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Despite Being Over-Hyped, Location-Based Advertising Offers Opportunities, Says ABI Research

LONDON--([BUSINESS WIRE](#))--Location-based advertising is gaining momentum as a new advertising medium. It provides more targeted and efficient marketing tools for advertisers and represents an additional revenue source for LBS (location based services) vendors, allowing them to offer free ad-funded navigation and LBS services that stimulate uptake and/or increase their profitability.

“While the relevance of location-based advertising for the location industry is huge, the hype is never far away,” says ABI Research director Dominique Bonte. “Too many location based services (LBS) providers see advertising as the cornerstone of their business plans. The reality is a nascent industry with many barriers still to be removed: the lack of understanding of location-based mobility, a fragmented location ecosystem, immature click-to-locate and click-to-navigate direct response models, limited indoor location technology, and intrusiveness and privacy-related user acceptance issues. Startups such as social networking sites are advised to introduce location-based advertising gradually next to more traditional pricing schemes based on subscription fees or pay-per-use, or a combination of free ad-funded basic services with paid premium offers.”

Transparent opt-in processes and advanced levels of customization will be key success factors for location-based advertising. The seamless integration of location into standard demographics and usage-related advertising targeting parameters will be equally important.

While free ad-funded off-board navigation solutions are already offered by companies such as Jentro Technologies and Locationet, ABI Research expects the bigger brands such as Google and Nokia to dominate this space in the future. The Mobile Marketing Association and advertising agencies such as 1020 Inc. with its Placecast service are key players in enabling this new form of advertising and increasing awareness and understanding within the location and advertising industries.

A new ABI Research Brief, “[Location-Based Advertising](#)” (http://www.abiresearch.com/products/research_brief/Location-Aware_Services_Research_Brief/106/Location-Based+Advertising) describes the types of location-based advertising, the latest trends, drivers, and barriers, and the ecosystem. Case studies of the most relevant initiatives are included. The Research Brief also provides forecasts for free ad-funded navigation.

It forms part of the firm’s [Location Aware Services](#) Research Service (http://www.abiresearch.com/products/service/Location_Aware_Services), which also includes other Research Briefs, Research Reports, Market Data, an Online Database, ABI Insights, ABI Vendor Matrices, and analyst inquiry support.

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