



# Dream on... The Marketer's Internet of Things

BLINK 12 BRANDS

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The Internet of Things lets brands provide enhanced services for consumers. But its potential will only be achieved if marketers build trust with their audiences, argues Norman Wagner

The Internet of Things is growing fast. IoT devices are building hundreds, thousands and even millions of potential new pathways between businesses and consumers. Research from International Data Corporation (IDC) has found that the installed base of IoT endpoints will grow to more than 30bn by 2020, up from 12.1bn in 2015. Market spend could be as high as \$1.3trn. Some of these devices are being placed in industrial settings, like sensors that help manufacturers manage their factories, for example. But the success of the emerging smart speaker market – an estimated 30m had been sold by June 2017, according to Morning Consult – shows how quickly consumers are taking to this tech. From

Fitbits to thermostats and TVs to connected cars, connected devices are finally providing real benefits to consumers – like helping us get fit and control our music easily. But this is just the start. In a few years, the IoT will transform every aspect of our lives. In many cases, we probably won't even notice, but we will appreciate the convenience it brings. As consumers, our new connected lifestyles will ensure we are surrounded by devices that try to make our lives better. And they will be powered by (often very personal) data. They will need to know, or be able to predict, when we are hungry, when we are looking for a parking place, when we want to (or should) go to bed, when our vitamin levels are too low, and what music will set the right mood in whatever environment we are in. Such granular real-time consumer information will provide marketers with better insight than ever before, but uptake and adoption will require hugely sensitive data handling. And I doubt marketers will ever be able to – or even should – use IoT devices as touchpoints for brand messages.

Consumer reactions to Burger King's attempt to hack Google Home speakers, for example – when the brand inserted the line 'OK Google' into one of its TV ads to intentionally set off devices – shows how sensitive this area can be. Consumers were equally frustrated when Google built a Beauty and the Beast ad into the speaker. Building trust In order to succeed with IoT, marketers must focus on winning trust from consumers. That means creating relevant messages and being transparent about how they are using data. There are a number of tactics brands can follow: IoT buttons let brands enter consumers' lives in a physical way. These simple, connected buttons let consumers order products just by tapping them. Several brands now own Amazon Dash buttons, while we've also seen order buttons attached to Gillette razor boxes and 'Flic buttons' on Domino's pizza boxes. Brands can also use IoT devices to provide real-time benefits to consumers. A destination retail store, for example, could use connected tech to reach a nearby consumer's mobile phone or connected car to let her know how many free parking spots are left.

Brands can also use IoT technology to make 'dumb' products smart. Diageo connected 100,000 whisky bottles to the internet so it could send a personalised video message to fathers. The result was outstanding. Diageo saw a 72% sales uplift during the Father's Day period with a five-fold return on investment. Brands might also think about combining their devices or services with others. Uber and Spotify, for example, have already done this.

You can now link your Spotify account to your Uber app to control the music playing in your taxi. Two apps talking to each other and a car? That's IoT at its best. Ultimately, to win with the Internet of Things, brands need to offer relevant services to consumers and adopt a holistic, customer-centric and integrated approach to data. Do that and they'll be more likely to fulfil their dreams of becoming a relevant part of people's lives.

Making IoT work for your marketing requires a new way of thinking. You need to...

Be early. Just like apps, consumers will only be able to fit a limited number of IoT devices into their lives. So it's important to get their attention early while they are still experimenting and getting used to these new behaviours.

Be respectful. Data is powerful but be careful how you use it. If you start overusing behavioural data to personalise messages or target people in certain places, consumers will think you're spying on them and react negatively.

Be promotional. You need to launch and promote your IoT services before they can achieve what you want them to. Like apps, consumers will want to know how your IoT services will benefit them before they consider giving them a try.

Be consumer-centric. Don't make the mistake of thinking IoT is all about your brand – it's not. It's about making life more convenient for people. Think how you can use the IoT to help consumers solve a problem, not just make yourself heard.

IoT is still in its early stages. To stay ahead of the game, you need to be brave and try new things. Rather than investing heavily in a single IoT service or device, you might be better off launching several smaller services first, and learning what works for your brand and what doesn't.

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