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Why travel marketers must leverage city-specific targeting to increase ROI

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Hotels and resorts can send push messages to users driving nearby

By [Alex Samuely](#)

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As location-based targeting becomes more attractive to brands, the travel sector is perhaps best-suited to leveraging specific geofencing tactics to snatch up consumers in nearby vicinities looking for last-minute activities or accommodations.

City-specific targeting is a strategy that is becoming paramount for travel marketers to tap, especially as different United States locations lend themselves better to certain types of messaging and offers. Consumer desires and behaviors vary from coast to coast, suggesting that more brands should use A/B targeting to discover the most effective mobile-optimized message to send to residents in cities to bolster return on investment.

“People are looking at how to target direct users, and they are going for age and gender,” said Sigal Bareket, general U.S. manager and co-founder of [Taptica](#), San Francisco. “The location where the person is living was kind of overlooked.”

“When marketers are taking this into account, it’s mostly global. It’s nothing relevant specifically to New York or San Francisco, so they usually overlook the goal or need to address people specifically in New York.”

Significant ROI

Taptica has found that when marketers or brands leverage city-specific targeting, it generally offers 30 percent better return on investment than a general message does. Consumers who receive messages relevant directly to their area of residence are much more likely to follow through with the call-to-action and book the flight, hotel or activity that is being advertised.

“At Taptica, we always measure effectiveness by measuring engagement,” Ms. Bareket said. “Same thing goes with dining and entertainment categories and sending people things in their own city.”

“It’s usually around the 30 percent increase. There are cities where people are responding better to messages that have to do with rate or price.”

If brands opt to keep their push messages generalized, geofencing is still a smart option for conducting profiling and gathering data on their customer bases.



Marketers should also test a variety of deals and personalizes messages in different cities

“Based on my experience, the best marketers use geofencing and location data as a means for profiling audiences rather for real time targeting,” said Maor Sadra, managing director of [AppLift](#), Berlin.

“I.e., if a certain user-identified location during evening or night is identified in a certain region which represents a social-economic status , and that same user-identified location during work hours is in an economical region - marketers can build a message or campaign around this profile which would have a better probability to be successful rather than buying mass media with un-targeted messaging.”

While geofencing lends itself well to the travel sector, particularly for resorts or activity centers that may want to target potential customers driving by their facilities, the concept works for food and beverage brands as well.

“McDonald’s generally does an outstanding job of geofencing, given that for McDonald’s geofencing can be both typically relevant for real-time targeting as well as user profiling,” Mr. Sadra said. “Combining geofencing with time-of-day targeting (target people at around 12 p.m. when they start getting hungry for lunch) is a very simple and pragmatic means for very smart targeting.”

The increased adoption of beacon technology will also likely make such strategies more widespread.

Personalized deals

Although several caveats, such as expensive media, barred access to GPS or Wi-Fi data and faulty geofencing algorithms, may initially stand in the way of marketers’ goals, the industry is evolving each day and will eventually become even more location-friendly.

“These challenges and hurdles are for here and now; the technology is getting better on a daily basis,” Taptica’s Ms. Bareket said. “It’s all a matter of supply and demand.

“The hurdles are time-related and they will find a solution.”



Location-based targeting can open up a previously untapped consumer market

Digital marketing executives at the Mobile Media Summit Upfront at Internet Week 2015 conference also suggested that geofencing could be an optimal solution to enhance mobile’s influence on the travel sector, as location-based targeting takes off and more resorts become comfortable with sending personalized deals to consumers in the vicinity ([see story](#)).

“Location-based targeting is appealing to brands because it is familiar,” said Mike Driscoll, founder and CEO of [Metamarkets](#), San Francisco. “Targeting audiences based on their ZIP code might be the oldest form of data-driven marketing.

“Travel brands know that geography is destiny when it comes to vacation planning: New

Englishers favor the Caribbean in winter and Californians are partial to Hawaii.”

Final Take

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