Location based advertising
Opportunities & Challenges
What is Location Based Advertising?

- The **personal** form of advertising done using location based service (**LBS**) to target the relevant user around the store on mobile.

- It is not something which is very new but has been around us for years. Look back and think that aren’t the newspaper adverts were/are majorly based on the location the newspaper is being distributed. It’s the same concept but technologized!

Intersection of MA and LBS = LBA
Methodology

- Network-based
- Handset-based
- Hybrid
\[(ROI)^n = \text{Right Time} + \text{Right Location} + \text{Right Audience}\]

Effectiveness at it's Peak
<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dynamic Messaging</td>
<td>Privacy issue</td>
</tr>
<tr>
<td>Consumer Acceptance</td>
<td>Costly</td>
</tr>
<tr>
<td>Relevant Targeting</td>
<td>Limited Reach</td>
</tr>
<tr>
<td>Satisfactory Results</td>
<td>POE</td>
</tr>
<tr>
<td>Attract new customers</td>
<td>Proper Education</td>
</tr>
<tr>
<td>Higher Conversion Chances</td>
<td>Phone Performance</td>
</tr>
<tr>
<td>Opportunity for new age business</td>
<td>Constant Notifications</td>
</tr>
<tr>
<td>Driving Foot Traffic + Influencing Offline Purchase</td>
<td>High Maintenance Cost</td>
</tr>
<tr>
<td>Direct Phone Calls</td>
<td>Make users to use location services</td>
</tr>
<tr>
<td></td>
<td>WAP Synchronization</td>
</tr>
</tbody>
</table>
The LBA Ecosystem

Level of Location Targeting

- LAT/LONG
- Zip
- City
- State
- Country

Tactics of LBA

- Geo Aware: Location appropriate message is sent
- Geo Fencing: Targeting devices within specified radius
- Geo Conquering: Targeting devices around competitors location
Targeting Opportunity

- Consumer’s Information seeking journey
- Most visiting locations
- Precise/relevant targeting
- Day in Life
The Demonetization Opportunity

Opportunity for advertisers
Realistic Approach or Challenges

You would see a lot of media plan where LBA is bought just on the basis of demand and is not sure on the KPI or the ROI of the money spent on LBA.

Though LBA in India is not that famous, we are just spending basis the hypothesis created by the location based companies.

Clients questions on the live URL’s which is not possible for now and hence loses the trust on LBA.

Assumption on the footprints and no clear proofs of the ROI.

Location data as alone is not of much use, it should be aligned with some relevant information like demographic, affinity, etc.

Lot of companies do not provide radius smaller than 5 KM, the major reason being inventory or reach.

Campaign running time should be set accordingly by the location based companies as per the advertiser. E.g. McD ad running after 11 PM has no point.

Quantity is not important but quality, so the focus should be reaching the right people instead of targeting everyone (avoid waste of impressions).
A minion thanks.