

Social Media and Mobile Marketing Collide:

Overview of So-Lo-Mo

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Start Marketing with Location-based Social Networks

Executive Summary

While many companies are now using Facebook and Twitter as part of their marketing strategies, few of them are incorporating location-based applications into their marketing plans. According to eMarketer, 33 million people used a location-based application in 2010 and the number of mobile social network users is predicted to double 2010 – 2015.

It's free and easy to put your business on this "map", enabling you to get marketing exposure from people who voluntarily track and post their locations online. So why hasn't every business verified their location on Foursquare or other location-based social media applications?

The fact is that many businesses and marketers are confused about where to begin and how. With so many different location-based applications and social media sites, businesses are often scared that they would be opening themselves up to unwanted comments or to setting up (yet another) platform they can't commit to monitoring. In this regard, business owners need to know:

- Your customers are already using location-based applications. They're checking in and they might already be checking in at your venue;
- Businesses have the ability to put themselves on the map within minutes;
- Listening to your customers' comments on location-based applications can help you gain insights into what makes your customers tick;
- You can engage with your customer at every point of the sales funnel – from generating brand awareness to influencing their decision at their point of purchase;
- These tools enable your customers to become brand advocates that spread the word about your business and tell people about your company.

The way smartphone users actively engage with locations is changing the way companies are able to market themselves. The development of GPS technologies, the continuously increasing popularity of smartphones, mobile commerce and rising use of location-based social network services (such as Foursquare) means that the one-way conversation of location sharing has now changed to a two-way, mutually beneficial conversation between smartphone users and businesses.

There is only one key thought process you need to act on to reach more customers and start building a deeper relationship with your existing customers and that is simply location, location, location.

Setting up your Social-Location-Mobile (So-Lo-Mo) strategy and integrating it with your existing marketing initiatives will enable you to ask the right questions, measure the right items, understand your customers' online behavior patterns and optimize your marketing strategies.

What is Social Location Mobile?

Social Location Mobile refers to consumers interacting with brands, products and businesses by updating their social networks with their locations via their mobile phones. Broadly defined, it refers to any location-based engagement a consumer takes to interact with a geographic area via their mobile device. Social Location Mobile is based on two things:

- 1. Social Location Sharing**
- 2. Social Location Marketing**

Social Location Sharing

Consumers have the ability to choose who they want to share their locations and experiences with. While a large segment of people choose to only share their locations and customer experiences with their closed network of family and friends, there are also many people who choose to share their experiences with the world. People want to tell everyone about their experiences with a brand, and social networking platforms such as Twitter, Facebook and Foursquare are the ideal places to do this.

Location Based Marketing is like Twitter for the real-world business. When people check-in at a restaurant, retail store or any other place, a tweet is automatically sent out. This tweet enables the smartphone user to tell his/her followers where they are, and the business also gets the benefit of the exposure because your business' name will be included in this update.

Social Location Mobile sharing isn't only about broadcasting your whereabouts or ranting and raving about a brand – it's used to explore, learn and get the most out of your experience. Smartphone users use Social Location sharing as an information tool to check out "trending locations" (this lets you see where people are gathering now so that you can decide if it's somewhere you would like to go). It's also a convenient tool to use when you are travelling about and want to find out if any of your friends are nearby.

Foursquare brings gamification (using game design techniques and mechanics to engage with audiences) into the mix, with people competing for the highest number of check-ins at a specific venue. Users are able to "unlock badges" for visiting a specific venue a certain number of times and some applications also have "Leaderboards" that will track your check-ins and award you with points for visiting multiple venues in a day.

Social Location Marketing

Social Location Marketing is where businesses market on mobile devices to people who are prepared to share their location. The fact that businesses are able to interact and engage with consumers in this sphere presents businesses and marketers with a number of opportunities. Targeted messages,

combined with real-time location data tracking, means that the playing field between large companies and small local businesses have been levelled out.

According to Global Industry Analysts, the global market for location-based services is projected to reach US\$21.14-billion in annual revenue by 2015, registering 1.24-billion subscribers. The shift from desktop computers to mobile devices as a means of browsing the internet means that marketers' focus needs to shift to mobile marketing as a means to market their business.

