



Howler increased their **conversion rate**
1,600+% with the **power of proximity**
— and you can, too!



The Power of Proximity: Howler & Proximity in Retail Advertising

The power of proximity is something that a lot of marketers talk about, but getting good numbers about ROI can be challenging. That's why Kontakt.io has partnered up with a number of great companies to help bring their success stories to you and inspire you to try new things with beacons and proximity technology.

Howler.at is a Boston-based company that takes proximity and advertising to the next level. By building an algorithmically-based system that presents their users with ads that are relevant to their interests and are based off of where they are in the real world at that exact moment, they have accomplished something very nearly impossible: completely changed expectations for what an ad's conversion rate should be.

With an industry that has settled for pouring millions of people into the top of a funnel in the hopes of getting thousands of people out the bottom, Howler has created a very different system, one that leads to an unprecedented conversion rate. We'll put it in bold below:

89% of people who receive an ad through Howler (a "Howl") interact with it

Whether they share it, rate it as relevant to them or not, or just pin it for later use, virtually everyone who gets a targeted, hyperlocal howl sent to them interacts with it in some way other than just dismissing it from their app. But that's not the completely crazy number. The completely crazy number is the following:

52% of Howls result in a person entering the venue

The best result that most advertisers can get from local advertising-like sponsored check-in stories on Facebook, hovers at around 3.2% according to Salesforce. Howler achieves a stunning 1625% increase in that due to how they've created a system that doesn't present a user with irrelevant ads, but shares what a passer-by is looking for without even knowing it.

So how can you achieve that kind of performance in your own advertising campaigns? Let's start by looking at who they are and why they got started.

Behind the Beacon: What Makes Proximity Possible

The technology that powers this revolution in ROI is fundamentally pretty simple, for all that's shaking up the marketing world for the last year and change: a beacon. If you're not familiar with the technology, it's worth your while to go into our short brief on what beacons are and how they work so that you can understand what's powering Howler's incredible new platform.

About beacons

A beacon is a small Bluetooth radio transmitter. It's like a lighthouse: it constantly transmits a single signal that others can see. Instead of broadcasting visible light though, it broadcasts a very short-range radio signal that's made up of 36 letters transmitted on a regular interval-like 1/10th of a second. A bluetooth-equipped device like a smartphone can "see" a beacon once it is in range--just like sailboats looking for a lighthouse to know where they are!

Depending on both devices' proximity, a smartphone can perform different actions, depending on information stored in a beacon's signal. So it can update an indoor map with your location, open a lock, or even change the music in your house as you walk from room to room. Beacons are a key technology in connecting the power of the Internet to our everyday life.



What Are Beacons & How Do They Work?



What will the next Beacon do?
That's up to you

Bluetooth Smart™

Bluetooth Smart is the communications technology that makes Beacon technology possible. Its low-powered signal enables beacon vendors to create small battery powered devices that can last for months or years.

iBeacon™

Is a brand and technical specification from Apple® that lets beacons easily communicate with iOS devices. Beacon technology itself is platform-agnostic, and can be used with any device that has Bluetooth Smart available and enabled.

Why Proximity?

The proximity market pertains to many different activities undertaken by brands, venues, and cities that are using Bluetooth Smart Energy in order to interact with users through their mobile devices. The market has just emerged but is growing extremely fast. According to BI Intelligence, there will be about 4.5 million active beacons by the end of 2018, with 3.5 million of these in use by retailers. Airspace Network reports that UK brands value proximity marketing so much that 79% of them are considering investing in it in the next 6 months. Nearly four in five respondents are currently investing or trying it. For the vast majority of them, the ability to gather rich data about their customers is a key driver for such actions.

