

Geolocation Services Offer New Frontier To Marketers

Contributed by eMarketer
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Nearly twice as many adults used location-based services in 2012, as compared to 2011

The percentage of Americans using mobile phones to find local information is increasing dramatically, and the number of people in the US broadcasting their location through geosocial sites is ticking steadily upwards, according to a new eMarketer report, "Location-Based Marketing: Driving Sales in a "What's Around Me" World."

In February 2012, the Pew Internet & American Life Project found that 74% of smartphone owners and 46% of adult mobile phone owners overall accessed location-based information services—defined by Pew as GPS-enabled map services or reviews of nearby attractions accessed via an app or mobile browser. These percentages were up significantly from the previous May, when 55% of smartphone owners and 28% of mobile users overall sought such services.

"The burning question for most marketers is how to connect with these locally minded consumers," said eMarketer. "From geotargeted alerts or push notifications to offering location-aware apps, deploying local/social networking tactics, building out a location-based loyalty program, or all of the above, putting a locally relevant message before a consumer could mean many things.

By the end of 2012, eMarketer forecasts, roughly a third of all mobile phone owners will access social networks via their phones—essentially double the number that did so two years ago—and 85% of mobile social networkers will use Facebook.

"Facebook has sharpened its focus on amplifying local offers across the network and enabling businesses to tap into its wealth of location data to, among other things, fuel commerce," said eMarketer.

Beyond social check-ins, geofencing is another new tactic for marketers. A geofence is a virtual perimeter that is established around a physical place—a retail location, an airport, a sports arena, etc.—to send text or push notifications on an opt-in basis to mobile devices that enter or leave the defined area.

As smartphone adoption grows over the next four years, the number of consumers using location-based and geosocial services will grow exponentially. "The amount of behavioral data available will proliferate and offer greater opportunities to marketers," said eMarketer. "Success, however, will hinge on marketers providing a high degree of transparency regarding the use of personal data and delivering tangible rewards or relevant content that improves a customer's shopping experience."

The full report, "Location-Based Marketing: Driving Sales in a "What's Around Me" World," also answers these questions:

- Where does commerce fit in the local-social-mobile nexus?
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- Where are location-sharing platforms headed and will the check-in survive?
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- What tactics are marketers using to drive local commerce?
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- What is "geofencing" and how does it work?Â Â Â
- How can marketers address privacy concerns?

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