

Location-Based
Social Networking
Marketing White
Paper



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2010

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Abstract

This free white paper outlines the basics of location-based social networking and identifies the opportunities for consumer brands and local businesses within location-based networking. This includes the definition and scale of location-based networking, an overview of the most current and relevant location-based networks and a summary of the ways businesses can use each network to reach customers.



Introduction

The power of word of mouth marketing has been the fuel behind successful businesses for decades. Long before Twitter and Facebook, a great business experience would turn a new customer into a happy customer and create a brand ambassador who shared their experience with their network of family and friends.

Today, we have location-based social networks. These services are word of mouth marketing on steroids. The power of a happy customer has never been greater: this customer can now tell all of the people on all of their networks about their experience—as they're having it.

In our Social Media Marketing Essentials white paper, we outlined various tools that businesses can utilize to connect with and expand their fan base online. While those tools remain important, location-based networks have given businesses a new way to connect with their customers online—but this time, it's at the point of purchase.

There has been a recent surge in popularity among these location-based networks, and businesses large and small are trying to figure out how they can capitalize on this new community. The trick here is consistency—new location networks are appearing all the time and none of the major players have completely dominated the market—so how can you be sure that the network you're building has staying power?

Today, the major location-based networks are Foursquare, Gowalla, Loopt, MyTown, and Brightkite. In this white paper, we'll explore these networks and identify where business opportunities lie in each.

What is a location-based social network?

Location based social networks utilize the GPS location information from cell phones, enabling users to interact in “real time” with the places and people around them. These networks use iPhone and other mobile applications to connect with people while they're out, and many of these networks operate with a “check-in” feature, where the user logs on to the application and broadcasts what location they've just arrived at. While they're checked in, they can usually leave tips, write reviews, upload photos or interact with other users. Other networks pull user data continually and place their users on the map according to their traveling GPS location.

What can these networks do for me?

As a business owner, the emergence of these location-based networks gives you a new opportunity to reach out to your audience. Before these networks, social media users unabashedly shared *what* they were doing, broadcasting that information to their connections across several platforms. By integrating location, users of these location-based networks are now broadcasting *where* they are and adding what they are doing there, if they like it, what it looks like, and more. It's a real time experience for the user, but it's also a real time opportunity for the business. With the ability to access these networks, you can monitor your online reputation and gain insight into the decisions of your customers, and with the capability to advertise across these networks, you have the chance to affect the user while they decide whether to visit your location or purchase your product.

Location based social networks also give more potential for your business to gain online presence. Profiles across location-based social networking platforms can increase your local SEO and improve your search engine ranking, so by just existing on these networks (which you probably already do!) you are benefiting from them.



Foursquare

Statistics

Number of users: 2 million (as of July 2010)

Availability: Worldwide

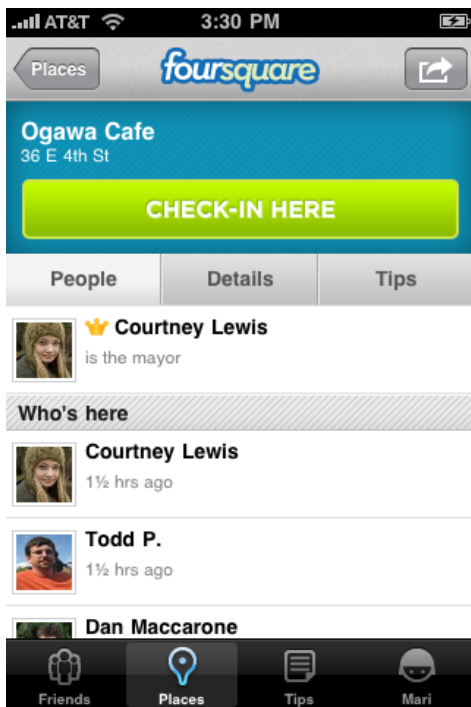
17 check-ins per second

5.6 million venues added

Overview

Foursquare is a location-based social network that allows its users to “check-in” at various locations on their GPS-enabled mobile devices. By checking in, Foursquare users can connect and compete with other users, earning points with each check-in and racking up badges with each accomplishment (example: checking in at a gym 10 times in 30 days merits a “gym rat” badge). Users can also add tips and compile to do lists throughout their travels, creating mobile reviews of each business frequented on the site. The highest number of check-ins per location earns a user the title of “Mayor,” but they can be ousted and lose their mayorship if another user

comes along with more check-ins. The points, badges, and mayorship makes Foursquare one of the more game-like networks; the tips and to-dos provide content and instant brand insights that make it one of the most informative.