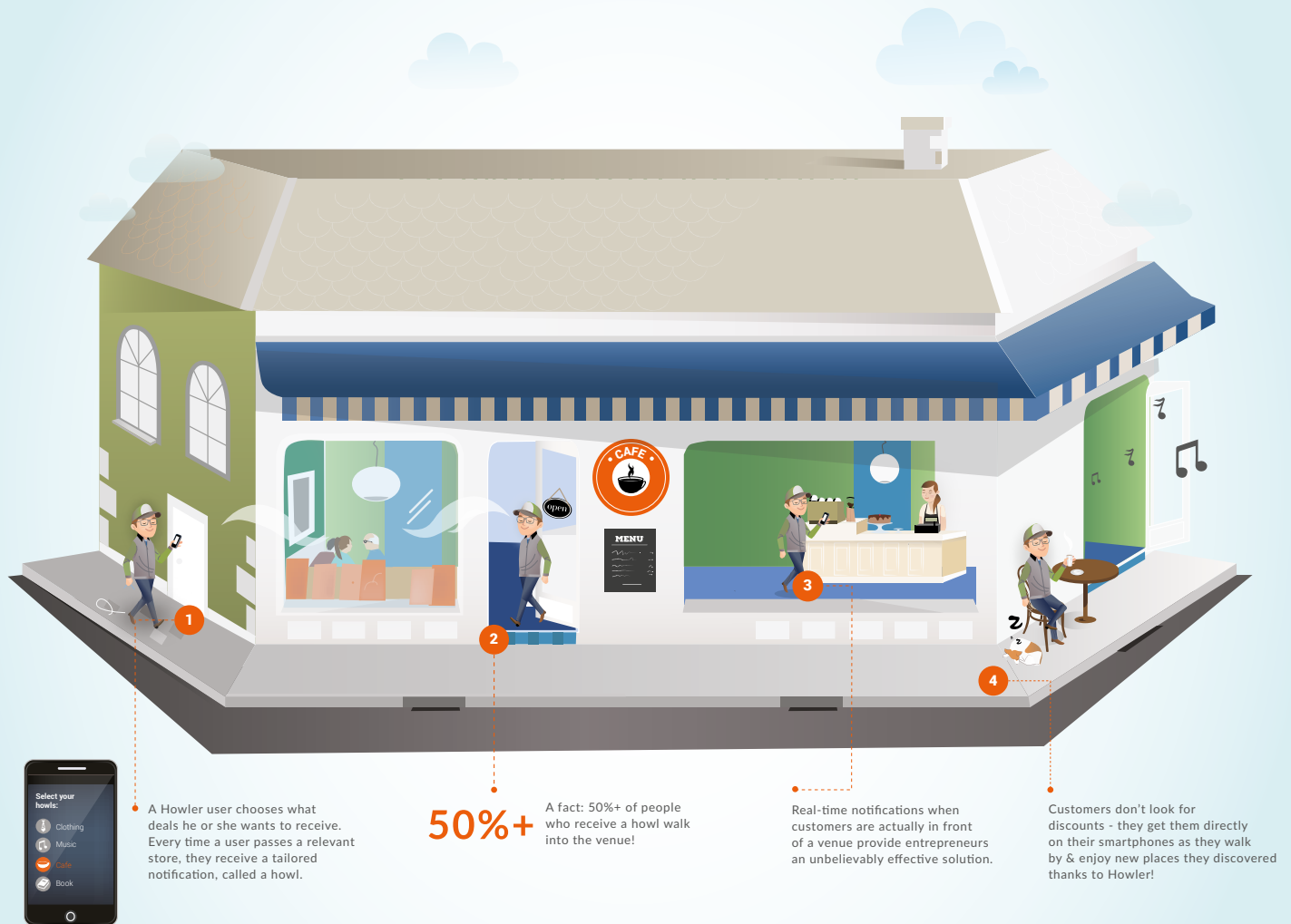
Apart from data-based opportunities, there are two other reasons for such an immense interest in proximity: its availability and flexibility. Beacons are relatively low-cost and easy to implement, compared with other Internet of Things solutions. And becoming a part of IoT is getting more and more crucial for brands. Ronald L. Bowers, senior vice president for business development with retail consultant Frank Mayer & Associates, said in an interview for NRF:

“The Internet of Things would not be as relevant or important to retail were it not for the fact that the consumer requires this type of an experience.”

It isn't surprising that buyers are awaiting for common Internet of Things. Thanks to proximity and IoT in general, a customer can locate a product immediately, be served automatically, and pay for anything with a single tap.

The market, following the need, is gathering more and more smart objects connected to the Internet. Gartner estimates that in 2020, 25 billion IoT-connected objects will be in use, generating more than \$300 billion revenue. And the report does not take into account smartphones, tablets, or laptops.

How Howler transforms the relationship between businesses & customers



Your platform for location-based interactions

www.kontakt.io [@kontakt_io](https://twitter.com/kontakt_io)

Kontakt.io's powering the beacon-enabled future. We're bringing the Internet of Things to life, and bridging the offline and online worlds.
This work is licensed under a Creative Commons Attribution NonCommercial 2.0 Generic License. For translation queries, please contact us at kontakt@kontakt.io

The Howler Difference

There are many coupon- and discount-based aggregators such as Groupon or LivingSocial. They are a central point where people can go and find deals which will then drive them out of their house or workplace and into the establishment. There are some downsides to these kinds of platforms, though: they're cutthroat and filled with many different offers, they rely on the user searching for a deal, and they have very little capacity to draw traffic to a store that sticks.

That's where Howler is different. Unlike any other solution, Howler's deals are discovered through serendipity: the user is already near the establishment, he or she isn't presented with a dozen other similar offers at razor-thin profit margins, and his or her motivation threshold to buy is much lower, especially when the ad is targeted directly to the user's interest. This means that consumers don't receive irrelevant deals any more. Shop owners are also given in-depth insights into who is viewing their ads and how they're reacting to them, to help them build a better model of who is coming by their store on a given day and tailor their offers to the traffic that passes by.

This gives local entrepreneurs great opportunities to produce intuitive as well as engaging advertising on par with that of larger companies, without the cost and human expenditure previously required. What does this mean? Let's explain by example:

Joe owns a steakhouse in the downtown area of Boston, but for some reason he doesn't see a lot of foot traffic that goes by during lunch time come into the restaurant and buy his excellently-priced lunch specials. He signs up with Howler to advertise hyperlocal offers and sees a boost in his walk-in business almost immediately, but he learns something critical; apparently 45% of the people who walk by his store during lunchtime every day are vegetarian! Adding a simple salad and fish deal to his lunch offering provides him with an even bigger boost in his business, and before Joe knows it, his knowledge and responsiveness to local traffic combine to pack his dining room from lunch to close every day.

