

IAB Mobile

Location Based Advertising on mobile



Contents

Executive summary.....	2
What is Location Based Advertising?	2
LBA for advertisers	2
LBA for consumers.....	3
Data and statistics	3
Technology	4
Network-based	4
Handset-based	4
Hybrid	4
Location Based Advertising models.....	5
Location based banner advertising	5
Top tips	6
Case studies	7
Location based text messaging.....	9
Top tips for Location Based text messaging	9
Case studies	11
Location based applications/vouchering	15
Top tips for location based applications/vouchering.....	15
Case studies	17
Conclusion and Overview	18

Executive summary

Location Based Advertising can be the most personal form of advertising on a mobile and if used correctly can deliver exceptional results. This report has been created to give advertisers and agencies an insight into the models that are currently being used with some case studies and top tips for using each.

What is Location Based Advertising?

Location Based Advertising (LBA) has been around for years. With the rise of regional and local newspapers in the 19th century there was an influx of advertising which was tailored to your local area. These adverts were relevant, split by sector and some even offered vouchers and coupons which could be cut out to be claimed. Although static they bear a lot of resemblance to what is happening in this space today.

We are all part of a technological revolution - smart phone technology is rapidly growing and the rate of consumer adoption is matching it. It is technology that has driven the capabilities of Location Based Advertising and has opened the door for marketers to use clever techniques to get their brand in front of consumers.

Mobile devices are very personal to the user. It is therefore very important that, with any location-based marketing technique, the privacy of the user is safeguarded at all times. In most cases, the consent of the user will be required and it will be important to determine where this is sought as it may vary between business models. In any case, it is vital that marketers offer users transparency about the location data that is collected and used and ways to control it. The IAB will be developing UK good practice for location-based marketing in 2012.

LBA for advertisers

Simply put Location Based Advertising allows brands to adapt their marketing message based on where consumers are geographically. By knowing where your consumers are, brands are able to tap into daily habits and also encourage consumers with relevant offers and messages which relate to their location. This can be very valuable - and as some of the case studies later in

this paper show - can actually increase the response, drive footfall into stores and influence spend. All very attractive for any marketer!

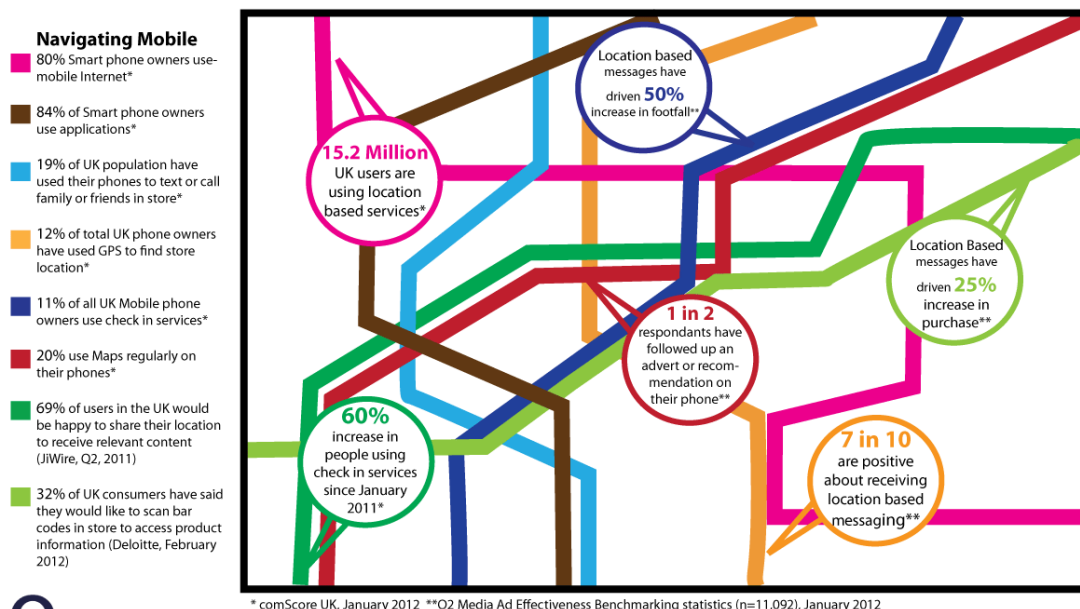
LBA for consumers

With the rise of vouchers and as consumers become more tech savvy, consumers seem more than happy to receive information to their handset as long as it is relevant. According to a consumer survey carried out by the IAB in 2010, 49% of consumers would use LBA more if the information they received was more relevant and useful. Social media has played a big part in consumer adoption of LBA; if consumers are using the platform already, they are more receptive to use additional features like location. If they are getting something back and are able to connect with their friends, followers and circles this adds an even larger benefit.

Data and statistics

Putting Location Based Messaging on the Map

Take advantage of how people are using their phones to navigate daily life



Technology

There are a number of ways in which technology can be used to track a consumer's location. Below are the three traditional methods which are currently available and commonly used for Location Based Advertising.

Network-based

This technique utilises the service providers' (mobile network operators MNOs) infrastructure to identify the location of a handset. This method is generally used by MNOs in a non-intrusive way without having to add any software to the handset. Examples of companies using this technique are O2 and Orange.

Handset-based

This technique requires the installation of software on the handset to determine its location. The location is found by computing the handset's cell identification. In addition, if the handset is also equipped with Global Positioning System (GPS) then significantly more precise location information can then be sent from the handset.

Hybrid

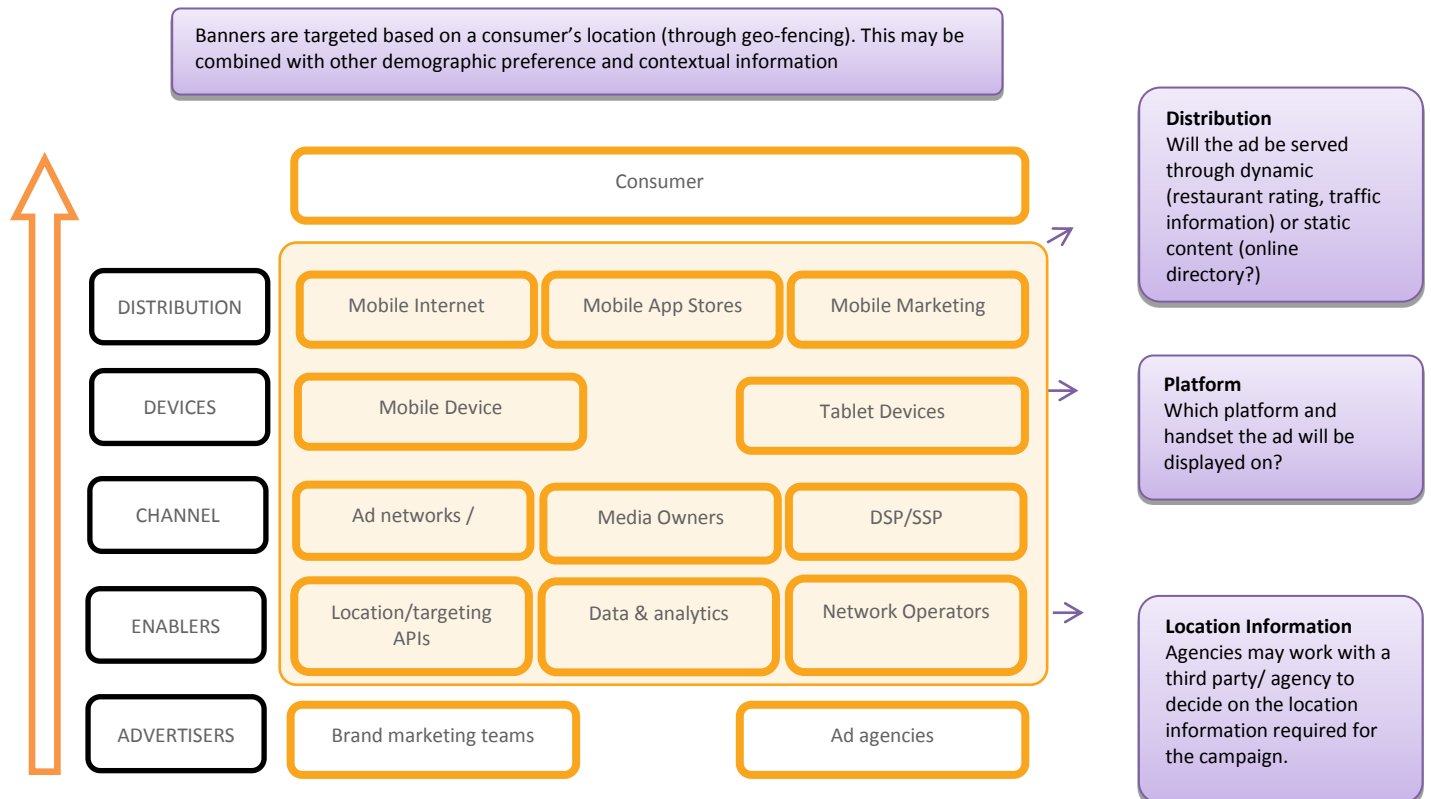
This technique uses a combination of network-based and handset-based technologies to identify the location. One example would be some modes of Assisted GPS, which can both use GPS and network information to determine the location. Both types of data are used by the mobile phone to identify the location faster and more accurately.

