

COLUMNS

How location-based advertising is not just where you are standing

November 1, 2010

By [Duane Edwards](#)

There has been a lot of energy around location when it comes to mobile advertising and a real focus on identifying customers within a geographic area and hitting them with a targeted offer or incentive.

How many times have we heard the example of someone walking by a Starbucks and receiving a coupon for \$1 off of their next coffee?

But would that message not be more of an interruption if that same person just finished enjoying a cup of coffee from around the corner? Or had never purchased a cup of coffee in her life?

Location's standing

The thought of knowing someone's physical location is appealing to some advertisers but this targeting methodology falls short in understanding the real context of an individual's needs.

Consider two individuals at the same street corner: one may be visiting the city for the first time while another may live just across the street. Or two individuals in the same office park: one may be getting ready to head home while another may be arriving at work.

Although the physical location may be identical, their needs and interests can vary greatly.

If marketing messages are based solely on GPS coordinates, advertisers sacrifice the true relevancy that the mobile medium can deliver.

So how do we evolve location-based advertising to go beyond the notion of where someone is standing?

The key is for wireless carriers to leverage the value of their networks, and not rely on what is just available on a handset absolute location.

Knowing what a user's location is relative to be it her home, place of work, social environment is what can empower an advertiser to deliver messages that truly resonate with a consumer.

What if you know that the person who is standing on the street corner lives more than 10 blocks away, departs for work at 7:42 a.m. and arrives there 38 minutes later, is male between ages 25 and 32, recently upgraded to a new smartphone, is likely to access a finance application today, is most likely to use his phone between 4:35 p.m. and 7:15 p.m., and has a high social connectedness with two individuals who live in Toronto?

Understanding the context around someone's location opens up a new door for mobile advertising you can target an ad based not only on where someone is, but also who she is, why she is there and what her needs are.

This ability to target the right offer or incentive (what), to the right person (who) at the right time (when) and location (where) enables advertisers to leverage the carrier's network in a way that adds real value to a customer's everyday life.

It is this intelligent targeting that increases the value of the offer to the consumer and drives higher uptake for the advertiser.

So where does privacy play in all of this?

Going public with privacy

Privacy plays at the center of a balancing act between respect for individuals and the opportunities associated with delivering a personally relevant customer experience.

By leveraging non-personally identifiable information, predictive modeling and data-trend analysis, a carrier is able to target a customer based on real-time contexts, without having to know, for example, a consumer's physical location.

Consumers know that service providers have a lot of information about them. What they may not know is when it is collected, by whom and for what purpose.

Carriers and advertisers should be forthright about their practices, and give customers the option to opt out through a simple termination process.

This sentiment has recently been by PrivacyChoice.org, which found that informing users of tracking their behavior and offering the option to opt out actually decreases sensitivities around privacy and feelings of surveillance, as well as the number who opt out.

For carriers, the time is now.

By leveraging their unique data assets to understand an individual's relative location as well as understanding their behavior, interests and social networks, carriers have the opportunity to make mobile more effective than any other channel in terms of delivering brand relevancy and value at the specific moment of opportunity.

Duane Edwards is senior vice president of product development at [Globys](#), Seattle. Reach him at dsedwards@globys.com.

© 2020 Napean LLC. All rights reserved.

American Marketer is published each business day. Thank you for reading us. Your [feedback](#) is welcome.