

ULTIMATE GUIDE TO BUILDING THE PERFECT GEOFENCING STRATEGY





CHAPTER 1 - BEING ABLE TO GEOFENCE NOT ENOUGH

Geofencing marketing equips advertisers with a more precise digital weapon to target people in incredibly hyperlocal areas, meaning individual homes, buildings, events, trade shows, retailers, convention centers, and most importantly your direct competitors. Marketers and enterprises now have a powerful tool allowing them to maximize ad dollars and focus on reaching just those people who are most likely to be your potential customer or care about what you have to say.

At Propellant Media, we like to say that location can indicate a user's buying intent. Physical location illuminates clues as to whether consumers are in the market looking to make a purchase or if the user fits a certain demographic. As an example, a patient at an ER center could need a personal injury lawyer because they may have gotten into a car accident. A consumer at a competitor car dealership can be in the market looking to buy a car. These are both great examples of locations indicating a buyer's purchase intent.

But all too often new advertisers contact us knowing these simplified examples were executed by other agencies, yet the results were meager or non-existing at best, in part because everyone collectively didn't build out the proper strategy that would translate into fruitful results.



With understanding the various aspects of geofencing and how it works, let us first say that it's not enough to simply geofence locations. The capability of geofencing won't yield results unless you understand how to use it. A recipe is no good unless you understand the proper ingredients, cooking times, and presentation of the dish. And similarly a geofencing tactic is NO GOOD unless you understand how to develop the proper strategy to build it off of. Execution is 30% of the battle with geofencing, something many geofencing providers do not discuss. The other 70% deals with strategy and optimizations of the strategic geofencing plan.

Strategy matters more than the execution

of geofencing campaigns because without a well thought out strategy that takes into account the customer journey, you're prone to build less than effective geofencing and programmatic display campaigns. With over 20 geofencing providers and more companies sure to hit the market demanding \$10,000 - \$20,000/month minimum spends, developing a strategic game plan starts with understanding your customer's buyer journey and your organization's core objectives.

So what is your core objective? Is it to drive foot traffic to your store front? Get more phone calls? Maybe it's a bit more complicated and you want to simply increase brand awareness for an event you're promoting? Maybe you have a strategic partnership with another organization and you have a few different objectives that need to match up with the existing Google Adwords, SEO, and offline marketing you're doing. Whatever your core objective may be, the geofencing marketing starts with understanding your NorthStar. From there, we can build out the ingredients that fit the ideal recipe for your organization, not someone else's recipe, but your recipe.



CHAPTER 2 – INGREDIENTS & FACTORS IMPACTING GEOFENCING STRATEGY

We have over 100 variables we leverage to build the proper geofencing strategy for any company that comes to Propellant Media inquiring about geofencing.

Here are a few of those factors you should be aware of as you work with any geofencing provider and work to devise the proper geofencing strategy.



Number of Geofences

Some companies say that the more geofencing targets you build, the better. But that's not always the best case situation. For example, you don't want to dilute your budget across too many geofencing locations if you're not spending a lot of ad budget on the campaign itself (say \$1,000 - \$2,000/month). A respectable range of geofencing targets is 10 - 15 for every \$1,500/month you spend on geofencing advertising.

Recency (Time Within The Audience Pool)



This refers to the time in which a user stays within your audience pool, which can be anywhere from 1 minute to 30 days, and even longer depending on the geofencing platform you're utilizing. There will be times when keeping someone in your audience pool for 30 days or more makes sense. But for personal injury attorneys who target accident victims, those users make their decision within 2 weeks of an accident, so a 2 week recency works best for that user. Or a retailer looking to attract out of town travelers may want their audience to be for a day or 2 because they know those consumers will only be in town for a few days. Recency matters and this can help an organization both reach more users and gain efficiencies in Ad Spend.



Where Do My Customers Hang Out?

The question we ask is "where does the customer go before they go to you?" If you can think that part through, you'll compile many categories of locations to geofence and test for targeting purposes. This core key question remains one of the key conversations we have with organizations and enterprises. We discuss this in greater detail in the subsequent chapters.