Location Based Advertising models

The IAB has identified three common models for using Location Based Advertising on mobile. These have been broken down in this chapter with the aid of case studies and top tips.

Location based banner advertising

Mobile display advertising on mobile is a rapidly growing industry, with the amount of inventory available increasing exponentially. The rise of mobile networks and agency trading desks has made it easier than ever to buy, sell and track campaigns. The type of inventory available has also evolved with expandable banners which can be interactive and can even play video. Their popularity - particularly with creative agencies - has given the industry some award winning campaigns over the past 12 months. Add location to the mix and you can create an impressive end result.



Top tips

Use a location based ad creative.

Always state the location of the user in the creative. This can be the actual place name or just the environment. If someone is at the train station or airport then a message referring to the wait for departure will attract many more clicks than a generic brand message.

Try to use mobile maps in your creative.

Whenever people use their mobile to view media there is a good chance they are out and about. Showing someone where they can interact with your brand on a mobile map can increase engagement over regular banner ads.

Use sensible geo-fencing.

Whilst it may sound ideal to only target consumers walking past your store the reality is that only a few percent of your audience will be doing that when your ads go live. Try blending store targeting with a more general lifestyle geo-fence like retail spots to get higher campaign delivery.

Make use of your geo-analytics and location based campaign reports.

Whilst location based advertising can be a little more expensive than regular banner ads the learnings can be invaluable. Make sure you are clear which locations performed best and why. Then pass this data onto the rest of the marketing team. For example knowing why a certain store got more footfall on a Friday may help shape the Outdoor or TV advertising schedules.

Look out for new KPIs.

Although CTR and CPC may be your key metrics for online advertising it doesn't guarantee the same results on mobile. Mobile is a different medium and so your brand may find different ways of measuring success. Certain high street retailers will realise that a 60 second expandable map interaction is more powerful than a 10% CTR as zooming in and out of the map show the start of consumers' journeys to a store.

Case studies



AdMob helps drive downloads of woZZon Android app with city level geo-targeted campaign

Goal

Available for access on the internet or via its iPhone, Android, or Nokia application, the woZZon search engine trawls for information on real events taking place around the UK. Users are also able to search by individual categories, date or location using the application's embedded map. In February 2010, it launched its Android application to accompany the already successful iPhone application and it turned to Google and its AdMob mobile advertising network to drive downloads of the app throughout the UK, increase the UK chart position of the app in the Android charts and generate brand awareness amongst potential users. woZZon had already used the AdMob network in 2009 to promote the launch of its iPhone app and wanted a repeat of the success.

Solution

woZZon ran a targeted mobile advertising campaign on AdMob's Android network in the UK to boost the ranking of the Android application. Working with mobile specialist digital agency Yodel, woZZon placed banner adverts in existing Android mobile applications. Users simply had to click on the banner and they were taken directly through to the download page for the woZZon app. To highlight woZZon's unique local insight into events across the UK, targeted regional banner ads were created to offer localised messages based on city and various events categories. By using geo-targeting, woZZon was able to reach out to groups of localised users across the UK. Yodel and woZZon selected seven major cities in the UK to target: London, Leeds, Manchester, Edinburgh, Birmingham, Newcastle and Cardiff. Banner ads that appeared on Android phones in these cities displayed personalised content, for example –

'Free app for movies in London'. For Android users outside these cities, they were shown a slightly more generic banner ad, for example 'Free app for local movies'.