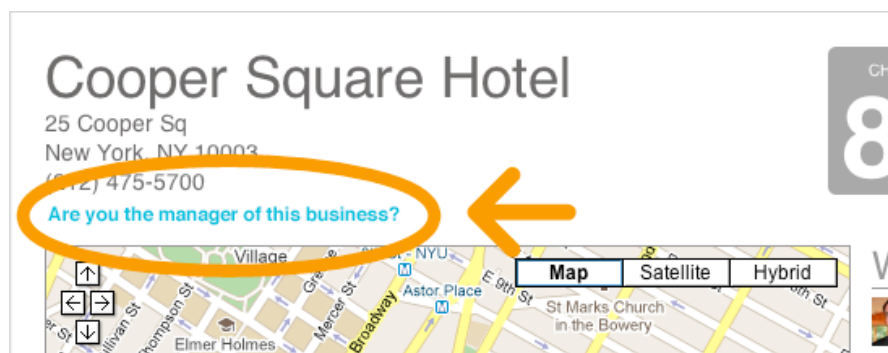
Appendix 1.0 - Checking in on Foursquare



Appendix 1.1 - A Foursquare Mayor special

Opportunities for businesses

Foursquare allows for business owners and managers to capitalize on their Foursquare network by claiming their location page. After you confirm your business page, you can create specials and access detailed analytics on your daily customer base. Foursquare offers mayor specials (users that prove they are the mayor can unlock this special), count-based specials (unlocked after x amount of check-ins), frequency-based specials (unlocked every x check-ins) and wild card specials (Figure 1.1). When a user checks in at or around your location, they will see that your business has a special available.



Appendix 1.2 - Claiming your business profile on Foursquare



Figure 1.3 - Foursquare analytics for business owners



Gowalla

Statistics

Number of users: 340,000

Availability: Worldwide

1.4 million venues

Overview

Gowalla is a location-based network game where users can check in to various venues, leaving and exchanging “items,” uploading tips and photos, and commenting on other user activity. Gowalla puts a high focus on the game aspect of the network, awarding check-ins with “items” that can be kept or swapped with other users. The items on Gowalla are less like Foursquare badges in that they are representative of (and look like) physical places that the user has been to, rather than being the result of a variety of check-ins or accomplishments—creating something of a “digital passport” for the user. Users on Gowalla can also link several spots together as “trips” such as bar crawls and city tours.



Frankie's Tiki Room

One hundred percent original and deeply rooted in tiki tradition, Frankie's is the place where you can escape to the fantasy any hour of the day or night.



Sky Bar @ Mandarin Oriental

A place for a business meetup or an intimate drink. Located on the 23rd floor of the Mandarin Oriental in CityCenter.



The Double Down Saloon

Home of the Baconini. Interplanetary abstract. Urban decay. The Anti-Vegas. A clubhouse for the lunatic fringe since 1992.



Lotus Of Siam

Gourmet magazine calls it the "single best Thai restaurant in North America."

Appendix 1.4 - A Gowalla trip through Las Vegas



Appendix 1.5 - Gowalla user profile

Opportunities for businesses

Currently, Gowalla has partnered only with large companies—Incuse laptop cases and Sweet Leaf Ice Teas—and these promotions appeared as contests, not advertisements. Gowalla currently does not offer advertising opportunities for business owners, but they do promote certain locations as a part of sponsored “trips” with recommended stops. Businesses can still make the most of Gowalla’s user base by adding their business as a spot on Gowalla, or by updating any misinformation on their business profile.



Loopt

Statistics

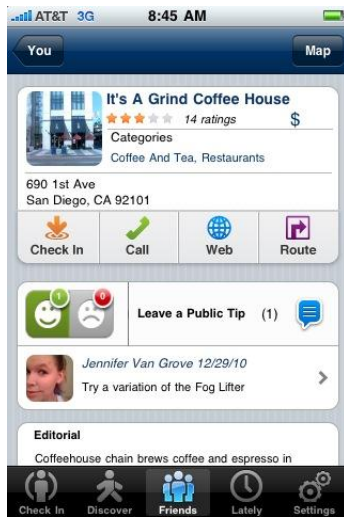
Number of users: 4 million

Availability: Worldwide

Overview

Loopt is a service that allows users to connect by enabling their location. Users can see where their friends are and easily send them an SMS text or call them. There is a check-in feature on Loopt, but users can also run their location continually. Loopt integrates CitySearch, Zagat, Bing and more on their service, so that users can find reviews and information about where they are, and users can leave tips after visiting locations. Users can also upload photos and comment on other check-ins. Loopt recently introduced Loopt Star, a location-based game that also has a check-in feature, where retailers and business owners can reward users for completing

designated tasks and challenges. Loopt Star has badges and a “boss” classification similar to Foursquare.



