

In the scheme of Internet of Things ...

IoT can turn products into a medium for brands to learn more about their customers

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At a time when consumers can't wait to get their hands on the latest smart watches and there is a buzz around Amazon Echo and Google Home, brands cannot ignore the impact of Internet of Things (IoT) on advertising and brand communications. And it need not mean customers having to download yet another app.

It can be far simpler, like transforming an empty cup into a connected device that enables consumers to beat the queue to get their favourite drinks delivered in a busy pub. Or like hotels using a guest's first name on their room key card to offer them personalised experiences.

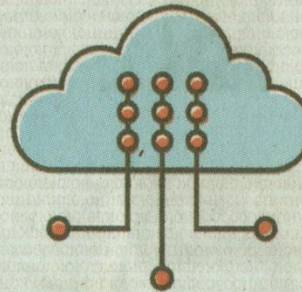
At the recently-concluded Goafest 2018, Cameron Worth, Founder of SharpEnd, gave a peek into some of the work his four-year-old agency has been doing. The Lon-

don-based agency, which Worth says is "the Agency of Things" founded in 2014, helps connect brands and consumers through the Internet of Things.

Addressing a session at Goafest 2018, Worth said that if the first age of the internet (Digital 1.0) was all about websites, which meant conversations were only outbound, in the age of social media (known as Social 2.0) brands and consumers have conversations. But the age of Internet of Things (IoT) will be all about multiple conversations led by connected devices. "Now is the time for brands to experiment as they need to respond to this shifting landscape," he said.

Digital touch points

"We see three main areas where IoT can play a role for brands. Smart packaging, which helps turn the products into digital media touch points. Smart spaces, which are all about, making the retail environ-



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ment more fun and entertaining for consumers. Connected products, which are about embedding connectivity and intelligence into products that help brands get consumer insights and create value for the consumers," Worth said.

SharpEnd, for instance, has been working with the Pernod Ricard-owned Absolut Company for its rum brand Malibu. In 2016, Malibu launched a pilot with 45,000 limited edition connected bottles as part of its summer campaign. The agency incorporated NFC chips in the bottles' neck sleeves. Con-

sumers could use their NFC-enabled smartphones to play a game to win prizes, find recipes and download branded content. In 2017 the company scaled it up by running a similar campaign in other European markets.

Worth said companies have to increasingly look at offering memorable experiences rather than push brand messaging through traditional advertising.

Less advertising, more value

"With the fragmentation of the landscape, brands today need to be across about 50 touch points to have a cohesive media strategy. Consumers are more promiscuous and expect more from brands in a lesser amount of time and don't necessarily want them to carry a TV advertisement. So I believe brands which will advertise less will be far more valuable," he tells *cat.a.lyst*.

So for a brand, wooing a consumer with advertising first and then hoping to engage with them later is fast becoming an obsolete strategy. Brands will need to instead first focus on engaging with

consumers and building brand saliency. "Brands will need to focus less on advertising and more on providing a service in an entertaining manner," he says.

But are brands even close to adopting IoT in India? Worth believes emerging markets such as India are eminently equipped to leverage smartphones and pave the way for smart packaging and connected products. "The important thing to remember is that India basically just skipped desktop and went straight to mobile phones. So, Indian consumers are really native to smartphones in terms of functionalities and features. I believe Indian consumers are ready for smart packaging, in fact, even more than some of the European markets," he adds.

But are traditional agencies ready to take on this challenge? "Specialists are going to be born in this new environment. They are going to steal revenues away from the bigger agencies and then bigger agencies will look at collaborations or acquisitions of these specialist agencies," says Worth.