Size Of The Geofences

In geofencing marketing...size does matter. We've seen other agencies accidentally include streets and highways when the main intention was to target the building annex to the street. However, making the geofencing target slightly bigger to capture those who park in the parking lot ensures you're capturing your entire audience. So make sure your geofence is not too small, but also does not capture unwanted traffic. These should be clear instructions discussed with your geofencing provider.



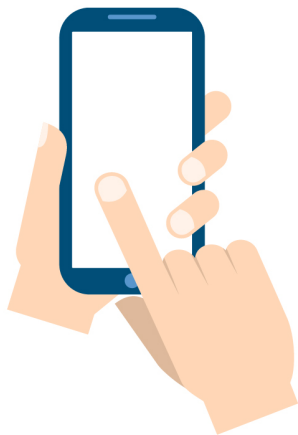
Layering Behavioral & Demographic Data

Another tactic we'll deploy is layering demographic and behavioral data into geofencing campaigns. A great example is a jewelry store located in a shopping mall. That jewelry store may want to target all the shoppers in the mall and drive them to the jewelry store. So we can layer in incomes above \$70,000 and people who are over the age of 30 as part of this geofencing campaign in order to limit waste and focus on those most likely to visit the jewelry store and ultimately extend the ad budget to likely buyers.

Static vs Video vs OTT



Determining which type of creative assets you want to leverage has its advantages. Static ads are less expensive, but may not be as engaging as video ads which produce higher view rates. And OTT (Over The Top devices such as Roku, Amazon Fire Stick, PlayStation), produce even greater watch rates and targeting opportunities. Particularly when layered with our standard geofencing and household geofencing technology. So either creating the proper creative ad mix or choosing one creative type will be critical to the upfront strategy you build for your geofencing and programmatic campaign.



Standard vs Click-to-Call Geofencing

There are opportunities to simply send traffic to a landing page on your website versus focusing on click-to-call ads (those who can click on an ad, a phone number is displayed on your mobile device, and then that user can click on the number to call). Click-to-call ads are available with geofencing campaigns and are more critical to lead generation clients who care mostly about phone calls. However, beware of the user who accidentally clicks on the ad not knowing it was a call only ad to begin with.



Ongoing Geofences vs Set Time Captures

Within geofencing, you can build a geofence and target people for specific periods of times. For example, capturing users during a specific period of time is critical to our event targeting clients who want to reach people at events, trade shows, conferences, etc.. Whereas those ongoing "geofencing" campaigns capture more users and can be critical to the strategic objective of the client who wants to raise ongoing awareness to people entering those geofences.

Ad Delivery Times and Dates



Sometimes it does not make sense to target users between the hours of midnight and 6 AM. Aside from maybe New York City, not much good happens at that time. And other times, a restaurant may have a dinner special on Mondays, and thus would look to deliver those ads maybe a few days before the special and the day of the special to maximize engagement and user intent.

When it comes to discerning the key ingredients impacting geofencing strategy, you must factor in more than simply "what are the locations I want to geofence." There are many other variables we consider when building out the strategy for geofencing marketing campaigns, but these are a few that are crucial to ensuring agencies, organizations, and enterprises are getting the most out of their geofencing campaigns.



CHAPTER 3 - FINDING THE RIGHT GEOFENCING STRATEGY BASED ON DIFFERENT INDUSTRIES

Every company has a different budget, different vertical they operate in, different geographical market, and most importantly different objective with their marketing goals. So not all geofencing strategies work for each company looking to deploy geofencing marketing. A company looking to advertise at a trade show may be intending to drive foot traffic to their booth while a hospital system simply needs additional awareness about their recent grand opening.

At Propellant Media, we've operated across many industries and hundreds of companies. For that reason, let's discuss a few of the elements of particular geofencing strategies that work well in a few respective industries. *As you read through, some of the strategies in verticals you do not operate in may spark insights into the verticals you operate in.*

Car Dealerships & Repair Centers



Despite this being one of the simpler industries to build geofencing campaigns around, this strategy takes some planning and thinking. Competitive conquering (geofencing your competitors) is the best strategy for car dealerships because car shoppers who visit vehicle showrooms are most likely to be in the market looking to buy a car. But there are other tactics we deploy such as addressable geofencing where you can look at the list of leases expiring in the next 3 months, grab the owner's addresses and serve ads to just those households and the individuals who lease cars from that dealership. This strategy can change based on budget parameters. A smaller budget may require us changing the ads served per day per person to 3 instead of 4 in order to get more reach and target more people.

Medical & Healthcare



Healthcare is a fun but different monster to consider as there are many different verticals within the medical and healthcare space including sleep apnea, dentists, hospital systems, and even urgent care facilities. Each of these sub-verticals will need a different strategy distinct from the other.

Sleep apnea companies possess more of a retail "window shopper" model where people will visit a few different sleep apnea locations before making a decision. So competitive conquering may serve as an appropriate strategy in that sub-vertical within healthcare. Compare that to dental practices where within the customer journey, someone who has visited a dental practice may not be in the market looking for a new dentist. Maybe some patients are disgruntled and would consider a lower price versus better quality option,

but when compared to sleep apnea patients, dental patients are less likely to be in the market looking for a new dental practice. Thus you may choose to deploy a strategy that includes partial targeting of competitor dental practices limiting the ads being served per day per person while leveraging creative ads that highlight a lower price alternative to their existing competitors nearby.

Urgent care facilities are another healthcare example that can be tough to crack for some agencies because once a patient needs to visit an urgent care facility, they are likely to not visit another location before they "decide" they need to go to the urgent care location. In that instance, simply geofencing the nearby neighborhood to raise awareness may serve as the best approach so that when that patient searches urgent care facilities, they're most likely to visit the urgent care location that deployed geofencing advertising.

Retailers & Restaurants

We love working with retailers and restaurants because we can measure the foot traffic and those individuals who have seen or clicked on the ads and visited their retail or restaurant location.

Restaurants have a distinct advantage with geofencing because most individuals who enjoy eating at restaurants typically need advertisers to simply tell those consumers where they should eat at. Most consumers consider there to be so many dining options, they only need a recommendation and if the cuisine or food type fits their palette and is in a nearby geographic range, there's a good chance they'll visit the restaurant. So we'll geofence other similar restaurants in the same competitive set or even an entire neighborhood within a .25 mile radius of the said restaurant.



Switching over to retailers, we have a luxury brand that is located in many outlet malls around the world. So for them, they perceive value by simply geofencing not neighborhoods or even other watch stores (the industry they operate in), but instead all of the other luxury outlet stores in the same center they're located in. Why...because they want to drive all that same day traffic to their stores the day in which those consumers visit the outlet mall. There's no need to set the recency (time in which the user is geofenced, mobile device ID captured, and user stays within the audience pool) at 30 days or even 2 weeks because most people who visit an outlet store won't come back for several months at a time. So a 1 day or even 2 hour recency is the best strategy to maximize reach. We'll also increase the frequency cap from our standard of 4 ads served per day per person to 16 ads served. So as you can see, there are different strategies that work across different verticals and the proper recipe must be defined by the company's objectives.

Trade Shows/Events



There are 1,000's of conferences, sporting events, trade shows, events, etc. Many companies across many verticals inquire about geofencing events and trade shows they intend to visit, and even some they cannot visit. Often, clients we work with expect a huge influx of leads when we geofence tradeshows and events but we try to temper those expectations. Geofencing is still a disruptive tier of digital advertising meaning people who never saw your ad never asked to see it in the first place. Our intention is to target the right people with the right compelling message and finally sending them to an engaging landing page that gets them to perform a desired action. So when we put together a strategy for event campaigns, setting the proper expectations and shifting the focus to a long term strategy that includes brand awareness will help dictate the other inbound digital channels the corporation is leveraging to meet their marketing objectives.