Why Use Social Location Mobile Marketing?

All businesses, especially small to medium-sized businesses, look to a number of ways to market themselves. The Yellow Pages are still used as a means of advertising and many companies place weekly ads in newspapers to advertise their organizations.

Now these businesses can market to mobile users for free. All you need to do is create your location based property on Foursquare and you are on. With mobile devices being such a huge part of people's daily lives, the ability to use mobile check-ins offer marketers a number of opportunities and advantages.

With more adults in America owning mobile devices than televisions, and with Foursquare approaching 7 million worldwide users, it has become increasingly important for companies to verify their location and stake their claim on these networks.

Furthermore, a relatively low number of businesses are making use of this opportunity. You could very well be the only business in your street (or even town) with a Foursquare location. People travel and they like to explore, making it vital for you to have a presence where they are searching for information and locations online.

Your customers are checking in and using these Social Location Mobile applications – they are already part of the game (somebody may even be the “Mayor” of your business after unlocking a number of badges due to multiple check-ins). Having a social location mobile marketing strategy will put you in the same space as your customers and potential customers.

Low cost of entry

Geo-social location applications and websites are the perfect place for startups and smaller businesses to begin generating awareness. There is a very low cost of entry to setting up a Foursquare location – both in terms of time and money.

Setting up a Foursquare location will only take a few minutes (and it's very simple to do). After creating an account and searching for your business, you may even find that someone else has already added your establishment to Foursquare. The setup is easy and very little content is required, making it a quick and simple process.

Know where your customers are

With a Foursquare location, you will know when your customers are visiting. You will be able to see who checks-in and you will quickly be able to work out who your regular and loyal customers are. In order to turn loyal customers into brand evangelists who provide strong referral support, you might want to start rewarding them with discounts or start engaging with them in a different way. You will also be able to spot first timers and welcome them to your store.

Mobile users are also able to give tips and comments when they check-in at your location, like “Try the Vanilla latte!” or “There’s a shoe sale today”. These comments will pop up when other visitors check-in at your location and these comments will enable you to gain good insights for your marketing initiatives.

Why is this innovative?

Brand advocacy is now part of the sales funnel. It’s the job of marketers to move people from happy customers to brand ambassadors that spread the word about your business and tell people about your company.

Before social media, people would share their buying experiences with their friends at a party. With the advent of Facebook and other social networking sites, people can now share their experiences with hundreds of their friends. Thanks to many people’s large Twitter followings, Twitter users can share their buying experiences with thousands of people they’ve never even met.

Where Location based marketing becomes innovative is that people “you don’t know” can leave comments that will affect your decision to make a purchase or engage with a brand. Comments posted on Foursquare also have the ability to change a person’s mind at their point of purchase, making it an exceptionally powerful tool for marketers and businesses.



Listen to your customers

Instead of using Social Location Mobile to monitor what your customers say, you can take appropriate action and make sure that you prevent any bad news from spreading out of control. It’s a great way for business owners to keep their “ear to the ground” to find out how their staff are treating customers and what your customers thought about their experience with your company. When you listen to the comments posted by consumers who use Location based marketing applications, you will be able to learn more about what makes them tick and create messages that appeal to them at various points throughout the sales funnel.

Industries that are successful with Location Based Marketing

Fashion

Location-based fashion marketing started with Marc Jacobs during New York Fashion Week in 2010, where the designer brand created a “Fashion Victim” badge that allowed people to check-in at their stores. Consumers who checked-in and unlocked the badge were randomly chosen to receive tickets to their fashion show. Since then, many businesses in the fashion industry – from luxury footwear brand Jimmy Choo and Diesel to small boutiques have been successfully blending social media and location-based marketing.

Retail

Starbucks is now renowned for its Mayor Special – where Foursquare users who become the Mayor of any Starbucks will get a \$1 frappuchino coupon. In March 2010, HubSpot reported that a burger joint in Milwaukee more than doubled its typical Sunday sales by creating a “Swarm Badge” on Foursquare (which attracted 161 Foursquare users to his restaurant at the same time). In the retail industry, location-based social networks can provide businesses with a unique way to reward their regular customers. Loyalty-based programs, such as the one implemented by Starbucks, give loyal customers a way to benefit from frequent visits.

