PROXIMITY MARKETING: "A NEW TECHNOLOGY FOR MARKETERS TO ATTRACT AND RETAIN CUSTOMERS"

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Abstract

This is the conceptual paper focusing on the Proximity marketing or Bluetooth marketing. "Proximity marketing is a type of mobile marketing that connect businesses to their customers in specific locations. The context specificity allows advertisers to send targeted and personalized mobile-advertisements to consumers on the move, hence an alternative term, location based commerce.''

The objective of the study is to understand the scope and future of proximity marketing in Indian Retail industry (especially malls in metro cities). Secondary data is used from various journals, news papers and from internet. Very less literature is available in context with India as this technology is implemented in only few select malls. Researcher has thrown some light on technology involved in Proximity marketing, advantages and limitations. Researcher has tried to explain the use of this technology to attract and retain the customers, use of this technology as innovative tool to retailer and scope of it in emerging market like India where Smartphone users are increasing

Introduction

What comes to our mind when we think about promotion? Same traditional tools of promotion like TV, hoardings, internet, print media etc. We do not consider mobile, laptops and Wi-Fi as an effective promotional tool. Increasing use of social media is another rising feature of market. So what does it mean to the retailers?

Proximity marketing has evolved as a major tool for local advertisement in retail marketing all around the world. It is a very new concept and phenomena in the market to promote products as well as services instantaneously to the customers. Message can be delivered to the customers within fraction of seconds via Bluetooth, WI-FI devices in their mobile phones and laptops. People are becoming more techno savvy, Therefore retailers are using proximity marketing strategies have the opportunity to reach customers when they're most likely to buy. Effective proximity marketing tools deliver business intelligence and real-time metrics that enable retailers to gauge interest and response rates and dynamically adjust messaging to generate ROI (Return on Investment).

1. Objectives of the research

1. The objective is to understand the scope and future of proximity marketing in Indian Retail industry (especially malls in metro cities).
2. To study importance and advantages of proximity marketing to attract the customers as well as retain the customers.

2. What is Proximity Marketing?

"Proximity marketing is a type of mobile marketing that connect businesses to their customers in specific locations. The context specificity allows advertisers to send targeted and personalized mobile-advertisements to consumers on the move, hence an alternative term, location based commerce.**''**

Proximity Marketing is an exciting new way of allowing customers to interact with an advertising panel or a poster with their Mobile phones or Wi-Fi. Customers can receive content such as Video clips, music, vouchers and coupons, contact information or product information by simply activating either Bluetooth or Wi-Fi on their mobile phones in the vicinity of the display.

It is not that much popular in world except some countries like USA, UK, Israel and some part of the Europe. If we take India as an example, proximity marketing is very new concepts for the retailers and it is not prevailing in India. But India has 900mn mobile subscribers and number has been increasing day by day. Mobile is important medium of
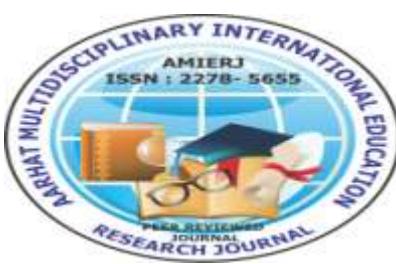
communication. Hence we can say that proximity marketing has huge potential in Indian retail industry especially in big malls.

