

COLUMNS

## Mobile marketing with geo-location is not a simple destination

May 30, 2014



*Lew Claasen is vice president of marketing at Clickatell*

By [Lew Claasen](#)

I was struggling through a cup of horrific Mock-a-Java recently when I came across an article that caused me to spill.

A panel of experts at *Mobile Marketer's* Mobile Marketing Day March 17 conference in New York was **divided** on how significant location will be to the future of mobile marketing. What I love the most about industry pundits forecasting the future of location-enabled mobile marketing is almost invariably the talk about all of the "contextually or behaviorally relevant" advertising that could be jammed into the consumer's day. Except that consumers do not want to receive more push advertising on mobile phones.

Behaving right

Nielsen recently found that there is only **37 percent and 45 percent of consumers trust** in text ads and display ads on mobile phones, respectively. This is lower than any other media type, except online banner ads.

Marketers still mostly suffer from an illusion that the great unwashed desperately want to buy your products and services, if only you would tell them about your offer. This kind of marketing naivet should not exist since supply outstripped consumer demand in the 1980s.

For starters, has anyone ever asked a typical consumer if she would be happy with her handset permanently broadcasting location information?

First, I do not know which handsets you guys and gals are using, but my Samsung Galaxy S4 goes from 100 percent to zero in about one hour when using Google Maps or Waze. My iPhone 5 is not much better.

Bluetooth LE for iBeacon and contactless payments on iOS coming up may be significantly less taxing on the handset battery, but that is still only going to be relevant to your activity once you are already in close proximity of an iBeacon. Do we really believe that the average consumer is going to turn on and turn off these handset features to conserve battery, just in case someone wants to send a special offer?

Next, where are the limits to the combination of behavioral and location information that I am prepared to share as a consumer? What if I do not want you to know that I go through the McDonald's drive-through every morning for a cuppa on the way to work?

That is right, I just want to enjoy my coffee on the way to work and I do not want an Egg McMuffin with it.

Why do we believe that just because we could have behavioral customer information, that using it would not be creepy? It reminds me a little of a restaurant where I once ate an Eisbein and remarked at how bad it was to the

manager, when prompted.

Now every time that I go to that restaurant, the manager welcomes me and remembers me as the Eisbein guy. I probably eat Eisbein once every five years. On my visits now, however, I hear how well the Eisbein is today.

So guess what, marketing folks: your customers are not nearly as interested as you in giving you a combination of profile, behavioral and location information. Not interested any time soon anyway. There is no need to put in that Big Data budget request for this.

Far more likely, is that you will need to respect the privacy of your customers and treat them as the dignified and valuable patrons of your business that they are.

Indeed, inbound mobile marketing will dominate. And you will ask the permission of your customer to use their profile, behavioral and location information together every time.

As a business, you will not even have access to the El Dorado a treasure trove of unlimited historical shopping behavior for each customer because legislation to protect privacy will require you to destroy it regularly.

#### Future of mobile shopping

So what might that mobile shopping experience in the near future look like in such a world where the consumer wields this control? Here are some ideas:

One, an unknown consumer arrives at a shopping mall and at the entrance, signage encourages her to either install or turn on her shopping application for that mall to receive news about what is happening at the mall on that day, as well as access general and personalized special offers.

Two, the app will need to ask the consumer if she would like to share her profile, behavioral information and location separately with all or specific stores in the mall that may want to tell her about the special offers for the day, or customized to her profile.

Three, the consumer will be able to browse these specials on the app, by category or store.

Four, if the consumer is interested in any of these offers, she could request that the app directs her to the store and even directly to the item with turn-by-turn walking directions.

Finally, the voucher that the consumer would like to redeem will be scanned from the handset screen just prior to her making payment via a mobile wallet, also on her handset.

The consumer will authenticate the transaction using at least three factors more than likely her fingerprint, applied to the touchscreen of a recognized device, after entering a known pin code similar to how chip and pin credit cards work today followed by a transaction notification to her handset via SMS since this is out of band and more secure than an in-app push message.

I DO NOT think that just because we will not be able to treat consumers like little nameless mobile wallets that location will have no role in mobile marketing in the future.

Respect for your customers' privacy and an attitude of assisting feverishly on request will go a long way to mobile success in future.

What do you think? Would you mind being treated like no more than a collection of behavioral and location data points by your favorite brands?

*Llew Claasen is vice president of marketing at [Clickatell](#), Redwood City, CA. Reach him at [llew.c@clickatell.com](mailto:llew.c@clickatell.com).*