But for trade shows and events, we'll work to maximize full impact including IP Address Targeting of the event (if there is one), geofencing the event, site retargeting, and a few other programmatic tactics ensuring we're constantly hitting the event attendees for a period of time desired by the advertiser.

Law Firms & Legal Practices



We love law firms. Law practices care A LOT about leads and phone calls and form submissions. In particular personal injury attorneys and other sub-legal verticals have average high customer values (clients spending over \$2,000 - \$100,000) in fees, so even landing 1 client from a geofencing campaign could pay for the advertising itself.

Within geofencing, we can create click-to-call ads as well as send traffic to landing pages. For PI Attorneys, the strategy is to target the ER centers of hospitals as well as collision centers. So a blended approach of Geofencing coupled with click-to-call ads will work best for law firms.

We come across several law firms who focus exclusively on the leads generated directly from geofencing versus the overall lift in brand awareness, phone calls, and leads. Individuals go through many different digital channels and can engage with your advertising multiple times after they see your geofencing Ad. Does that mean the geofencing wasn't effective? Of course not. So measuring KPI's across all your channels (not just geofencing) will help you measure success as an attorney and discern even if geofencing is impacting your practice in a positive way.



CHAPTER 4 - LEVERAGING OTHER STRATEGIC MARKETING CHANNELS WITH GEOFENCING

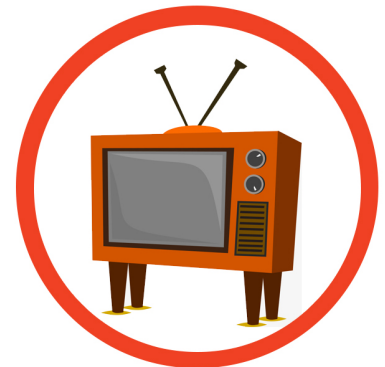
We like to say at Propellant Media that geofencing is not a magic bullet or the penicillin to all a client's marketing challenges, but it can be a huge complement to one's marketing mix and even serve as a great standalone tactic depending on the vertical. Many of our clients come to Propellant Media already executing campaigns leveraging many of these other digital channels ranging from Google Adwords to Facebook Advertising. And we see time and time again that geofencing impacts these channels in powerful ways.

For example, we've seen geofencing campaigns drive awareness, and push people to search for brand names and companies those users would have never searched for in the past if they were not served ads relevant to the brand. We see this in both the paid search and organic search arenas time and time again.



Or even with Facebook Advertising, leveraging geofencing coupled with Facebook can increase the number of times your ads are seen across multiple digital channels and ultimately increase click through rates across both mediums because the user has seen your ads enough times to have their curiosity peaked. This also gives the impression that you're a big company and it even adds a sense of trust to the user.

The same thinking can work with leveraging offline channels such as TV, Radio, and even Billboards. With addressable geofencing, you can leverage some of the TV ad budget, grab a list of TV watcher's addresses and particular neighborhoods, and utilize those same video and creative assets for OTT and Video ad buying. We've had clients place geofences around billboards knowing the same users who see those ads may drive through their geofence and then begin receiving ads for a period of 1 week, 2 weeks, or even 3 days.



So utilizing geofencing in conjunction with other digital channels can help organizations create a more wholistic marketing mix with hyperlocal targeting coupled with search intent buyers and rounded out with brand awareness and offline channels.



CHAPTER 5 - HOW CAMPAIGN BUDGETS IMPACT GEOFENCING STRATEGY

Many organizations neglect how vital it is to determine budget and leverage a budget that fits within their marketing goals. The same strategy doesn't fit across different marketing budgets. Square peg...round hole people.

As we mentioned above, clients with smaller budgets ranging from \$2,000 - \$3,000/month may need to lower their frequency caps or their geofencing targets so their ad budgets achieve maximum reach. While conversely, a large budget \$20,000 - \$100,000/month may give advertisers and those working on their campaign too much confidence and freedom to believe they can do anything and test out anything without consequence because they have such a large budget. Agencies still need to treat those budgets with care and micro-targeted strategies that will translate into improved brand awareness and ultimately more sales, revenue, and improved attribution across other digital channels.