2.1 Proximity Marketing – Technology and process-

It is very fast and cost saving marketing, it provides instant information about the offers to the customer. Back stage process of Proximity marketing-
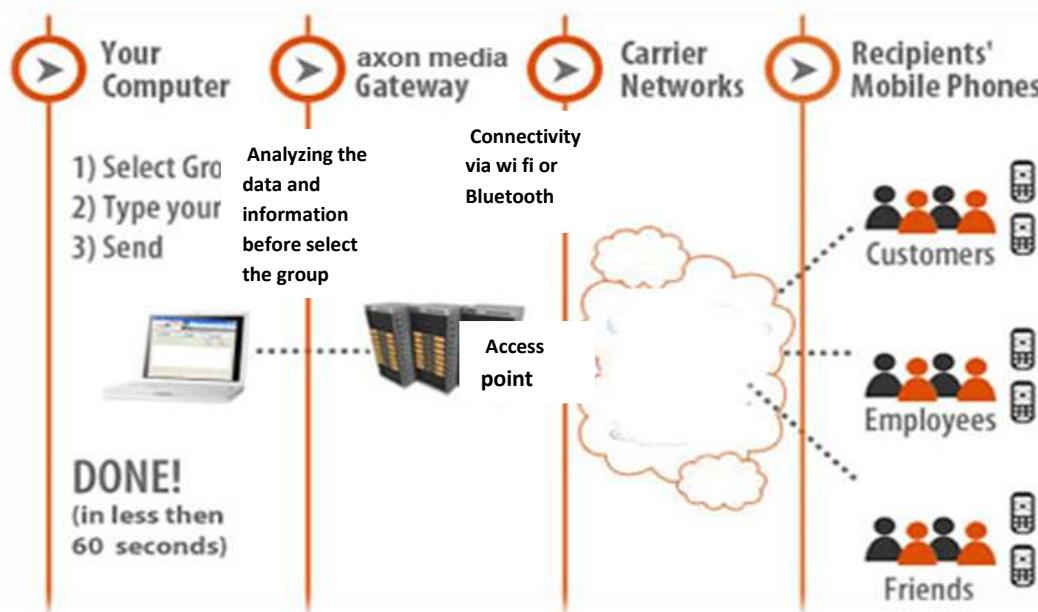
In this process, marketing manager collects all the information about visited customer and their pattern of purchasing He sorts individual offers suitable to the customer based on the available data. System detects active Wi-Fi or Bluetooth device of customer phones in premises and immediately send special offers or information about products.

2.2 Advantages of proximity marketing

Effective and fast tool for advertisement- Proximity marketing is very effective tool for reach to large number of customers simultaneously within seconds. It communicates to the customers instantly. Even it helps to customize the offers and segregate them according to retailer choice.
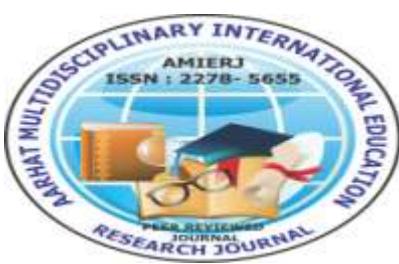
Unique and relevant- Today's customers are very busy, they don't have enough time to read the broachers or add. For them Bluetooth marketing is the best way to communicate offers and relevant information.

Cost Effective- Once you have set up system and server, it doesn't require additional system for support. It is one time investment to setup the entire system for retailers and no extra charges for sending the messages to retailers and receiving the messages by customers

Interactive and measurable individual wise- Unlike other tools, it is very interactive tool for communicate with the customers simultaneously; it keeps the entire data customer vise. Structured and avoid miscommunication- It is structured marketing tool, in system retailers can keep the past record according customer vise, date vise or day vise. Customization helps to the retailers to avoid the miscommunication and provide right information to right customer at the right time.

2.3 Limitations–

➢ Proximity marketing can be used (Bluetooth or Wi-Fi) in limited area. It is location based marketing.

➢ It requires Bluetooth or Wi-Fi features in phones with activation mode; it is very difficult to target every individual.

➢ Privacy issues are also in the proximity marketing. Company need to take permission from operators and government before sending messages.

➢ Technical issues like error and miscommunication could mislead the customers.

➢ Maintenance of information and customization of offers for individuals are very time consuming process and sometime retailers couldn't able to understand about customer need and wants.