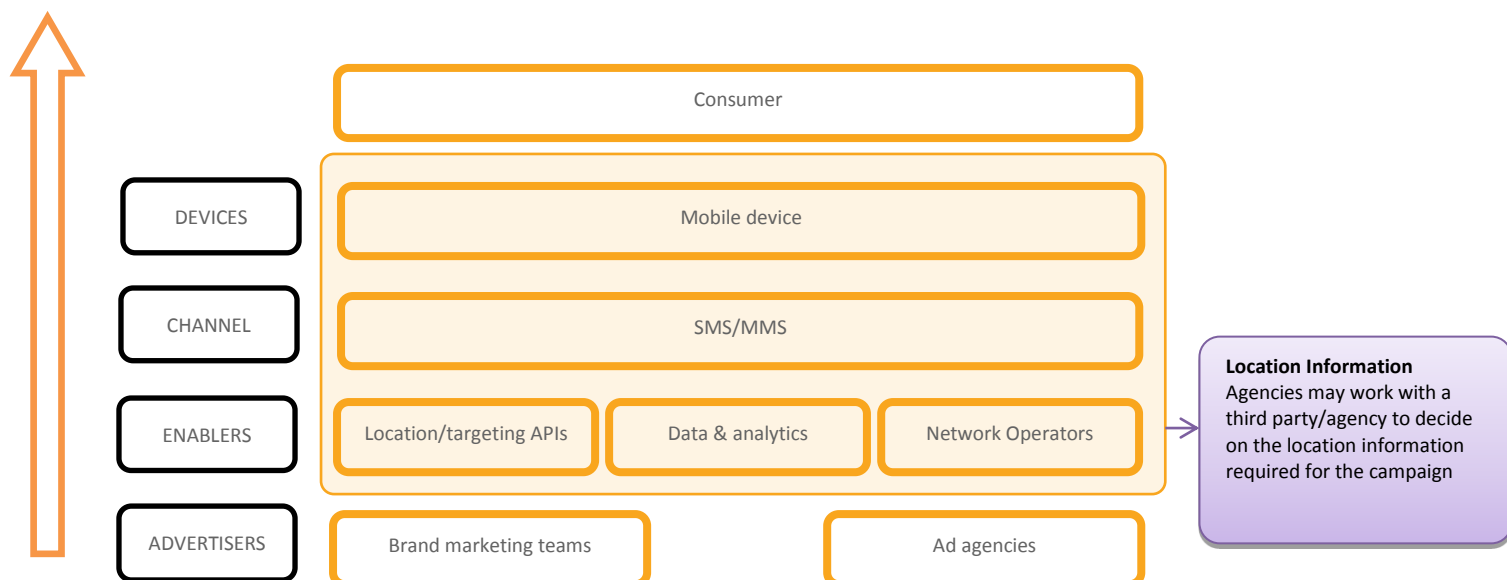
Result

As well as driving significant downloads of the application, the campaign provided insightful regional mobile advertising results. Over the course of a month, the Android application was downloaded 5,223 times and the campaign delivered 7,902,726 impressions from which there were 72,987 clicks. The campaign achieved a combined CTR of 0.92% and a conversion rate (CTD) of 7.2% (from click to download). On a regional level, woZZon was able to find out which city had the highest CTR. Compared to the average CTR of 0.92%, Cardiff achieved a far higher result of 1.69%. London, although a much larger city, saw a lower CTR of 0.87%. By using localised banner ads, woZZon was able to improve CTR and CTD rates by over 85% compared to running a national campaign.



Location based text messaging

Text messaging using location in the UK is most commonly through an opt-in database. Mobile Network Operators (MNOs) have always had a rich database of consumers. With the rise of services like O2 More and Orange Shots they have allowed consumers to opt into text message services that give the MNOs the ability to send text messages to ring fenced locations. Due to the accuracy of the data behind campaigns this has been a very successful way of using Location Based Advertising.



Top tips for Location Based text messaging

Where possible, build your audience prior to the campaign

To ensure you reach maximum levels of your target market you have the option to build an audience in the run up to a campaign. For example, this could be set up to identify members if they are present in the selected locations three or more times in the week(s) preceding the activity. This means that not only are you reaching people in the location at the time of the broadcast but you're also reaching those that are regularly in the vicinity (but don't have to be there when the campaign is sent).

Ensure a location based solution is relevant

Geo fencing/targeting is one of the buzzwords in mobile marketing at the present time and it's tempting to test the technology and potentially apply it where it isn't required. In a lot of cases it is more suited to campaigns pushing smaller value items. For big ticket purchases postcode selections might be a more suitable method of location targeting.

