Industry Bites



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From "Nearables" to the "Internet of Things"

Will Beacons light the way for retailers?

Modern retailers have found themselves mired in a technology quagmire: how best to employ these advances in-store. On one hand, there is the potential to engage consumers in nearly limitless ways. In reality, to eChannel execs facing limited resources, strict timelines, and the rapid iteration of the latest in-vogue technologies, forging a future-proof strategy may seem impossible, especially as consumer fears of privacy invasion and education gaps <u>threaten adoption</u>.

Beacons are being heralded as the new quick fix for retailers looking to deploy engaging and relevant messaging at just the right moments. Early statistics are encouraging: shoppers who received notifications via iBeacons are <u>6.4x more likely to keep an app</u> on their phone. ABI Research estimates that dedicated BLE beacon shipments will <u>surpass 60 million units by 2019</u>, and while potential application is widespread, retail stands to benefit the most from <u>increased revenue opportunity</u>. Indeed, half of the Top 100 US Retailers <u>report testing the technology this year</u>.

Retailers from <u>megastore Walmart</u> to drugstore chain Duane Reade are <u>rolling out a pilot</u>, while the events space is also fielding the Beacon love — both <u>Bonnaroo Music Festival</u> and the <u>Ole Miss sporting arena</u> use the technology to share venue information and engage visitors.

Even as execs play around with the original Beacons, the form factor is shifting. This fall Estimote is set to launch <u>Stickers</u>, <u>3 mm thick adhesives that iterate on BLE tech to trigger actions</u>. Dubbed "nearables," pinpointing the hardware's capacity to grant hyperlocal awareness, the lightweight, postage-sized stickers are like convenient, interactive beacons that promise to bring a greater playfulness and flexibility to the creative planning and implementation processes. Curious developers and retailers will receive Preview Kits this holiday season.

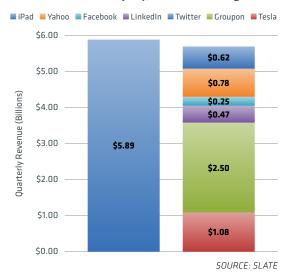


SOURCE: ESTIMOTE

The tablet phenomenon: where to go from here

The trendy slices of computer sold like hot cakes, experiencing more rapid growth than PCs ever accomplished. Yet, recent <u>slowing sales</u> have industry pundits reconsidering what was once generally agreed to be a favored form. Citing lack of innovation, Morgan Stanley more than halved its forecasted sales for tablet, <u>from 26 to 12 percent. Best Buy's CEO</u> says sales are "crashing." Despite the doomsayers, tablet still has a hefty fan base. Numbering among them is noted KPCB analyst Mary Meeker, who believes tablets have yet to saturate the market, and foresees **continued demand**.

If the iPad were a company, it would be as big as...



It seems tablet has reached a crossroads. In future iterations, the device will have to <u>retain its signature elements</u> – portability, convenience, quick task completion, research, and gesture-based UX – while embracing the new range of experiences and interactions users will come to expect. Perhaps media is the way forward: with the rise in online "snacking," <u>including video consumption</u> and games, tablets have the potential to be viewers' first-in-hand device. Netflix certainly thinks so – the streaming service just went <u>tablet app first</u> and 40% of YouTube's traffic originates on mobile. Faster processers and advances in gestural interactions could make them indispensable for both novice and serious gamers; Jupiter research predicts that gaming revenue via tablet will <u>triple to \$13.3 billion</u> within five years.

What does this all mean for business? For a compendium of recent tablet stats and reflections, and to understand the impact the device is affecting on consumer expectation and behavior, check out <u>our latest infographic</u>.

eCommerce chronicles: travel industry sees skyrocketing mobile transactions

Increasingly, we're using our mobile devices to get us places - it seems as though smartphones are a traveler's new favorite tool. According to Nielsen, this behavior is part and parcel of a sweeping eCommerce trend, one that showcases a significantly higher browse and buy correlation for experiential purchases over consumable ones. At 42/44% for global browse/buy intention, tours and hotel reservations boast among the highest purchase intention rates for mobile shoppers. It seems the appetite for experiences is more easily satisfied via mobile than our immediate cravings.

