Bluetooth Proximity Marketing - How can retailers benefit?

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Bluetooth Proximity Marketing is the latest marketing technique, but how can retailers apply and benefit from it? Proximity marketing is about connecting with your audience at the right place and time. Retailers can benefit from this technique and it is important to know how.

Before diving into how the technology can be applied and what the benefits are, let's briefly review the different proximity marketing techniques.

Proximity Marketing Techniques

Proximity marketing is the localized wireless distribution of advertising content based on a particular place and time. The individual with the necessary equipment (cell phone, tablet, etc.) can choose to receive these transmissions. There are 4 main types of proximity marketing

- An internet enabled device (cell phone, tablet, etc) with GPS.
- An WiFi device (cell phone, tablet, etc) within range of a transmitter
- A Bluetooth device (cell phone, tablet, etc) being within range of a transmitter
- A NFC enabled phone that can read a RFID chip on a product or media.
- QR Codes and so forth.

Since this article is about Bluetooth Proximity Marketing, let’s explain this technique shortly.

What is Bluetooth Proximity Marketing?

Bluetooth is a short-range wireless system found on most smartphones and tablets nowadays that transmits information and can receive information without wires. We use Bluetooth in our cars to call people without a headset or to send files to another device without a USB cable. Bluetooth proximity marketing involves setting up Bluetooth
"broadcasting" equipment at a particular location, for example a promotional spot, and then sending information which can be text, images, audio or video to Bluetooth enabled devices (aka cell phone, tablet) within range of the transmitter (beacon).

Here is a simple example of Bluetooth proximity marketing. A retailer adds a beacon (transmitter) to a specific promotional spot, and the person with a Bluetooth enabled phone may receive a coupon for the products found at that promotional spot or a complementary product found one aisle away.

A Bluetooth enabled mobile device, when in range of the beacon (transmitter) receives the signal and then via the device’s operating system, passes information to the appropriate mobile app(s).

There are several ingredients needed to use this marketing technique.

First of all, your consumer should be using Bluetooth via a phone or tablet and at the location where the marketing technique will be applied. Bluetooth has a transmission limitation.

A Bluetooth transmitter (beacon) is also necessary to send out and receive information.

The targeted individual should ideally have a specific application installed on their phone that is capable of receiving a push notification.

How Can Bluetooth Marketing be Applied?

Bluetooth Proximity marketing can have many applications, but can it be applied to the shopper experience and if so how can the retailer and consumer benefit? Within Bluetooth Proximity Marketing there are several types of applications.

Marketing

The objective is to directly market to the consumer. Retailers can benefit from Bluetooth Proximity Marketing by targeting an individual at the right place and the right time. BLE has proven to have higher conversion rates than other outbound marketing techniques.

Here are some examples

Sending relevant data (text, video, audio, games, etc.) while the consumer is in front of a specific product
Sending push notifications (about promotions, etc.) relevant to what the user is seeing in the store.
Sending coupons
Segmenting audience (depending on user / Facebook login / …)
Engage with audience
Higher conversion rates
TURN ON BLUETOOTH

IN STORE
Information

The objective is to collect information about the consumer using Bluetooth proximity technology. For example, retailers want to understand how consumers move throughout a store. If beacons are set up throughout the store it is possible to trace the consumer’s behavior within the store. The retailer can also know:
  o Who is in the store
  o What sections does that person like
  o Dead spots
  o Favorite recurring spots
  o Facilitate information based on location

Improving Operations

Retailers can benefit from Bluetooth proximity technologies by improving operations and the overall shopper experience.

Payment via Bluetooth – Facilitate payments, faster and cheaper.

After registering, the user can easily pay for an item by simply being close to the cash register and then approving the purchase with a push of a button.

Live coupons vs. Paper Coupons

There is lots of talk about something called iBeacon and it is highly relevant to the concept of "Bluetooth proximity marketing".

More great examples - Bluetooth Proximity Marketing

What is iBeacon?

*iBeacon is the Apple Trademark for an indoor proximity system that Apple Inc. calls "a new class of low-powered, low-cost transmitters that can notify nearby iOS 7 devices of their presence." The technology enables an iOS device or other hardware to send push notifications to iOS devices in close proximity. Android operating system devices can receive iBeacon advertisements but cannot emit iBeacon advertisements.*

iBeacon by Apple is a solution that is a mix of i=S and Bluetooth Low Energy. iBeacons can transmit data in the absence of a GPS, Wi-Fi, or a 3G connection to other Apple or Android devices. Android operating system devices can receive iBeacon advertisements but cannot emit iBeacon advertisements. iBeacon is a form of Bluetooth proximity marketing but has limitations.

What are the downsides and difficulties?

Bluetooth should be enabled on the device and the device has to be ‘discoverable’.
Ideally an app (of the store) should be downloaded.
Privacy issues - legal issues

Bluetooth proximity marketing is about marketing to your consumer at the right place and at the right time and with highly relevant ads. Retailers worldwide have already implemented this technology and are seeing excellent conversion rates. Proximity Marketing will change the way we shop and we will see it more and more.