

COLUMNS

What to expect in mobile advertising and location data

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This year promises to be one of innovation and adoption in mobile advertising and location data as the two continue to intersect in new and interesting ways. There will be areas of incredible opportunities as well as challenges for marketers.

Next year, location-based advertising will continue evolving from its early days of real-time, proximity-based push alerts and advertising.

Where location is going

Look to see location used to enhance more aspects of the shopping journey, including in-store augmented experiences, simplified mobile checkout, product reviews and tutorials and in-store navigation.

The quality of location data will become more important as these use cases expand. This does not just mean accuracy of the location data, but also the accuracy of the points of interest that location data is matched against.

Location quality scoring will become a trend and will initially arrive in a somewhat disjointed form with multiple parties providing various methods of scoring. But marketers should align for a common standard in partnership with industry trade groups.

In 2018, machine learning will be applied to audiences and location data.

Up to this point, location-based audiences are largely defined by devices that have been to a specific location. We will start to see predictive modeling used to find devices that are expected to appear at a future location.

For example, audiences that visited Target, then Chick-fil-A, show a high propensity to visit Starbucks next, measured over a certain time frame.

We also expect to see predictive modeling built to understand the duration of visitation cycles.

Research by the Advertising Research Foundation showed that reaching consumers during the last 20 percent of their purchase cycle, whether it is two weeks or two months, can significantly enhance repeat purchases and advertising

purchase cycle, whether it is two weeks or two months, can significantly enhance repeat purchases and advertising effectiveness.

Machine learning will be applied to massive data sets to understand these purchase cycles and make them into actionable audience segments.

For the consumer to become more comfortable with sharing location data, marketers and product managers must be laser-focused on ensuring that they deliver valuable features and products back to their audience. This also means ensuring complete transparency around privacy, data sharing and data security.

Consumers should have a basic understanding of who is collecting their location data, how it is being used and ultimately how it is kept secure.

Set with data?

The upcoming May 2018 European Union General Data Protection Regulation (GDPR) will surprise many companies that do not expect to be affected.

Any EU data will be subject to the regulation's still-to-be-finalized requirements, which means even small publishers with European users should be planning to address them.

The most challenging aspect of the GDPR for most companies will be the "consent" and "transparency" requirements. These stipulate that any acceptance of data sharing must inform the user of all third-parties receiving the data, with the ability to control data flow to each.

The companies within this stream of data must store and document when consent is given, make it easily revocable, and pass the "consent" down through the chain of their industry partners.

There are many industry trade groups such as the Mobile Marketing Association, the Interactive Advertising Bureau and the Future of Privacy Forum all providing excellent and timely information about GDPR compliance.

Just as there is fraud in programmatic advertising, we expect to see fraud creep into location data sets.

With companies placing higher value on location data for business and macro-economic analysis, a few bad actors will ramp up production of fraudulent location data.

Fortunately, there are low-tech ways to combat this today, with more sophisticated solutions emerging in 2018.

As much as data buyers became aware of issues with overlapping datasets in 2017, they will become aware of the monetary impact from fraudulent data in 2018.

Finally, the advertising industry will continue getting closer to showing true closed-loop attribution.

At some point in the near future, a company will be able to trace the ad view to an in-store visit to purchase with enough data to be statistically relevant and not simply inferred.

We will not get all of the way there in 2018, as there are still too many siloed systems to integrate, and privacy ramifications to address.

Despite the obstacles, companies will continue pushing forward with attribution solutions, and advertisers will continue to demand performance over metrics like the click-through-rate.

THIS PROMISES to be a year of continued innovation with mobile advertising and location data. It will also see more focus on protecting consumer privacy and data security from everyone in the ecosystem.

We are excited about both of these opportunities, and the many others listed above, and believe that marketers, product managers and consumers will all benefit as the industry continues to evolve.

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