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## Chapter 8

# Geo-Marketing: A New Tool for Marketers

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### ABSTRACT

*Geo-marketing is more crucial than ever in today's global markets since it is necessary to seize possibilities like any open niche and stay one step ahead of rivals. The keys to boosting the economy are handling demands effectively and harnessing new potential as a company's turnover. A geo-marketing strategy enables decision-makers to accomplish their target. This study aims to discover the uses and tools of geo-marketing for business analytical tasks. Data were collected from various secondary sources, such as journals, books, websites, etc., using different search engines such as Google Scholar and Scopus. The findings reveal that geo-marketing is helpful for businesses as it helps marketers to discover the areas to target customers and generate traffic. The tools of geo-marketing also allow marketers to reach their audiences.*

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## ***Geo-Marketing***

# **INTRODUCTION**

Marketers are embracing new technologies swiftly in order to reach customers more effectively and to outperform competitors. Digital marketing solutions, which offer more cost and client involvement and are driving the market, are starting to replace traditional marketing tools in the business world thanks to the development of the digital transformation. “Geo-marketing” is the upcoming major trend in business promotion. It should come as no surprise that location-based technology is becoming crucial for enhancing business results and attracting customers and tourists to promote market expansion (Garcia, 2017). It is a tool that helps businesses and marketers identify possible geographic regions where they may target their clients. In order to reach customers with relevant messaging in specific locations, geo-marketing employs location data to target advertisements and promotions. Geo-marketing is the practice of using location data to identify and serve marketing messages to a highly targeted audience.

# **LITERATURE REVIEW**

Ramadani et al. (2017) The effect of geo-marketing on business development and decision-making in Western Macedonia was studied. The information was gathered through surveying 115 businesses in numerous Western Macedonian cities. Structural equation modelling (SEM) was utilised to assess the data. The author came to the conclusion that the influence of geo-marketing on business development is beneficial as long as its determinants have been taken into account and examined during the decision-making process.

Dusek et al. (2019) presented an approach for calculating the source markets for tourism and hospitality that was based on consumer spending data sets and geo-marketing information. The research’s findings suggest that this data can be applied to successful management and marketing decision-making processes, particularly for SMEs that make up the bulk of the tourist and hospitality sectors.

Puig et al. (2016) created a geo-marketing model that can be used to plan supermarket placement tactics. Spain’s Castellon de la Plana served as the location for data collecting. According to the research, geo-marketing techniques enabled us to analyze incredibly detailed data. Managers can estimate the overall supermarket sales. This model demonstrates how location strategies are influenced by the sociodemographic of the supermarket’s trading region.

Zaim et al. (2018) Through targeted promotions, the data was examined using a variety of approaches to improve the shopping experience and customer interactions. The research concludes that a smartphone application uses beacons to determine

## ***Geo-Marketing***

the customer's location before sending the information to a server application for further processing to produce the necessary results.

In Garcia (2017), according to a study done in Spain, geographical restrictions on new pharmacies significantly reduced their chances of succeeding as retail establishments. In a controlled market with limited area, it is claimed that integrating GIS and AHP Multicriteria decision procedures can lower the risk of starting a new retail firm.

Liborio et al. (2020) highlighted geo-marketing issue and how the scientific development of geo-marketing studies' methodological components. It demonstrated how the location approach could be duplicated without the use of a GIS and how geo-marketing issues are connected to the marketing theory as long as the location presents itself as a point of connection with the market and its dynamics.

## **OBJECTIVES**

The study aims at achieving the following objectives:

- I. To discover the uses of geo-marketing for marketers.
- II. To find out the tools of geo-marketing used for business analytical tasks.

## **GEO-MARKETING**

Geo-marketing is a novel strategy for promoting a company's website and other online properties using social media, smartphone searches, and web searches. Smart location is used in this kind of marketing to improve the possibilities of delivering a specific message to the appropriate customer at the right moment. By organising and displaying data for evaluation and decision-making through digital mapping, geo-marketing enables marketers to increase marketing efforts. Using location data, it targets advertising and promotions to people in specific areas with the right messaging (Puig et al, 2016).

