

# GEOLOCATION FOR EFFECTIVE GLOBAL MARKETING

Mapping New Online Marketing Strategies with Geotargeting

**M**any gaming operators and payment processors are turning to a technology known as "geolocation" which makes it possible to know the geographic location of their website visitors. Geolocation technology uses Internet infrastructure information to determine the geographic location of Internet Protocol (IP) addresses associated with Internet-connected devices. This can be used by online gambling sites to determine the location of would-be betters in order to comply with national, as well as local laws. However, the marketing benefits of knowing the location of your online customers may not be so immediately obvious. Geolocation, or geotargeting as it is sometimes referred to, can give you the ability to localize and customize content and ad campaigns just as you would do in the bricks-and-mortar world.

## IP Address Data Elements

When a computer is connected to the Internet, it is assigned an IP address by an Internet Service Provider (ISP). The IP address helps one computer or network device find another computer over a network. In all there are more than 14 billion publicly routable IP addresses recorded in five major global registries. An IP address block might be associated with a major Internet backbone, ISP, large enterprise or a public institution. A given network block can then be sub-allocated, sometimes down to the individual IP address level, possibly to a location that is different than that which is listed in the registry. This is why simply using registry information to discern user location is inherently inaccurate. Many organizations operate on a multi-regional or multi-national scale.

Although registry is an important piece of evidence that should be assessed, it truly is only part of the equation. Active sensing techniques and human reasoning must also be applied. Quova continuously monitors the Internet and captures terabytes of data that is fed into patented algorithms that are constantly monitored and improved by human analysts with years of domain knowledge. The data is distilled into geographic information about the IP address including continent, country, region, state and city. It also offers information for use in many other client applications including representative time zone, postal code, and latitude/longitude information.

## Localized Marketing

The marketing benefits of knowing the location of your online customers may not be so obvious, but they can give immediately you the ability to

localize and customize ad campaigns just as you would do in the bricks-and-mortar world. A content localization solution allows you to redirect people browsing your site directly to the localized content you've already developed.

Major search engines and web portals were the first to fully capitalize on geotargeting, displaying different banner ads depending on the country. From there its use was expanded to allow individual advertisers to specify which of their pay-per-click ads would be shown, from country down to city level. Evidence suggests that click through rates for ads employing geotargeting can be more than 50% higher than those that don't.

Why pay for people clicking on your ad from Lagos, Nigeria if you don't service that area due to high incidences of fraud? And why subject your online venture to the vulnerabilities of luring gamers whose countries disallow the practice? Gaming sites can employ geotargeting in ad networks to protect themselves from legal action by preventing ads from showing in countries that don't allow them, while still ensuring the word gets out in those that do.

## Content Localization

Targeting ads based on the geographic location of web visitors enables you to deliver more relevant messaging or product information, tailored for language, currency and other local priorities – a proven technique for increasing sales and building customer loyalty. Research shows that if people browsing web sites see relevant content in their own language they are 50-70% more likely to stay on those sites.

One widely used geotargeting application use is to remove the annoying splash page asking the web visitor to select their location from a world map, as well as displaying a language relevant to the country. Quova customer Expedia.com, an international online travel portal for airline flights, hotels and vacation packages, use geolocation to detect a web visitor's location and then display a sub site containing relevant offers in that visitors' currency and language.

## Targeted Promotions

Promotions can be designed to drive traffic to specific casino locations or push specific sporting events available in those areas. One Quova customer reported that a localized ad, integrated with localized marketing programmes such as radio, TV, and outdoor advertising, resulted in a 30-50% higher click through rate.

There are several ways to make an ecommerce website more usable and relevant using

geotargeting. As a result of keeping the visitor on the website longer, the likelihood of converting the traffic to a sale increases.

Online gaming operators could leverage geotargeting to present web pages with the currency based on the users' country, to tailor special offers to web visitors from certain countries or cities. Or even leverage the latitude/longitude data provided and compute a simple distance calculation to determine the nearest casino in the metro area.

## Predictive Capabilities

Geotargeting also has a predictive capability – it can tell you in advance where to place your inventory, based on which products are attracting the most online attention from a specific area. Using a terrestrial retail example, an unusual number of Chicago-based visitors to a chain store website are mouse-clicking on a particular purse, it's a sign that the purse is suddenly a hot item on Michigan Avenue – and it's time to send an extra shipment of those purses to the Chicago store. Geographic information about site visitors can even be used as the basis for test-marketing programmes or regional pilots before investing in a full product rollout. The upshot is that geotargeting becomes a value proposition for your customers, your strategy, your marketing budget and your bottom line.

But what geolocation does, more than anything else, is bring real-world retailing rules to the Internet. Your business is built on demographic trends, localized knowledge and targeted marketing – all based on geography in one form or another. Apply those geographic principles to e-commerce, and you can imagine an Internet where you can reach your local customer base with relevant products and coordinated promotions in their own language and currency; where you can run a localized ad without giving the whole world a discount; where products regulated by state and country borders are offered only to customers who can actually purchase them; where location plays the same role in fraud detection as it does in the real world. With geolocation, online imagination is becoming reality. ●

AUTHOR PROFILE



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