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What is your favorite instant coffee brand? Do you prefer Folgers or Maxwell's house? Believe it or not, the answer has little to do with your tastes, and everything to do with where you're from. This is one of the many interesting takeaways from the location is (still) everything, an upcoming book (due out July 15) by Wharton Professor David Bell. We don't have to throw away demographics just because the internet has come, he says, summarizing the big-picture findings of his work. E-commerce doesn't unseat everything we already know. As it relates to Folgers or Maxwell House, here's what Bell writes: Folgers market share is much higher in San Francisco because that's where the brand was introduced way back in 1872. Similarly, Maxwell House does much better in the Northeast (the brand was launched in Nashville in 1892), where folgers market share is the smallest. In addition, this finding is incredibly robust. Leading brands in many product categories have the largest market share where they were first introduced – although in many cases these brands were introduced more than 100 years ago. So sometimes just being the first in a particular market allows you to dominate that market for decades and decades, even when new entrants are coming. At this point, you might think: So what? Who hasn't heard of the advantage of the first move? But wait, there's more. These findings are evidenced by countless blind taste tests. In beer, for example: You might think you prefer Budweiser to Coors, or vice versa, every time. But blind tests show no difference between beers. But you'll choose Budweiser if you're from St. Louis. And you'll choose Coors if you're from Colorado. Even deeper: Studies show that if you move to a new American city, you will gradually adjust the brand preferences of that city. This means that if you move from a Maxwell-dominant market like Boston to a Folgers-dominant market like San Francisco, your preferences will gradually morph to Folgers. The takeaway, then that location informs brand preferences, even in categories like beverages where you might tend to think that your personal taste buds go beyond the powers of brand and marketing. For entrepreneurs, what's the lesson? According to Bell, there are two actions almost every entrepreneur can take, based on these findings, to take advantage of the way the location informs brand preferences: 1. Make your packaging stand out, visually. You may be tempted to save costs to opt for packaging that is as cheap and indescribable as possible. Why add additional shipping costs that are already expensive? But Bell believes you can get a big brand advantage with exceptional packaging. As basic as it sounds, one of the reasons geography still plays such a role in brand preferences is through simple orally. While gossip and friendly chatter will always be the key word-of-mouth of the driver, another factor is the packaging that you see in your daily thinking. Think This: You see an attractive reusable bag from Lululemon Athletica in your yoga studio, and the next thing you know, you're familiar with a brand that's targeting you. One example Bell likes to point out is Soap.com, whose boxes came in vibrant mixed colors such as teal, orange, chocolate and magenta, with Soap.com inscribed in white letters, he writes. 2. Deliver to destinations with maximum visibility. If you ship to home, then perhaps only a resident sees your packaging and notes. If you ship to your workplace, you get a multiplier effect. This effect increases further when the recipient shares a photo of the gorgeous cover on social media. The principle is simply your best to try to make the product socially visible, explains Bell. He points to Warby Parker and Birchbox as companies that are smart when it comes to transporting them to offices rather than homes if possible. Perhaps unsurprisingly, these two brands believe in physical sites that support and complement their robust e-commerce channels. Bell knows the founder of Warby Parker from the days of Wharton. In the book, he often praises their ability to use places in the real world. Here's the main view that draws on their wisdom: If you're an e-commerce business considering a retail location or two, you want to place them in places where potential customers will not only be receptive to your brand, but also likely expand oral testimony – and social media photos – in praise of your products. Are you sitting in a comfortable room somewhere? Because right now your smartphone probably counts and then shares your place of insiposition. But don't worry: You're far from alone. Location sharing services are on the rise. Here are the big reasons for the trend in personal placement. Recently Facebook began a beta-test of its first mobile advertising system. It's not an easy Facebook ad placement scheme, instead it means that Facebook places banner ads that you may personally like in other apps and websites based on targetable criteria in your Facebook profile. Advertising partners choose demographics, and when a user visits a website or app that's on the ad system, their ID is transferred to Facebook, which responds if there's an ad that matches the demographic file. Triggers that run ads include a variety of things from likes, your age and gender — and your location. Facebook essentially uses its range of user data, including location, to ensure that when a user visits a website, signs up for Ads on Facebook, they see banner ads that are more specific to you. We hope you'll be attracted to more than the usual banner ads that we all ignore online because they're for items we don't care about. But it also means you're paying for ads – not in cash, but in that Facebook allows your data to match your advertiser profile. And one part of the data you share here is your location. For a long time advertising specific lokailu lokalitu made sense simply because it allows hyper-accurate targeting. But when it comes to mobile computing it has never been very accurate because you don't take your computer everywhere and it doesn't have GPS. Your smartphone, of course, yes. 2. Weasley family Locator Remember the hours the Weasley family has in Harry Potter? He doesn't have the hands to say time, instead his arms point to the location of different family members... Magic. Turns out there are apps that allow you to do this right now. Apple Find My Friends is one of them and is integrated directly into the operating system so you can even ask Siri something like: Where is my wife? But the Life360 app for iOS does the same trick in a much more focused way and says it has more than 15 million registered users. It's even a bit like a Weasley clock because it can involve security and threat location. When it comes to disaster scenarios, apps like this are probably incredibly useful. They can also play a role for those nervous about their husband's dangerous work or, let's face it, over-protective parents (who insist their children sign up for location data, otherwise they lose privileges). Find My Friends is certainly useful in trying to coordinate meetings at an unknown point-of-choice landmark and meeting there, which involves navigating your way in a strange place, just use the mapping app powers. It's likely that where we were perhaps nervous about sharing our location, many more of us will use systems like this in the future because of their obvious benefits. 