

Understanding Indoor Location Technology, the Market and Value Drivers



Housekeeping

- Ask a question at any time - Use the Q&A box in the presentation screen



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Today's Speakers

Krysta Person

Commerce Product
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IBM

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Global Program Director,
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IBM

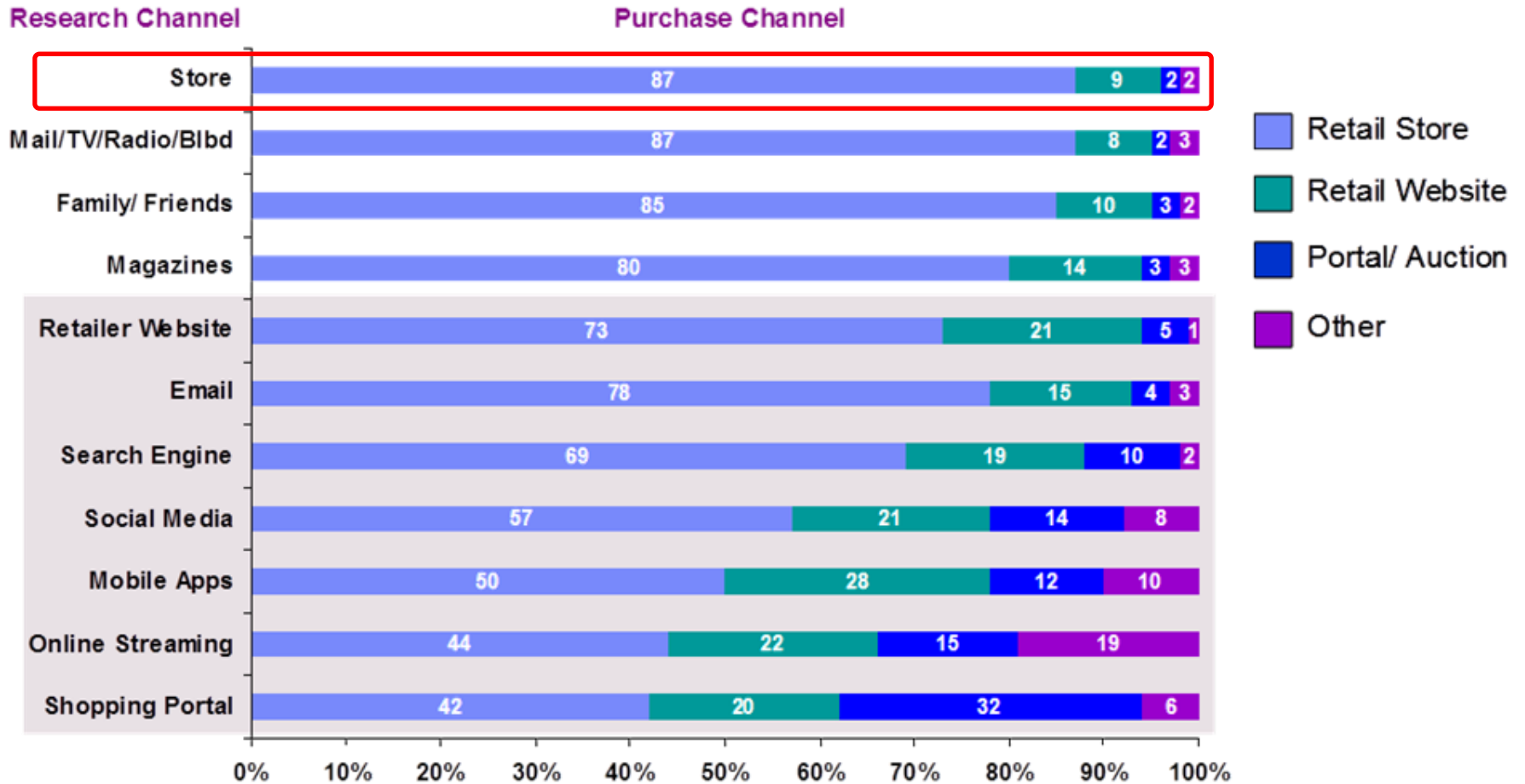
Agenda

- The hype and reality with indoor location technology
- Understanding key value drivers and building a use case
- Recommendations to make you successful
- Capabilities from IBM
- Discussion / Q&A

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The store still dominates as #1 channel of purchase



Source: IBM Institute For Business Value Analysis 2012

How will you leverage your store as a strategic asset ?

