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For Mobile Start-Ups, It's Location, Location, Location

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By Timothy Hay

Location remains a red-hot area for developers of mobile technology. Whether that word appears at the top of an entrepreneur's business plan, or whether it's just a footnote, it's clearly crucial as phones, applications and networks continue to evolve.

A large share of the 15 up-and-coming mobile tech companies that presented at the recent Dow Jones VentureWire Technology Showcase prominently feature a location component as part of their value proposition. And they've raised millions of dollars on the strength of their ideas.

"We are pushing answers to your phone before you ask for them," Sanjeev Agrawal, a mobile-tech entrepreneur, told VentureWire recently.

Agrawal's company, [Aloqa Inc.](#), was one of the exhibitors. Aloqa's application finds a user's location with cell towers rather than the phone's GPS chip, a tweak that the company says conserves the phone's battery power. One the user is pinpointed, the app offers 15 different channels of information on what can be found nearby, including channels for restaurants, nightclubs, gas stations, ATMs, people and other attractions. The Palo Alto-based company has raised about \$1.5 million.



Geodelic's Sherpa application.

Two traffic-information apps featured at the Tech Showcase – [Aha Mobile Inc.](#) and [TrafficCast Inc.](#) – have raised \$3 million and \$4.5 million, respectively. Both track a user's location, and serve information accordingly. They face the challenge of how to push information to a driver without causing him to look away from the road. Aha Mobile's app functions like a radio, where a user sets up preset buttons for various kinds of information, like accident reports. The preset buttons eliminate search, which is dangerous while driving. TrafficCast, on the other hand, offers its traffic and weather updates on TomTom NV's navigation device.

Other companies, rather than putting the location element front and center, have simply added location to services that consumers and professionals already like.

San Francisco-based [Zannel Inc.](#), for example, has added location elements to instant messaging and social networking. The company's CityWatch app for the iPhone enables users to "geotag" the photos and other media they upload. A user can see a graphic representation of their own neighborhood, and keep track of the other media posted to the network from the neighborhood. Zannel has raised \$16 million from three VC firms.



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Produced by the editors of Dow Jones VentureWire, Venture Capital Dispatch tracks the fast-moving developments at the intersection of high-tech innovation and venture capital finance. Featuring lead editor Scott Austin and the VentureWire reporting team in the Silicon Valley, New York, Boston and Shanghai tech centers, Venture Capital Dispatch provides insight into the newest start-ups and latest trends in venture capital investing. Write us at VCdispatch@dowjones.com. For more information on Dow Jones products covering venture capital and other financial markets, go to www.fis.dowjones.com.



And Sunnyvale, Calif.-based [MobileIron Inc.](#), whose app enables a sort of cloud-computing system for workforce mobile devices controlled by an IT director, has also added a location component. In addition to saving companies money on their phone bills by placing a phone-management system inside the company's data center, the app can pinpoint user location to track roaming charges. It also features a mapping program for finding lost phones. The company has raised \$20 million from Norwest Venture Partners, Sequoia Capital and Storm Ventures.

Other Technology Showcase exhibitors have made apps that begin with a user's location, then offer services on top of it.

Santa Monica, Calif.-based [Geodelic Systems Inc.](#), for example, has developed a location-aware search engine for smartphones. The application uses proprietary technology to pinpoint a user, then offers a search engine with preset buttons for finding events, people and businesses in the area. The company has raised \$3.5 million from venture investors, and is on the hunt for more capital.

San Francisco-based [1020 Placecast Inc.](#) serves advertisements to customers' phones based on their location. The company says its algorithm can find the right advertisement for the right user. Placecast, which has raised \$2 million, offers an "opt-in" feature to its advertisements, meaning users have the final say on whether ads are sent to their phones or not. Most industry watchers say the opt-in feature is crucial to mobile ad campaigns, to avoid overwhelming consumers with ads they do not want.

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