

COLUMNS

Drivers of mobile geo-targeting

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By **Paul Childs**

Geo-location targeting has undoubtedly created a buzz within mobile advertising circles over the last year.

Such targeting promises a new era of real-time mobile advertising that is geographically relevant to a consumer according to where she is at a particular moment in time.

Geo-targeting enables advertisers to increase the relevancy of messaging and provides publishers with a hook to drive direct response.

Furthermore, combine location information with demographic profiling, and you have a very compelling targeting tool at your disposal.

Model opportunity

The appeal of being able to improve the efficacy of campaigns by targeting consumers to whom the message is most geographically relevant is evident and we are seeing a number of business models beginning to emerge around the geo opportunity.

The first of these is around hyper-local targeting.

Mobile advertising takes the whole concept of local targeting to a new level by enabling advertisers to pinpoint consumers on the move at hyper-local level, via nomadic devices, based on their proximity to a purchase point.

The hyper-local model taps into consumers' propensity to make spur of the moment purchase decisions based on offers close to where they are.

Spurred on by the growing popularity of social media location check-in features, such as Facebook Places or foursquare, hyper-local advertising has generated a lot of interest among brands. The effect could be described as similar to the digitization of the sandwich board.

Mobile couponing has also gained significant traction as a hook to drive footfall and redemptions in store.

Driven forward by players such as Groupon, Living Social and Amazon, and adopted by an increasing number of brands, mobile couponing enables consumers to click on a mobile banner to download a promotional coupon which can then be redeemed in store at point of sale.

Advertisers can target their coupon-based campaigns to appear on the devices of consumers browsing a mobile site or application within a given distance of one of their outlets.

Local service-based businesses such as plumbers or solicitors are also testing geo-targeting on mobile to get their message in front of local audiences, without the wastage associated with advertising on a wider scale.

Similarly, we are seeing increasing interest amongst national and multinational retailers looking to target bespoke

Similarly, we are seeing increasing interest amongst national and multinational retailers looking to target bespoke messaging to disparate regional audiences via mobile devices.

We have already seen some exciting campaigns that have successfully tested geo-targeting and proved its potential as part of a seamless process that takes the consumer from ad impression right through to purchase or coupon redemption.

Yet, despite the many obvious benefits and the significant interest it has generated, geo-targeting has yet to truly take off.

For faster clip

There are still several areas that need to be addressed before we will see geo become mainstream.

Firstly, the ability to geo-locate consumers is far from reaching critical mass.

A consumer's location can only be identified by one of two methods either via a location aware app with consumers having consented to sharing their physical location or via the latitudinal and longitudinal coordinates of their IP address over a Wi-Fi connection.

The increasing proliferation of GPS-enabled apps coupled with a growing willingness among consumers to share their location, either within apps or via check-ins, will help geo-targeting gain traction.

There is also work to do on the end-to-end tracking metrics that will provide the necessary visibility to accurately gauge the true success of geo-targeted campaigns.

Campaign tracking needs to be fully integrated throughout the process from the initial ad impression right through to purchase or redemption at the point of sale.

Take the couponing model as an example.

When a mobile coupon is redeemed in store, the advertiser needs to be able to see the specific campaign and the specific ad network that generated that redemption to determine their cost per redemption.

Couponing presents the ideal future scenario whereby a coupon can be swiped at the till to identify the offer, the discount applied, payment taken and the process tracked back to the original campaign that generated the transaction.

This is the Holy Grail that the industry must collectively work towards if geo-targeting is to achieve mainstream status.

Major infrastructure developments within Near Field Communications (NFC) and mobile payments together with mass adoption of NFC-enabled smartphones will help demand for geo-targeted advertising to surge.

These advances will close the loop and facilitate the entire process from ad view to tracked final purchase on a mobile phone.

The results that we have seen among early adopters of geo-targeted campaigns are encouraging and when the final hurdles are overcome, geo-targeting is set to become significantly more exciting.

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