

MOBILE

## Geo-targeting leads luxury consumers to stores, away from competition

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By ERIN SHEA

Luxury retailers can benefit from using geo-targeting mobile technologies to keep affluent consumers coming into their stores and not their competitors' locations.



Retailers can use geo-targeting in a variety of ways, which include targeting consumers in a store, outside a store or in specific neighborhoods. By using these technologies along with consumer data and research, retailers can access their target consumers and drive them into store locations.

“Geo-targeting is great when you inform the technology with some good research,” said Dan Schwartz, cofounder and chief operating officer of **RUN**, New York. “By being able to pinpoint a campaign to the most affluent neighborhood in a city, you will likely find consumers who are luxury shoppers.

“This is the leading edge of advertising technology, but there are some research aspects to working these technologies,” he said. “This has worked well and campaigns have benefited from it.

“Retailers can successfully target any audience segment, even in a cookieless environment.”

## Sharing information

With geo-targeting, retailers can reach mobile users who are near store locations, even if the consumer is at home or out and about.



*Tiffany & Co. geo-targeted ad*

There are also ways that this technology can locate consumers who may be more inclined to purchase luxury goods.

“The technology can indeed differentiate between mainstream and luxury brands,” said Alistair Goodman, CEO of [Placecast](#), San Francisco.

“When a consumer opts-in to share location and some of their personal data in exchange for valuable offers, they can explicitly express interest in categories such as luxury items, which marketers can use for targeting,” he said.

“Now with the advent of mobile wallet, commerce applications and card-linked offers in the financial sector, we are seeing an increasing amount of past-spend graph data being exposed – again anonymously – which enables a retailer to target segments such as luxury shoppers.”

These technologies allow luxury retailers to know whether or not a consumer has shopped in other luxury categories in the past, which is a crucial piece of information.

In addition, marketers can aim to bring consumers who are in the area into a retail location. These technologies can be used without offering discounts or sales to not dilute the brand.

“Many luxury brands do not do a lot of discounting, but they can still get creative with their marketing and bring consumers into the stores,” Mr. Goodman said.

Luxury retailers can use geo-targeting strategies to send alerts for exclusive or limited-edition products, announce a new collection and promote in-store events, he said.

Inside access

Retailers can also target consumers when they are already in a store.

By using the geo-targeting technology in a retail location, the brand is already target a consumer who is interested and will likely be more inclined to purchase products.

“A more effective and appropriate use of geo-targeting technology is actually inside the store,” said Dave Rodgers, senior management consultant of retail strategy and change at [IBM Canada](#), Toronto.

“When you have a permission-based relationship with a loyal customer, you can derive more value and actionable knowledge from their traffic flow within the store,” he said.

This technology also helps associates know if a frequent customer has entered the store and can allow the brand to know what areas of the store consumers visit once they walk in.

“You can alert store management that a platinum-level customer has arrived and where they are located,” Mr. Rodgers said.

“This data can highlight hot spots and dead zones allowing the retailer to maximize use of their floor space,” he said.

“Luxury retailers need to use technology in a new way to create a compelling customer experience and distinguish themselves from the competition.”

Final take

*Erin Shea, editorial assistant on Luxury Daily, New York*

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