

Location-Based Marketing Best Practices

Making the most of location-based marketing tech, geofencing and beacons

Marketers are taking advantage of location-based marketing technology to target consumers based on where they are at a given moment, thanks to push notifications, geofencing and beacons.

The mobile device has become the number one screen where people consume media, and that's where you need to reach your customer base. Messages sent automatically to consumers when they enter a specific geographic area are delivering hyper-local and extremely relevant content to mobile users.

"These notifications are lighting up the most valuable real estate in the world today—mobile screens—and CMOs should be thinking in terms of what they're doing to own that real estate," says Urban Airship CMO Brent Hieggelke.

Here's a look at how this technology has evolved, how marketers are using geofencing and beacons to target consumers in ways that were previously impossible and what's next for location-based marketing technology.

HOW WE GOT HERE

In its early days, location-based started out with applications such as Foursquare, which revolve around mobile check-ins where users share their locations. This led to recommendation engines, like Yelp, which let people share opinions of places and businesses.

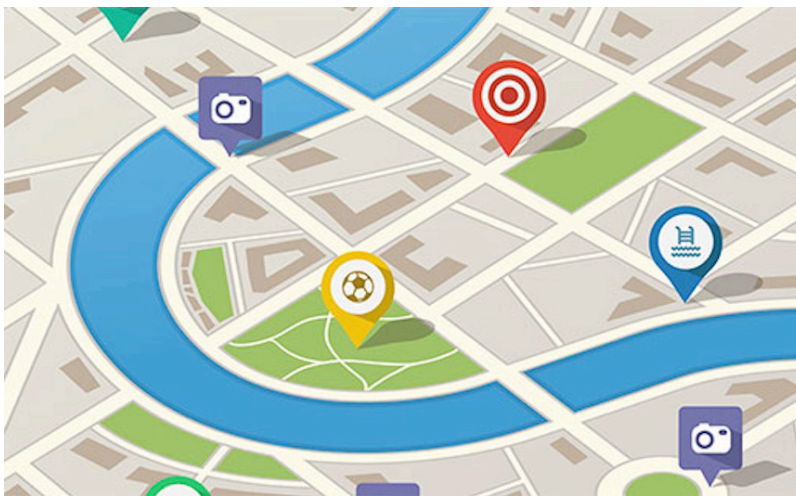
"What you see now is marketers focused more on the user and creating full campaigns around location-based technology. This makes the notifications more relevant and personalized to the end user," says location-based specialists Plot Projects product manager Paul Everts.

With a number of agencies specializing in location-based marketing solutions, the cost threshold is

now much lower for brands, which is why you'll see it used much more often moving forward.

"A lot of brands have apps with large user bases, but they don't know how to best leverage it and monetize it. With this technology they can use that app and their user base to activate people when they're near a store—which for both the user and retailer is the most relevant time," Everts says.

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Marketers are now taking advantage of this technology and using it as an intersection where people, places and media converge.

"Mobile location is there to tell us where someone is right now, where they've been and where they're going," says Asif Khan, founder and president of the Location Based Marketing Association.

Marketers should be thinking of location as a new data set—sort of like the new online cookie for the 21st century.

"We've moved from a world of simple location sharing and recommendation engines to a world where marketers are starting to look for context in location. Retailers are engaging with location in two big ways: driving traffic to a store, and increasing dwell time and purchases once the customer is inside a retail location," Khan says.

Mobile users are becoming more open and educated about location-based services and push notification messaging, and that's good news for marketers.

ACCEPTANCE

"People are very much moving toward an acceptance around this technology. Our research shows a 12% lift in acceptance of push notices over last year. It all comes down to how much control you give the consumer when they opt in. Allowing consumers to control their preferences and what they want to receive from you is a big plus," Khan says.

Allowing consumers to choose how many messages they can receive in a day, what topics they'd like to receive messages about, and during what time of day they'd like to receive messages results in happier consumers.

"When you give consumers that kind of control, they readily jump into it," Khan says.

One big shift has been one of perception—people more fully understand what they're opting in for today. In the past people didn't fully understand what it was, but now that's changing and users are more knowledgeable, according to Everts.

