

## Location based services and applications

Have you heard of location based services and applications (LBS)? If not then you are not alone as Forrester Research say that 84% of respondents said they're unfamiliar with location-based services and only 4% of online adults in the U.S. have used location-based mobile apps and that only 1% update these services more than once per week.

But, LBS are at heart of the mobile 'phones' of the future. Thirty percent of European online consumers with mobile phones are interested in using mobile GPS/navigation services and 52% of those with unlimited mobile Internet packages already do so.



Beyond navigation services and mapping, a range of innovative LBS are emerging. LBS could be used in number of ways:

- identify the location of a person such as a friend or employee
- proximity notifications for 'dating'
- discovering the nearest ATM, Chinese restaurant, doctor or.....
- parcel tracking and vehicle tracking service
- traffic and weather information
- mobile commerce as advertising to customers based on their current location
- location-based games

And remember as you perhaps 'poo-poo' the idea that some people said the Internet was a fad and Facebook and Twitter stupid. The think of the revenues that these services might generate for the mobile networks and others – especially as MCommerce and MPayment increase.

The rapid evolution of mobile phones and their apps, higher-capacity network infrastructure and recent developments in geo-location could drive revenues from mobile location-based services to more than \$12.7 billion by 2014, according to a new report published by [Juniper Research](#).

The report found that while LBS had experienced a number of false dawns from 2000 to 2007, improvements in handsets and together access to an apps led to greater interest from service providers in providing mobile LBS.

In the words of co-author Dr Windsor Holden:

"LBS are extremely interesting for brands and retailers in that they allow those companies to direct consumers to outlets in their vicinity while simultaneously providing information about the products on offer. When these are allied to measures such as

mobile coupons and vouchers, you have the combination of information and financial incentive which can be compelling for consumers.”

And there are now plenty of players such as [Google](#) and [Facebook](#) as well startups like [Foursquare](#), [Gowalla](#), [Brightkite](#), [aka-aki](#), [Loopt](#), [Rumble](#), [whrrl](#) and many others.

At the moment a number of things are still being sorted out. One of the problems is giving more value than simply giving people the ability to “check-in”. Once the novelty of broadcasting your location to the world starts to wear off, there’s no compelling reason at present to use Foursquare etc. However, if in future access to lots of value-added information, including promotions from retailers is provided then the situation will change.



So much depends on privacy issues. Will users allow companies to track their locations and the places they visit.

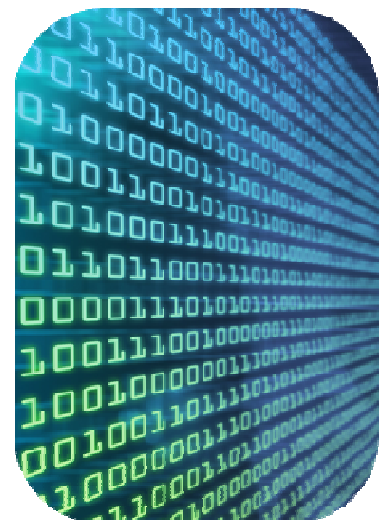
There are some downsides as, for example insurance companies tracking this data and having a more accurate way of determining risk and rates.

But if you see your insurance increasing because of the geo-data you are publishing then will you be quite so keen?

Then there is the rate of adoption by businesses. How many businesses know about LBS? If a user keeps checking into a business and the business doesn’t know that he is checking in and doesn’t even know what Foursquare is then there is a long way to go. In addition location based information is still quite imprecise. For example when actually sitting in the office Foursquare tells me that it is ‘within 655 metres’ and that several other venues are closer. This does not inspire complete confidence for a business. The imprecision may be welcome to someone who does not want to be tracked down to the last metre but if I were to be offering loyalty rewards based on someone being near my store will they really walk the best part of a kilometre?

So businesses need to know what audiences can be reached with these services and whether LBS align with your businesses objectives. Forrester recommends that most businesses should wait until they can get a bigger bang for their buck once adoption rates have increased and established players emerged from the fray. But you have to think about whether they will be right for you.

Some of the things any retail business should think about for the future are customized offers such as “Take a break and enjoy 1/2 price drinks when you check in to.....?” Or you could run more loyalty based promotions such as “3 check ins when you purchase and you get, and you get 50% off your next order when you check in”. Or whilst customers are in your store, why not send them tips? Or





display everyone who's checked in on a screen in the store? Think of fun, innovative ways to please your customers.

If you start thinking about it you will be ahead of the competition.