Annual gains in the numbers of shoppers who plan and book their trips via mobile are astounding, Leaping 15 percentage points to 38% this year. PhoCusWright senior technology analyst Norm Rose predicts that by 2014 year-end, half of Americans will have booked travel in some form via mobile. The reasons behind the jump are likely complicated and far-ranging, but certain amenities included within the travel brands' mobile experiences yield greater results. Elevating mobile from a blasé functional experience to a refined taste of the browser's potential future travels differentiates the mobile channels and helps users engage with their travel planning. For Usablenet's take on the state of mobile booking, click here.

Loyalty and rewards programs are also shown to retain users and encourage repeat transactions, both for promotional benefits and small UX attentions to detail that streamline the reservation process for returning guests. With a desire to design a more immersive and luxurious experience for its clientele, client Ritz-Carlton recently launched a refreshed mobile web and a sleek new app. Shareable, loyalty rewards, and self-service elements introduce a luxe <u>new level of personalized service to the mobile crowd, including mobilized poolside service.</u>



LAUNCHED SEPTEMBER 2014, THE ELEGANT NEW RITZ-CARLTON APP UNITES THE BRAND'S LEGENDARY CONCIERGE SERVICES WITH EMPOWERING SELF-SERVICE ELEMENTS OF THE MOBILE WORLD.

Syncing up: on the precipice of an Internet of Things

An interesting use case for the wide-ranging wearables and expansive Internet of Things was spurred by a recent 6.0-magnitude earthquake in California's Napa Valley. Among those jolted awake in the early AM hours were Jawbone Up users recording their sleep cycles on the fitness band; now, their aberrant data is being repurposed to provide valuable insight into the disaster's extent, signaling the **potential of tracking devices to reveal powerful trends in habit**.



SOURCE: RE/CODE

If technology now enables us to sync our Circadian cycles with weather systems, the immense promise of the Internet of Things lies in a sort of awakening, in collecting active "knowledge" from connected objects once considered merely inert. Not only does this have mass application across retail, but the implications for healthcare, experiences and even governmental processes is huge. As it spreads into all facets of business and personal life, Business Intelligence Insider expects the the <u>IoT to generate trillions</u> in economic value. Simply plumbing Forrester's analyst blog for "Internet of Things" <u>calls up dozens of posts</u>, covering the gamut of connected objects from plants to cars.

By identifying patterns where before there were none, the IoT can awaken sleepy industries and inform business decisions. For instance, Cognizant

estimates that newly armed with structural knowledge, the commercial aviation industry can reclaim 30 billion in jet fuel costs by restructuring operational tasks and improving on flight paths. On the flip side, the immense promise of the IoT is also what makes it seem a little like hyperbole. For every entrepreneur future-gazing with glee about what it will mean to sync seamlessly people, places, objects, and experiences, it seems there are just as many naysayers raining on their parade: Karl Fogel, co-founder of e-consultancy Open Tech Strategies believes iWWt to be a fad, one he "wouldn't expect to dominate the hearts and minds of the public after another 11 years."

Infographic: B2B set to outpace B2C mobile usage

With over half of B2B customers using smartphones to research products, mobile is reshuffling traditional B2B operations in a big way. Empowered business shoppers are flocking to mobile, where self-service is a big draw. By enabling its shoppers via intuitive purchase funnels that mimic UX best practices pioneered by the retail space, the B2B industry is set to actually outpace B2C mobile. Mobile is proving so powerful for B2B companies that three in four surveyed vendors intend to sell via mcommerce by year-end 2014. For the full picture, download our infographic here.



UX Webinar Series: Putting Context into Context

Context marks the difference between an ordinary experience and a highly relevant experience. And with that line from Part I, we're set to explore the design, iteration, and impact of strategic UX design in our three-part webinar series. In the first session, "Putting Context into Context," discussed ways to identify environmental factors that impact your users, appropriate research solutions and design methodologies, and actual impact of UX improvements on client examples. Access the replay here.

Stay tuned for Part II, which will be held on Tuesday, September 30th. We'll continue discussing user experience design and show you how to implement the insights you gathered from the consumer research methods discussed in the first part!