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## Professor sees potential in GPS-based marketing

Personal navigation devices using satellite-based global positioning system technologies are handy for driving or boating, especially in an unfamiliar territory.

Could GPS also be useful in notifying travelers about discounts or sales promotions?

You bet your TomTom it could. The more appropriate question is, what applications make sense?

Melih "Mel" Madanoglu has some ideas, but when talking with me, he couldn't resist adding: "I just wish I had a better crystal ball."

Madanoglu is an assistant professor in the division of Resort & Hospitality Management at Florida Gulf Coast University.

He believes applications for this technology will grow explosively in the next few years, and will include major restaurant chains.

Although such uses are still in their infancy, "GPS currently is an important marketing tool in the restaurant industry, and can certainly build a competitive advantage," Madanoglu said.

This is part of the message he and Cihan Cobanoglu gave in a speech earlier this year at the International Restaurant Show in Las Vegas. Cobanoglu is an associate professor of hospitality information technology at the University of Delaware.

The two academics envisioned such scenarios as consumers entering a local restaurant at noon, and through their vehicles' GPS or their cell phones, getting a "coupon" for a discounted meal, a free appetizer or other incentive to dine out that day.

These would be opt-in marketing programs, in which the consumer has asked to be included. "I don't want to receive coupons unless I ask for them," Madanoglu said.

The coupon would be paperless, Madanoglu added - something a GPS-equipped device somehow could "beam over" to the restaurant or perhaps a code word or number.

Madanoglu's PowerPoint presentation noted such early applications as Garmin's Digital SaversGuide. This transforms certain Garmin GPS devices into virtual coupon books, offering discounts from more than 30,000 merchants in North America. The main downsides: Users must pay a yearly membership fee of about \$50, and carry a membership card to get the savings.

Here's another real-life application not shown in the PowerPoint: Automaker Honda has a partnership with Zagat, the creator of guides and surveys on entertainment and shopping to help drivers of its GPS-equipped cars find nearby restaurants. This includes an audio clip telling what a restaurant critic thinks of the place.

As promising as it sounds, GPS-based marketing is still highly fragmented. From what I can infer, the devil is in such details as:

- Making message-sending free or very low cost for restaurants and retailers of lower-priced items; and
- Making sure the consumer doesn't feel "spammed" when receiving the message. This could occur over time, even when a person previously "opted in" to receive the special offers.

I discussed these challenges via e-mail with Russell Buckley, a Munich, Germany-based

mobile marketer who blogs about his fast-changing occupation at mobhappy.com.

According to Buckley:

"Transmitting over Bluetooth to all consumers within say (100 yards) of a restaurant is free to the advertiser, but will probably be unpopular with consumers as they are essentially being spammed."

"Transmitting via (standard text messaging) at the consumer's request is great for the consumer, but unacceptable for most advertisers due to cost."

The best-case scenario for now, in Buckley's view:

"If the consumer is looking at a map of the area on their mobile phone and an ad is shown, it's essentially free for the advertiser and not overly intrusive for the consumer."

I'd like to write about this again, but I need your help.

Owners and operators of Southwest Florida restaurants: Can you envision this technology working for you? Tell me more.

Fellow consumers: Are there restaurants, clubs or theaters for which you'd welcome directions and discounts via your GPS-enabled device?

What restrictions would you like to see for the sake of safety and sanity?

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