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## Placecast Debuts Location-Based Mobile Marketing Technology ShopAlerts

by Leena Rao on Feb 25, 2010

For brick and mortar retail shops, the biggest challenge right now is actually getting foot traffic in their stores. Earlier this week, [The New York Times reported](#) that retailer North Face is attempting to bring people into their stores by sending them text messages when they get near their retail outlets. That technology, called [ShopAlerts](#), is powered by location-based advertising startup [Placecast](#) and is launching today as a full-fledged marketing service for retailers.

Here's how ShopAlerts works. Consumers can opt-in to receiving text messages in a variety of ways—at the store, online, via text-message, mobile websites or on Facebook. Once the technology has been activated, consumers will be alerted when they are near a location that they are interested in or when the brand is offering sales and specials. ShopAlerts' technology uses "geo-fences," which are virtual boundaries that can be targeted via location-based marketing. Retailers can customize alerts to fit their brand and strategy. On the consumer side, ShopAlerts will only send maximum number of 3 messages within a given week from a retailer. And users can opt out of the program by texting "stop" back to a text message.

One of the benefits of ShopAlerts is that it works on both smartphones and non-smartphones, making it a compelling source of marketing and advertising for the 196 million Americans who do not own smartphones but may be interested in shopping alerts. Since September 2009, the ShopAlerts service has run pilot programs across the U.S. with several major retailers including North Face, American Eagle Outfitters, and REI.

Based on a survey of consumer participants in the program, 60% of participants found the location-triggered messages to be innovative, 79% said it increased their likelihood to visit a store, 65% made a purchase as a result of a ShopAlerts message and 73% of participants would definitely or probably use the service in the future. Of course the biggest barrier to ShopAlerts gaining serious traction is if consumers choose not to opt-in to receive alerts via SMS.

Launched in 2005, Placecast has raised [\\$5 million](#) in funding. The startup also offers a location-based advertising platform that weaves together location information and other data from audiences across the web, mobile, and email. Placecast will analyze inventory, segments audiences and targets ads for maximum relevance for advertisers and publishers.

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