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Marketers Put Internet of Things Data to Use—and It Works
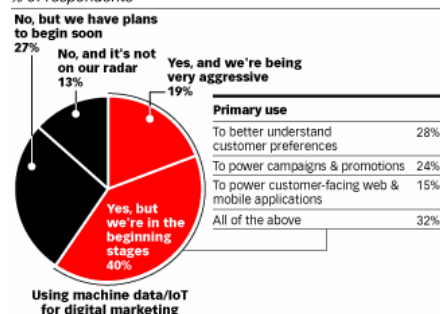
Aug 7, 2015

Understanding customer preferences is the biggest reason for using IoT data

Marketers are leveraging the internet of things (IoT) (http://www.emarketer.com/articles/results.aspx?q=internet%20of% 20things&ecid=MX1087) to track and reach the cross-everywhere consumer (/Article.aspx?R=1012644&ecid=MX1086). In a July 2015 study by 2nd Watch (http://www.2ndwatch.com/), nearly six in 10 US IT and business executives said they leveraged machine data/the IoT for digital marketing. However, for most, it was still early days for doing so, as two-thirds of users said they were in the beginning stages.

Primary Use of Machine Data/Internet of Things (IoT) in Digital Marketing Campaigns According to US IT/Business Executives, July 2015
% of respondents

No, but we have plans to begin soon 27%
No, and it's not on our radar 13%
Yes, and we're being very aggressive 19%
Yes, but we're in the beginning stages 40%

Using machine data/IoT for digital marketing

Primary use	
To better understand customer preferences	28%
To power campaigns & promotions	24%
To power customer-facing web & mobile applications	15%
All of the above	32%

Note: n=501; numbers may not add up to 100% due to rounding
Source: 2nd Watch survey conducted by Survata, July 28, 2015
194007   www.**eMarketer**.com

Respondents were using machine data/the IoT for various reasons in digital marketing campaigns. Understanding customer preferences was the most popular use case. About one-quarter used the IoT to power campaigns and promotions, while 15% did so to power customer-facing digital apps. The largest group of respondents, though, was using all three, highlighting the massive impact IoT data can have across the board.

Further responses indicated that such efforts were paying off. When asked about the effectiveness of machine data/IoT in digital marketing campaigns, 43% of IT and business execs said they had been quite successful in terms of meeting their customer engagement and demand generation goals.

Effectiveness of Machine Data/Internet of Things (IoT) for Digital Marketing Campaigns According to US IT/Business Executives, July 2015
% of respondents

Extremely effective—we've eclipsed our goals and generated quantifiable ROI
27%

We've been quite successful in meeting customer engagement and demand generation goals
43%

They appear to serve the purpose for which they were intended
26%

Not sure, we haven't really measured
3%

Note: n=299; among the 59% of respondents who have leveraged machine data/IoT for digital marketing; numbers may not add up to 100% due to rounding
Source: 2nd Watch survey conducted by Survata, July 28, 2015
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An additional 27% went a step further and said this had been extremely effective—indicating room for advancement among those in the first group as they grow more comfortable leveraging machine data and the IoT.

Relying on IoT data for digital marketing should only get bigger when one considers the massive adoption levels projected. International Data Corporation (http://www.idc.com) figures released in June 2015 put IoT sales worldwide at $660 billion last year and forecast this would soar to $1.70 trillion by 2020—and that was excluding desktop/laptops, smartphones and tablets.