Location-based marketing lead to the door of the brick and mortar store

A study for Swedish clothing companies

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Preface
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This bachelor thesis was written during the spring semester of 2017 at Halmstad University. The knowledge of locations-based marketing, digital footprints and use of data has increased and the topic is highly actual in today’s marketing. Before we started this project and research, our knowledge in location-based services was limited. With dedication and curiosity, our knowledge and interest for the subject reached new levels. It has evolved from something that we’ve done in school, to something that we take with us in our everyday life.

Throughout our journey, we’ve discovered that a lot of information was obtained through articles, but we found inspiration in our surroundings. As authors would we like to thank everyone who participated and therefore contributed to our research. We’d like to thank for the smallest advice and constructive criticism from our friends and co-workers to more in-depth conversations with our professors. To make this thesis possible we needed respondents, therefore we would like to give an extra thanks to everyone who participated in our surveys. You are the very foundation of this research; together we’ve contributed to something that is extremely relevant within the field of marketing.

We want to thank our mentor and supervisor Navid Ghannad for his guidance throughout the project. Our last thanks would be to us as authors, it has been a tremendous journey and has shown us that we are capable of working together, being focused and having fun at the same time.

To the readers, do we hope that it will be a pleasant and informative reading. We hope that it will be inspirational and spark a thought for further studies within this highly relevant topic.

Best regards,

Alfred Johansson        Sebastian Johansson
Abstract

Title: Location-based marketing and digital footprints lead to the door of the brick and mortar store.

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Purpose: The brick and mortar stores are decreasing their field of activity meanwhile online retail is increasing. Hence the purpose of this bachelor thesis is to examine if the clothing industries’ brick and mortar stores could change their down going trend by using both location-based marketing and the digital footprints of a customer as part of their strategy.

Research question: “How can Swedish clothing companies increase their customer flow in their brick and mortar stores by using customers’ locations and digital footprints?”

Frame of reference: The frame of reference introduces the previous theories and recorded data regarding the platforms of location-based marketing and management of information about customers.

Method: Based on the frame of reference we created a quantitative study in which 385 people from Sweden participated. To form the survey, we had a pilot group to criticise our first edition of the survey.

Empirical framework: The survey consisted of 12 questions and statements regarding location-based services and the usage of personal data from a customer's point of view. The measure scale was between 1-5 where the respondent could fill in to what level they agreed or disagreed to.

Conclusion: The conclusion of the thesis is that a company must be aware of how they present offers to customers. The findings are that the message must be relevant, within the interest and up to date with the customer’s values. Based on the previous theories and the new findings from the survey we can see that customers takes distance from companies when the offers are not within previous mentioned components. The customers are more willing to visit a store if offers are based on their search history, in other words, digital footprints.

Keywords: Location-based marketing, digital footprints, geofencing, customization, mobile marketing, brick and mortar stores, clothing industry and online shopping.
Preface

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   You appreciate offers based on your interests.
   You appreciate offers NOT based on your interests.
   You appreciate to be able to choose when you’re getting offers sent to you.
   You have recurrent advertising about a pair of pants you’ve shown interest for. You now feel more willing to try them.
   You receive recurrent advertising about a pair of pants you’ve shown interest for. You would consider this annoying.
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1. Introduction

In this chapter, the work will be presented, with background knowledge of why it should be studied. Furthermore, it will enlighten the problems who shall be investigated in the paper and the purpose of the study. This will lead to the research questions, the delimitations, the dispositions and the key terms of the work.

1.1 Background

During the last years, the mobile phone has increased its’ field of activity dramatically. Today, 21% of every purchase that’s online, is done by using a phone (HUI Research, 2016). The cell phone is not only a phone, it has also become a valuable tool in many people’s everyday social life. A tool where people have almost all the data gathered, not only in the physical phone but also in cloud based storages. The new usage of the cell phone has led to innovative ways to reach out for a company to their customers. It can be in form of an email direct to the phone or a push notice from the company’s application (Chamberlain, 2016).

The invention of having a Geographic Positioning System, or as shortened GPS, in the phone became a possibility in 1999 (Sullivan, 2012). Today’s GPS are accurate down to 3-50 meter, depending on the chip inside of the phone. With this ability to locate mobile devices, a new term was born, Location-based services or LBS (Greenwald, Hampel, Phadke and Poosala, 2011). The idea with a location based service, is that it utilizes the geographic location of the phone and make it usable for the LBS provider, in many cases a company. The LBS in cell phones is a growing business and the types of applications are increasing daily. Many companies are using the LBS in their applications, but are not yet profitable in the early stage of the development (Strout, 2016).