He's happy, Howler's happy, and most importantly, dozens of people who wanted to find that great new vegetarian lunch near their work are happy too.

Howler currently has the largest deployment of beacons per area in Boston, with several hundred businesses participating. In addition to continuing to connect retailers and customers around the city, they're in the process of partnering with businesses in New York City, San Francisco, Las Vegas, and beyond in order to launch a nationwide marketing revolution. Together, Howler and Kontakt.io are designing the future of connected cities and giving more people access to the Internet of Things everyday.

What Problems Does Howler Hyperlocal Advertising Solve?

Successes of platforms like Groupon or LivingSocial prove that customers really need services providing numerous deals from different brands in one place. This was initially a big competitive advantage, but Groupon's recent growth numbers show that the massive number of deals has become more of a liability. The challenge of finding the right deal, the fact that coupon clippers are not good sources of revenue for a business, and Groupon's struggles to bring repeat business have all showed the weaknesses of the model. What was originally an innovative model has seen a lot of bad press, with well over a million search results for "Bad Groupon Experience" With well over 500 deal sites all around the 'Net and a survey conducted by Dr. Utal Dholakia showing that 32% of businesses found that their promotion on Groupon was unprofitable, there's a lot going against the model that Groupon made famous.

Howler's were aware of all these facts and knew that running a coupon-based service may be an attractive and profitable business, but it needed something more. In order to make it either more friendly for customers and lucrative for businesses, they had to rethink what drives customers into a store and the obvious answer was to give businesses the ability to reach their customers when they needed to most: when they were nearby.

Location is king, whether in retail or in advertising, and Howler was designed to take advantage of that fact. Beacons were the obvious answer for the technology side of things because they are inexpensive, easy to install and develop for, and provide very precise proximity data with very little hit to the customer's battery life. It would solve the problem of extensive and irrelevant content, and transform a traditional coupon-hunting into a real life experience.

The first step was to choose the best beacon provider. They chose Kontakt.io.

After a little under a year of research and testing beacons in a manner that Howler utilizes them, we decided on Kontakt.io because we felt it was simply the most superior product in its class. Its practical, non-invasive, easy to integrate, durable, reliable and performed the best overall when compared to competitors. Signal reach was ideal for Howler's intentions, battery life was far superior to any other beacon competitors and the service and ability to scale utilizing this specific beacon seemed like the best fit and ultimately the most effective choice.

~Joe Visconi, Co-Founder & Builder at Howler

Developing a dedicated beacon-enabled app that would enable customers to receive notifications, and finding first clients eager to try Howler out, were the next steps. Once both were done, it was time to hit the market. In mid-February, after a successful trial and error implementation, the app was launched.

Goals

- To empower small businesses by providing them with an easy-to-use, intuitive and affordable marketing solution that enables them to reach their customers in real time rather than relying on outdated marketing methods.
- To improve city life for shoppers, foodies, and urban explorers by delivering deals directly to them in a manner that is unobtrusive, and allowing them to share the deals they find through social media.
- To create new conversations between business owners and their customers, as well as between customers themselves to bring us into a new era of connected cities.

Challenge

Low awareness

One major challenge Howler faced was reaching out to local businesses and informing them of the benefits of using beacons. Given that the beacon technology is relatively new, they occasionally met some scepticism. It was relationship developers' job to work with clients to educate them about beacons and how Howler uses them.