This does not mean a small budget cannot yield fruitful results. The impetus behind our agency is working with smaller and emerging brands who wanted to utilize geofencing and other cutting edge digital advertising solutions. So a \$2,000/month budget can absolutely bear fruit in powerful ways. But the geofencing strategy must align and take into account the budget.



Our agency recommends for smaller brands to consider minimum \$1,500/monthly spends and larger brands \$5,000 - \$20,000/month. These budget ranges will help dictate where a client is on the pendulum of driving brand awareness or direct response marketing leads to the company.



CHAPTER 6 - OTHER STRATEGIC PROGRAMMATIC TACTICS TO CONSIDER

Geofencing marketing fits under the umbrella of programmatic display, which is the buying and selling display static and video ads in real time on 3rd party ad exchanges.

It's essentially machines buying and selling ads for advertisers instead of advertisers placing manual insertion orders to see their ads placed on individual websites or mobile apps. And what makes programmatic display a powerful channel is that you can target anyone, at anytime, on any device and reach people based on user intent, interests, search history, past website visit history, and mostly importantly their physical location.

We believe a wholistic programmatic display and geofencing campaign must be comprehensive in nature because of the intent based targeting advertisers can leverage within programmatic display. So normally, we'll build campaigns that encompass 60% of the budget allocated to geofencing, another 30% to search retargeting, and even another 10% dedicated to site retargeting. Lets talk about each of these other tactics.



Standard Geofencing

Allows advertisers to target individuals in very precise areas such as buildings, competitor locations, retail locations and events directly on mobile devices, tablets, and even desktops. Ads are served to users on mobile apps and websites who walk inside of the geofences and have their location services of their devices turned on. We can target such users for up to 30 days in most instances.



Addressable (Household) Geofencing

Addressable geofencing uses the same technology as standard geofencing, except we're targeting household addresses using plat line coordinates of each home we build a geofence around. So if you have a list of addresses (CRM or other), this becomes a powerful tactic to deploy. Politicians deploy this tactic beautifully because they normally have a list of potential voters they're already calling on. They may just need to serve more ads to those specific potential voters.



Search Retargeting

We can take the search history of users who performed searches on Bing, Yahoo, AOL, Ask Jeeves and other third party search engines and target them based on their search intent. So if you have a list of keywords (both brand and non branded) germane to your business, this becomes a great complement to many geofencing campaigns as well as paid and organic search campaigns.



Site Retargeting

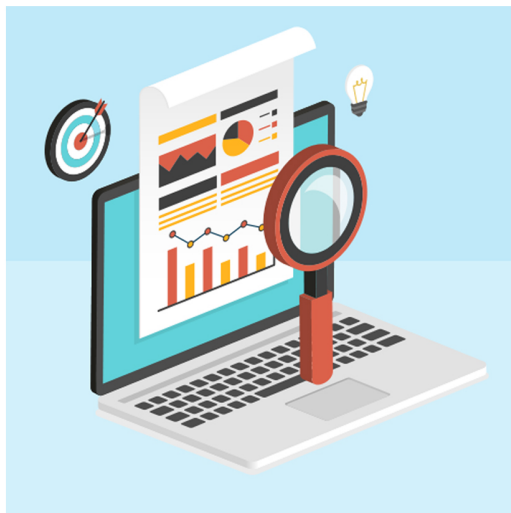
Tried and true, this tactic allows users to target people who have been to your website and left. They say that users are 80% more likely to yield an action from someone if they were site retargeted versus not. You know this individual has the potential to be an engaged consumer of your brand. You simply may need to put other creative in front of them or even just remind them that your brand exists so when they decide to make a purchase decision, they are hopefully thinking about you.