**Geo-Marketing***Figure 1. Growth of geo-marketing**Source: Ramadani et al. (2018)*

Geo-marketing is a novel strategy for promoting a company's website. Geomarketing is expected to experience significant growth by 2028, with a CAGR of 23.83%. As geo-marketing aids companies in enhancing commercial outcomes, demand for it is expanding. Geomarketing is also quite good at determining consumers' buying behaviours and trends. It provides information about how customers migrate between retail locations, where they shop, and what goods they purchase. Additionally, it allows you to see how frequently people visit a particular retail location. You can utilise geomarketing to determine your customers' behaviour and then use that knowledge to improve your target marketing. to administer location-based advertising campaigns among clients with various demographic segmentations (Ramadani et al 2018). Campaigns for geomarketing are 80% more successful than those for other marketing channels. Delivering relevant, targeted, and personalised experiences is a key strategy behind geomarketing, elevating the entire marketing process (Shaitura, 2020).

**TYPES OF GEO-MARKETING**

Geo-marketing is a marketing strategy that encompasses the various types of location-based marketing tactics. The following types of geo-marketing are as follows:

**Geo-Marketing***Figure 2. Types of geo-marketing**Source: Puig et al. (2016)*

**Geotargeting-** Also known as geo-framing and Instead of using GPS location, marketers typically target prospective customers using their web browser's IP address. This custom has existed for a very long time. Marketers have used IP addresses to give tailored content to website users. Broad geographic areas, such as an entire city or state, are more suited for geo-targeting. Its tools allow marketers to go back in time to identify specific devices that were present at specific locations during specific dates and times and then the market something to the users of these devices after the fact.

**Geoconquesting-** Through geofencing, it focuses on visitors to rival venues. That indicates a strategy that uses a geofence to entice customers away from other businesses. The marketers make use of it by setting up a geofence around the location of your competitor's store. (Buczowski, 2012)

**Beacons-** A gadget that uses Bluetooth to obtain location information from any nearby mobile device. Beacons use Bluetooth technology. They can be utilised in locations without excellent cell service. The info a beacon gathers typically provides the app with precise information about the customer's location. This makes it more likely for marketers to be interested in it.

## USES OF GEO-MARKETING

1. One of the best strategies for helping a company rank highly for local searchers is geo-marketing.
2. It gives the company helpful information on the preferences of the local populace, enabling it to tailor its services.

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3. Geo-marketing contributes to the efficiency of marketing spending. Marketers will spend less than they would when targeting a wider audience because it enables them to reach the intended population.
4. It is beneficial to advertise effectively in areas where your target audience congregates.
5. It makes it possible to create more accurate models and spot patterns in consumer behaviour. Moreover, to assess rivals and infrastructure that has been georeferenced and is affected by traffic and pedestrian flow. To determine the optimal position of the goods and services delivery point.
6. To identify the best characteristics of the points, such as the variety of goods or services, the hours of operation, the size of the premises, etc.
7. Collaborating with geologists aids in the organisation of a network of branches.
8. Geo-marketing aids in the identification of profitable sales points, unclaimed land, and the ranking of regions based on their attractiveness to the commercial market. (Cliquet, 2013)
9. Geo-marketing aids in the analysis of consumer use of banking and insurance services as well as possible regions for promotion and maintenance.
10. It aids in assessing how well dealers and service facilities are located.
11. Geo-marketing aides marketers in identifying dangers and the best course of action for mitigating them. (Nunes et al, 2014)

## **BENEFITS OF GEO-MARKETING**

One of the world's most popular and successful marketing techniques is geo-marketing. The following are some advantages of geo-marketing:

1. **Improve Your Local Audience Reach.** By demonstrating to locals the value and relevance of your goods, geo-marketing can increase brand awareness for your company.
2. **Stay in Touch with Your Target Audience After They've Left A Venue.** Marketers can continue the conversation by serving pertinent ad content even after a target audience has left a particular area.
3. **Speak to a Particular Group of People.** Marketers will only spend money on making and delivering advertisements to a larger group of people who might not be interested in your goods.
4. **Produce More Customised and Pertinent Content.** You can learn more about your audience through geo-marketing, which will help you better tailor your marketing materials to their interests.