The main purpose of a location based services is to increase the information that the company gets from each customer on a personal level. With that personal information, the company can enhance the experience and the support that customers may receive. The company knows more about the customer than the customer may know about himself (Orzan, Veghes, Silvestru, Orzan & Bere, 2012).

A way of using the LBS is through Geofencing, which is a geographic area that’s built up in the practice of using global positioning or radio frequency identification to define a geographic boundary (Chamberlain, 2016). When the administrator of the fence has established his barriers, he can send email, text messages and even make an application pop up on devices that enter or exit the area on automation. This type of LBS is a growing business.

Another growing concept is digital footprints, a method of using data from mobile devices to see not only where they have been physically, but more importantly, where they have been online. It is also possible to see whom they have been in touch with or even possible to chart their behavior (Pentland, 2008). These footprints can also be referred to as breadcrumbs, which can be used to see previous patterns and shopping behaviors of a person online.
breadcrumbs are the patterns of how a person has been searching the web, moving from homepage to homepage and the period of time that the person spent on each website. This sort of data gives new opportunities for marketers to know more about the customer behavior than ever before (Orzan et al. 2012).

There is a common fact that most people do some sort of shopping every day. There are diverse types of shopping, the everyday shopping such as shopping for food, clothes, shoes etc. These items are called nondurable goods and represents the majority of the market. Nondurable goods are defined as items that are said to have a lifespan of less than three years (Investorwords, 2017). Clothing and shoes are a prime example and these represents 35% of the online market (HUI, 2016).

The other category of shopping, durable goods, such as books, furniture, electronics etc., are items tending to have a longer lifespan and be more expensive (Investopedia, 2017). What these two have in common is that the person has an opportunity to choose between doing their shopping online or at a physical store, which could also be referred to as “brick and mortar stores” (Framtida handel, 2016). The online shopping is riding the digital wave; mobile phones makes it easy to search for information, but also gives the opportunity to complete a purchase (HUI Research, 2016). We will try to find out if the clothing stores in Sweden can somehow use the ongoing digital trend to their advantage. This will be done based on earlier studies within the subject but also through a field research of customers view of the usage of their information and digital footprints.

1.2 Problem

The brick and mortar store has certain hours where staff is in the store so their selling is therefore limited to those hours. They have a fixed location, which means, a person needs to physically visit the store to commit a purchase. A person can visit a website at any time, make a purchase at any time and when the next shipping is due, the order will be on its way. There is also a combination between online and offline shopping. This hybrid, is called web influenced brick and mortar shopping, and indicates that a person does the research online but the purchase is made in a physical store (Sitoo Magazine, 2015).

Research from as far back as 2003 indicates that online shopping has been growing every year since, and that it shows no sign of stopping, the reason, the world is getting more digital, every day (HUI Research, 2016). Online shopping is increasing every year and many of the categories do also tend to decrease in the brick and mortar stores (Konsumentverket, 2014). An article from Dagens Industri (2016) sees online shopping the biggest threat for all the brick and mortar stores. The effortless way of shopping will make the online store outcompete the brick and mortar stores.

The few things that a company has in advantage with the physical store towards the online store, is that they offer the possibility to try the product, talk to a salesman and feel the atmosphere (Perea y Monsuwé, Dellaert & Ruyter, 2004). Since the activity of online purchasing is increasing, the features that the online store brings, slowly seems to kill the brick and mortar stores (Konsumentverket, 2014).

The usage of smartphones and mobile devices has never been higher than today (Berman, 2016). The importance of being up-to-date with how customers think, perceive and behave has
never been more relevant (Gilan & Hammarberg, 2016). One way of doing this is to follow their breadcrumbs on the internet and then customize the direct marketing from it (Orzan et al. 2012). This knowledge helps companies to understand their target audience, based on earlier information and experiences. By understanding the customers, a company can provide offers in a way interest-based way.

The amount of information that a company has about a customer can become a problem when the customer does not know why the company has it or wants it. Another problem is that most of the times, the customers aren’t even aware that they are being traced or surveilled, this is something that could lead to ethical and privacy issues (Culnan & Bies, 2003).

1.3 Purpose
The purpose of this paper is to examine if the clothing industries’ brick and mortar stores could change their down going trend. This by using both location-based marketing and the digital footprints of a customer as a part of their marketing strategy.

1.4 Research Question
- How can Swedish clothing companies increase its customer flow in their brick and mortar stores by using customers’ locations and digital footprints?