3. Literature Review-

As it is a very new concept in the market, limited books and very rare information is available about proximity marketing. Some research paper like "Reactions to Bluetooth Proximity Marketing, growth and power of proximity marketing" enlighten us about proximity
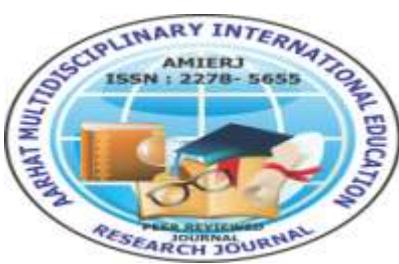
marketing growth and challenges.   In growth and power of proximity marketing, researcher describe about engagement if consumer evolve over the period of time from traditional to modern approach.

Television	Internet	Mobile, WI-FI

⟹   ⟹

Researcher mainly focused on US market and penetration Smartphone and Features phone. Marketers recognize that mobile is one device with which retailers can easily reach out to customers. Marketers can attract the customers and increase brand equity of organization. This paper gives us information about mechanism of proximity marketing and its impact on some other areas. This research explains us about how US retailers are using it as promotional tool.

In paper "Reaction of proximity marketing" which is a study of US market–researcher tested the overall impact of mobile marketing on retailers as well as customers. Researcher also touched upon advantages and characteristics of proximity marketing.

Even paper has mentioned about features of Bluetooth design and basic features of mobile and by survey he tried to find out penetration of mobile and Bluetooth marketing and number of malls in LA which are using proximity marketing effectively. Some examples of proximity marketing campaigns around the world have mentioned by researcher in India. (Telecom 2007 event) In other prospective, usage of internet have increased in all around the world and social networking sides like Facebook, twitter play vital role in proximity marketing. People always attach with mobile phones, this increase the probability of potential customers to the retailers. Let see usage of social networking sites and internet has enhanced over the years in India and USA.
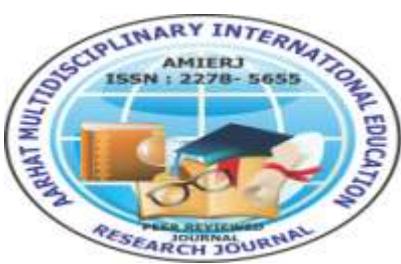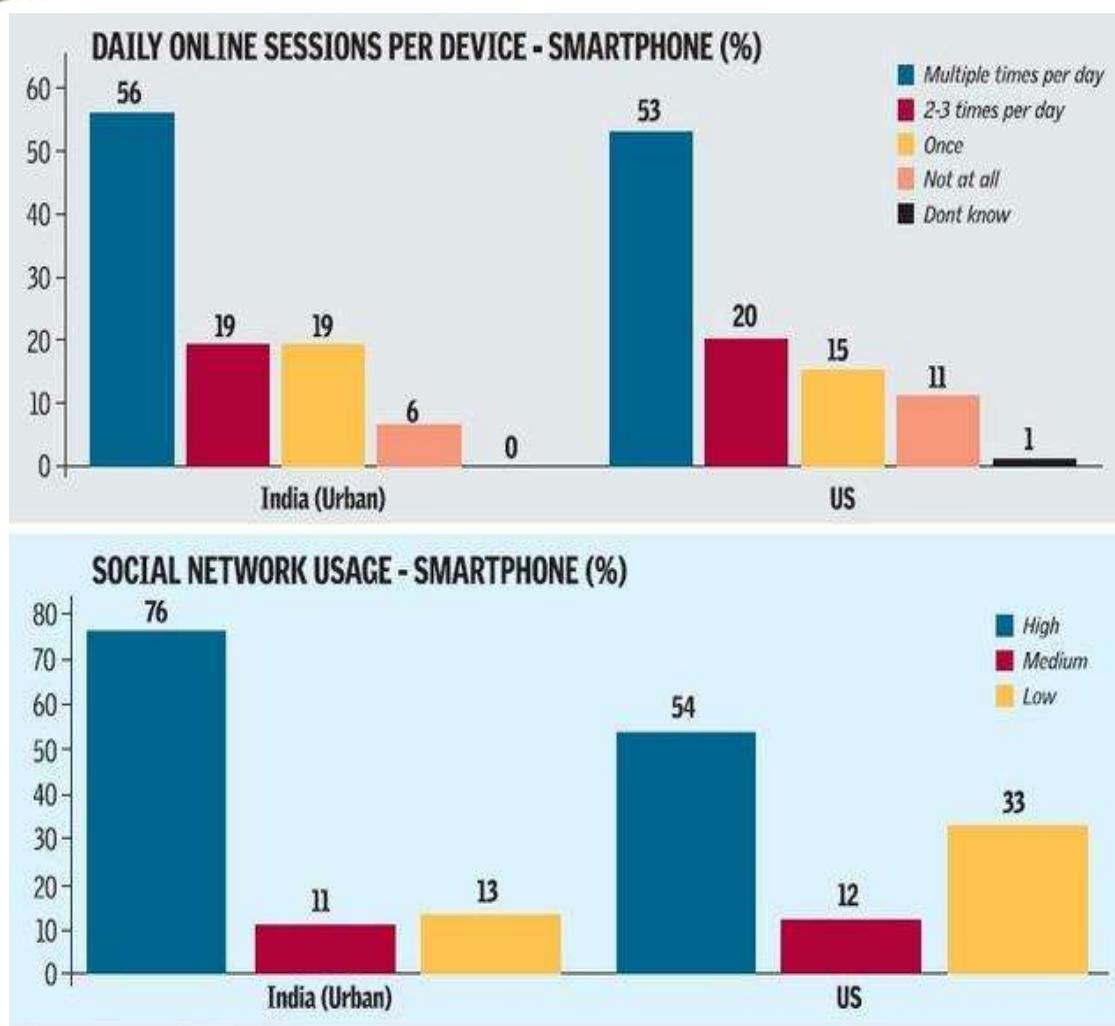
Source: www.ourmobileplanet.com

