Location-Based Advertising and Marketing

**Location-Based Advertising and Marketing** is the third consecutive report from Berg Insight analysing the latest developments on the location-targeted advertising market worldwide.

This strategic research report from Berg Insight provides you with 190 pages of unique business intelligence including 5-year industry forecasts and expert commentary on which to base your business decisions.

**This report will allow you to:**
- **Identify** tomorrow’s most profitable LBA opportunities in the mobile space.
- **Understand** the fundamentals of the ad-based mobile media revenue models.
- **Recognise** the key enablers of growth in the LBA market.
- **Comprehend** the relative importance of digital channels compared to other advertising media.
- **Learn** about the experiences of LBA campaigns by top global brands.
- **Profit** from valuable insights about LBA business models.

**Berg Insight’s LBS Research Series**

What are the real business opportunities for LBS on the global market? Berg Insight’s LBS Research Series is a unique series of market reports published on a quarterly basis. Each title offers detailed analysis of the most interesting LBS topics such as handset-based satellite positioning technology, mobile personal navigation services and location-enabled content services. Once per year we also publish a summary of our research with detailed forecasts for the major regions.

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Mobile LBA to become a € 10 billion market in the next five years

The mobile channel is gradually strengthening its position in the marketing media mix as smartphones are becoming ubiquitous and drive mobile media usage. One of the key developments in mobile advertising is the increasing integration of location-sensitivity, which releases the full potential of the mobile channel. A notable divide can be made between static and real-time location-based advertising (LBA). Targeting by static variables involves using information which is part of user profiles such as place of residence and work. Real-time location targeting instead uses location information which is gathered when an ad is delivered to a mobile user. Such LBA campaigns leverage the same type of technologies to determine user location as other location-based services (LBS). Common methods include GPS, Cell-ID and Wi-Fi positioning which are all based on real-time information.

Targeting by location in combination with other contextual and behavioural segmentation greatly enhances the relevance of mobile advertising. It has been demonstrated that location-targeted ads generate considerably higher returns than conventional mobile advertising. The associated eCPM and CTR levels are several times higher. Berg Insight estimates that the total value of the real-time mobile LBA market worldwide was € 1.2 billion in 2013, representing 14.5 percent of the total mobile ad spend. Growing at a compound annual growth rate of 54.0 percent, the real-time LBA market is forecasted to be worth € 10.7 billion in 2018, corresponding to 38.6 percent of all mobile advertising and marketing. This means that location-based advertising and marketing will represent around 7 percent of digital advertising, or 2 percent of the total global ad spend for all media. Asia-Pacific is estimated to be the largest LBA market in 2018, followed by North America and Europe.

Key drivers for LBA include the growing adoption of both outdoor and indoor location technologies, as well as the increasing consumer acceptance of LBS in general. The market is favoured by the recent entry of a number of major enterprise players. Big-box retailers can leverage LBA to combat both online and physical competitors. LBA further opens up the mobile channel for new advertisers such as local merchants. The fact that LBA has higher performance has moreover translated into premium rates. The main barriers to adoption are related to the inherently limited reach of LBA which acts as a mental hurdle for advertisers. Education of advertisers and new methods for campaign performance evaluation are thus called for. Privacy issues can further not be ignored, but can be beneficially handled by privacy control options beyond simple opt-in mechanisms. The demand for geo-targeting remains comparably limited, but is bound to increase given the proven results such campaigns generate. The quality of location data is moreover expected to gradually improve.

This report answers the following questions:

- How can location technology improve the relevancy of mobile advertising?
- What are the experiences from mobile LBA campaigns so far?
- How should mobile LBA be integrated in the marketing media mix?
- Which categories of companies can leverage mobile location-based advertising?
- Which are the LBA specialists that stand out of the crowd?
- How are mobile operators such as AT&T, Orange and SFR approaching LBA?
- How are traditional mobile advertising players and major digital and telecom players positioning themselves in this market?
- How well suited for LBA are the existing and future mobile media channels?
- Which are the main drivers and barriers on the market?
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Who should buy this report?

**Location-Based Advertising and Marketing** is the foremost source of information about the status, future trends and technology developments on this market. Whether you are a telecom vendor, mobile operator, advertising agency, investor, consultant or application developer, you will gain valuable insights from our in-depth research.

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- Mobile Location-Based Services
- Mobile Advertising and Marketing
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- LBS Platforms and Technologies

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