



Localpoint®

# How to Drive Customers to Your Stores

Increase Loyalty through Location-Enabled  
Technology

digby®

As the number of Americans with smartphones passes the halfway mark this year, retailers have an opportunity to directly engage with their customers and go on the offensive against “Showrooming,” a trend in which consumers use their smartphones in a store to scan the barcodes of products to find better deals on Amazon or at a nearby competitor’s location.

A 2012 study by the Interactive Bureau found that of the 53% of consumers who have stopped an in-store purchase as a result of using their mobile phone, 38% have done so because they found a better price in another store and 30% because they found a better price online.

It is clear that retailers must go on the offensive against showrooming and find new ways to market to consumers and harness the power of mobile phones to their benefit, instituting branded, rich apps that provide relevant, time-sensitive offers and notifications with valuable information in order to drive in-store and in-app purchases.

Before mobile, brands marketed to their customers based on two important categories: history and demographic. With an understanding of a customer’s purchase and search history as well as their demographic and purchasing segment, marketers provided customers deals and information that was sometimes relevant. What has been lacking in marketing is an understanding of the present: what is a customer’s current time, location, and behavior?

Fortunately, the present is easily understood through smartphones. Their always on, always present traits give brands the opportunity to engage with customers based on their present location, time, scanning or search history, buying patterns, and purchasing preferences.

By creatively placing geofences around a variety of locations, brands can leverage the knowledge mobile unlocks, allowing them to personally communicate with their customers in real-time.

## **Leverage Location-Based Services by First Understanding Geofences**

In order for companies to harness location in their branded, rich mobile app, they first must understand the technology behind this capability. Geofences are set using a location’s address or SSID. Then, GPS, cell tower triangulation, and wi-fi network detection are used to determine a smartphone user’s proximity to the geofence.

As a result of geofences’ ability to range in size and shape, companies can place a geofence around any place of interest including stores, restaurants, parks, airports, sports stadiums or even larger geographic areas like neighborhoods, cities, or even countries.

## **Set Geofences Around Relevant Locations to Drive In-Store Traffic and In-App Shopping**

When leveraging a geofence to communicate with a customer or drive store traffic, brands must consider both geofence entry and exit.

While geofence entry is often the most pertinent—as in a brand reaching out to a customer when they are near a relevant location, alerting them of a special offer—some brands benefit from geofence exits—as in a retailer thanking a customer for their visit and asking them to fill out a quick survey in order to receive a discount on their next purchase.

Companies are able to place multiple geofences within each other and should utilize this ability to present their customers with timely, location sensitive information. A company can place a

larger geofence around their neighborhood in order to reach out to customers within 5km of the store, sending them a special offer. Then, they can place a smaller geofence just around their store's entry so that when customers arrive they can receive an additional push notification informing them of announcements and events.

Creativity is essential when implementing geofences. Push notifications driving in-store traffic are simple ways to use location-enabled technology, but as brands expand their thinking and offer personalized content, they will find greater results in innovating and see an increase in customer loyalty.

## Set Geofences Around Commerce Locations

### RETAILERS

Setting a geofence around a retail store and sending relevant, time-sensitive offers that leverage a customer's real-time behavior and place is one of the simplest and most effective ways to drive in-store traffic. For example, a retailer could increase in-store traffic by offering valued customers in a five-kilometer radius, "buy one dress, get one half off."

So too will brands benefit from setting up geofences around competitor's locations. If an electronics company's loyal customer is in a competitor's store, they could send a push notification such as, "Come by our store today and receive 20% off your next purchase."

### HOSPITALITY & SERVICE INDUSTRIES

Hospitality and service industries will also profit in setting up geofences around commerce centers. For example, banks could send a push notification to their clients if there was an issue with their account and inform them of the nearest branch in which they can receive help. They should also consider setting up a geofence around each branch, enabling bank employees to be notified when a VIP client pulls into the parking lot.

These kinds of personalized, relevant notifications increase traffic to the location and encourage repeat visits. In order to find success in setting geofences around commerce locations, service and hospitality companies must be creative in the types of content they push. Helpful advice is never discouraged: airlines could set geofences around airports in order to send notifications to their flyers, informing them of changes in takeoff time or terminal location.

## Set Geofences Around Relevant Events

### RETAILERS & RESTAURANTS

Retailers, restaurants, and brands with retail spaces inside event locations should take advantage of events as a way to drive store traffic.

A beverage company could push two for one drinks in a concert venue or a sports team could offer 50% off any purchase of t-shirts after a win. So too could retailers with locations outside of event spaces take advantage of events. For example, a restaurant near a movie theatre could invite customers over for happy hour once the credits begin to roll.

### HOSPITALITY & SERVICE INDUSTRIES

Event-based companies find perfect use cases in events and should send push notifications when relevant.

A fan at a football game is more likely to purchase tickets to the next game if the sports team offered him a discount as a "thank you" for attending. Since many service industries currently partner with event-based companies, they should continue to leverage this relationship and send push notifications during events. A concert featuring a British band is an ideal place for an airline to offer tickets to London, for example.

# Set Geofences Around Public Centers

## RETAILERS & RESTAURANTS

Brands have a prime opportunity to flex their creative muscles when sending push notifications to customers in public spheres that drive traffic to stores or their app. Since geofences can be placed around everything from a park to a city, brands are able to leverage innovative relationships with their customers.

A pet store could send notifications to loyal customers when they visit a dog park and a store that specializes in golf gear should see significant results from reaching out to a client when they visit a golf course or driving range.

## HOSPITALITY & SERVICE INDUSTRIES

Since service industries don't have retail locations that have a direct correlation to increase in commerce, they find particular benefit from setting up geofences around public locations.

Hotels could set geofences around airports in order to send push notifications offering their guests early check-in and giving them access to room upgrades as valued, app-holding customers. So too could event-based companies offer discounted tickets when clients are in relevant locations, as in sending an announcement for an upcoming acoustic concert when a customer is at a coffee shop.

# Increase Push Notifications' Relevancy by Combining Location, Time, and Behavior

To further harness location-based technology, companies must combine location, time, and behavior in the messages they send. While

online marketing currently allows companies to communicate with consumers based on time—of day, of week, or of year—mobile gives them the opportunity to increase the relevancy of time based systems by adding a customer's location. Here are some examples of push notifications that harness a variety of real-time systems:

## SEND PUSH NOTIFICATIONS BASED ON TIME OF DAY AND LOCATION

Just an hour before dinner, a winery invites their app-holding fans to stop by a local restaurant and try out their newly released wine.

## SEND PUSH NOTIFICATIONS BASED ON TIME OF YEAR AND LOCATION

A high-end designer offers their loyal customers 20% off their in-app purchase of swimsuits as they sunbath on vacation in the Hamptons.

## SEND PUSH NOTIFICATIONS BASED ON LOCATION AND BEHAVIOR

A gentleman known for purchasing suits from a department store receives a bonus and decides to splurge on a handbag for his wife. While browsing the store's high-end selection he receives a message asking if he needs additional help and offering a discount as a way to thank him for his loyalty, solidifying his purchase.

## SEND PUSH NOTIFICATIONS BASED ON PRODUCT SCANS WITHIN THE STORE

A mother unsure of which crib to purchase scans a product barcode to read ratings and reviews. After watching a video of the crib's special features she decides to purchase it. The brand then sends her a push notification as she passes the bedding section, and the mother adds to her cart a blanket featured in the video.

# Now is the Time to Harness Location in a Branded, Rich Mobile App

For the first time, brands are able to harness location, time, and past and present behavior when marketing to their customers in real-time. Taking advantage of this opportunity and sending relevant, personal communications to consumers through their mobile app enables brands to drive in-store traffic and heighten relationships with their most loyal customers.

By implementing location-based marketing, commerce and analytics into their own branded mobile app, companies are truly able to understand and engage with their consumers like never before.

## About Digby

Digby leverages mobile and location technologies to help brands achieve their strategic omni-channel goals – to drive store traffic through location-marketing, engage with consumers in the brick and mortar store and provide web-style analytics to the physical store – all through their own branded mobile experience. Through the Localpoint Mobile Platform, Digby delivers hosted software, rich mobile application SDKs and full-service, turnkey mobile solutions designed for smartphones and mobile websites, allowing brands to attract, influence and own the relationship with their customers. Digby, powering millions of apps in thousands of locations around the world, has been enabling top brands since 2006 including HP, Cabela's, RadioShack, Orvis and many more. Learn more about Digby at [www.digby.com](http://www.digby.com).

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