Appendix 1.6 - Loopt place profile



Appendix 1.7 - Loopt check-in with Live Location enabled



Appendix 1.8 - Loopt map with user generated comments and tips

Opportunities for businesses

Business owners can access user data on Loopt and monitor activity at their location. They can also promote their brand with advertisements and on Loopt Star, businesses can create interactive challenges with rewards for users.



MyTown

Statistics

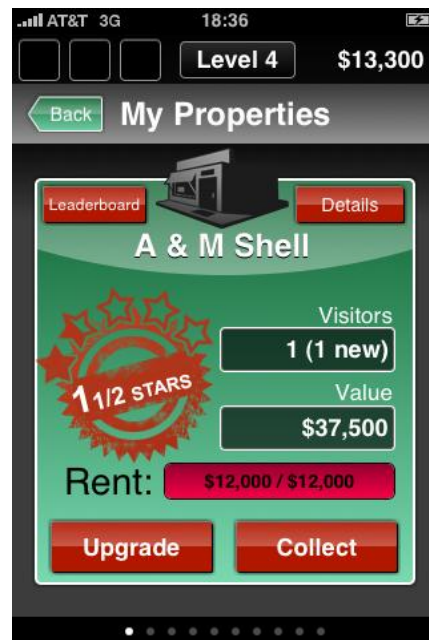
Number of users: 2.1 million

Overview

MyTown functions primarily as an online game, but uses information from real locations. Users can check in to locations with the option to earn money and “purchase” locations. After a user owns a particular location, they collect “rent” from any other user that checks in. When checking into a location, users also have the option to purchase items, which give them points and power-ups. MyTown combines the location-based network with a Monopoly-like game feel, and users can compete with friends, view the location logs of others and climb the games levels and leaderboards.



Appendix 1.9 - H&M advertisement on MyTown



Appendix 2.0 - a property owned by a MyTown user

Opportunity for businesses

MyTown has a very warm and inclusive feel among the location-based networks, as users actually “own” your business, and fun is the first priority of the game—rather than some of the other the other networks, which are fun as a result of the competitive nature of the check-ins. MyTown offers advertising options for businesses when users check-in (see the H&M example in Figure 1.8).



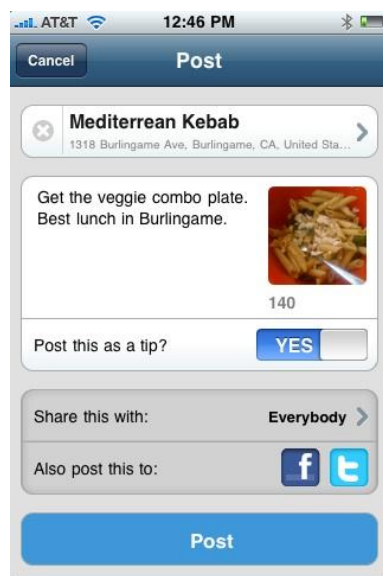
Brightkite

Statistics

Number of users: 2 million

Overview

Brightkite combines GPS data with a personal customized feel. Users on Brightkite have Facebook-like profiles, which they can fill with a multitude of personal information, where they can include updates, photos, videos and links, all a “check-in” and an enabled location. Users on Brightkite can friend each other and interact with each other by commenting and liking/disliking posts. On the mobile application Brightkite users can send an unlimited amount of SMS texts to one or more other users, reaching out to friends and connecting in real time.



