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POV: Apple's iBeacon Takes Location-Aware Marketing to the Next Level

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APPLE'S iBEACON TAKES LOCATION-AWARE MARKETING
TO THE NEXT LEVEL

BACKGROUND

In mid-2013, Apple announced iOS 7 at its annual Worldwide Developers Conference. One new feature that was only briefly mentioned was something called the "iBeacon." Apple has released very little information about iBeacon; however, the topic caught fire in mainstream media in December 2013 when iBeacons were deployed in Apple stores nationwide.
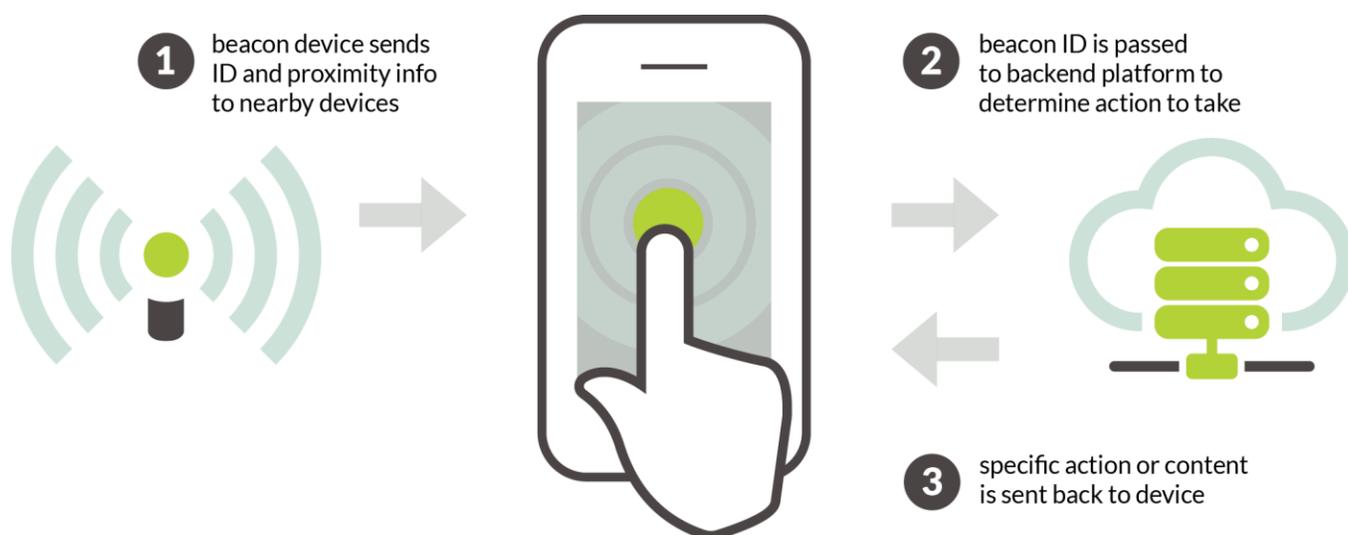
With very little information available, digital marketers may be wondering what iBeacon can do for their marketing programs. This POV offers an explanation of iBeacon and provides some examples of how the technology can be applied in the healthcare industry.

WHAT IS iBEACON?

iBeacon technology is a digital positioning ecosystem that includes a broadcast device, a receiving device and a back-end platform for management of the interactions. The graphic below illustrates a high-level look at the ecosystem:

The iBeacon Digital Ecosystem

1 beacon device sends ID and proximity info to nearby devices

2 beacon ID is passed to backend platform to determine action to take

3 specific action or content is sent back to device

The Broadcasting Device - The beacon broadcasting device utilizes the Bluetooth low energy (LE) standard to transmit a signal to nearby receiving devices. Bluetooth LE is available on devices that support Bluetooth 4.0, such as iPhone® models 4s and later and devices that run Android 4.3 (aka Jelly Bean) and later. Several companies, such as Estimote, are producing relatively small beacons that can operate for about two years on a standard watch battery. This makes the beacon completely wireless, very portable and easy to deploy. Additionally, the Apple Developer Library now offers information on how developers can broadcast iBeacon information from an iOS device. This is of particular interest because this feature would allow iOS devices to utilize Bluetooth to transmit data to other devices in close proximity, essentially turning a mobile device such as an iPhone into a beacon itself.