Make it personalised

There's a wealth of targeting opportunities in messaging which, combined with LBS technology, can create a highly personalized, timely and relevant campaign. For example, a campaign driving customers to take advantage of a clothes retailer offer could target city centre and shopping mall locations at key times/days such as Saturday afternoons. The campaign can be further personalized by developing a higher value prospect group (derived from data such as mobile browsing and call patterns) so that the offer is only sent to people who are more likely to shop in that particular retail outlet.

Integrate with other messaging solutions

Geo fencing can be combined with other messaging solutions such as trackable coupons (using i-movo or Eagle Eye technology) to drive footfall into retail outlets and generate sales. Furthermore, when NFC technology becomes commonplace in retailers the coupon can be redeemed using a contactless transaction.

Use events to create your audience

Build an audience using the location of a music or sporting event and then target your campaign to those who attended the event. For example, send a campaign promoting a music release to people who attended a recent festival or concert where the artist was performing. On a larger scale an advertiser could target premier league football grounds over a weekend.

Case studies

O2 Media and Bulmers



The brief

How do you get people walking past a pub to think about drinking a Bulmers?
Text them, that's how.

Bulmers wanted to let passersby know that they could get Bulmers in a nearby pub.

So we needed to reach the right people in the right places at the right times.

The solution

We sent 77,000 messages to 18-34 year old men, once they were less than 1.5 miles away from a pub that sold Bulmers.

The text told them to go and get a Bulmers at their nearest pub, showing them where it was on useyourlocal.com.

Results

53% remembered the text. More than 50% clicked the link in the text. And 25% bought Bulmers at the pub after they got the text.

On top of that, another 53% bought Bulmers at another pub.

And a lot of them were people who didn't usually buy Bulmers.

O2 Media and Resident Evil



The brief

For men, gaming and mobile's the perfect match.

We needed to help create a real buzz around the worldwide release of the new Resident Evil game.

The solution

We targeted 18-34 men, who had iPhones and loved games.

Like Resident Evil? Watch the new trailer on YouTube. That was our message.

On the day the game was being released, we sent them a MMS (picture message) with a link to the full game trailer on YouTube.

Results

Our click-through rates were big. We got four times more for Resident Evil than the average. Around **4.5%**, compared with the usual **1%**.

O2 Media and Friji



The brief

Ever wondered what your pets would say if they could talk?

Friji created an app to find out. We needed to help them promote it..

The solution

We sent texts to people who were outside supermarkets across the UK. Our message encouraged people to download the new app.

Results

We used Adx tracking for the first time. So when people clicked on the link we could track if they actually downloaded it.

The stats: 25% downloaded it. 1.6% of people clicked through. And 25% of those downloaded the app.

Blyk and Educate Direct



The Brief

- Create a consumer proposition for members interested in University Clearing and College recruitment
- Maximise the tiny window of commercial opportunity for University and College recruitment by synchronising a large number of geo-targeted campaigns with the UK 'Clearing' process
- (Clearing is the two week process for allocating university and college places after exam results)
- Create a proposition that maximises the number of advertisers who can advertise to different target groups in the Orange Shots base in the shortest possible time window – yet protect the member experience

The Response

- We devised a targeting strategy to maximise our campaign target groups and balance the member UX during an intensive programme of commercial messaging.
- We were therefore able to propose a two week schedule comprising 20 individual campaigns.
- We also proposed the capture of email addresses for the Universities and Colleges as a value-added element of the pitch.