Countries using Proximity Marketing for promotion -

- USA – PM majorly used in malls and campaigning in USA.

- Philippines- They are using in government-run-community based program to reach out to the people

- European countries- A prominent company BlueMoz is rendering the services in 36 European countries with deferent solution.

- South East Asia- Proximity marketing prevailing in India and China mainly in this part of the world. Indian government and NGO are using it for campaigning and Chinese malls and retail companies are taking advantage of PM.

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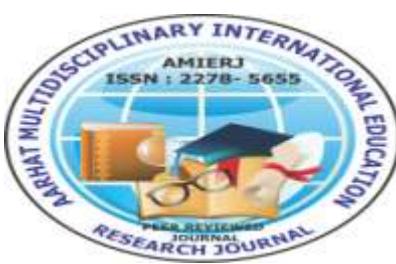
- Arab countries – Dubai, Saudi Arab and Kuwait are some Arab countries, where PM use in malls and promotions as well as campaigning.

4. Applications of Bluetooth Marketing-

- **Bluetooth Browser-** An application that allows users to browse and select content for downloading in their mobile phones.

- **Bluetooth loyalty program-**An application on the phone that could alert you when your customers are close to your store and send them offers based on their past purchased history. Even you can provide them Loyalty cards, so that customer feels privilege.

- **Bluetooth photo printing-**Allow customers to print photos free of cost by uploading them through their mobile phone and put your brand image on the back side of the print.

- **Digital Signage-** Allow people to interact with digital signage by uploading their photos that get displayed on them. It also allows them to hear the digital signage content by simply downloading an application.

- **Bluetooth video streaming-** Allow people to stream videos to their phone from a server within premises.

5. Use of Proximity Marketing at Retailer shop-

- **Create a true one-to-one relationship with a retail customer** by building lists of opted-in customers. These lists can be used to market directly to a customer in the future. Once the customer's mobile number is in the system, a profile of the customer can be created. Later, details in the customer profile can be used to market to the customer in a more personal way.