The Receiving Device - The second element of the iBeacon ecosystem is the receiving device, which includes any device supporting Bluetooth 4.0. When a receiving device comes within range of a beacon, the device will receive the signal transmitted from the beacon. The range varies, depending on interference and physical obstacles such as walls, but typically may reach 50-70 meters. The beacon signal received by the receiving device will include a proximity range and a unique identifier. An app on the receiving device may then perform a specified action based upon the information received from the beacon.

The Back-End Platform - The third element rounding out the iBeacon ecosystem is the back-end platform. This platform, combined with the capabilities of the iBeacon device and related applications, are what bring to life the iBeacon's full potential. When a device receives a signal from a beacon, an app on the device can reference the platform (located within either the app itself or a cloud-based server) to determine an action to take. For example, the back-end platform may tell the app to promote a coupon, offer video content, or display a check-in confirmation from a reception desk. The platform may also include elements such as:

- A management portal to allow administrators to update actions associated with specific beacons.

- Tracking and reporting of the time, date and frequency of beacon connections to help iBeacon operators optimize their programs.

What makes iBeacon different from other location-aware services such as Foursquare or Yelp is that the hardware component of the iBeacon provides precision location detection and device-to-device communications.

SAMPLE IDEAS FOR iBEACON IN ACTION

To illustrate a simple implementation of iBeacon, consider the following example:

1. A busy mother has installed a mobile app from her local retail pharmacy chain.
2. She walks into the retail pharmacy store and approaches the cold and flu medication aisle.
3. Her smartphone buzzes with an alert. The beacon placed near the display has broadcast a message to the pharmacy app on the phone in her purse.
4. She glances at her phone and sees the alert from the pharmacy's app. A quick tap on the alert reveals a coupon for 20% off the OTC cold medication she was considering purchasing.

The technology exists to make these engagements even more sophisticated and personalized. For example, customer movements between multiple beacons can track if they are walking *into* the store rather than *out of* the store. And an action such as walking into a retail pharmacy can trigger integrated services such as one-click prescription refills and pick-up reminders.

Consider this example for applying the iBeacon location-aware ecosystem at a medical conference:

1. An oncologist downloads the ASCO conference app on his iPhone in preparation for his 2014 ASCO attendance. To complete his installation and registration, he completes a short survey detailing his interests related to ASCO.
2. He arrives at the busy conference and strolls the huge conference floor between sessions. He rounds a corner and his iPhone buzzes with an alert.
3. The alert tells the physician that he is near the booth that has more information on the newly approved medication in which he had expressed interest. He looks up and it's right in front of him, where an interactive booth experience invites him in to learn more.

1 HCP installs medical conference app

2 beacon sends HCP a message while on conference floor

3 HCP receives message and visits booth

WHAT IT MEANS TO PHARMA

Apple launched iBeacon with little fanfare, but now beacons have been deployed in all Apple retail stores, a telling sign Apple is embracing the technology for the long-term.

iBeacon has the potential to change the way our customers interact with our mobile apps and content when physical location is an important part of the equation. What will marketers and developers create with this new technology? Beacon manufacturer Estimote has publicly stated they are speaking with large retail chains (e.g., Macy's) about nationwide deployments. What are the opportunities for pharma and healthcare? They are limited only by a marketers' imagination. That said, privacy concerns and opt-ins will need to be a part of all location-aware program considerations.

The deployment of an iBeacon solution will vary based on the target users, the desired level of engagement, and the type of content being distributed. Whatever the approach, iBeacon will be a hot technology to track in 2014.

For more information and ideas about applying iBeacon to your programs, contact your Intouch Solutions representative.

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