

# Location, location, location

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*When it comes to digital advertising, the scene is dominated by global players, but a local company has been changing the game in location-based advertising for years.*











Vicinity Media is a South African success story of three Davids taking on the Goliaths (or is that the Big Brothers?) of US behemoths like Google – and beating them at their own game. The Davids are co-founders Daryl van Arkel, Neil Clarence and Charles Talbot.

The company provides a location-based advertising service, which means it sends ads to people's mobile phones that are relevant to the area in which they find themselves. The ad could be for a clothes shop or restaurant in the immediate vicinity of the person, who will have opted into the service through a publisher they trust. Vicinity Media works with a network of publishers that includes names like Tiso Blackstar, the *Mail & Guardian* and *IOL*. As a result of this opt-in, the company can track each phone's location using GPS coordinates. When the phone is detected near an advertiser's outlet, a targeted ad can be sent to it.

At this point, many people begin to worry about the use being made of such data. If their whereabouts can be tracked and a profile built up of their interests, what they've read online, and the areas where they live, shop and hang out, then do they have any privacy left?

Chief operating officer Clarence quickly knocks that one on the head. All data collected is totally anonymised, he says, and Vicinity Media never knows who the individual is. They cannot track what people do on their devices: they assign a user ID to the device and can only track activities on the network that has been opted into. "We don't know your name. We're not Big Brother."

## Facing down Google

On the other hand, he says, Facebook and Google have dangerous data. "They do know your name, and their data is not anonymised."

Not only is a user's data more private, Clarence and CEO Van Arkel maintain that what Vicinity does with the data, it does better than Google. "We've built up unique target-market profiles with our first-party network of publishers," says Van Arkel, "which has resulted in us being audited and rated world-class by an independent 3rd party location-verification company."

"Within the mobile web space, our first party location accuracy is outstanding – we can locate a user to within a metre," says Clarence. "This is critical, because to do location-based advertising right, you have to do location right. We are extremely demanding regarding accuracy – we did it right from the start, 12 years ago, and that is what we believe gives us the edge now."

The business was born out of sister company Location Bank in 2008, a company that manages location data for around 100 clients. "Then, with the arrival of smartphones equipped with GPS, we began playing in the mobile ad space, saw a great opportunity and put enormous effort and money into developing Vicinity Media," says Clarence. "It's been 12 years of slog to become an overnight success."

The power of location-based advertising lies in the fact that by linking an ad to a location, it becomes contextual, and therefore relevant to people. "Context and relevance – these are powerful ingredients," says Van Arkel, "as powerful as the KFC Colonel's secret recipe."

## A matter of principle

"We've created very high standards for ourselves," says Clarence. One example of this is the fact that Vicinity Media built its technology from the start so that it would not run adverts that were not related to the user's location.

Digital location technology is extremely intricate. There are two locations that must be tracked – the brand's location, and the user's, which creates two moving data layers that Vicinity Media must pin down and get right. The company's servers

process 160 million requests a month, looking up millions of GPS coordinates to do so. So far this year, it has had 1.3 billion user interactions.

“All this is complicated by the fact that, of the thousands of physical locations we deal with, some have no street names, or the businesses don’t know the digital addresses of their own branches,” says Clarence.

Most international platforms are built for phone apps, but in South Africa, the majority of people interact not through apps, but on the mobile web through their phone’s browser. “Those platforms are designed for a first-world environment,” says Van Arkel. “Bringing them to this country is like trying to do an off-road safari in a Lamborghini.”

As Vicinity Media battles the Goliaths, it simultaneously benefits local businesses. “Huge amounts of money go offshore because local companies spend a large proportion of their advertising budgets on Facebook and Google,” says Clarence. “Those American companies don’t pay tax here, and don’t add to the skills of local developers.” Vicinity Media supports local publishers, and money spent by advertisers stays in the country.

Some of the companies that seem to feel they have located their advertising sweet spot with Vicinity Media include Nando’s, BMW, Audi, Land Rover, MTN, and AB InBev. That doesn’t seem a bad haul of Goliaths for three Davids.

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