1.5 Delimitation
There are several ways to use the different location based services as a tool. From a marketing perspective, it invites to spontaneous purchases and behavior. By letting the companies know where the customer is, the company can provide the customer with personal offers that are relevant to the area they are in, but also relevant in time.

This paper will not include the programming of the different services and tools; therefore, we will not study or mention any of the technical aspects furthermore.

The study is on customer’s behavior and perception, it will be presented in a way that companies can benefit from the result.

According to Swedish marketing law about unsolicited advertising, 19§ a company cannot advertise directly to a consumer per automatic via email or phone operated by a machine unless the customer has agreed to it beforehand (Sveriges Riksdag, 2017). The idea of this research is therefore, as it is today, not capable of reaching its full potential. The 21§ in the Swedish marketing law on the other hand is stating that a trader can use other methods than the ones previously mentioned in 19§, unless the respondent, clearly has said no to the specific method.

The last delimitation is that the industry we are discussing in the paper are the Swedish clothing industry. This to make the study more accurate and implementable, but also with the fact that clothing is the most frequently purchased item, online, for the Swedish customers (HUI, 2016).
# 1.6 Dispositions

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## 3. Methodology

Research approach, motivation for the research, selections and delimitations within the method. Selection, reliability and criticism of the used measurements.

## 4. Empirical framework

Collected quantitative empirical data and theories to use to the survey questionnaire

## 5. Analysis

Analysis of both the empirical data and the findings from the survey. In this part will the connections and differences be enlightened from the new data towards the previous research.

## 6. Discussion and conclusion

Discussion and conclusion from the location-based marketing, the digital footprints and the customers’ perception of those.
2. Frame of reference

In this chapter, all the relevant theories and earlier studies of location-based services, digital footprints and customer behavior be displayed.

2.1 Mobile marketing

With the fact that the mobile devices and usages are increasing, is also mobile marketing gaining land. Mobile marketing is an increasingly significant part of a company’s overall promotional strategy. This medium increase with the same phase as the usage of mobile devices. Time spent on mobile media and number of searches on the web have never been as much as today (Berman, 2016). The fundamental of why mobile marketing is important is that a cell phone is always powered on, always connected and always with the consumer. According to Gilan and Hammarberg (2016) five of the seven billion people in the world have access to some sort of mobile device, but there are more than seven billion mobile devices that are online.

Berman (2016) also adds that the bounce rate from mobile devices is high; almost 50% and that companies therefore need to make better strategies. The bounce rate itself is a measuring instrument to see how many people just visited the site and left straight away (Berman, 2016).

There are three requirements to making mobile marketing work, and all these three lay within the hands of the customer. The first requirement is the ubiquitous network, which is the way a device can connect to different types of networks (Kaplan, 2012). For example, being connected to a wireless LAN, entering the 4g when leaving the area and later on connect to a WiMAX network at work. The second requirement is that the mobile device always must be online and with the customer. Kaplan’s last requirement is that the device must be personal to make a great outcome of the marketing. This can be in both the way of having a SIM-card that’s connected or the fact that only one person uses the device.

According to Kushwaha and Agrawal (2016) mobile marketing has the potential to become the most powerful advertising media, when it comes to interacting with the target customer. This since you can quickly, and price efficiently target any customer, anywhere, at any time. How the advertise is contended depends on what the company want to achieve: If it’s about hitting a large target audience with reduced prices on goods, or if they want to create a feeling of customization (Varnali & Toker, 2010). Both strategies are easily accessible through mobile marketing and the importance is that the customer has shown interest for the brand or the products provided in any context (Kim, Lee & Park, 2016).

When it comes to mobile marketing there are both positive and negative attitudes, from the customer’s point of view. The positive attitudes, were that the marketing felt more relevant for the customer, even though the best response was when the context was about discounts (Aitken, Gray & Lawson, 2008). When it comes to the negative attributes of mobile marketing from the customer’s point of view, is the personal integration enlighten.
Xu, Oh and Teo, (2009) argue that mobile marketing can be distracting and annoying, since it’s always on and a close belonging to the target customer. They state that most annoying is the mobile marketing when it is not relevant to the customer. It can also be perceived as to personal and can deny the integrity, which is something that may harm the perception of the company from the customer’s point of view. Kushwaha and Agrawal (2016) also present some peaks of using the service from the marketer’s point of view. They say that it is easier than ever to follow a lead and see if the commercial gives a call to action. In Kushwaha and Agrawal’s article (2016) you can see that the overarching attributes of mobile marketing are negative, but that the positive attributes are being very profitable for the companies.