Results

Delivery Rates

- Click through: 2.27% average
- Response rate: 29% average

Any other relevant results

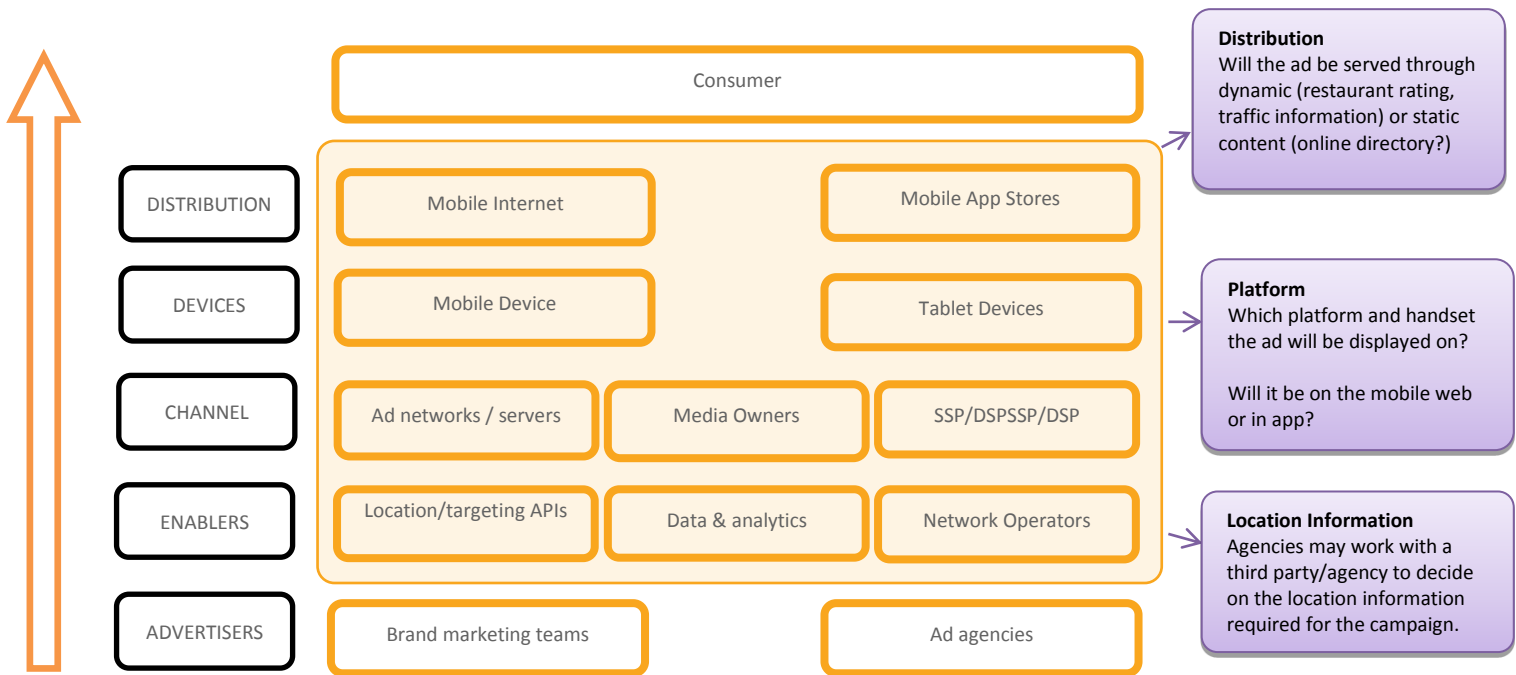
- 4.8k unique email addresses captured using a developed WAP form developed using our 3rd party WAP partner.
- Delivered 20 individual campaigns within two weeks, peaking at 3 a day.
- To deliver this volume of campaigns across two weeks yet protect members from over-exposure to similar commercial messages and maintain engagement performance measures, we devised a bespoke targeting strategy:
 - Members of appropriate Uni/College age received an opt in message to the Clearing programme
- To maximise the number of email addresses captured, we used a competition mechanic (£100 gift voucher).



Location based applications/vouchering

This is an opt-in service in which consumers can receive relevant offers and vouchers through an application or voucher site that is able to locate them. Companies like FourSquare, VoucherCloud, Facebook and Groupon (to name a few) have been very successful at using this model.

In the UK, high street retailers have also incorporated location into their existing applications. For example Argos now allows consumers to find their nearest store and reserve an item to pick up directly through their application.



Top tips for location based applications/vouchering

Understand all LBA platforms

It is important to understand how the platforms work. Foursquare, Around Me, Loopt and Yelp are some of the most popular and the most talked about. However there are a number of other LBA platforms out there. It is important to sign up to every platform and get to grips with the benefits of each and understand how your company could take advantage of them.

Ask the right questions

Before going ahead with an LBA campaign you need to ask yourself the right questions. Most mobile projects need a different approach to online which is why it is important to set a specific list of objectives in the planning process.

- Would you like to increase footfall?
- Are you promoting a specific product?
- Would you like to target consumers by demographic and time of day?
- Would you like to acquire or target existing customers?

Customise and integrate

Once you have created a list of objectives you need to establish a presence on the relevant platforms which are right for your brand. It doesn't make sense to try and establish your company on all platforms as there are so many and it can be a lot to manage as every network has different options of customisation. It is important to have consistent information on each network and you should always try to integrate as many platforms as possible. For example twitter integration is available as a plug-in on many Location Based Advertising networks allowing your company to have a single message.