Hospitality

In August 2011, Foursquare unveiled a “list” feature that allows Foursquare users to create lists for specific genres. The list feature works well for people planning a holiday, where they can create a list of places they want to visit. Tourism companies are creating tailored lists for people visiting popular vacation destinations, giving a lot of free exposure to hotels, venues and other getaway destinations. Getting your venue’s name on a list for the best brunch spots or for the best golf course is a free way of connecting with people who are in your area or planning on travelling to your location.

Restaurants

Lists are also a great way to market restaurants. You will see suggestions of related lists at different places – when you check-in at the Clinton Street Bakery, you might see a list of “Pancakes across America”, for example. Restaurants can also use Foursquare badges in a number of ways, such as offering a “Foursquare happy hour” where customers who check-in receive a free appetizer, free drink or a specific discount. The marketing exposure that restaurants will benefit from check-ins will far surpass the money spent on giveaways.



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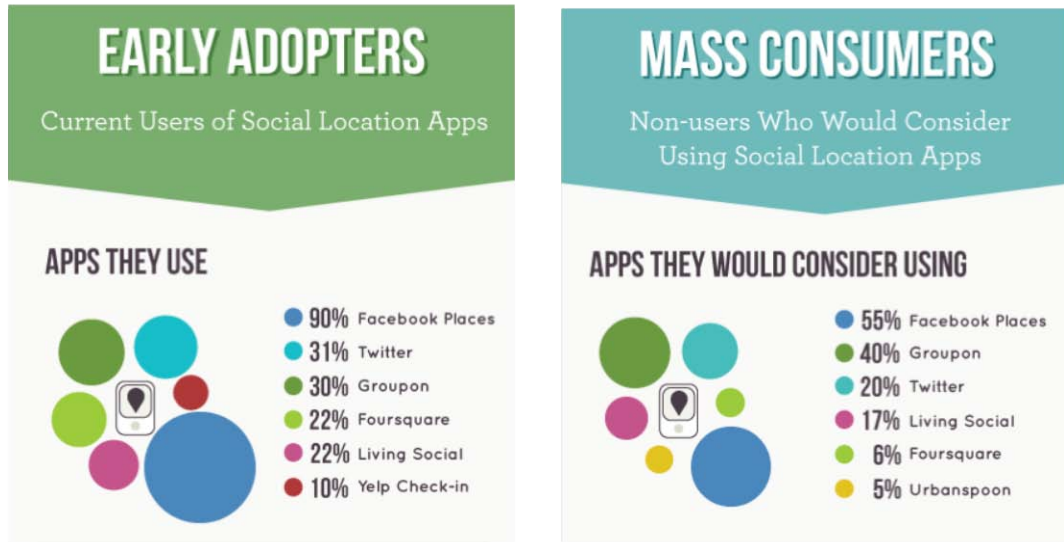


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Use of Social Location Software



SOCIAL-LOCO
CONFERENCE 2011

There's a difference between the Social Location applications that early adopters use, and the types of Social Location applications that mass consumers would consider using. A staggering 90% of current Location-based application users actively use Facebook Places and close to a third (31%) of these users are on Twitter. Over half (55%) of those who have never checked-in, however, said they would consider using Facebook Places and 40% would consider sharing their location with Groupon.

It's important to note that Social Location applications are dominated by Social Media influencers and these people are keen to spread their comments and messages. They are active social media users and their check-ins (and associated comments) are usually shared with their group of friends and followers.

Privacy concerns

The main concern of social media users who aren't using location-based marketing is privacy and safety. In a study commissioned by digital agency Beyond, over 1000 US consumers were surveyed to assess their familiarity with location-based applications. Of those choosing not to participate in location-based check-ins, 48% cited privacy concerns as their number one reason for not doing so.

In a Nielson survey of mobile users who downloaded a location-based application within the previous 30 days, over 50% of them told the market research company they are concerned about their privacy. Only 8% of women and 12% of men described themselves as "not concerned" with privacy issues.