Omni-channel insights

58% of retail customers want to access relevant product info in-store



Adaptive stores



Enabled associates

66% of luxury consumers are more willing to interact with a sales associate equipped with a mobile device. (Forrester)



Store execution

- Walmart To Go - Same Day Delivery**
- New offerings – WunWun, Instacart, TaskRabbit...**
- Amazon - \$13.9B on new warehouses**
- Pick-up Lockers**
- Google Shopping Express, AmazonFresh, eBay Now**
- Amazon Drones!**

Creating an adaptive store with indoor locationing has generated a lot of hype

Indoor location technologies are a boon to retailers but may not be so welcome to consumers.

Indoor location market to reach \$4 billion in 2018, predicts ABI

Possible applications include location-based coupons and enterprise asset tracking

What are iBeacons?

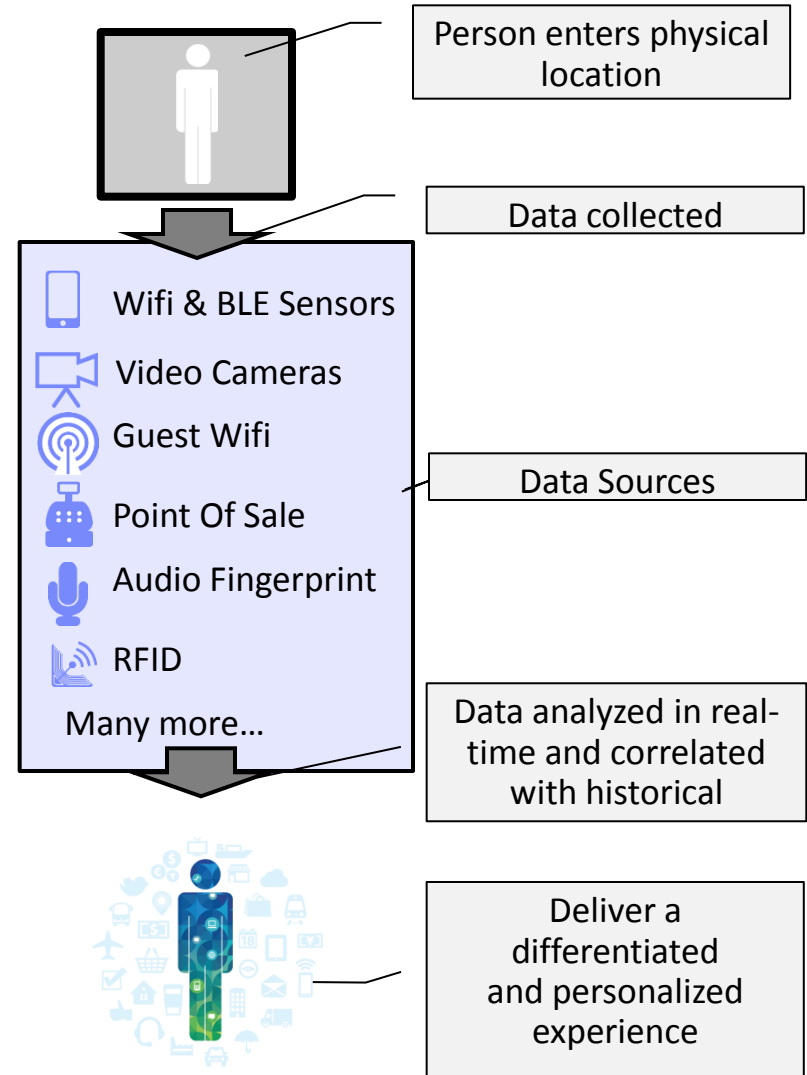
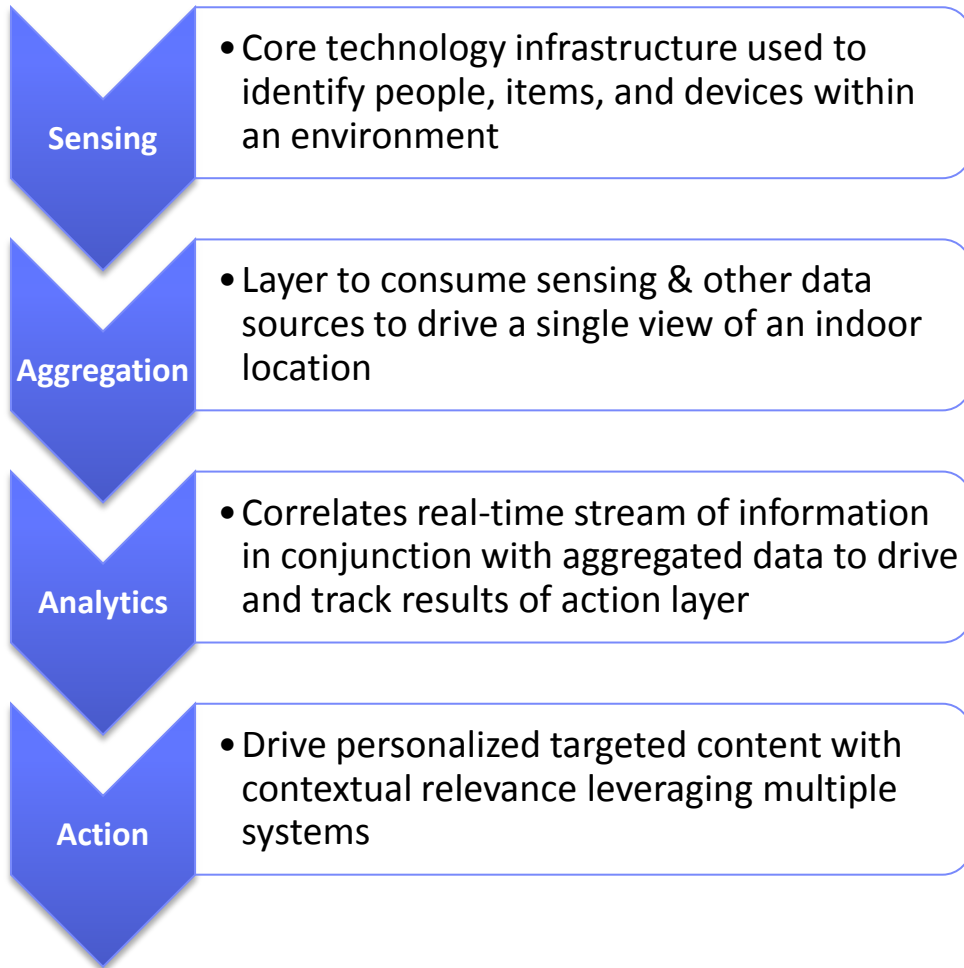
Risks and rewards of proximity-aware mobile communication

Most Retailers Plan To Soon Be Able To Identify Customers When They Walk Into Their Stores

Indoor Location Analytics Boosts Retailers' Merchandising and Marketing Information Arsenal

Apple Makes It Harder For In-Store Marketers To Track You In iOS 8

Elements of indoor locationing



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Indoor locationing extends analytics and engagement for customers in a physical location