Most app publishers are seeing a majority of customers saying yes to push notifications, but marketers need to do delight those customers with useful experiences.

"You need to serve them with functionality of the app, not just market to them," Hieggelke says.

GEOFENCING

Geofencing is a strategy based around creating virtual barriers around a specific location and getting consumers to opt-in to messaging once they cross that boundary. When they come within a certain

U.S. OPEN APP & LOCATION TECHNOLOGY

The United States Tennis Association leveraged location-based technology and beacons as part of its mobile app for the 2014 U.S. Open last month.

The USTA teamed with Gimbal and Urban Airship to place beacons onsite, so users would receive notifications when they arrived at the arena with highlights and areas of interest. The notifications also highlighted sponsor events happening on the grounds, to add a layer of activations to sponsorships.

They had tickets available for certain nights and they wanted to be careful when targeting people, because there are a lot of people that download the U.S. Open app that aren't anywhere near the arena.

They used beacons to target people who had been near the arena ticket booth, leveraged a geofence to identify people who were in the surrounding tri-state area, and filtered results further to find users who had priced tickets via the app.

"They were able to craft a segmented push notification to the people that hit all three of those criteria, and they got a 32% clickthrough rate to Ticketmaster to buy tickets, which is mind-blowing in terms of a response rate," Hieggelke says.

Brian Ryerson, manager digital strategy, USTA, says rich messages sent via beacon-triggered push alerts and inbox feature allowed the USTA to position part of its global mobile app specifically to the on-site fan, while not interrupting the experience for those who were not on-site. The messages allowed the mobile app to become a true "day guide" for everything happening around the Billie Jean King National Tennis Center. "Using geo-location and rich media we were able to monetize push and the in-app messaging to drive sponsor goals and promote great on-site user experience. Using Urban Airship and Gimbal together for the 2014 U.S. Open not only worked seamlessly, but offered us sophistication to provide the ideal mobile experience for tennis fans and learn more about foot traffic at Flushing Meadows," Ryerson says.

distance of a retail store, for example, ad message pops up on their mobile screen with a call to action (such as an exclusive offer) to come visit the store.

The geofenced area can be defined on a case-by-case basis by a brand or location. The bigger the radius, the more people receive the message, but location-based specialists have noticed that as the size of the radius is decreased, the relevance of the notification increases and so does conversions.

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"We always advise to set small ranges around stores, about 600 feet works very well. This is a good optimum because people are willing to walk that far if they receive a notification for a good deal. The geofence is small enough so users receive relevant notifications, but still big enough to target a large audience," Everts says.

Setting up geofencing campaigns has been made easier, as well, thanks to self-service dashboard solutions from geofencing vendors. Geofenced areas can now be set up by marketers quickly with drag and drop tools, and the notifications can be customized.

"These dashboards make the process easy, and marketers also have access to campaign analytics to see how messages are performing. They can see how well specific geofences and specific notifications are working. It makes it easy to improve campaigns in real time," Everts says.

BEACONS

Beacons are a hot topic in retail at the moment. These little Bluetooth devices are set up inside locations to provide hyper-local engagement with users based on where they are standing. Beacons are more accurate than GPS or WiFi, and their range is much more controlled than geofenced areas.

"With a beacon, you can get down to within two or three feet of accuracy. This allows marketers to send messages when customers are standing in front of specific displays," Khan says.

Beacons can also be placed throughout a retail environment for analytics purposes.

"A lot of retailers are seeing value in having beacons out there and tracking people as they move and using that data to better understand traffic patterns and dwell times to better optimize the placement of things on the floor," Khan says.

BEST PRACTICES

Marketers are now leveraging location-based technology to deliver more targeted messages to consumers, and are now taking things into account such as a user's behaviors exhibited inside an app, their selected preferences and data from beacons.

"When that data gets applied to the customer base for segmentation, we see phenomenal response rates. Users are now able to customize the experience by increasing the relevance of notifications sent to them. Location is a massive piece of context that can increase the relevance of messages, and it's one of the most powerful things that marketers have yet to really tap into," Hieggelke says.



Historical location data is also important for marketers to consider. It's not just about where a user is this minute, but have they been to a location in the past? How often have they been there before, and how much have they spent?