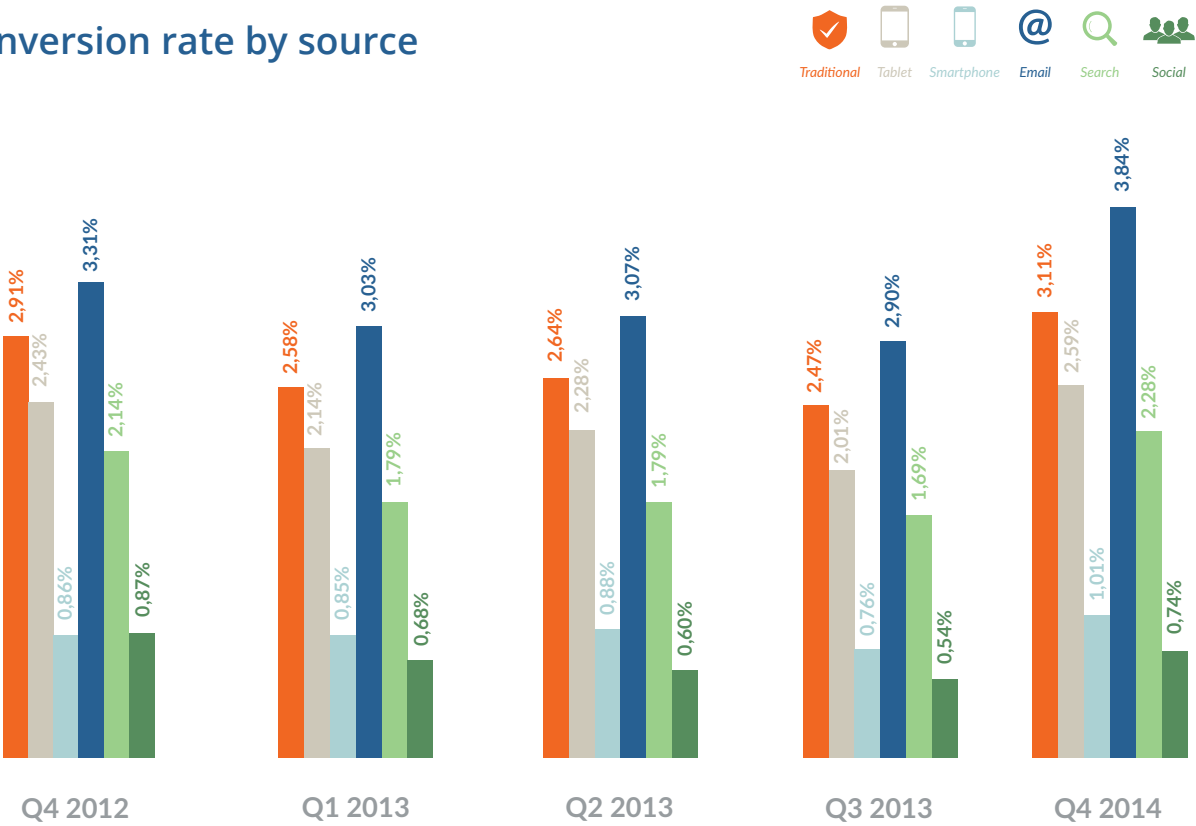
As Howler expanded and implemented 600 beacons in 150 stores in Boston, they came into possession of rich and astonishing data that illustrates what kind of insights vendors can get and how effective the proximity is. The education on beacon technology is still crucial but these numbers help businesses to visualize how powerful tool Howler is.

The Results



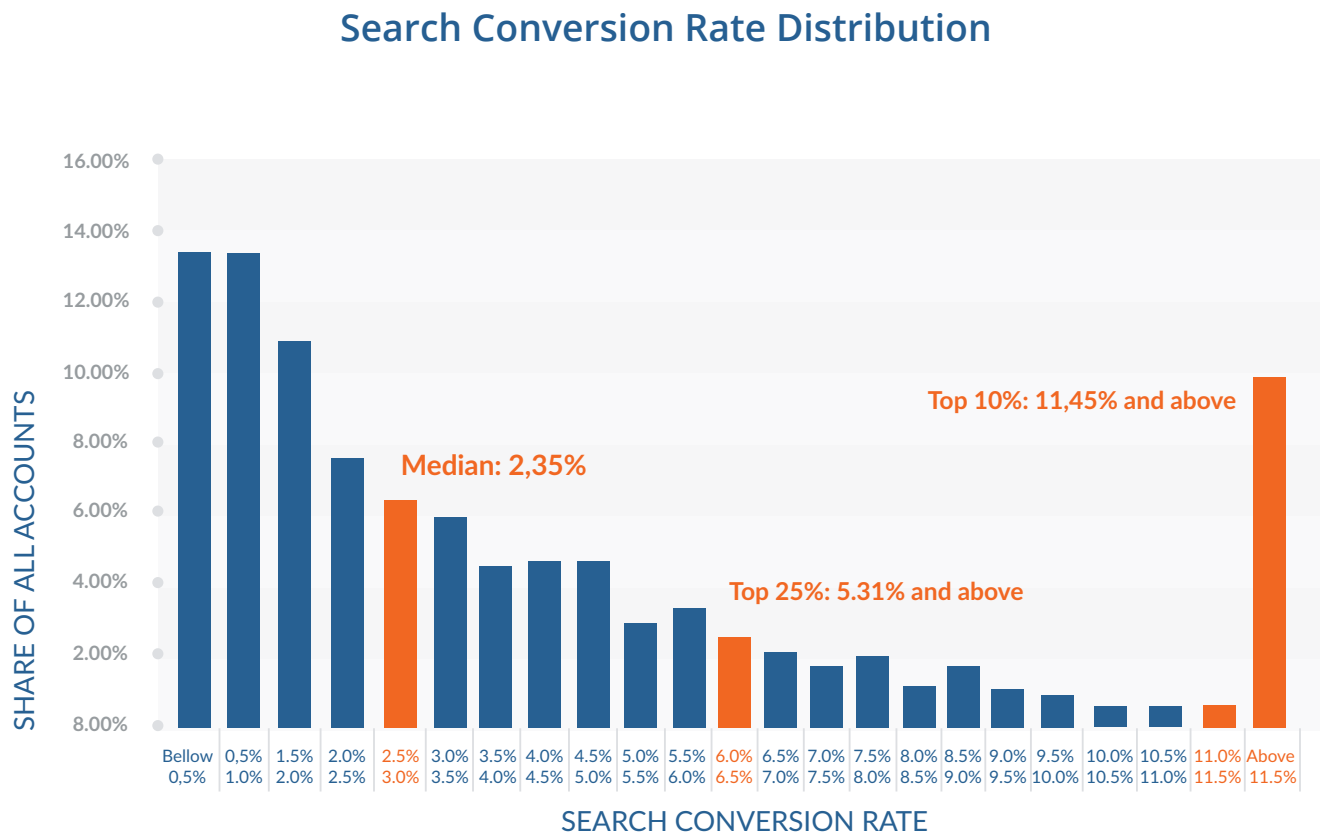
Currently Howler has 600 beacons placed in 150 venues in Boston, such as restaurants and cafes, grocery stores, boutiques, gyms, and malls. It is the largest number of beacon installations per square foot in the Boston area. Howler got these beacons installs through relentless messaging and through the undeniable capability of its service. When presented with a chart like the following, it's nearly impossible to argue against installing a Howler beacon in a venue:

Conversion rate by source



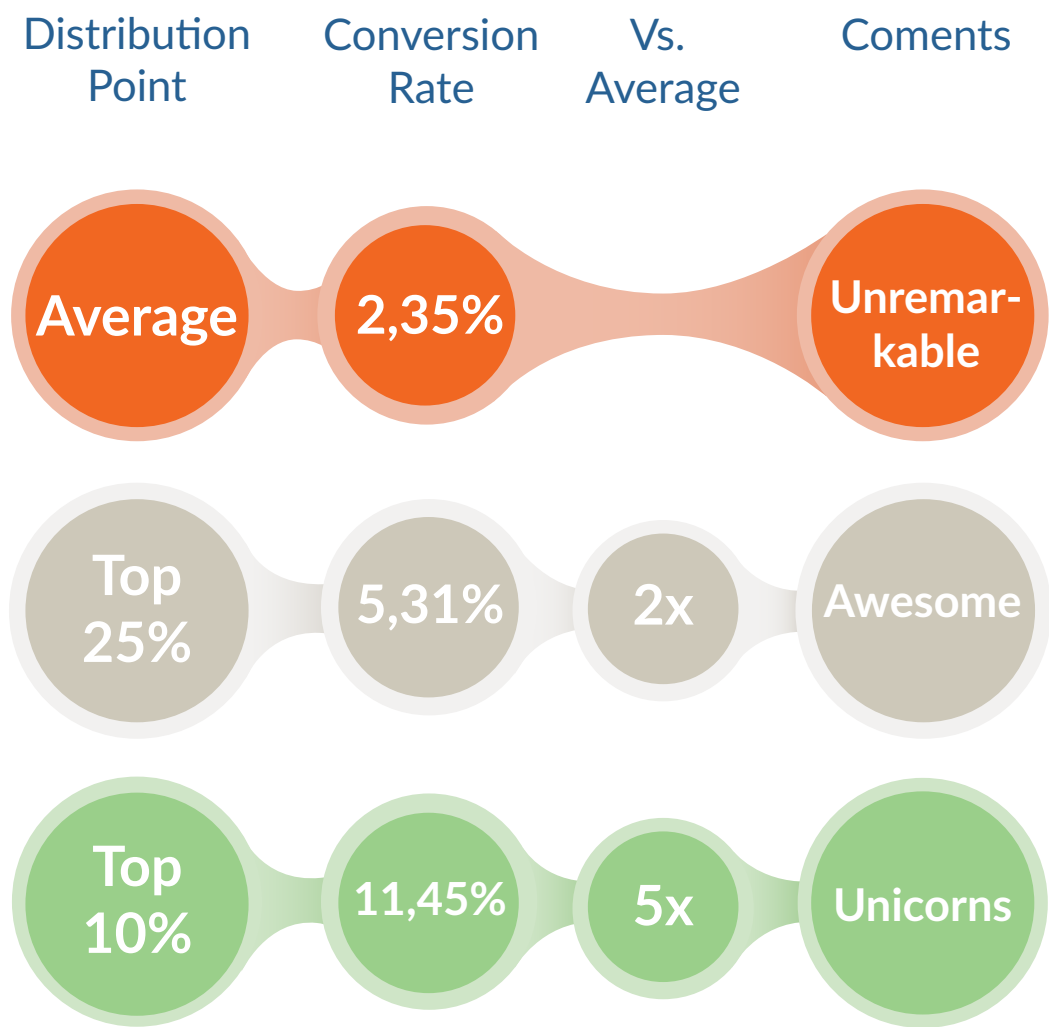
<http://www.smartinsights.com/ecommerce/ecommerce-analytics/ecommerce-conversion-rates/>

Average conversion rate for mobile ads hovers around 2.3%, according to mobile marketing research firm Smart Insights. When you look at ad ROI distribution rates, it's a little better but still grim:



<http://www.wordstream.com/blog/ws/2014/03/17/what-is-a-good-conversion-rate>

Wordstream’s online marketing research indicates that even the very best ads can only hope to achieve 11.5% or above. As they so aptly put it:

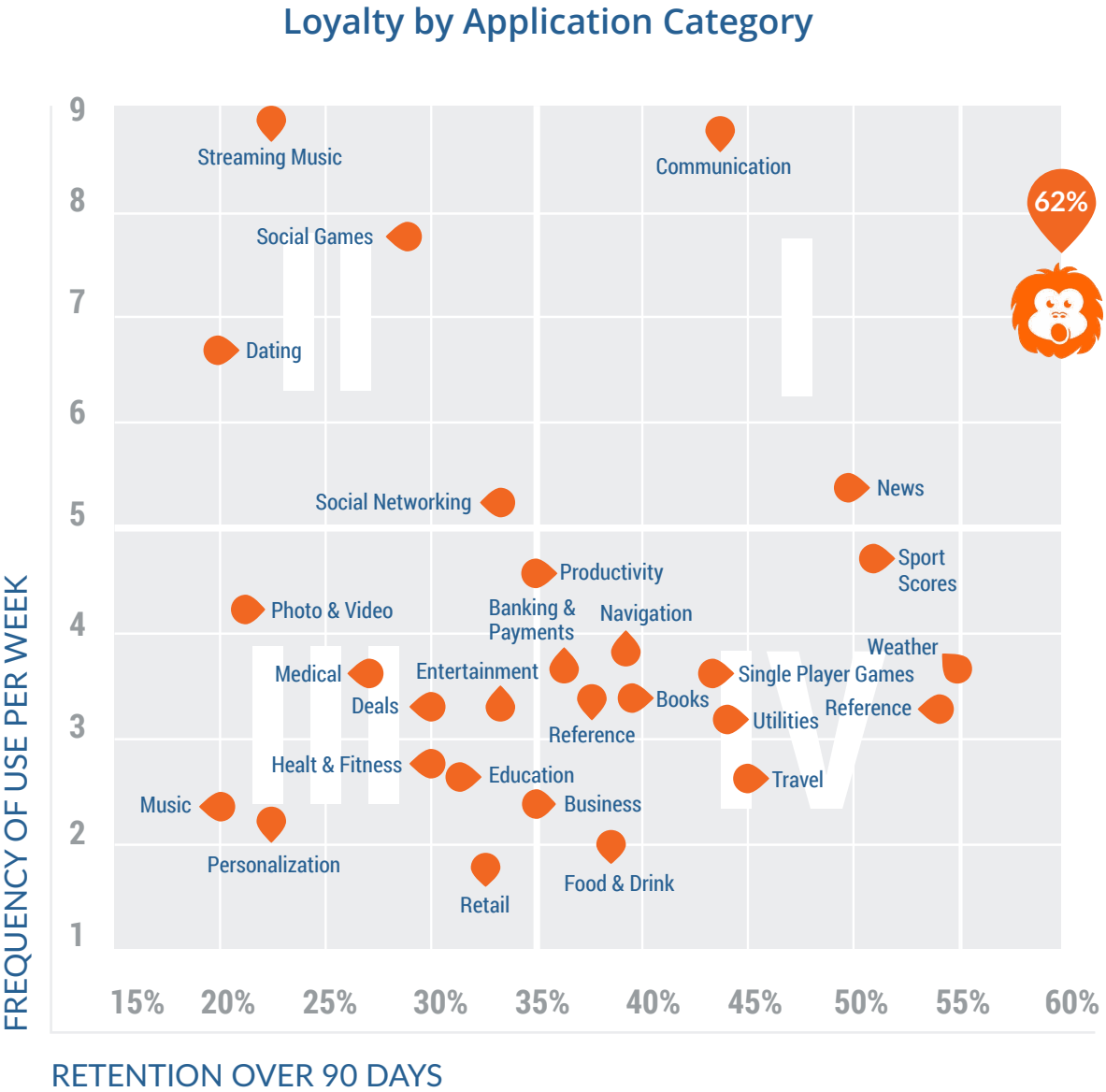


<http://www.wordstream.com/blog/ws/2014/03/17/what-is-a-good-conversion-rate>

Howler’s **average** conversion rates, then, are way far and above industry standards of 2.3%, top quartile performance of 5.3%, and even beyond “Unicorn” territory of 11.4% all the way out into “Loch Ness Monster Unicorn Yeti Moon Landing” kind of territory; their distribution is roughly the same as the average mobile ad conversion rate is; some of their Howls have 100% conversion rate over weeks of run, proving the incredible value of a precisely-targeted, hyperlocal ad given at just the right moment.

