

How Small Businesses Can Leverage Location-Based Technology



A business is always growing, so it needs to keep up with new technologies to optimize its operations and improve customer experience. Location-based technology is an innovation that's been gaining prominence in recent years.

Location-Based Tech: An Overview

Location-based apps for business use the real-time geographical locations of users using their mobile phones. They combine GPS navigation, mobile data, and in-store co-ordinates to provide the most accurate data on a user. A client can use this data to provide the best location-based, current, and time-bound offers & services to a user.

Location-based technology aims to make a customer's experience seamless throughout their journey. It offers a personalized customer experience from the moment they reach your store's vicinity to the moment they leave. Today, location-based technologies send a text message to a potential customer to ask them if they would like to know more about your business. It has led to

70% of customers saying that the notification convinces them to enter the store to make a purchase, and retailers report an 80% increase in sales.

The Rise Of Location-Based Tech

In 2017, 11% of retailers reported using location-based technology, and in 2020, these numbers have doubled. These numbers are growing because more and more retailers see the value of real-time data about customers' foot traffic and demographics to make informed decisions on store inventory and layout.

Technology startups and giants alike also see the potential to make location-based technology cheaper for small and medium businesses and have developed innovative products. These products offer customizable options with insights to improve sales, boost customer loyalty, and develop customer-friendly stores.

Location-based Tech products offer analytics on customer engagement, sales, and user experience to improve retail shopping.

Increasing Engagement

When a customer walks by the front of your store, a location-based engagement tool sends a beacon triggered notification to the customer's phone. A customer who has seen the store sign opens the announcement revealing an instantly redeemable coupon for the store. As the offer is timely, relevant, and can be quickly redeemed, the customer enters the store to look at its wares.

After entering the store, they can receive shopping hints, in-store navigation tips, and promotional offers all on their phone. These features make a customer's visit to the store more efficient.

For example, Carrefour, a Romanian retailer, reports an increased customer engagement by 400% with its downloadable location-based app. The technology installed in 28 of their stores worldwide is part of their efforts to create a fluid omnichannel ecosystem of their physical and online stores.

Improving Sales

Data from location analytics software allows you to pinpoint where customers are browsing in a store. So, sending a well-timed promotion to their smartphones might help you make a sale.

“Proximity marketing has the power to transform the customer experience, increase brand affinity, and drive sales uplift,”

- Hilmi Ozguc, CEO of Swirl

Pushing a timed offer to a customer checking out laptops at your electronics store helps an undecided customer make a sale. A computer is a purchase of a considerable investment. But, if your analytics show that they have been in the same section for a long time, it is most likely that they haven't decided which brand or model to choose. If you send a beacon notification with a coupon for a top-selling brand with impeccable reviews, you transform a doubtful customer into a satisfied one.

A retailer's renowned user case using location-based tech to drive sales is Chow Tai Fook, a Chinese jewelry chain. The store started an e-coupon campaign using beacon technology and reached \$16 million in sales in just over a year. They targeted past customers who used WeChat, an instant messaging app, and rewarded them with coupons that they could redeem on their next visit to the store.

Improving User Experience

A brand that aims to improve user experience; in this case, customer experience ensures that they return to make new purchases and improve customer satisfaction. A store that uses a location-based app receives customer data on their customers' purchasing times, habits, and sections of the store they spend the most time cutting down customer wait times in the store. The data you receive as a store owner further helps you foresee customers' needs and think about solutions to solve customer problems.

“By tracking where the user spends the most time in the store, retailers can develop specialized deals and recommend products for the customer,”

- Sarada Symonds, Application Security Engineer, Broad Institute of MIT & Harvard

Woolworth, an Australian retail chain, has taken user experience to the next level with its “click & collect” campaigns. It allows a user to purchase an item online and pick up the order at one of their physical stores nearby.

Whether you're a small business owner looking to improve foot traffic at your store or looking to provide your customers with the best-personalized offers, Location-based beacon tech is the right choice!