



Marketing Futures

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# CMO Trend Brief

## Internet of Things

**ANA Marketing Futures** focuses on the innovations and trends that will shape the future of marketing to prepare brands for the challenges and opportunities that lie ahead.

### **What is the Internet of Things?**

The IoT refers to the growing network of internet-enabled objects and devices —beyond smartphones and computers — that use embedded software and sensors to communicate, collect, and exchange data with one another via the internet. Numerous examples of IoT devices are already commonplace, such as smart thermostats that adjust the temperature based on where people are in a building, or smart refrigerators that can tell their owners when it's time to go shopping. Anyone who uses an Amazon Dash Button to reorder Tide laundry detergent is taking advantage of the IoT.

### **Why Should Marketers Care?**

As consumers become more connected to the IoT ecosystem, each connection represents a potential touchpoint that marketers can use to personalize content, customize product offerings and simply understand with greater precision where prospects are on their buying journeys. These connections also produce vast amounts of very granular data about consumers' everyday lifestyles. This data can give marketers a unique window into consumer behavior and allow greater influence through perfectly timed interactions with consumers through these connected devices.

### **Key Internet of Things Stat**

IDC predicts that by 2021, global IoT spending is expected to total nearly \$1.4T in hardware, software, services, and connectivity that enable the IoT.

# Expert Perspective



**Tony Wells**

*CMO*  
Schneider Electric

“Our connected products create 4 trillion pieces of data on a daily basis – when you look at the volume we’re facing and how that data can be put to use, how it can create better use cases and value for our customer, it is extremely valuable, but how you handle that data is a big challenge.”

## Getting into the IoT Game

Jennifer Lum, co-founder and COO at Forge AI and MediaPost contributor, shared advice for companies looking to utilize the IoT to create innovative consumer experiences.

A great way to get started is to seek inspiration from how other marketers are leveraging the IoT. Take, for example, the **digitally personalized, connected whiskey bottles that beverage maker Diageo offered for sale as Father's Day gifts.**

The company connected real, whiskey-filled bottles to the internet so that sons and daughters could give them as Father's Day gifts. The dads who received these gifts were able to connect and receive a personalized video tribute message from their sons or daughters. These smart bottles were a unique, memorable gift and resulted in a 72% sales increase in the weeks leading up to the holiday. If a bottle of whiskey can become part of the IoT, almost any brand can find a way to connect its products.

Sarah Mannone, VP of client services at multichannel marketing firm, TREKK, Inc., says that the data IoT connected devices can produce is great for marketers: "Knowing when people are using products or accessing content and what else they might be doing at the same time (going for a jog, taking the kids to school, grocery shopping) means we can better tailor our campaigns. More data means smarter interactions, and smarter interactions mean more conversions." Mannone recommends that marketers look at using the IoT to make for more frictionless purchasing, to improve brand loyalty by making things easier and more efficient, and to provide better, more personalized service.

### Want to learn more?



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