Smutkupt, Kraririt and Khang (2012) argue that the most accurate way of sending out the information to mobile phones, should be short messages with an aim of reminding the customer about the brand. It’s vital that the message is designed easily, not to annoy the consumer. Another essential part of these messages is that they need to be up-to-date, which can be expensive for a company. According to Smutkupt et al. (2012) a too high frequency of the messages is something that can be annoying for the consumer.

2.2 Location based marketing

Location based marketing is a strategy that has developed heavily during the last years. The idea is to pin out devices and alert the device's owner with information that’s useful in the area they find themselves in (Rouse, 2012). This type of information can be a local business deal, a coupon or other similar commercials that can lead to a spontaneous or impulsive buy. It can also be about how a company are showing up their services around the city, where the people in the area can see what’s closed from their position (Banerjee & Dholakia, 2012). Banerjee and Dholakia (2012) argue that Location-based mobile advertising has increased multiplied six times from 2010 to 2012.

But the more common examples for services fall into categories like mapping, navigation, and transport; travel and tourism; local search and information; social networking and entertainment; recreation and fitness; family and people locator services; mobile resource management; mobile advertising. These are types of location-based services, LBS. The list is long and the ways of using the LBS is a growing business (Ryschka, Murawski & Bick, 2016). Location-based marketing is possible thanks to the GPS, as is described below.

One way of defining the technology of location-based services is:

“A range of services that are provided to mobile subscribers based on the geographical location of their handsets within their cellular network. Handsets must be equipped with a position-location technology such as GPS to enable the geographical-trigger of service(s) being 2 provided LBS include driving directions, information about certain resources or destinations within a current vicinity, such as restaurants, ATMs, shopping, movie, theatres, etc. LBS may also be used to track the movements and locations of people.” (Yepez, 2011, p. 1-2)

A frequently asked question of LBSs is about the privacy for the customer, the fact that someone knows where you are, frightens people (Rouse, 2012). Many applications and
companies have gone past this problem by giving the user a choice, a so called opt-in. The opt-in function gives the customer the possibility to turn on/off the functional of being exposed for this type of marketing. In some countries around Europe, there are legal requirements for having opt-in services on the application or the commercial (Gazley, Hunt & McLaren, 2015). Gazley et al. (2015) argue that this law benefits the companies, as it allows the customer to accept that they want the commercial and have a positive attitude towards it.

Mobile devices can be personalized to a high degree and therefore have an immense potential of granting personalized LBS services on demand (Dhar & Varshney, 2011). To these services, it is important to protect the customer’s privacy. The providers of these services will have to use the permission-based opt-in and therefore make the consumer understand that they have the control of how much information will be utilized by the company. Banerjee and Dholakia (2012) claims that an important thing to think of when it comes to ROI, is that the advertisement must be carefully segmented and target customers on a basis that does not become intrusive. If it becomes intrusive, customers will opt-out. According to Smutkupt et al. (2012) the permission-based mobile marketing work best when it comes to maintain relationships with customers, rewards them and or notifies them about news in the neighbourhood like a grand opening.

2016 has been a large year for the technology of LBSs. A good example is Starbucks, that developed a pick-and-go function. The brand’s mobile order-and-pay feature on its app uses a customer’s proximity to nearest store to allow that customer to make an order before stopping in. By combining location services and the power of mobile, Starbucks is saving customers time and enticing them to come back (Jon es, 2016).

LBS can be defined as a kind of network-based device that gather mobile information services and results from positional information taken from a mobile device. Hence it will add value for users, depending on their geographic context and individual preferences (Ryschka et al., 2016).

2.2.1 Geofencing

Geofencing is a way of using GPS signals to define a geographical boundary (Chamberlain, 2016). This boundary is in turn a way for marketers and companies to reach out to mobile devices in a specific area. Everybody, or defined devices, will receive some type of messages, mail and notification when they pass the surface of the bounded area.

This strategy can for example, let customers know that when they enter a certain area, they receive a specific offer from a nearby store, or even when they are in the aisle of the store (Berman, 2016). Today there are two kinds of geofencing, a pull location-relevant information method and a push location-relevant information method (Greenwald et al., 2011). The pull method is based on that the device carrier must accept that the application will send notifications, for example, to find the nearest restaurant or gas station. The push method is sending out notification as soon as the device enter an area. This can be used for a variety of applications; mobile marketing apps that send out coupons in the area.

2.2.2 Beacons

A new technique that’s being used, Beacons; are tiny sensors that uses Bluetooth to give the closest to precise location indoors at the moment. Beacons gets placed somewhere in the room,
preferably spread out so they can cover the whole area.

