

Hyperlocal marketing for Mobile Augmented Reality

A Mobile AR Summit Position Paper
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A little about acrossair

acrossair is a mobile innovations agency, with a focus on creating mobile augmented reality applications for games, location based services and for global brands. Our flagship product is the acrossair Augmented Reality Browser, which launched at the beginning of 2010 and essentially provides a single environment with rich functionality to access location based services in an Augmented Reality interface.



Introduction

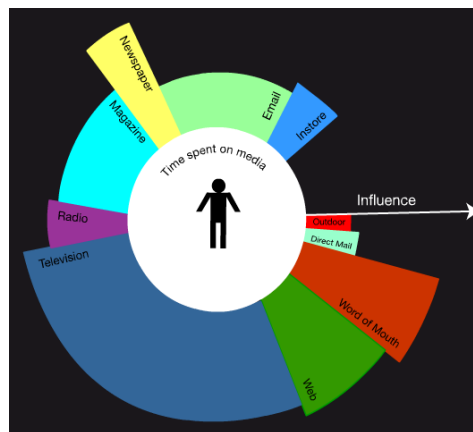
A number of research organisations have looked at the Mobile Augmented Reality industry and valued the overall industry size (\$732M by 2014) by looking at the different revenue streams available to the industry, another report goes in to detail on how desktop internet is funded by the advertisers and how the mobile internet will be funded by the user.

In this section I want to present a case that goes against the above chain of thought and identifies advertising as a potentially becoming the number one

revenue source for the industry. Mobile Augmented Reality creates a new opportunity based around Hyperlocal marketing. (Hyperlocal marketing, targeting consumers who are in very close proximity to your business).

Some factors around the opportunity:

- 1) Brands and advertisers are currently in a state of flux, consumers are moving away from traditional media and the majority of their media consumption and influences to purchase are being driven by the growth of Social Media platforms.



- 2) Successful implementations of new advertising platforms include Google and Facebook, one of the reasons for this success is that advertising actually enhances experience on these platforms.
 - a. Google - The standard results are enhanced by sponsored listings at times delivering more relevant content, and immediately meeting the needs of the consumer at the time of consumption.
 - b. Facebook - Users are now using Facebook as their chosen medium for communicating with their friends and keeping in touch with the brands they love. Using this same environment of connected individuals Facebook provides a platform that allows brands to influence friends of friends, usually as far 3 degrees of separation.
- 3) Consumers are increasingly become reluctant to pay for digital content and are increasingly becoming accepting of advertising funded media.

Location based advertising – Hyperlocal marketing

The location based advertising model is based on getting the users accurate geographical position and mashing this with information based on requests, searches or applications they are using to deliver advertising that is relevant at the time of consumption. **In the diagram below (Appendix 1)**, Titled: Location based advertising opportunities; I have tried to identify the following:

- 1) Starting from the middle we have the user. (Chris or Rachel)
- 2) Then I identify the 3 types of interfaces the consumer has to view location based data
- 3) Followed by companies who are currently in the Location Based Services space
- 4) And the industries they are in
- 5) The outer rings show how advertisers can get involve, with the 2 different types of Hyperlocal marketing.
 - a. Hyperlocal Direct response: An advert which drives a response from consumers. E.g. searching for restaurants, one of the entries is highlighted as a sponsored listing. (More CPC or CPA)
 - b. Hyperlocal Brand experiences: An experience provided by a brand. E.g. a bar guide provided by a beer brand. (More CPM or Sponsored placements)
- 6) On the left/top I show how a potential customer journey could look like when they are searching or discovering local content.
- 7) The top of the diagram focuses on local search (Chris) and the lower half focuses on local discovery.

The reason for creating this diagram is to show how many applications there are already out there that will soon moving to augmented reality, and I have tried to identify where the brands are likely to get involved.

The concept of digital advertising is not new, neither is the concept of advertising in directories or search engines. Merging the two together in a local environment is an easy concept for companies to grasp; this is why I believe if the industry can provide the users and the advertising platform, the brands will invest.

References:

