Location-based marketing: Connecting companies to customers

If using a GPS-enabled device can prevent you from getting lost, just think what it can do for your marketing message.

Location-based marketing is the integration of mobile marketing together with positioning technology to provide location specific advertising to subscribers on their mobile devices. Mobile marketing messages are specifically adapted and personalised to the place where the user is.

Companies as well as marketers are using location-based marketing to reach out to their customers to send them more targeted contents, give them a reason to come into a store and purchase, increase average order value with personalised offers as well as increase brand affinity and loyalty by just rewarding customers for being in their stores.
Marketers are using a variety of tools in order to customise messaging that is based on prospects location and preference.

Location-based advertising

These are tools such as GPS and geo-fencing to target specific areas and locate potential prospects to send them messaging. How geofencing works is when a customer enters or exits a specific geofence they are able to receive targeted messages to their mobile devices. This creates a pre-defined, virtual space around a particular location.

Location-based services

These are mobile apps such as Foursquare that provides information or entertainment news to a user that is based on their location.

Near-field communication or Bluetooth marketing

This is a technology that allows two devices that are in close proximity to exchange information.

Russel Stromin CEO of Strike Media offers a few simple rules in location-based marketing that will ensure you are at the forefront with all your strategy:

1. Don't get the location wrong - make sure the offer you present is in the specific targeted area.
2. Ensure the rendering of the message is applicable to the handset.
3. Make sure the marketing that you are pushing is relevant.

Here are two examples how companies have successfully used location-based.

Subway in the United Kingdom teamed up with mobile network provider O2 to give customers special discounts when they get close a Subway business. If they had opted in to the promotion, smartphone users that walk past or near a Subway store will receive an MMS message to their numbers containing information on the store, as well as a code that can be scanned in-store to receive a discount on various items on the menu. A lot of location-based marketing is used with an appropriate application, but Subway has managed to create a location-based marketing campaign without on through the help of O2.

Another great example is where Bulmers partnered with O2 to use location-based services to encourage customers to try Bulmers in their nearest pub. They created geofences with a radius of 800m around over 1,000 pubs in the UK that sold Bulmers. When O2 subscribers fitting the specific Bulmers target demographic walked past these areas, they were sent an MMS message informing them where they could claim their offer on Bulmers cider. During the four week campaign, more than 50% of recipients clicked the link in the message and around 25% of recipients bought Bulmers at the pub they received the message for, as well as another 53% of recipients who bought Bulmers at another pub.

Whether developing mobile apps or creating text message-based marketing campaigns, businesses should be "tailoring their specific offers to combine consumer's interests and location in order to drive traffic to their stores," says Russel Stromin.

About Strike Media

Strike Media aims to offer a complete mobile marketing solution, with campaigns that are personal, direct, and instant. The company has provided mobile services since 1998 and its experience of the market combines with custom technology and strategic marketing and business knowledge with the mission to provide a real return on investment for its clients. Strike Media maintains strict anti-spam policies and is a founder member of WASPA, the Wireless Application Service Providers Association.