“Cell-based methods determine the location of the traveller based on only the visibility of beacons, without using any distance or angle measurements. Localization is based on the knowledge of the limited range of each of the beacons, allowing the traveller to be localized to the region of intersection of the ranges of all visible beacons. Given the problems with many of the other methods, cell-based methods are quite popular for Bluetooth, as well as for RFID and infrared (IR) technologies.” (Chawathe 2008, p. 1-2)

With an error margin of only a few centimetres and no need for internet, this can device can bring information about a mobile phone’s movement and therefore also sees patterns (Greenwald, Hampel, Phadke & Poosala, 2011).

Beacons do not only work as a tracking device or a pattern maker, its main purpose is to send out information to devices close by (Bisnode, 2014). When a mobile phone is close by, the beacon sends out a notification about a specific product that the company wants to highlight, discounts or other relevant information.

### 2.3 Managing the information

#### 2.3.1 Big data

Term big data is by definition all data that is accessible for a company, it doesn’t have to be organised, but it must be within the company somehow. If the data gets processed and analysed, it can give the company valuable insights for more profitable strategies (Gilan & Hammarberg, 2016). Big data can be seen from different perspectives; one way to see them is from Gordon’s five V view (Gordon 2013). Gordon (2013) describes the five V:s as following; volume, variety, velocity, value and veracity. Volume, the amount of data is so large, so it’s required to be analysed with circumstances. Variety, the data comes from various sources and programs. The importance of a well-working structure system cannot be underestimated. Velocity, the high speed of transfer data makes no room for “stale” data, since this has no value for the company. Value, which is one of the most significant roles of big data, to be usable and profitable. To be profitable it must be quantifiable. The last V is the veracity, the data that stores in the company must be correct. The importance of the data being correct, is a presumption of creating valuable information from it (Dhar & Varshney, 2011).

Gilan and Hammarberg (2016) describes that only 0,5 % of all the data that’s available for a company or organisation is being used. Due to the velocity of the growth, they believe that percentage will keep decreasing. The data is so big that no man himself can sort all of this out, there are systems to make this an easier process, so called business intelligence.

The idea of business intelligence (BI) is to have the right information, at the right time to make the right decision (alltom business intelligence, 2008). For BI to work, it needs a lot of various data, extraction and different types of analysis technologies. The pillars can in other words be described as data management and warehousing (Chen et al., 2012). But due to the limitations in this paper, are we not going to go into details in how the BI systems are working.
2.3.2 Reality Mining

In a world where everything is traceable and where “what goes online stays online” (ThinkUKnowAUS, 2012), reality mining is when these transactions, google searches, social network surfing and many more leave what describes as breadcrumbs. Breadcrumbs that shows a person's daily activities and with the help of statistical analysing programs offers information and patterns of our individual and collective lives. Reality mining studies human interactions based on the usage of mobile devices. The GPS function makes it possible to know with more accurate what people do, where they are and whom they communicate with (cyborganthropology, 2012).

Every time a mobile device pings, and therefore searches for the nearest cell phone tower, it reveals the location of that device. Whenever a phone call is made, the service provider is able to see which numbers are involved and for how long they were connected (Pentland 2008). A great advantage using cell phones or other mobile devices that are traceable is that these devices do not lie. A person can manipulate a test, unconsciously or consciously, while taking it. He or she can also lie and state that he or she never visited that web page or store or searched for those things on google. However, as Svane (2016) state; mobile devices on the other hand do not lie, they pin out the truth.

Reality mining is mentioned in Massachusetts institute of technology, also called MIT, Technology Review, as one of the “10 Emerging Technologies That Will Change the World” (Pentland, 2008).

2.3.3 Digital footprints

Digital footprints are similar to breadcrumbs described above. When a person search through the web, they leave a digital footprint which becomes a trail of data. The trail includes email, search history, cookies, and information you submit. These digital footprints can be shared into two boxes, the passive digital footprint and the active digital footprint (Techterms, 2014).

Passive footprints are by its definition footprints you leave online unintentional. For example, when the web server may log your IP address and identifies your internet provider but also your approximate location. Another part of this passive one is based from your search history, that is saved by search engines while you are logged in.

Active footprints are data that you intentionally submit online. A common example is email. When you send an email, you have done an active choice of sharing data to another person. The data from an email can be stored online for several years. The more email you send, the bigger your digital footprint will be. (Ibid)

Something that web stores are working with, is to follow up the footprints. With the technology they can easily see how a potential customer has moved through the website. If the customer places something to the cart and then leave the homepage, the company sometimes send special offers and remind the customer about the product. This is one way to follow the increasing footprints on the web (Heimbach, Kostyra, Hinz, 2015).

