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How luxury brands can benefit from location-based mobile apps

July 8, 2011



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Luxury retailers such as Marc Jacobs and Four Seasons have seen immense response in using location-based mobile applications to drive in-store traffic.

Using applications such as foursquare, SCVNGR and Gowalla, brands can curate an experience for the consumer to increase CRM. Brands largely see an increase in transactions and traffic to their retail locations as a result.

“Brands first have to recognize what they are trying to create for the consumer and where they want the experience to occur,” said Andy Ellwood, New York-based director of business development for Gowalla.

“Once they have their perspective on what a luxurious experience should and could be, they can create an experience for the consumer,” he said. “Like most things in social media, what you put into it is what you get out of it.”

Checking in

Four Seasons used the Gowalla platform to curate experiences for customers at its Beverly Wilshire location in Beverly Hills, CA.

The hotel's concierges created experiences at venues surrounding the hotel and encouraged customers to go to them.

If customers went to enough places, they had a chance to win a \$100 gift card to the Four Seasons spa at the location.



Four Seasons on Gowalla

"They saw a lot of positive feedback and tremendous response from patrons and people staying at the hotel, as well as users of Gowalla who were in the area," Mr. Ellwood said.

Additionally, Marc Jacobs used foursquare during both September and February Fashion Weeks ([see story](#)).

Consumers followed the brand around New York, Britain, France and Italy and could check in at any Marc by Marc Jacobs store.

Consumers unlocked the brand's "Fashion Victim" badge when they checked in at enough places.

Also, consumers followed brand creative director Marc Jacobs and president Robert Duffy for tips, such as going to the Mercer Street, New York store and saying hi to Robert Rich.

Four random participants won tickets to the Marc by Marc Jacobs Fall 2011 runway show and a VIP meet-up on.

"The new badge for Feb. 11 Fashion Week was a two-week offer," said Daniel Plenge, Web and digital manager for Marc Jacobs International, New York. "At 2:19 a.m. the day the badge went live, I opened up foursquare and saw that 74 users had already checked in to our Mercer Street store, even though it wouldn't be open for another eight hours.

"The first week, 4,000 users had unlocked the badge and by the end of the second week, over 7,000 users had unlocked the badge," he said.

Seeking out customers

Luxury brands can also further engage customers with scavenger hunt apps such as SCVNGR, which increase CRM in addition to driving in-store traffic.

For instance, high-street-focused Dylan's Candy Bar engaged consumers with an in-store scavenger hunt called "Capture That Candy" that used mobile image recognition technology in index mail addresses and awarded mobile coupons.

The company posted clues in its retail locations that prompted consumers to locate specific items within the store.

The consumers took pictures of the items with their mobile devices and emailed the pictures for a chance to win coupons.

Dylan's saw great success with the campaign, as well.

The entire point of location-based ads is that consumers have a seamless experience. In doing so, it will enable them to build a relationship with the brand and possibly purchase things while they are in retail locations.

"We value that fans of our brand voiced their excitement by mentioning us in their Tweets, their Facebook updates and their blogs before, during and after Fashion Week," Marc Jacobs' Mr. Plenge said. "Personally, I was very happy to meet and chat with the ticket winners at the Marc by Marc Jacobs shows.

"We love building online connections with our fans and aim to nurture those relationships offline," he said.



Marc Jacobs received much feedback, including Tweets, from the Fashion Badge initiative

Location-based apps will also give them a positive experience, hopefully making them willing to return to the retail location or hotel.

“A lot of folks have seen that location-based apps open up a new way of engaging with people,” Mr. Ellwood said.

“You have to realize that the way people consume information on mobile is different than on the Web, because mobile is on the go,” he said. “Therefore, you have to make sure that it’s a smooth, quick experience that customers shouldn’t jump through hoops for.

“The whole experience should be socially serendipitous and, as a result, the brand will get credit for crafting the experience in a fun and engaging way.”

Final Take

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