## TOOLS OF GEO-MARKETING

With the use of geo-marketing, businesses may more precisely target certain consumers. As a result, marketing campaigns targeting clients who require the offered product are more likely to succeed. The tools of geo-marketing used by marketers are as follows:

*Figure 3. Tools of geo-marketing*

*Source: Cliquet (2013)*



- 1) **Spatial Analysis:** By providing options for the location of retail establishments, spatial analysis enables prediction and reaches the greatest number of customers. Finding the ideal minimum number of outlets to get the desired percentage of the overall market share is thus a challenge given the rivals (Cavallone, 2017).
- 2) **Buffer Zones:** Any area that keeps features in the real world apart is a buffer zone. aims to geographically zone the study area by the delivery market coverage standard. Find the buffer zones around the stores and the areas where the supply



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is highly saturated. These are the areas where there is a risk of cannibalization and, therefore, a chance of doing business.

- 3) **Routing:** The graph theory, partly inspired by transport logistics, provides the foundation of routing. Additionally, it is employed to create the best cargo transportation routes. The routing technique is used for whole data sets in geo-marketing. The quickest route between one or more starting sites and one or more destinations is typically the main focus. It is a crucial component of the geo-marketing software package (Zuluaga, 2017).
- 4) **Location-allocation analysis:** aids in selecting a specific number of facilities from a range of possible locations so that demand is optimally and efficiently allocated to facilities; accessibility of the outlet determines the flow of customers based on their points of contact, such as public transportation, foot traffic, and automobiles. It includes all methods used to collect location data and turn it into information the company can use, including competitive analysis, content improvement, and mistake detection.
- 5) **The Huff model:** enables us to forecast the consumer traffic at specific retail establishments. This prediction is supported by information on competitors, the distance to outlets, attractiveness considerations, and various other criteria. This tool can rate current outlets and pick the best ones. The Huff model supports the market reality that more consumers in the overlapping zones and the larger trade area, like a shopping mall is more aesthetically pleasing.
- 6) **Economic-statistical methods:** Depending on the study's aims, economic-statistical approaches can identify the spatial relationships between variables and the effects of certain factors on the dependent variable (Liborio, 2020).

## CONCLUSION

Geo-marketing is a marketing tool that most marketers believe has a good impact on their company. It offers business management, intellectual, and strategic solutions. Marketers can use geo-marketing to identify their target demographic in a suitable geographic area, estimate commercial real estate turnover for competitive analysis, choose the ideal location for a new product, and many other things. Because the potential consumption of goods and services differs in space and location, geo-marketing integrates knowledge of the market and geography. Marketers also use geo-marketing to select a website for a new company, identify crucial locations for advertising, show website information that is specific to a user's location, and provide location-based online advertising. Finally, it helps marketers reframe their impulsive and instinctive decision-making, which is usually the case, and encourages them to make more data-driven choices.

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**KEY TERMS AND DEFINITIONS**

**Beacons:** A gadget that uses Bluetooth to obtain location information from any nearby mobile device. Beacons use Bluetooth technology.

**Geoconquesting:** It's a technique that uses location data to identify a brand's competitors to promote a competing or competitive offering to their customers.

**Geofencing:** It is a service that causes an action to be taken when a device enters a predetermined area.

**Geomarketing:** It is the practice of using location data to identify and serve marketing messages to a highly targeted audience.

**Geotargeting:** It provides a more personalized ad experience based on location, interest, behaviours and demographics.