- **Bar codes can add another level of customer interaction for retailers** -Increase a customer's experience by giving mobile users instant access to the information they need when and where they need it. For example, 2D barcodes can be attached to an item's price tag and, once a customer takes a picture of the tag, their mobile phone can connect to the retailer's SMS-CRM system and receive return texts with very specific product

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information, including which celebrities wear the label, what other colors the item is available in and what other accessories might match the outfit.

- **Remind customers of sales with SMS texts-**Remind customers of sales by texting them about the sale as the date approaches. If items aren't moving, offer increasing discounts until everything sells.

- **Use mobile keywords** to inform customers of things that might interest them. For example, texting the retailers name could simply result in a text that informs the mobile user of the store's location and hours of operation.

- **Integrate a database** with an SMS-CRM solution. Mobile users can text into a retailer's database and receive an item's pricing or availability information directly back to their mobile phone.

- **Text message can contain links directly to the retailer's website-**Allow users to see the retailer's latest styles by sending text messages that link directly to the retailer's website, where videos and images of the latest fashions are available for viewing or download.

6. Various types of PM with the help of mobile in organized sector -

Proximity marketing has two major components. Traditional proximity marketing is marketing to the radius of your particular store or service. However, over time it has come to mean distribution of localized wireless advertising content associated with your business or product. Consumers pick up the transmission with their cell phones, Internet-abled devices or Bluetooth or Wi-Fi devices.

- **Install proximity broadcast stations at malls and specialty stores**, wherever your product is sold. Location based marketing should reach your target audience. Make sure to show signs telling to customers to turn Bluetooth devices on to receive free messages.

- **Broadcast coupons to phones and devices, giving instant savings or free items**. For example, if you have an ice cream shop outside a high-traffic walking path, giving a buy-one-get-one-free coupon may slow customers enough to stop and act on that impulse.

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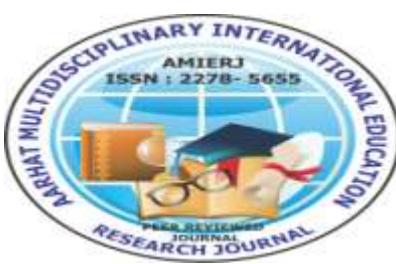
- **Use contextual advertising**--ads appearing as content on the consumers' cell phone, selected based on the user's displayed content. If the consumer walks through a mall, he/she may welcome a free advertisement to hear about sales and promotions as well as new products or services.

- **Give localized information,** such as maps and information related to your area. For example, a theater could give movie listings and show times for that particular location.

- **Display gaming and music content**. Consumers who love these forms of entertainment would also love receiving free screenshots of a new game or song from a new album. This is especially important for electronics and music stores, as it could bring interested consumers, impressed at your level of technology and knowledge, into your store.

- **Show content on demand**. Give access to ads, information and discounts as the consumer wants it, allowing them choice.

Conclusion-

As Mobile usage will increase day by day, use of proximity marketing will be increase in retail industry. Organized retail industry in India is expanding especially in urban areas and metropolitan cities. In coming future success of any retail company will depend on how company uses this tool effectively to attract customers as well as retaining them. Sustainability in the market, retaining customers and maintaining relationship will be much easier with the help of proximity marketing for any retail organization. There is vast scope and potential in Indian retail industry for proximity marketing. Now it's all depends on retail companies to explore this tool for penetration and gaining the competitive edge in the market. It is going to change whole marketing strategies of the retail companies in India.

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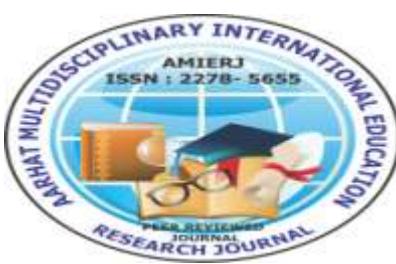
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