Marketing automation is a category of advertising, that sends specific advertising to a person based on what he or she has been searching for on the internet from their computers or mobile devices. The marketing automation is how a company or a website can utilize the digital footprints from a potential customer (Techterms, 2014). With this type of technique, the
information will be sent to the right person at the right time. The tool of marketing automation works alongside with segment-of-one marketing, as described in chapter 2.3.2.1 “Customization”.

A franchise restaurant may customize contents for its mobile device application according to weather, location, and daytime. If it’s a warm morning in Stockholm, the mobile application may automatically display cold drinks coupons to users around the city. But if it is cold in Stockholm at the same time, hot coffee may be a better choice for prospective customers in the capital of Sweden (Heimbach, Kostyra, Hinz, 2015).

2.3.4 Customization

Customization is an important part of the CRM systems, it reduces the high speed of marketing into a personal level where the customer gets a sense of exclusivity (Svane, 2016). By analyzing data, companies have the opportunity to create offers that are based on the consumer’s behavior, interests and needs. The advantages of this area, is to front the customer's satisfaction and, therefore, better relationship and higher profits (Arora et al. 2008). This is something that often occurs online, where a customer returns to a previously visited homepage. When he or she enters the website, the data is stored and the company provides offers that are somehow related to an earlier purchase or interest. Even more specific, is the personalization, where the customer gets the possibility to repeat the last order immediately after entering the homepage. Another way of this personalization is to use the sur- and family name during send outs to create a friendly touch (Li, 2016).

A strategy within the customization is Segment-of-One marketing. This is a working process of how a company can use the data from their customers to track and most important, understand their individual consumer behaviour (McQuaid, James, 1992). A company that is a front figure of the marketing within segment-of-one marketing is Netflix, which has an algorithm system that plans which type of movies that you should like (Svane, 2016). This type of marketing is possible due to the data collection within the company, to make sure that the customer is in focus.

Arora et al (2008) enlighten following questions in their article; “how will the offer or information impact the recipient? Is the information relevant and beneficial for the customer or is it irrelevant and intruding?” Banerjee and Dholakia (2012) argue that these are factors that must be considered before exposing the commercial to the target customer. If made wrong or send out multiple times, the customer can be suspicious and therefore harm the relationship. This can be built on feelings that the personal information has been used in a careless way, the perceived safety (Li & Unger, 2012). Zarouali (2017) explains in his article about retargeting, which is when a customer gets ads following him/her online, based on products he/she been clicking on. This is something that leads to higher purchase intentions by being exposed to the advertisement more frequently. The research also leads to more scepticism to the potential customer by having the ad following around the internet (Ibid). He states in his article regarding
teenagers, that the sales increase but not on the same level as the debriefing increased.

### 2.4 Push & Pull marketing strategies

The push and pull strategies are well known within the marketing industry. These are two strategies that are contradictory to one another. It’s a way for either consumers to receive information or for a company to deliver it in a message (Rimlinger, 2011). The two strategies are different, but they will also work in each other’s favour. “A successful pull effort from the consumer side will contribute greatly to the push effect generated on the retailer side in a channel system” (Jyh-Shen et al., 2009, p. 431).

The push method, *see figure 1*, could be described as the marketer focusing on controlling the message that is being sent out to the customer. By doing this, the marketer can decide who will see what and at what time. The strategy is supposed to create consumer demand for the company’s products or services. If executed correctly, the customer will gain a positive attitude towards the company and the message being sent (Rimlinger, 2011).

![Figure 1. Own-creation based on Rimlinger](image1)

The other strategy is known as the pull-strategy, *see figure 2*, this one is more difficult for the company to control. The reason being that, unlike the push strategy, it is created by consumer demand. Where consumers make an active choice to search for a certain product or brand, the consumer has created a demand. For this to happen there must be some sort of brand preference from the consumer’s point of view (Rimlinger, 2011). Two well-known companies that are using a pull strategy are Gore-Tex and Intel Inside (Kotler & Pfoertsch, 2010).

The pull method is according to Jyh-Shen et al. (2009) something that not only helps the brand owner, but also invites for a healthier relationship between the retailer and the final consumer of the product.

![Figure 2. Own-creation based on Rimlinger](image2)
2.5 Perception

There are different types of perception. This paper focuses on perception of privacy and personalized marketing. Privacy can have various meanings, one of them is to ensure security and therefore protection from harm (Thommesen & Andersen, 2009). Thommesen and Andersen (2009) explain in their article, *Privacy and passenger attitudes of tracking*, that personal information can be used in diverse ways and that people see the concept security differently, that security has many different faces depending on who you ask. The fact that some people may use information about a person for their own good is scaring people. One can be afraid of losing their bank account information, which could result in someone stealing that person’s money. It is not just harm in a financial way, the fact that a person’s location can be found by using his or her phone, could scare someone.

