer needs to download an app to their device; however, there are several QR Code Reader apps available for free.

QR Codes can be used in magazine ads, newsprint ads, Digital Signage screen advertising, Restaurant menus, and building locator plaques or even on t-shirts.
Near Field Communication is another method of transferring information from a proximity device called a "Tag" to a smartphone using a feature built into most Android smartphones.

When the phone is within centimeters of an NFC Tag, the smartphone will read the tag and react to it based on the information programmed into the NFC Tag. A typical application would be to download a coupon to the phone or collect loyalty point when the phone is held next to an NFC Tag. Another application would allow you to authorize a payment by simply holding your phone over an NFC Tag.

Using an NFC Tag, a potential consumer can simply tap a phone to a tag and the phone will play a video. This is a quick way to introduce a potential consumer to your business or products.

Tap the phone to an NFC tag located on a poster, business card or a tag attached to your ID badge and it can download contact information or even a coupon to the phone!

NFC Tags can be used download a menu, event schedule, a map with directions or link the phone to a landing page. They can be used for price checking, taking attendance or collecting information at a Trade show.

NFC Tags can also be used to activate features in the smartphone or change the phone's settings.
Digital Signage, using flat-screen TVs for advertising or information sharing is another form of Proximity Marketing. Whether the screens are in a storefront window or deployed at merchandising tables throughout a store they can only impact the potential consumer in the immediate “visual range” proximity.

The Signage screens are very effective due to the impressive graphics and the narrow focus message which allow the marketer to both impress and focus the potential consumers’ attention on the product or service the screen is dedicated to.

Potential buyers are 83% more likely to buy a product after watching a video that explains all the features and benefits of that product a marketer can cost-effectively increase sales and upsell effectively by using Digital Signage.

There are dozens of applications using Digital Signage and many vendors that offer packaged Digital Signage systems.

Some Digital Signage display can be linked to the internet which would allow the graphics and video on the screen to be changed and updated quickly from anywhere in the world. This provides flexibility and allows the corporate marketer to make adjustments due to changes in the marketplace, product availability or local issues like weather, competitive pricing or inventory levels.

Signage screens can also be tied into other proximity marketing technologies like Bluetooth Beacons which can sense movement and change the message on the Signage.
screen. For example, one Bluetooth beacon company offers small, short-range Bluetooth tag that can be attached to a product and senses movement of the product indicating that a potential buyer is interested in that product. The tag sends a signal to a second device connected to a Signage screen where the tagged product is located. The second device sense which product the potential consumer is handling and can display information or a video about that product on the Signage screen which is located in front the potential buyer.

Signage screens can also react to NFC Tags so a potential buyer can place the NFC Tag of the product against a reader on a screen and the screen will display information or a video on that specific product like pricing, the range of available colors or sizes that product is currently available in.

Digital Signage is a great way to influence the potential consumers but it is the most costly Proximity Marketing approach. There is a high equipment investment on the front end and a continuing expense to develop the videos or high-quality photography needed to effectively use Digital Signage. That said, I must admit it is the most impactful Proximity technology.
The sky is the limit with Proximity Technologies. Our success will only be limited to the boundaries of our imagination!

About the author

Charles S Landis

Chuck has over 35 years of experience in Technology Marketing in a range of companies from Fortune 100 companies like 3M and Honeywell to startup companies like Konnectek, IFS, and Weed Fiber Optics.

He is expert in identifying new applications for cutting edge and existing technologies, defining the path-to-market, and building the marketing, engineering and sales forces needed to dominate new or existing marketplaces.

His background in Engineering allows him to understand both the capabilities and limitations of a technology and how to apply it. He often jokes he is an Engineer who was turned to the “Dark side”, Sales and Marketing, but his many successes have demonstrated he is equally effective as a Marketer as he is an Engineer.

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