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Creating Meaningful Connections through Location-based Marketing

Localized advertising has been around for a long time, since the first time a storeowner posted a street sign to promote their shop. However, more recently the term ‘localized’ has taken on new momentum as global, regional and local brands are all increasingly relying on geo specific media to connect with people in real-time in a more personal, meaningful, and impactful way.

Location-based marketing describes how brands can reach consumers in the right place, at the right time, with the right message and experience. We know today’s average consumer is constantly changing location, device, and changing the media type with which they interact. To be relevant to these consumers, we need to keep up with them, adapting and changing marketing content to their realities and environments.

According to Asif Kahn, founder of the Location Based Marketing Association (LBMA), the term location-based marketing is about the intersection of people, places and media. It’s not just another channel, but a platform for rich data to learn from and apply for future marketing efforts.

Growth of Location-based Marketing

In the past few years, there has been significant growth in the number of people using location-based services to search and navigate local neighborhoods, find nearby offers/deals, and share personal recommendations.

In 2012, there were approximately 747 million users of location-based services worldwide. The number is expected to triple to approximately 2,093 million users worldwide by 2016.¹

Correspondingly, marketers’ investment in location-based advertising is expected to skyrocket from 0.53 billion euros worldwide in 2012 to 6.5 billion euros by 2017. Why such high growth? Location-based services (such as Foursquare, Google, and other localized apps) are expected to bring in $10 billion in revenue from consumers and advertisers by 2016.²

¹ Emarketer 2013, Strategy Analytics 2011
² Ibid
Location-based technology

Today, companies are using a variety of location based marketing tools and technologies to connect on a localized and personal level with consumers, including the following:

**BLUETOOTH**
- Wireless technology standard to exchange data over short distances between devices.
- Bluetooth is most commonly found on mobile devices, but can also be integrated in billboards or point of sale to engage consumers through shareable, real-time content.

**GPS**
- Space-based satellite navigation system that provides accurate location information to GPS-enabled devices.
- Used in most navigation systems and mobile phones to provide directions or locate and target the consumer with customized content.

**RFID**
- Small electronic chips that transmit data wirelessly via radio-frequency identification. Similar to a barcode (unique object identifier).
- RFID tags can identify and track movement (of objects, products, people). At events, consumers can check-in at a venue and track their movements by wearing a RFID bracelet.

**WIFI**
- Most common wireless technology exchange for connecting devices to the Internet using radio waves. Offers high speed longer range access and bandwidth.
- It’s the preferred technology to engage consumers with apps, websites, or other digital content. Many brands sponsor Wi-Fi hot spots to give free Internet access in exchange for consumer engagement and data.

**NFC**
- Establishes short-range communication between devices by touching or bringing them into proximity.
- Near Field Communication (NFC) can be used for cashless payments (i.e. Google Wallet). NFC tags can also be embedded into non-electronic objects or media (such as posters) to create interactivity with consumers and deliver relevant content to mobile devices.

**iBeacon**
- Enables an iOS device or other hardware to send push notifications within close proximity.
- Placed in strategic locations, sends mobile alerts with info, coupons or rewards to consumers when they approach a certain area.
All of these technologies are part of a broader ecosystem that is helping marketers customize content, media and services to adapt to the geographic and real-time needs of consumers. Yet, beyond technology, successful location-based marketing campaigns require strategic planning and deep consumer understanding of when, where, why and how consumers engage with local media and services.

Consumer Marketing Opportunities

Marketers should think about mapping out the consumer journey to understand how location-based media and content can help drive awareness, engagement, preference, purchase and ultimately sharing. Here are some areas for effectively deploying geo-targeted communications.

1. **Out of Home**: Activate static posters through socially linked actions (i.e. check-ins or SMS calls to action), digitize billboards with location specific live content feeds (i.e. news, weather, etc.), embed NFC tags or QR codes on marketing collateral to deliver relevant content to mobile devices

2. **Events**: Enable consumers to engage with the brand/product in more interactive (experiential), physical (augmented reality) and social ways by rewarding local participation and public content sharing

3. **Search & Display**: Plan and bid against location specific keywords, display and video to target geo-specific consumer segments at various phases of the consumer journey. Extend across multiple platforms, including online, mobile, and other digital channels

4. **Point of Sale**: Identify consumers in store or near proximity (via geofencing or geoware technology), and deploy situation-based messaging, geo-targeted coupons and engage with in-store kiosks and digital displays

5. **Mobile Apps (& Wearable Tech)**: Co-develop or sponsor location based apps/services that deliver highly relevant, unique consumer value (such as time or cost savings) and help drive brand transactions, loyalty and sharing

Throughout all of these opportunities, data is what we rely on to connect the consumer to the media that is near them, so being able to effectively capture, measure and optimize data on a continuous basis is essential.
Future of Location-based Marketing

As digital technologies continue to evolve faster, bringing unprecedented changes, it becomes more difficult to predict exactly what technology or service will flourish or perhaps disappear. For instance, a few years ago we were discussing the merits of Gowalla, Whrrl and Foursquare. Today the first have been acquired while the latter has exploded with more than 40 million Foursquare users worldwide.

This said, we can fairly predict that location based-marketing should have a promising future. Some predictions we can list for the next few years:

- **Location-based Marketing becomes an integral component of marketing communications** as consumers continue to gain more value from location-based sharing (such as check-ins), become more comfortable with interacting with digital screens, and rely more on their mobile device to access content in their daily life.

- **Increase in permissive, yet passive engagement by consumers (‘passive geo’)** as it becomes easier for consumers to automatically share their location within their social circles, and passively receive relevant location based content, such as tips, offers /discounts. Of course, marketer transparency and data security stays critical for mass consumer adoption.

- **More diversified and sophisticated formats for location-based marketing**, including wearable technologies. Google Glass is pioneering this space, removing friction for consumers seeking to navigate and interact simultaneously in the physical and digital world.

- **Geo-data insights from social (check-ins, postings, conversations), behavioral (in-store foot traffic), and transactional (commerce) will be used to optimize ad placements, couponing, customer service, and product dev.**

- **Strong linkages to the mobile wallet.** New platforms offering consumers gifts certificates, tickets and coupons to be used at various places (points of sale, restaurants, cinemas, hotels), will becomes more relevant as consumers have the possibility to hold all of these offers in a mobile wallet (such as Google Wallet, PayPal, Square).

Location-based marketing offers a unique value - the ability to deliver on the promise of highly relevant, real-time personal connections between brands, people and communities. As technology and marketing strategies continue to evolve, we can continue to unlock value from traditional media as well as create new media to improve communications and interactions to become more meaningful and valuable.

For more information

- Location-based marketing video by Havas Media with Foursquare, Google, JCDecaux, and the LBMA
  [http://youtu.be/-Nv1d9Lylzg](http://youtu.be/-Nv1d9Lylzg)

- Location-based marketing presentation, strategies and campaign examples
  [http://goo.gl/vaH7WA](http://goo.gl/vaH7WA)