Steps for implementing a Location Based Marketing Plan

Step 1

Familiarize yourself with location based services and applications like Foursquare. Download Foursquare on your phone and start browsing and checking in. Link your Twitter and Facebook accounts to your Foursquare (you will be able to do this on the settings tab of your Foursquare application).



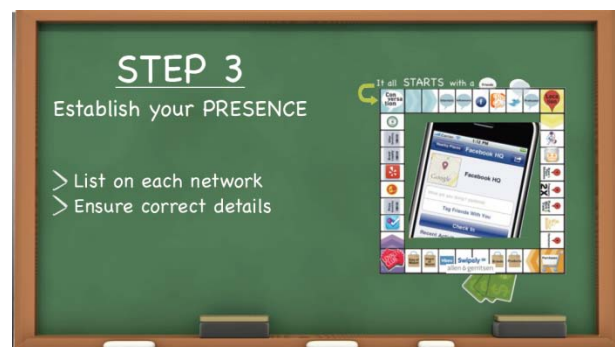
Step 2

Determine what you want to achieve with your So-Lo-Mo strategy. Do you want to increase the number of people who visit your store or do you want to increase the number of sales of a specific item? Establish what your main goals are from the get-go.



Step 3

Establish your presence by verifying your location on all the main Location-based networks. The most popular LBSNs include Foursquare, MyTown, Loopt and Gowalla, amongst others. You won't need lots of content, graphics or any technical skills – just make sure your details (such as company name, street address and telephone number) are 100% correct.



Step 4

Operationize your So-Lo-Mo strategy by making sure everyone – customers, staff, passersby and others – know that you are using Foursquare. Put signs up in your store so that people can immediately check-in; train your staff so they know how it works and can answer any questions for customers if you are hosting an in-store event, advertise your Foursquare location in print media and start creating word of mouth buzz by telling people about it.



Step 5

Implement compelling programs by intriguing your customers with tangible rewards for checking in. Give customers 20% off between 2 & 4pm or get 10% with a check-in. Also try to reward loyal customers by giving the Mayor of your venue their first drink for free with every check-in or give customers a free coffee for every 5th check-in, for example.



Step 6

Start engaging with your customers on LBSNs. Set up a Gowalla leader board so you can see which customers are competing for the most check-ins. Offer them benefits, discounts or coupons for posting recommendations and ask them why they would go to other venues instead of yours.



Step 7

Track everything that happens on your LBSNs. Your Foursquare analytics will give you everything from total number of check-ins and the number of unique visitors to gender comparisons and breakdowns by time. You can also see how many people are sharing (over Twitter, for example) and these tools can even differentiate between customers and staff members. Track everything that happens so that you can use these insights to optimise your So-Lo-Mo strategy.



Step 8

Early adopters are usually open to change – and you need to be, too. Be prepared to change along with new features and tools because you will be able to monetize it if you're in the loop and adapting your strategies to new developments in LBSNs.



Step 9

Avoid the common pitfalls of marketing on LBSNs. Don't post fake reviews about your venue or product and don't post poorly designed ads (they won't perform well). Also, make the commitment to continuously monitor your activity – ignoring your online Location is just as bad as ignoring your brick and mortar venue.



Step 10

Keep a close eye on your competitors. See what specials they offer and monitor their check-in activity to find out what's working and what's not. Spying on other players in your industry will help you to identify strategic opportunities for your business.



Summary

The increasing number of mobile device users and the continuous rise of social media and location-based applications make this one of the most important marketing spaces of our time. Most businesses today aren't taking advantage of the opportunities that Social Media and Location-Based Mobile marketing presents.

Social Mobile Location will continue to develop and it will change the way consumers share information, make purchases and how they will refer people to businesses. This will also continue to play a huge part in the evolution of the consumer – business relationship.

By creating a strategy that engages your customers, you will be able to learn more about what makes them tick and create offerings that will help you achieve your business goals. The key is adaptability – become part of the change and embrace new features and tools in order to stay on the forefront of your customers' minds.

About the Author



Francois Muscat is a recognized WSI Internet and Online Marketing Expert. He is a sought after speaker at Internet marketing conferences and has presented at numerous international seminars for WSI. He teaches WSI Internet Consultants worldwide on ways to: generate leads, build online credibility and create customer communication strategies for their clients.

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