Web metrics

Avg time per page



Traffic volume



Bounce rate



Frequency per unique visitor



Unique visitor per store / time



Session / First session



Unique / Repeat visitor



Session duration



Page views per session



Avg new/repeat session length



Store metrics

Time spent in each zone

Total visitors to store

Short durations, no zones visited

Number of zones visited

Recurring store entries

Store visit / first store visit

Unique / rep store visitor

Store entry / exit duration

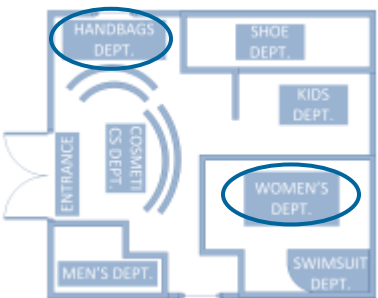
Number of zones visited

Avg time spent in store; new/rep

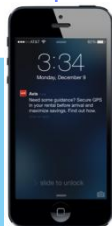
Understanding customers as unique individuals helps drive buying behavior



Kat, 25
Lives in Silver Spring, MD - Avid Retail brand shopper who is always detected in the Women's Dpt.



1. Repeat customer walks by store
Leverage learning's from previous visits



2. Receives Mobile Message Outside
Avid sends message about new shoe designer now available in-store!

4. Dwells in two Departments
Dwells Women's Dept. & Shoes Dept. for the first time



6. Finds a pair of Shoes
After browsing for 25 min. and the help of the in-store associate, Kat finds a pair of shoes she loves



7. Kat makes her purchase
Kat buys the new shoes plus a pair of jeans



11am Sunday 11:15am 11:30am 11:40am 12:00pm 12:10pm

3. Kat Enters Store - Phone logs into Wi-Fi, Avid senses & recognizes her
No welcome message is sent b/c repeat customer



5. Receives 10% Off Shoes
A mobile push notification sent after 10 mins of dwelling in shoe dpt. offering 10% of shoe purchase today in-store

