

MOBILE

Why physical context is first on brands' programmatic wish lists

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Wi-Fi is a major customer-targeting technology

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With location-based technologies set to grow by double digits this year, a number of top brands are planning to allocate significant portions of their marketing budgets to Wi-Fi and GPS-based strategies, according to a report from the Location Based Marketing Association.

The Global Location Trends Report highlights the undeniable rise of location-based technology as it pertains to brands' customer-targeting techniques. With more countries set to deploy additional NFC technology this year, marketing executives are planning to invest more than 25 percent of their budgets into these strategies, with Wi-Fi and GPS taking the biggest slices.

"The key takeaway, which is also the reason for the existence and rapid growth of a company like Unacast, is that physical context is the next frontier of programmatic advertising," said Kjartan Slette, co-founder and chief operating officer of [Unacast](#). "In a marketing world ripe with digital data, but with little understanding of which context a specific consumer exists in, location and proximity tech is the final piece in the puzzle."

"Omnichannel is about to stop being a buzzword and become reality, as online and offline context and therefore also marketing budgets unite."

Ramping up pervasiveness

Location-based technology is typically used by marketers to target consumers with sales and discounted offers. While this is a sound tactic for department stores and brands with heavy bricks-and-mortar footprints, the strategy as a whole will become more pervasive in 2016.

Per the Location Based Marketing Association, 66 percent of global companies will leverage this technology in non-marketing sectors as well, such as public safety and customer services.

Nevertheless, strategies with strong physical context components will be at the forefront of brands' minds this year, especially in regards to rolling out new programmatic advertising. Sixty-three percent of marketers are planning to invest in Wi-Fi, with 57 percent, 46 percent and 41 percent set to invest in GPS, NFC and beacon technology, respectively.

Forty-eight percent of brands are interested in leveraging social apps combined with location technologies to drive

customers in-store.

□ *Coca-Cola's NFC-enabled vending machines have been a hit with consumers*

There is still a learning curve present for marketers just starting to delve into these tactics. Several major marketers, however, have already made strides in this field.

"It's still early for everyone, which is natural since the rollout of location and proximity tech and therefore the amount of available trustworthy location data has just started to become meaningful from a scale perspective," Mr. Slette said. "I would argue that no brand has yet incorporated location and proximity as a core pillar in its marketing strategy, like mobile has become in that last couple of years, for instance."

"That will happen during 2016 and 2017, but we have great respect for how far global brands like Coca-Cola have come already."

A Coca-Cola executive at Mobile Marketer's Mobile FirstLook: Strategy 2016 claimed brands that continue perfecting mobile-first advertising, location usage, payments and beacons will be noteworthy this year, with Coca-Cola leveraging all to perfect the art of storytelling on digital ([see story](#)).

Expanding horizons

Location-based targeting methods will also go beyond frequently-tapped strategies such as NFC and beacons this year.

While beacons were one of 2015's top buzzwords, other proximity-based targeting tactics could have their heyday in 2016 as bricks-and-mortar retailers continue beacon pilots and uncover best-response solutions for their customers ([see story](#)).

□

Location-based advertising becomes stronger with relevant, physical context

According to the report, location-based search optimization, loyalty integration and augmented reality will all see an uptick in interest from U.S. marketers.

Meanwhile, the top three most beneficial features for U.S. companies employing location-based technology are the ability to effectively target individuals, drive sales at point-of-sale terminals and fuel foot traffic.

"Location is the new mobile," Mr. Slette said. "And finally we can as an industry rectify our errors in lack of context, by transforming advertising into communication killing the need for ad blockers in the process."