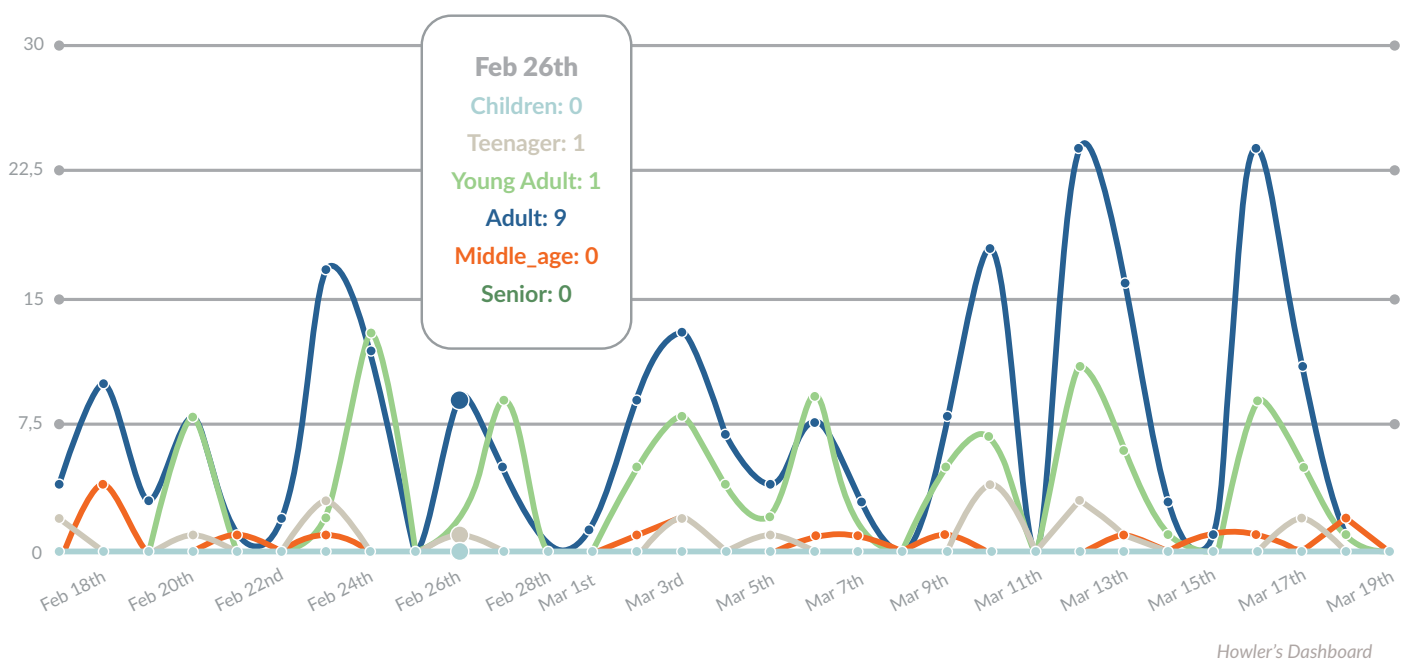
When starting the business, Hunter and Joe had no precise information what kind of performance to expect, but built their business on data indicating hyperlocal advertising campaigns had, in the past, achieved conversions of over 25%, depending on how well targeted and chosen the ads were. From that, they estimated that about 33% of users who receive a notification, would enter the venue that sent the howl. They actually did even better with results 150% over their already-high goals.

The engagement metrics are also astonishing. 8% of people who downloaded the app are using it week-by-week, indicating a very slow drop off of users 89% of users engage with notifications they receive while walking by.



Just a short glance at the diagram above gives you an idea how far Howler is from being a standard retail app. **A retention of 62% for 90 days and an average of 7 engagements per week is unachievable for competitors who are struggling to reach 2 engagements per week and to keep retention rate at the level of 33%.** This moves Howler as a retail app from diagram's Quadrant III, that according to Flurry contains "one-and-dones", into - or even beyond - Quadrant I, including apps to which consumers are loyal over time and which drive the highest revenue. This shows an interesting fact about how people perceive Howler: it's a communication app for them, like WhatsApp or Vine. It just happens that the communication is from the business to the consumer, instead of from one friend to another.

All of these metrics are easily available to Howler's partners in a simple, clean dashboard that shows exactly what kind of people are walking by on any given day:



Companies are given in-depth insights into the demographics in their store and the demographics of people who walk by their store. Above you can see simply "Male" and age group as the targeted information, but because people who sign up with Howler may choose to log in through Facebook and share their social graph information with the app, businesses can eventually see how many vegetarians or science fiction movie buffs are walking by, too.

This kind of super-relevant targeting can be expanded upon via statistical analysis of the likes and ad engagements on the back end of the app to inform businesses of all kinds of crucial decisions that depend on who is nearby and what kind of traffic that they can hope to pull in.

Howler is a complete business answer tool: bringing in customers based on current decisions, and giving the ability to learn about foot traffic to make better decisions in the future.

About Howler



Howler is a full-service, real time mobile marketing platform founded in 2014 that helps brands, retailers, and venues engage with their consumers where and when it matters the most.

Thanks to beacons, entrepreneurs and venues may send fully customizable advertisements - called Howls - directly to customers' smartphones as they walk by, without the need for custom apps or deploying and implementing custom beacon solutions. In-depth insights into demographics, conversion, and customers' behaviour give vendors an extraordinary tool to gain clients and measure effectiveness in a way that has only ever been accessible to businesses with resources and money.

Howler, powered by Kontakt.io's hardware, is merging online deals with real-time shopping and creating a marketing revolution with a single universal mobile app.