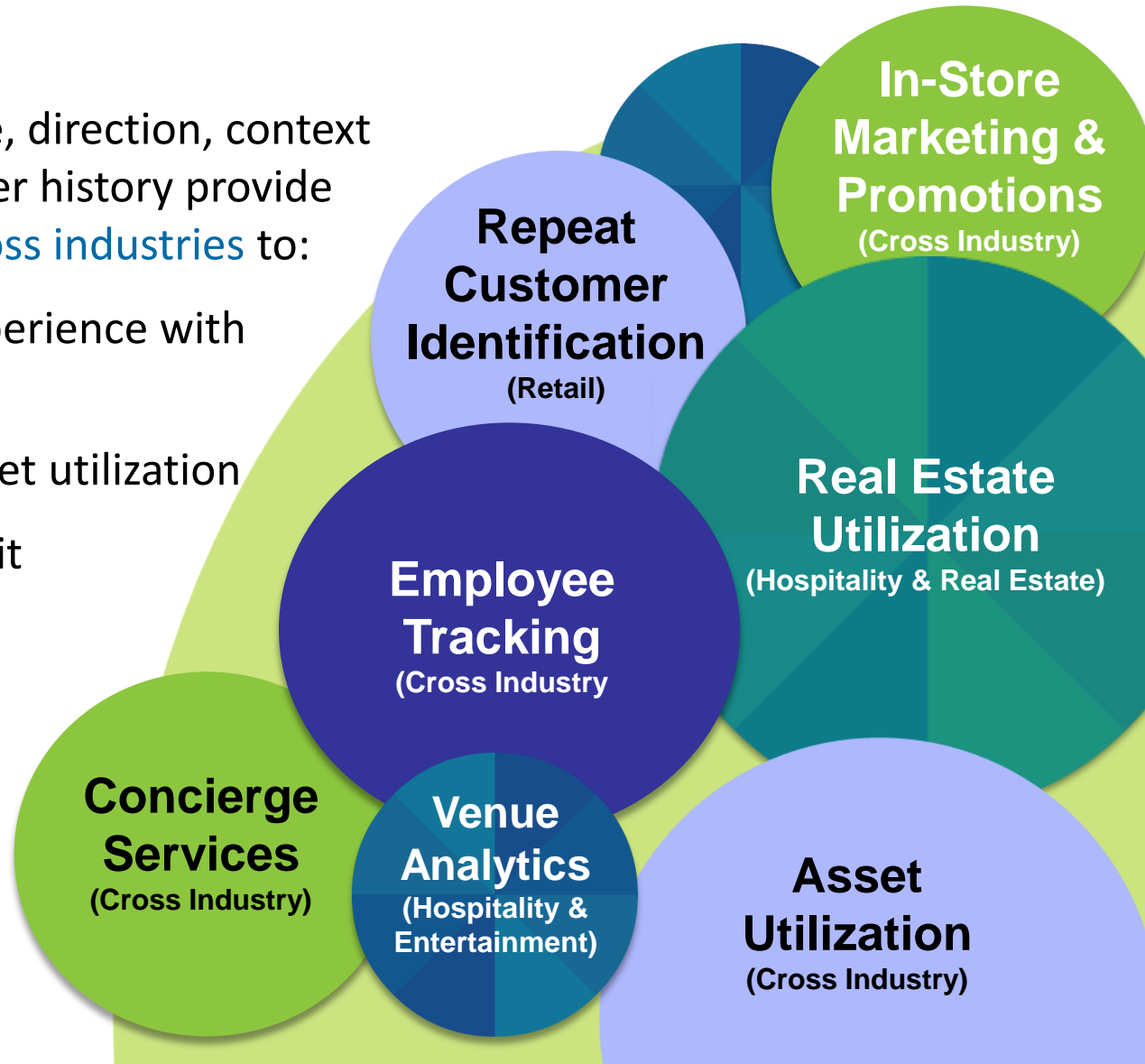
Use Case

<p>Customer Always dwells in the same dept.</p>	<p>Trigger Has dwelled in a new department for 2 min or longer</p>	<p>Promotion Send a 10% off coupon to encourage new behavior</p>	<p>Control Customers who do not opt in and/or customers who opt in, but do not receive an offer</p>
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Additional opportunities for indoor location technology

Intelligent location with time, direction, context and cross channel customer history provide endless opportunities across industries to:

- Enhance the customer experience with personalized services
- Optimize resource and asset utilization
- Increase revenue and profit
- Reduce costs



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In order to become successful with indoor locationing you need to...

1. Focus on the long-term but define a crawl, walk, & run approach
2. Play, experiment, and be agile! Plan to iterate and adapt use case
3. Build the right team up front
4. Understand customer privacy and policy management



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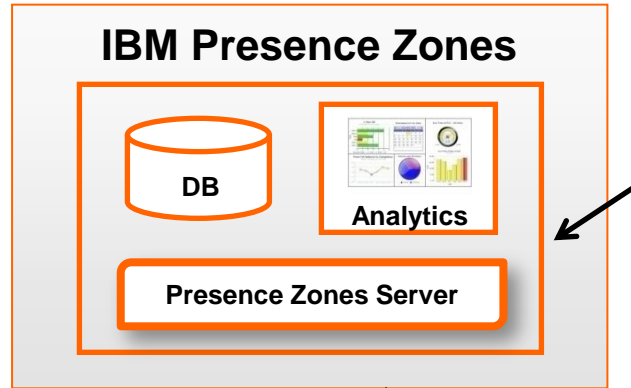
IBM can help you engage customers in context through the use of mobile and indoor location technology

IBM Presence Zones is an intelligent location-based technology that provides deep insight to indoor customer behavior