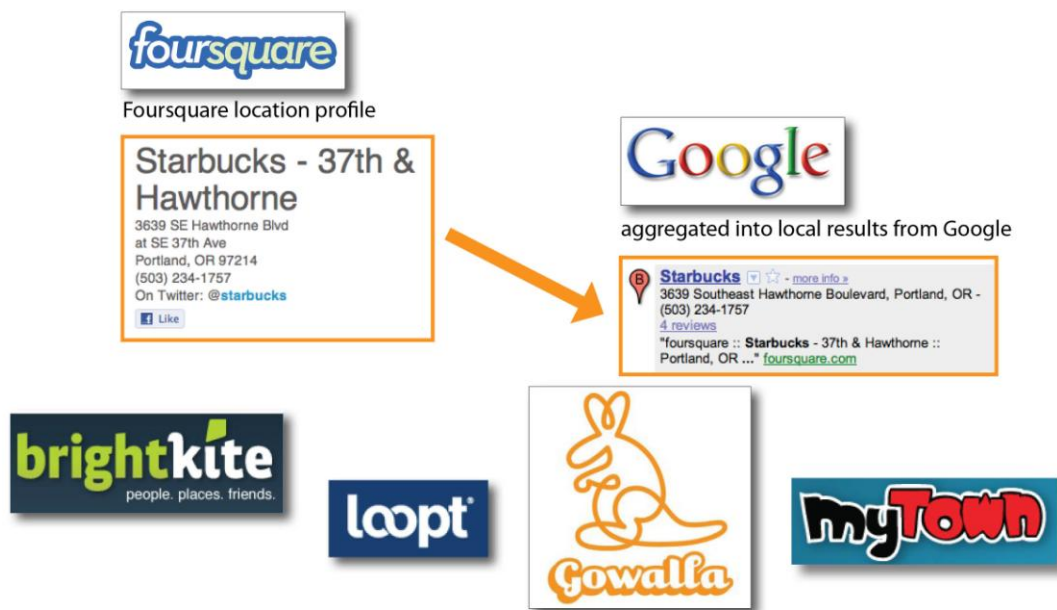
Appendix 2.1 - Brightkite user posting a photo and a check-in.



Appendix 2.2 - Brightkite users group texting

Opportunities for businesses

Brightkite offers targeted advertising for corporate and local businesses, giving the options to target by location, age, activity and even weather. Business owners can also access Brightkite statistics for their location.



Appendix 2.3 - Location based social networks data pushed to search engines

SEO Opportunities with location-based networks

If you don't have the resources to place advertising with these networks, you can still benefit considerably by being aware that all of these communities exist. Each network also has profiles for each location, and your business can benefit by just existing in this realm.

When your business has profiles across several online platforms, those profiles help to increase your local search engine optimization. Place profiles appear in Google map searches and in Google Place profiles. Just by adding your location on these social networks or ensuring that they have all the proper details listed, you can increase your online presence.

Conclusion

Location based social networks are providing new tools for business owners to connect with their immediate customers. By utilizing these networks, business owners can reach out to their customers in a way that is personable and conversational, but while still adhering to traditional advertising values. Knowing how to capitalize on the existing fan base on these networks is becoming increasingly important as their audience continues to grow exponentially.

Social media is going to continue to integrate location, and networks are going to get bigger and bigger. By creating a brand presence on these networks, you'll ensure that your business can keep up with the ever-evolving world of social media.

About Anvil Media, Inc.

Headquartered in Portland, Oregon, Anvil Media, Inc. is a search engine marketing consulting agency specializing in search engine optimization (SEO), pay-per-click (PPC) management, social media marketing (SMM), SEM PR and online reputation management (ORM) auditing and ongoing services. Anvil helps enterprise companies generate a return-on-investment (ROI) on their online marketing programs by auditing existing agencies, programs or managing SEM efforts. Current and past clients and projects include Borders Book Stores, Dr. Martens, Ellington, gDiapers, GolfNow, Grand America Resorts, Icebreaker, Lion Brand Yarn, Lucy, Moonstruck Chocolatier, Oregon State University, Oregon Scientific, Planar Systems, Portland State University, Provenance Hotels, RealNetworks, Trend Micro, and Yesmail. Anvil recently received a SoMe (social media) Award to help build awareness and bookings for client, Provenance Hotels. For more information, visit www.anvilmediainc.com.

Appendix

- 1.0-1.1: [Foursquare](#) iPhone application screenshot
- 1.2: [Foursquare](#) business listing screenshot
- 1.3: [Foursquare](#) business center analytics screenshot
- 1.4: [Gowalla](#) site screenshot
- 1.5: [Gowalla](#) iPhone application screenshot
- 1.6-1.8: [Loopt](#) iPhone application screenshot
- 1.9-2.0 [MyTown](#) iPhone application screenshot
- 2.1-2.2 [Brightkite](#) iPhone application screenshot
- 2.3: Illustration of location-based network profile aggregation

Resources

[Mashable](#)
[CrunchBase](#)
[TechCrunch](#)
[Foursquare](#)
[Loopt](#)
[Gowalla](#)
[MyTown](#)
[Brightkite](#)