

# How beacon technology delivers a truly data-driven customer experience

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14 Jun 2017

You know what shoppers are doing online - but do you know what they are doing in-store? Consumers are increasingly using digital technology to assist with buying decisions; thus retailers are increasingly focusing on online presence and e-commerce platforms.



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However, research shows that the great majority of purchases are still made in brick-and-mortar stores. Retailers cannot ignore this in-store experience. We have tools that track everything shoppers do online, but we typically gather almost no data about their journeys inside physical stores. Several clumsy attempts have been made using gadgets connected to shopping trolleys or shelves, but these have proven expensive and too inflexible to convey the entire shopper experience. Now, beacon technology allows us to merge the digital and physical shopping experiences.

## How do beacons work?

Beacons are small, low-cost wireless devices that broadcast to applications on shoppers' phones. They have greater range than NFC (Near Field Communication) devices, are more localised than GPS signals, and can operate indoors. Locating beacons around stores enables retailers' applications to deliver content to shoppers' phones, contextual to their in-store locations – product information, discount vouchers, promotions, etc.

Beacons allow retailers to gather valuable real-world behavioural information – pathways to and from the store, aisle choices and footfall patterns. In-store operations can be enhanced by real-time monitoring of dressing room occupancy or queueing time. Retailers can reward customers for doing things, like trying on clothing.

## Use beacon technology wisely

Many European and US retailers have embraced beacon technology, and now Acceleration is working with South African clients to explore the potential to deliver highly personalised marketing in local malls and retail outlets. However, there are some cautions to note. Notably, the communication ability of the beacons depends on customers having the Bluetooth/Wi-

Fi function of their phones turned on. Many customers ensure that these features remain turned off while out shopping, for security and privacy reason. Retailers and brands must create a compelling case for allowing the communication to occur. Privacy messages are also key to convincing customers that their information will be protected.

## **Providing a true omnichannel experience**

Retailers' strategies all mention omnichannel retailing and a seamless shopper experience across all channels, but many completely ignore the idea of delivering this personalised experience in the physical store, and the gathering of customer behavioural data from this channel. Beacons support omnichannel strategic goals and allow retailers to deliver a truly data-driven customer experience by blending digital and physical experiences.

Beacons can be used to make each customer's individual shopping experience more experiential, which is in turn designed to motivate purchases, whether these occur in-store or online - it makes no difference, as it is all one omnichannel experience. They can also be used to reward loyal customers for simply walking into stores, thus driving store traffic.

## **In summary**

Retailers can use beacons to deliver highly-relevant content to customers at specific locations in or around their stores, while gathering real-world information that can be connected with online behavioural tracking data to more deeply understand the customers' journey. However, they need to be used as part of a carefully planned omnichannel strategy, which takes into account customer-centricity above all else.

Retailers need to deliver a consistent customer experience across all channels, which requires that data be collected at each stage of the customer journey. Beacons can then be used as highly effective in-store tools to deliver an omnichannel experience, and to get a better view of the customer's journey within it.

## **ABOUT THE AUTHOR**

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