Using proximity technology gives us a strong competitive advantage. Currently, Howler boasts the largest number of beacon installations per square foot in the Boston area with an unbeatable ROI for our partners as well.

~Ryan Bobillo, Relationship Developer at Howler

Founders



Hunter Gaylor - Co-Founder & Connector

A graduate of Harvard University in Government and Psychology. For six past years actively involved in the advancement of leading edge mobile technology by launching several incubator start-ups, speaking at forums and congresses, teaching, and conducting research. Currently focused on big data application and marketing in the modern age.

As a CEO at Howler, Hunter is responsible for international marketing, sales, networking, and operational management.



Joseph Viscomi - Co-founder & Builder

Mathematician, computer scientist, and entrepreneur. Southern Illinois University, MIT, and Harvard University graduate. After working in education sector mainly, he joined a start-up stage and co-founded Greptlix, a company focused on visualizing data for organizations, and Howler.

As a Builder at Howler, Joseph designed and built the initial iOS application, the entire content, and targeting system, thereby becoming a pioneer of an advertising revenue model that incorporates a real world Cost Per Visit.

Kontakt.io's platform puts the real world in contact with the Internet of Things by connecting devices with proximity awareness to the cloud. Kontakt.io goes beyond beacons to do this, and offers a full suite of innovative technology, ranging from Bluetooth low energy beacons to a variety of other hardware and software technologies. Kontakt.io makes it simple for any business or serious hobbyist to create the Bluetooth application or business of their dreams. Kontakt.io helps their clients learn amazing things through analyzing the world around them.

Founders



Szymon Niemczura, Co-founder and CEO

Szymon co-founded and holds the position of CEO of Kontakt.io. As a strong advocate of the Internet of Things idea, he runs the company to be among leaders of the upcoming connected future. He graduated in Business Management & Financial Management from National Louis University. He has been working on a variety of cutting-edge projects since 2009. Using that experience, he shares his passion for IoT and beacon technology during many conferences and workshops around the world. His specialties include micro-location, mobile marketing, and Software as a Service.



Rafał Janicki, Co-founder and CTO

Rafał has gained his experience working as a developer and an entrepreneur on a variety of cutting-edge products since 2009.

A graduate of National Louis University and from the Letterkenny Institute of Technology with a focus in Computer Science, he has been involved in startups for much of his life, and is well-versed in how to help build the right technology for a startup to grow and thrive. His specialties include agile web development, Amazon Cloud services, scalability and interactions, and beacons, bluetooth, and micro-location based development.

About Kontakt.io Beacons

Howler about Kontakt.io Beacons

We decided on Kontakt.io because we felt it was simply the most superior product in its class. Its practical, non-invasive, easy to integrate, durable, reliable and performed the best overall when compared to competitors. Signal reach was ideal for Howler's goals, battery life was far superior to any other beacon competitors and the service and ability to scale utilizing this specific beacon made Kontakt.io the best fit and ultimately the most effective choice.

~Hunter Gaylor, Co-Founder & Connector at Howler



Smart Beacon

Beacons enable developers and organizations of any size, to create and deliver an astounding range of experiences – from creating new ways to interact with technology, enhancing brand experiences with contextual interaction, to boosting business process efficiencies with actionable data.

Whether if you want to deliver messages based on users' location, provide them with relevant product information, guide them through your venue, gamify their shopping experience, or enable mobile payments, SmartBeacons do their job.

[Order Your Smart Beacons](#)



Cloud Beacon

Cloud Beacon gives you everything you expect from Smart Beacon but is also WiFi-enabled to let you manage and control your entire beacon fleet anytime and anywhere in the world. Unlike other beacons, it can transmit and receive data, enabling you to collect rich information on who and what visits your venue.

[Order Your Cloud Beacons](#)

Tough Beacon



When you want to use your beacons in outdoor, exposed situations, you need something tougher than the usual beacon. Something that can stand up to bumps and knocks, rain and sun, and that's tough to remove but just as reliable as our regular Smart Beacon. When you think outdoors proximity, think Tough Beacon.

[Order Your Tough Beacons](#)

Kontakt.io is more than just beacons - we are beacons & beyond.

We're doing our best to transform a beacon industry into a proximity industry that doesn't have to be limited to specific devices or use cases. Our goal is to provide comprehensive solution that can be implemented in any business and any environment.

We're going beyond standard solutions and developing our hardware as well as API and SDK in such a way that enables you to use our technology however you wish!

In order to change thinking about beacons as indoor solutions, we've designed ToughBeacon that can be placed everywhere: outside or even on moving object. To give you power to manage your beacons and collect rich data, we've introduced Cloud Beacon which uses built-in WiFi to harvest information and control your entire fleet from anywhere in the world.

And these are just first steps into the great future of Internet of Things. Help us implement our idea and start using high performance beacons (according to Aislelabs' independent report) on the globe!

Have any questions about beacons and retail? Want to learn how your business can use microlocation to boost your advertising ROI sky high? Shoot us a question and we'll get back to you within 48 hours!

kontakt@kontakt.io

[VISIT OUR ONLINE STORE](#)