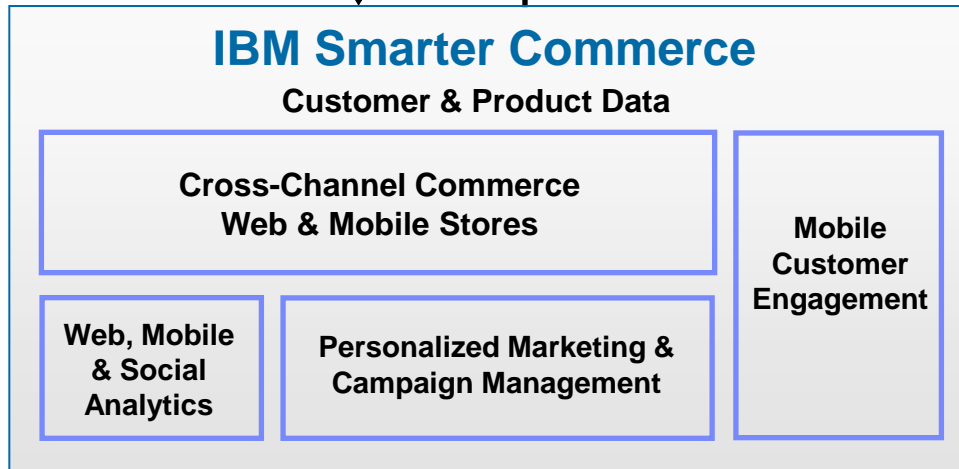
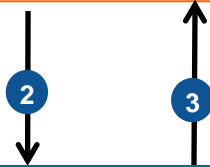
Making omni-channel commerce a reality to drive revenue and profit across all channels

- Deliver a unified customer experience across multiple channels
- Engage in-store shoppers in real-time with relevant interactions
- Gain deep insight into customer in-store behavior and browsing patterns

Making omni-channel commerce a reality by integrating physical and digital channels



1
MAC
Address



IBM has the combination of insights, investments and capabilities that are needed for this journey

IBM

Sensing

- Offers multiple sensing options, pre-integrated with sensing technology partners

Aggregation

- Offers a hybrid solution collecting data from multiple location-sensing technologies to provide a single view of the customer in your physical environment
- Sophisticated IBM algorithms for high accuracy of indoor customer data

Analytics

- Delivers real-time stream of customer information based on current and past interactions, providing a foundation of contextually, relevant information
- Integrated with best-in-class cross-channel marketing optimization and predictive analytics to determine next best action

Action

- Delivers timely, personalized mobile interactions to customers providing a consistent experience across physical and digital channels
- Integrated with best-in-class e-commerce and mobile platforms

Key Takeaways

- The store is still a dominant channel, need to leverage as a strategic asset to stay competitive
- Building and understanding your use case is essential before implementing indoor location technology into your omni-channel strategy
- Test and validate in a tiered “Crawl, Walk, Run” approach
- Cross function buy-in is crucial for success in integrating physical and digital channels
- Play, experiment, and be agile! Learn from results and adapt

Q&A



Krysta Person

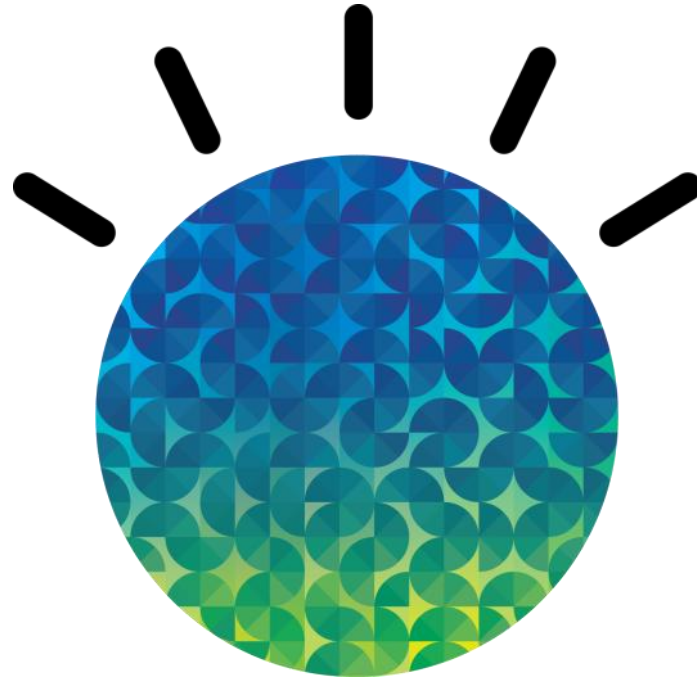
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Thank you.