A person’s attitude towards the world is also something to consider when it comes to privacy. Even though some sort of harm, financial, physical etc. scares people. It is also a safety zone to know that a person can be anonymous. To be able to do things in secret, like walking into a specific store, visiting a specific website, knowing that only a few, or no one knows what that person is up to, to be left alone (Thommesen & Andersen, 2009). Privacy could therefore also be a place, a place where activities are associated with a certain thing, like for example, a gym or a cinema (Lahlou, 2008).

Having a social identity is crucial, as it defines who a person is. To maintain a social relationship, a person is constantly changing his or her behaviour depending on situation and social norms (Lahlou, 2008). People tend to care about what other people think of them, and uses knowledge and experiences to create a social identity to fit in social communities with an identity that might be different from what really is (Lahlou, 2008). “Thus, privacy of behaviour depends on our ability to be aware of who is watching our behaviour” (Thommesen & Andersen, 2009, p. 4).

To maintain and improve relationships people shares secrets with each other’. Not every relationship is built on the same secrets, it differs from person to person and some people know more than others (Thommesen & Andersen, 2009). These secrets are not for everyone, and because of that, it may interfere with privacy.

In a survey made by Accenture, consisting of 1012 participants from United Kingdom and 1000 from United States, where the participants were women and men between 20 and 40, the result shows that 80% of these people think that total data privacy is a precedent fact (Granstra & Zbikowski, 2014). The same survey also indicates that 67% of the respondents do not mind, and actually, would welcome a notification from the store to alert them for some sort of deal or offers according to their own preferences. Glen Hartman, global managing director of Digital Transformation for Accenture Interactive, commented the survey and came to the conclusion:

“Importantly, since 51 percent of those surveyed said they would prefer for companies to stop tracking their shopping behaviour, companies must find ways to establish more trust with customers and an effective formula for reaching them without crossing a data privacy line. For consumers, there’s a direct correlation between privacy tolerance and value.” (Granstra & Zbikowski, 2014)
3.0 Method

In this part of the paper, the method will be described and justified. How we have chosen to do the process of gathering data, but also why and the theories behind the collection. In this part will also the reliability and criticism be discussed. The entire survey can be found in Appendix as an attachment.

3.1 Choice of topic

The choice of topic is broadly based on how online shopping has increased during the last few years. A lot of research has been done. Most of the research only verifies that the Swedish brick and mortar stores are losing ground. There are not too many articles that covers the subject of how and if, the physical stores can do something to change its down going trend. A limitation in this study is that we are investigating Swedish clothing companies. By that reason can not the result be generalizable on all brick and mortar stores nor other countries.

3.2 Scientific methods

All kind of research projects are built on answering one or multiple questions. These projects focus on describing, predicting or changing certain situations (Olsson & Sörensen, 2007). To be able to get the information that we were in need of, we first had to decide how we would gather our data. According to Jacobsen (2002) there are two different strategies of obtaining information. These two are known as a quantitative and a qualitative strategy and are the opposite of one another. One is not said to be better than the other, but they do serve a different purpose. The outcome will differ a lot if picking the one that is not suited for the task. Depending on the situation and the kind of information wanted, one method has an advantage over the other and vice versa.

3.2.1 Choice of method

For the purpose of this research we will adopt a quantitative method to gain the information needed, this since we have no intention in forming a new theory or make an observation of the respondents. We also thought that this would be the most accurate way to obtain the information we wanted and were in need of for our study. According to Jacobsen (2002) the quantitative is method more useful if the goal would be to research a wide issue on the surface to see the bigger picture. By the reason that we are in need of a huge amount of data, did we chose to not use a qualitative method. After the gathering of secondary sources within the frame of references did we reach data saturation and formed our quantitative survey.
3.2.2 Quantitative method

According to Olsson and Sörensen (2007) a quantitative method will give the researcher more of an objective perspective, and is said to have minimum contact with the research group. The research is also said to be structured and the foundation of the paper would be the questions that have been made in advance. Most of the times, these questions are being used in surveys. Unlike the qualitative method, the quantitative method wants to confirm that something is or isn’t. This is done by using a hypothesis testing and the conclusion is based on a large quantity of answers and few, measurable, variables (Olsson & Sörensen, 2007).