"These location technologies give retailers and brands the opportunity to target customers along the shopper journey with a lot more precise control," says Urban Airship director of product marketing Bill Schneider.

The biggest key when jumping into location-based marketing is giving consumers control of their preferences—it's not just an opt-in or opt-out scenario.

"If you want to do this really well, give the customer a lot of control in what they want to receive from you. We believe that modern consumers understand that their data has a value, and there's a value exchange for that data. If you provide something of value, they're more likely to share that data," Khan says.

Making the onscreen notifications themselves location-based is also important. A good place to start is telling the user that they are near an important location.

"From the perspective of the user, they may not realize that it's a geofencing notification. If you don't create notifications that don't specifically explain that they're near a location, we see that conversions don't go up as much as those that do that," Everts says.

Deals offered exclusively through geofencing notifications also work well because they makes the user feel like they're part of an exclusive club.

"You also see more people downloading your app to get the deals, so you you're not only activating your current user base, but you're increasing your user base overall," Everts says.

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LOCATION-BASED MESSAGES PROVE EFFECTIVE

Analysis of more than 1,000 apps and 3.8 billion push notifications shows that highly-targeted messages drive 293 percent more influenced app opens on average than broadcast messages, solidifying the critical importance of a segmented approach to push messaging, according to Urban Airship's latest Good Push Index (GPI) data study examining response rates of highly targeted push notifications compared to messages broadcast to most of an app's audience.

While targeted push messages drive massive performance improvements, other recent data suggests that the industry is in the early stages of using mobile to establish deeper relationships through personally relevant messaging and app experiences. More than 500 mobile leaders completed Urban Airship's Mobile Maturity Self-Assessment, with results showing that 85% have adopted mobile apps, which were identified as the most "essential channel" for engagement above all other common mobile tactics. However, the majority of apps deliver the same messages and app experience to all users; and more than one-third of companies that collect user preferences, behaviors and location data don't actually use the insight to tailor content and messaging according to Urban Airship's Mobile Maturity Benchmarks Report from earlier this year.

"Most companies have the mobile foundation necessary for more sustained and valuable relationships with their key audiences, yet there are dramatic differences between those leading and lagging," said Scott Kveton, CEO and co-founder, Urban Airship. "We've always known mobile is different, it's more personal than any other channel or screen. The companies that understand this and focus on more responsive, personalized and relevant mobile interactions will seize massive advantage over those that do not."

Even one level of targeting, such as location, can quadruple response rates. "We recently ran a test in most of our retail markets, targeting users who had been near a store in the prior three months to notify them of a local in-store GoPro training class. Response rates to these messages, and similarly targeted REI Garage Sale notifications, were four times greater than non-targeted messages," said Chris Marley, mobile program manager, REI.

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WHAT'S NEXT

Personalization for location-based messages will be taken to the next level in the future, and retailers and brands are beginning to understand this, Everts says.

"Every notification sent that is not opened by a user is one notification too many. We should really decrease that number, and personalizing is an important way to do that," he says. Look for content-rich notifications that include things such as maps to store locations to improve moving forward, as well.

In the next few years, location-based connections will begin moving beyond mobile devices to navigation screens in cars, making the vehicle a connected device. Messaging on in-car screens is on the horizon and push-based notifications will be a big part of that trend, Khan says.

"Augmented reality is also moving into the mainstream—we're seeing it in packaging on shelves and inside retail spaces. This involves mapping the inside of a store where consumers can view 3D animations and offers through their mobile devices. This creates layers of content that are projected and are driven by location," Khan says.

It's important to remember that the barometer is different for these types of notifications than it would be for traditional email, because they are interrupting people's lives on their time. The message has to be something they appreciate getting if it's going to be effective.

"If they're sitting down to dinner with their family, they should be happy to have received the information, not wanting to be whipping their phone out of the room. This is a completely different channel, so it has to be treated very carefully. When users say yes to push notifications they are giving the brand a signal that they are brand loyal, engaged. Take advantage of that and build loyalty that leads to retention as opposed just blasting out notifications," Hieggelke says. That's a winning strategy. !



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