

COLUMNS

Cupid's arrow strikes hyperlocally this Valentine's Day

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After a rough couple of years, luxury retailers await Valentine's Day 2011 with bated breath.

Industry research firm IBISWorld recently forecast spending for Valentine's Day to top \$18.6 billion, a 5.8 percent jump over 2010.

With just weeks before the holiday hits, luxury brands have a substantial and very timely opportunity to develop a unique marketing campaign that will not only attract new customers and drive more sales, but most importantly, build more sustainable, lasting customer relationships.

With consumers relying so heavily on their mobile phones, one important way to do this is through hyperlocal advertising and marketing.

Although hyperlocal is still in its emergent phase, it is quickly growing in popularity because of the opportunities it provides marketers to help engage with customers at the optimum time and place, as well as drive more frequent calls to action.

In a recent mobile marketing survey developed by Hipcricket, 80 percent of respondents stated that they still have not been marketed to by their favorite brands via their mobile device. This means that the mobile marketing opportunity is still largely untapped.

Furthermore, according to the Mobile Marketing Association (MMA), half of mobile users who noticed any ads while using location-based services took action.

The MMA also found that most mobile users are “interested in allowing their phone to automatically share their location in exchange for perks, such as free use of mobile applications and mobile coupons.”

These numbers clearly demonstrate why a growing number of brands are looking to latch on to this trend like never before.

The mobile medium allows brands and retailers to reach customers like never before, and target offers to their lives and localities.

But hyperlocal is still very misunderstood.

Because hyperlocal is still so new to marketers, many believe these types of campaigns consist of businesses firing off marketing offers to a consumer’s mobile device willy-nilly whenever they pass a store.

Hyperlocal: It’s not step right up!

Here’s what hyperlocal is not:

It is not a carnival barker trying to get you to try a feat of strength to win a stuffed animal. It is not the shady guy in a cheap suit trying to lure shy pedestrians into a Times Square peep show.

A luxury brand isn’t going to bombard harried husbands who have just passed your jewelry counter with a note asking them, “Are you sure you don’t want a diamond? You can still turn around and come back.”

Consumers don’t want to be inundated by branded messages every time they pass their local lingerie store or flower shop. Your customers are however interested in receiving locally relevant ads on their terms.

Hyperlocal is about creating a community experience for the consumer that is relevant to their area, whether it’s where they work or live, or both.

For Valentine’s Day, it may involve sending messages about the perfect romantic evening in the recipient’s town that includes a coupon or other benefit from a customer-affinity club.

Within this community brands should develop an intelligent hyperlocal campaign that kicks off around a specific event—Valentine’s Day—that has a cadence, delivering relevant messages to consumers twice a month rather than every few hours.

For Valentine’s Day, those messages could be sent later in the afternoon when people are more flexible and open to stopping at a store on their way home from work; and then followed with specific messages around Mother’s Day, Thanksgiving and Christmas, for example.

While attracting new customers is obviously essential for the livelihood of any business, the hyperlocal effort is really best suited for reaching a roster of already-engaged customers.

The true benefit of hyperlocal is that it strengthens a customer's commitment to a brand.

For those who reciprocate, marketers have the opportunity to present them with attractive offers on a consistent yet infrequent basis. In doing so, businesses will be able to cultivate more frequent repeat visits – even after a particular holiday has passed.

Hyperlocal campaigns can be extremely beneficial for any company with a large customer base, real-time visibility into its inventory and has something of value that also has a limited shelf-life.

For example, a major flower chain looking to sell their rose or carnation bouquets for a nice discount can leverage hyperlocal to attract last-minute shoppers who are scrambling to fit the search for a perfect gift into their busy schedules.

So, what better time to take advantage of the hyperlocal opportunity than this Valentine's Day?

Developing a hyperlocal campaign is quick, differentiates your brand, drives sales and ultimately builds exceptional, lasting relationships with your customers.

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