

'foursquare': When a cell phone becomes a handshake for rink owners

By Joe Dysart

Rink owners with lots of young customers sporting smartphones may want to check out some interesting marketing opportunities offered by free GPS-driven social networks, including foursquare (<http://www.foursquare.com/business>). Once seen as a quirky way to use your cell phone to broadcast your precise location to friends, complete strangers and/or local merchants, foursquare is being embraced these days as a serious marketing tool by hundreds of thousands of businesses and organizations. Essentially, businesses use the service to offer special deals to customers who 'check-in' at their brick-and-mortar locations with foursquare-enabled cell phones. Customers check-in by downloading an app to their smartphone, which then verifies they've visited a business by linking with the GPS (global positioning software) already on their phones. One of the first businesses to partner with foursquare was American Express, which rolled-out a campaign with foursquare that automatically processed discounts and specials for AMEX users who checked-in at participating retailers and made a purchase. Some of the deals were fairly aggressive: Sports Authority offered a spend-\$50-get-\$20-back offer to foursquare users who make a purchase under the American Express promotion. "The success of our pilot proved that

American Express' digital capabilities and foursquare's expanding application created something extremely powerful," said Ed Gilligan, American Express' vice chairman. "We're thrilled to take this partnership to the next level. For us, this is just the beginning."

During the past three years, increasing numbers of businesses have made foursquare popular by texting electronic coupons and similar specials to people passing by their stores who had foursquare-enabled cell phones. For some of those retailers, the effort has resulted in significant gains in spontaneous foot traffic. In addition, foursquare has attempted to stoke interest in its service by offering a number of pre-designed sales incentives businesses can use to increase foot traffic. These include deals for "swarms" of friends who visit a business location simultaneously, and "flash" specials that only last for a short time. The foursquare service is also imbued with a sense of play. Members can use foursquare, for example, to alert other users to their precise whereabouts for spontaneous meet-ups. And they can post reviews of restaurants, nightclubs and other gathering places on foursquare, which can be shared with the foursquare community.

Already on social media's radar, four-

square turned heads earlier this year with its report that it had signed-up its ten millionth user worldwide. Currently, more than 20



CEO Dennis Crowley started foursquare with a friend over a kitchen table a few years ago.

million people use foursquare, and more than 750,000 businesses are promoting with the GPS service in some way, according to a report on the company's Web site. The phenomena in GPS social networking is seen as part of a larger trend by some market research consultants, in which digital media is expected to devour an increasingly larger share of local advertising dollars. "Our analysis indicates that as advertisers move to online, cell phone and, particularly, the variants of social media, we are fast-approaching a tipping point where digital media will soon become a dominant segment of the local advertising marketplace," said Tom Buono, chief executive officer at BIA/Kelsey, a market research firm. Overall, BIA/Kelsey predicts digital media — delivered to consumers via cell phone, Internet or other electronic methods — will grab 23.6% of all local ad spending by 2015. Fortunately, testing the waters with foursquare and similar services generally only takes a few minutes for rink owners, and can translate into substantial increased foot traffic and sales — although, to be fair, it can also be a complete dud. Best bet: you'll probably have the greatest luck if your rink headquartered in a densely populated city that is teeming with thousands of young cell phone users.

To get started, rink owners can sign-up for the free service by logging onto the foursquare Web site, searching for their business name in foursquare's directory and claiming the establishment as their own. (If your rink is not listed, you can easily add it yourself.) Once you've been verified as a bonafide representative of your business, you can try out the service by activating pre-designed foursquare specials that have a proven track-record with other businesses.

The company also offers an online dashboard to manage your account, which can be used to track and distill which specials are working best for you. Featured reports include accounts of total daily foursquare check-ins at your rink over time, your most recent visitors, your most frequent visitors, the gender breakdown of your visitors, the time of day people are checking in at your rink, and similar stats. So far, there are seven pre-designed specials you can activate for your rink with the click of a mouse. Essentially, foursquare alerts its users to your specials, and you provide the discount or other promotion associated with the special.

While the technology is new, you'll recognize many of the specials as similar or even identical to more traditional specials, offers and discounts that you and/or your competitors have used for years.

Some of the specials you can offer include:

*Newbie Special: Any foursquare member who checks into your rink for the first time gets a

discount or other reward — one of the easiest ways to create new customers.

*Check-in Special: A coupon or reward for anyone who checks into your rink, whether they're completely new or a longtime customer.

*Friends Special: Friends on foursquare who arrive simultaneously as a group at your rink get a discount or other reward.

*Swarm Special: Designed for the more adventurous, this special rewards a pre-determined number of complete strangers with rewards for "swarming" your rink at a specific time.

*Flash Special: Perfect for foursquare types passing by your rink, this special offers a discount or reward that may only last a few minutes.

*Mayor Special: One of the most commonly used promotions, this generally rewards a person who frequents your business more than any other customer. The concept may sound goofy, but there are people who consider jockeying for Mayorship of a rink as an all-consuming, never-ending, competitive sport.

*Loyalty Special: This rewards customers who repeatedly check-in to your rink and buy a predetermined number of times, who repeatedly check-in during times when business is slow, and similar variations. Given the ease-of-entry, experimenting with GPS-driven services like foursquare seems like a no-brainer. For the rabidly interested, there's even a new online trade magazine exclusively devoted to tracking the burgeoning business of location-based services and advertising called Streetfight (<http://streetfightmag.com/>).

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