And don't forget, you can create standard programmatic campaigns sending traffic to landing pages or click-to-call ads allowing people to call your organization for lead generation purposes. In addition, you can decide to utilize static ads (html5, GIF, PNG, and jpegs), video ads (pre-roll and post-roll), and finally OTT ads for TV based campaigns. So when you start to layer in many of these tactics and consider the varying industries you can operate in, the strategy and the wholistic game plan matters for each individual advertiser.



CHAPTER 7 - HOW KPI'S & ANALYTICS IMPACT GEOFENCING STRATEGY

If you cannot measure it, you cannot manage it. And advertisers must consider KPI's when implementing geofencing campaigns. When sitting down with clients, many will tell us they want more sales or more phone calls. And we get it...for small businesses to big brands, those KPI's matter the most to fuel cashflow and growth into other areas of the business. But there are a slew of PRE-CONVERSION KPI's that client's neglect to appreciate and can tell a fuller story. Many of the KPI's we like to measure depending on the client include:



- Impressions
- Clicks
- CTR (Click Through Rate)
- CPM (Cost Per 1,000 Impressions)
- CPC (Cost Per Click)
- Cost Per Action (Phone Call, Walk In, Sale)
- Walk-Ins (View Visits & Click Visits)
- Cost Per Visit
- Phone Calls
- Form Submissions
- Chat Box Engagements
- Booked Appointments

If companies cannot measure these KPI's or at minimum determine the KPI's that matter to the digital strategy, there will be significant challenges in discerning success from such campaigns. With cutting edge technologies like Google Tag Manager and CallRail (call tracking software), there is no reason for you NOT to be able to measure the bulk of core KPI's paramount to a client's bottom line.

Another reason for determining your key KPI's is so you can measure those KPI's not just through programmatic display and geofencing advertising, but across ALL of your other digital and offline channels. That enables you to create attribution models (the paths users take through multiple digital channels to complete a conversion), since not all phone calls may come DIRECTLY from geofencing marketing campaigns.

As a hypothetical, instead, the user may see your ad 7 times, then finally click on your geofencing ad the 8th time, visit your website, decide to leave, get site retargeted to from a Google Display ad you may have been running, click on your ad again, leave your website again, finally two weeks later determine they need your service so they conduct a search for your brand in Google because they did not remember your website, find you in organic search, visit your website, call you and then book an appointment to finally utilize your services...

Wow...that was a long journey, but those types of journeys happen often across many verticals all the time. Now which of those channels should receive the credit? Should it be the geofencing ad or the site retargeting ad? Or maybe the Google organic search even though it was the last channel the user came from but wasn't the channel that initiated their interest. For this reason, measuring overall brand lift across those KPI's across all channels as well as your direct geofencing channel will paint a fuller picture to the impact your programmatic and geofencing campaigns are having on your overall geofencing strategy.

Conclusion - Putting These Implications Of Geofencing Strategy All Together



Many companies think that paying lower CPM rates and lower monthly minimums will give them the best chance for success. They are dead wrong. Low cost does not always win the battle. You can have the strongest fighter who hits the hardest or a baseball team may have the best hitters in the league, or the Cleveland Cavaliers may have 3 of the best players in the league (sorry Cleveland Fans), but if don't build out the proper strategy against each team, thus a strategy that best leans on your strengths and objectives coupled with the competition's weaknesses, you will lose more times than win. And we see this often with companies that go to geofencing companies that are simply order takers rather than strategists with a history of successes and failures that have helped guide their book of recipes successfully impacting clients and their bottom lines.

So execution and optimizations matter, but strategy is the very first thing as a company you should consider when both choosing a geofencing provider as well as devising your plan of action to leverage geofencing advertising within your organization.

Justin Croxton is the Managing Partner at Propellant Media, LLC, a digital marketing and media solutions provider, offering **geofencing marketing** and programmatic display solutions to digital agencies, brands, and companies. Visit us at www.propellant.media.

You can reach us at (877) 776-7358



www.propellant.media
team@propellant.media