3. Navigator AdsTelmap Navigator is a free GPS navigator app for some smartphones, with its free price enabled by embedded advertising. One way this advertising system works is to have branded widgets that appear on the app's systems and home page. Advertising partners buy widgets to tempt app users to tap them in the hope of choosing this tag over another. The jus system launched in South Africa, and it was reported that when the app went to number one on apple app store brands like KFC, BP, and Nando's saw huge benefits. Widgets tell users where nearby stores are for the brand, and are interactive so they can navigate you there, call the store, or share information on social media. App users get a device that quickly helps them find a restaurant or gas station, brands get more traffic and eyeballs for their logos, and also get monthly metrics about clicks and drive clicks, allowing them to see how effective ads are. This is another form of location-based advertising, but unlike Facebook's system, it's user-initiated. The competition for visibility in front of the user takes place on the part of the advertising partner and the goal is to provide users of navigation applications with real services, not just to show them a graphical ad. This kind of location-specific ad interaction is actually possible on smartphones and alternative business models for the application from a point of view. This can be something we see more of, and become happier using. Google Now has been featured in Technology Review recently, with the interesting idea that this may be the style in which Google competes with Apple's personal digital assistant. Instead of a reactive voice control system, Google can focus on Now's ability to anticipate users' needs by automatically providing specific information. This could include time-based alerts, but also location-based alerts: For example, it can now deliver live bus times to users when they go to a bus stop. Apple Passbook does something similar, through its location alerts for boarding passes at airports and so on. A whole point of a system like this is to save users a few seconds of time - time they would spend manually searching for information or accessing a particular app they knew contained it. To prevent user actions like this, it's important that their smartphones and back-end data collection services at Apple and Google know where they are in real time and that they feel their previous habits (Now they can alert you to delays on your way to work, such as before you start). Again, while these systems are in their infancy now, it's debatable that we'll all end up using them more and more and soon, too—because they're obviously incredibly useful. And in doing so, we will share our location with companies like Apple, Google, their advertising partners, and third-party analytics firms. 5 Foursquare Effect So why is this explosion in location-based services that require us to frequently share our absolute position-data, which, when you think about it, is incredibly personal and potentially sensitive? Partly it is the fact that the penetration of smartphones and tablets has reached a critical mass. A recent Pew study reported that 50% of U.S. adults now have a smartphone or tablet. Many of these devices have accurate GPS location devices, or their location can be approximated over the Wi-Fi networks to which they are connected. Mobile advertising with respect to location and a plethora of other mobile services only makes sense if there's a large audience for it, and some services only make sense if many people share their location (for example, Apple's automatic traffic alert). So a smartphone is a basic technology. But it's also the fact that users are experimenting with sharing our location data in many different ways. Smartphones and tablets bring far more tricks and abilities into our daily lives than we could have imagined, and engaging with them has become an essential part of trying out the latest device. When they're brand new, even pushed placement-based ads seem exciting and clever (versus tedious and skippable, like TV ads might), and that's the first step in getting used to them. It is in the interest of and Google to expand their advertising powers like this. Back in 2010, Google released an AdWords extension that allowed advertisers to mobile pop-up ads in direct response to the user's location. Facebook revealed in February that it was working on a mobile advertising system that is aware of the location. Even Apple, which is not the biggest player in the advertising game, has filed a number of patents that allow hyper-accurate placement-based ads on the iPhone. Foursquare is the best example of radical change in location sharing. Since its debut in 2009 it's amassed 25 million users. GigaOm notes that right now it is evolving very quickly into the local search system, and that it seems set to make money with its promoted advertising business updates. Unlike some other advertising services, Foursquare can actually convert promoted ads into direct sales because its very nature attracts people to places where they have signed up. If 25 million people are ready to use Foursquare and not only share location data, but actively broadcast it to the world, then it is debatable that many other smartphone users would like to share at least part of their location data. A new LoyaltyOne survey points out that consumers are a little cautious about sharing data due to controversy and a perceived lack of returned value—but 27% of respondents were in need of receiving promotional data automatically if they were near a retail store, more than a quarter would share their location if there was a chance to win prizes, and more than half would do so for cash rewards. [Image: Flickr user Dave77459] Chat about this news with Kit Eaton on Twitter and Fast Company too. Too.