Engage with consumers and reward them

With a similar ethos to social media platforms, Location Based Advertising platforms like Facebook Places and Foursquare allow you to build a relationship with your audience. It is important to understand how responsive they are to your brand and create a personal rapport with your users.

Platforms like VoucherCloud and Foursquare allow you to run promotions to increase engagement and to drive footfall. For example – businesses are now

using Foursquare to offer vouchers “check in 10 times and get a free starter”. With any offer that you provide it is important to understand the consumer and the platform your users are on so that you are able to offer the right promotions.

Track and adapt

Some platforms have tracking statistics which are available for use. These tools are developing constantly. From this data you can correlate to any qualitative observations at your own store. It is important to keep track of everything so that you can learn which promotions work with your audience. This will allow you to adapt your offering (sometimes in real-time) to ensure a more successful investment.

Case studies

MCDONALD'S FOURSQUARE DAY 4/16

CASE STUDY



DETAILS

CATEGORY
Fast Food

CLIENT
McDonald's

LOCATION
Nationwide campaign at McDonald's restaurants across the US

RELEVANT LINKS
<http://econsultancy.com/us/blog/658/2-case-study-mcdonald-s-and-foursquare>

<http://mashable.com/2010/09/16/mcdonalds-foursquare-campaign/>

INTRODUCTION

With all the excitement surrounding the annual foursquare Day April 16th, McDonald's decided to take advantage of the moment with a one-day check-in campaign. In just a few weeks, they put together an offer to give away gift cards to McDonald's visitors on the big day, increasing foot traffic at their restaurants and garnering significant press coverage, all at a minimal cost.

CAMPAIGN OVERVIEW

For the campaign, McDonald's randomly selected one hundred people who checked in on foursquare at their locations to receive \$5 and \$10 gift cards. Not only did they see a huge increase in traffic the day of, they also saw a swell in check-ins on the days before and after and received significant press surrounding the giveaway.

✔ McDonald's saw a major increase in foot traffic on the day of the campaign, with check-ins up 33% from the previous day.

✔ The week after the giveaway, check-ins remained high, with a 40% increase.

✔ The campaign resulted in over fifty articles and blog posts and 600,000 new fans and followers, with 99% positive feedback (according to Econsultancy.com's study).

MCDONALDS CHECK-INS UP
33%
ON THE DAY OF THE CAMPAIGN

40%
INCREASE IN CHECK-INS
THE FOLLOWING WEEK

CONCLUSION

With minimal investment and limited time to plan, McDonald's significantly increased foot traffic in stores, encouraged excitement around checking in at their locations, and had measurable press success.

Conclusion and Overview

The popularity of e-commerce and m-commerce has been demonstrated through the popularity of stores like Costco, Argos and even Amazon. This is turning people into anonymous customers when in the process of making purchase decisions. Saying this, many brands still dedicate an enormous amount on energy and resource trying to create and maintain “relationships” with their customers. Today’s “checking in” culture is a rather niche activity for a sub-segment of people interested in mainly social media. However this should not act as a deterrent for brands realising the potential that it holds. The act of “checking in” allows brands to recognise the customer’s identity, before they make a purchase decision. With a bit of imagination it is easy to see the connection here – and a chance for brands to gain a deeper and more profitable customer relationship.

LBA on mobile can focus on a variety of engagement and marketing aspects including awareness, deal distribution, traffic increases, new performance measurements, and good old fashioned fun. It's important to define your objectives as you migrate into LBS.

[A study by Juniper Research](#) says that nearly 1.5 billion people will be using LBS by 2014, with a global market worth \$12.7bn worldwide.

So will consumers be receptive to offers from brands? The answer appears to be turning favourable.

Mobile audience media company JiWire’s Q2 2011 report collected data that found that 69% of users in the UK would be happy to share their current location on a mobile device to receive relevant content.

Marketers should not need to wait for third party app developers to pave the way. They already have the tools to deliver better location based experiences such as White-label geo-location platforms that deliver location based mobile content. Brands that get into the game now and figure out the right mix of incentives will be able to shape the terms of the conversation. Those that do not may find it difficult to get involved in the future.

So, the message for brands and agencies is very apparent – LBA is here now, and growing quickly. If you're seeking ways to engage directly with consumers, be it through an app or a website, it is important to think about LBA and see how it could fit into your strategy.