For the purpose of this research we will adopt a quantitative method. This to measure the results, draw conclusions or generalize, a quantitative method would be a better to obtain the information (Jacobsen, 2002).

The quantitative method is to prefer when you want to standardize information and put it into categories, e.g. when you are handling a large amount of data.

3.3 Data collection

To make this paper possible, two kinds of data are needed, both primary and secondary. Main parts of the secondary data are identified in the *Frame of reference* and in main parts of the *Method* section. Our primary data will be gathered from a survey, that’s being conducted in Sweden through digital platforms, more details are in the *Empirical framework*. The secondary data are cited from scientific articles, literature and carefully chosen electronic sources.

We have been using the University of Halmstad intranet, where different portals such as *Emerald Insight, Google Scholar, Science Direct* and *Web of Science* been accessible. Jacobsen (2002) speaks of the necessity, when gathering the secondary data, to have a critical approach towards the different sources. By both comparing the different articles and sources alongside with the new data; we are triangulating the information and increasing the reliability.

3.3.1 Primary data

The primary data or the new data, are data collected for the first time and where no other research within the subject has been made before (Jacobsen, 2002). To do this there’s a requirement that the data are found by the researcher from a primary source and no one else. Therefore, the studies that use primary data slot the data collection and customize in a way that suits into a certain study. According to Jacobsen (2002) there are three main categories to gather the first-hand data from: observations, conducting surveys and interviews. Due to the fact that the researcher himself did the gathering, he/she can reflect over certain biases and how the reliability could be affected.

3.3.2 Pre-survey

To make sure that the survey was understandable, we made the decision to send it to a selected group of people and asking them to not only answer the questions, but also to give us feedback. In total, 10 people had a preview of the survey, 5 female and 5 male study colleagues. Even though 10 people are not enough to represent the whole country, did it give some good insights about the survey. Our only selection criteria were that the people from the pre-survey group...
had taken the course “Scientific research and theory”, which is a university course on doing scientific research. This to have the qualification and knowledge, to give us valuable feedback.

It’s easy to get narrow minded when working on the questions for a longer time. To sit down with a test group should give the best response according to Opdenakker (2014), because the interview could be more spontaneous and honest. This was not an option for us since we were in Australia while creating the survey and the responders were located in Sweden.

To reach out to our target group, we created a Facebook group where we shared the survey draft with the instructions that people had a 24-hour time window to answer it and give some sort of feedback. The target group was asked to send a private message. Opdenakker (2014) mentions that if a person is anonymous, the answer is more likely to be sincere. According to Deuze (2005) completing a task as quick as possible could compromise the quality of the outcome, but for this draft, that wouldn’t take longer than 5 minutes to complete, 24 hours seems to have been enough. All the respondents were given information regarding the upcoming survey and were therefore ready to answer within the time frame.

3.3.3 Result of the pre-survey
After 24 hours, the messages were compared and analysed. Most of the suggestions involved grammatical errors, which were corrected straight away. Our test group also pointed out that we weren’t consistent in how we presented the questions. Sometimes the term “You” was used and sometimes the term “I”. By not being consistent, the author takes a risk of confusing the respondent.

Even though it was our intention to have all our questions mandatory, we managed to miss a few. This is something that was pointed out, and taken care of. By letting others read and give us feedback we could adjust what was needed. According to Wärneryd et al. (2011) it is always the author’s fault if someone misunderstands a question. A survey should always be presented with the most relevant information and be completed with the least amount of effort for the respondent.

3.3.4 Survey
To gather the primary data, we have been using a survey as our measure equipment. According to Jacobsen (2002) a survey can give the researcher a large amount of quantitative data in a short period of time, and with a lot less effort than if all people would be interviewed individually. Consequently, to give us all the primary sources we needed in a short period of time, and focus on questions with alternatives instead of questions with open text responses. Thus, we could categorize the data more efficient and compare with our secondary data.

Our platform for the survey was Google forms for its convenience and being free of use. The survey was posted on social media platforms such as Facebook and LinkedIn to be able to reach the Swedish respondents necessary for this research. According to Jacobsen (2002) asking
questions with multiple choices leads to a difference of likelihood of which answer to be selected. The earlier alternatives tend to be more popular than the later ones. To avoid this we limited the multiple-choice questions to just one and decided to use statements with a 1-5 scale instead, to minimize this bias.

When we were done creating our survey, we ended up with 12 statements excluding two questions about the respondent's age and gender. The statements were presented in a way as they gradually became more and more niched. While it started very broad the final statements were more narrow and precise to what our research question is about. The idea of the survey was to determine how Swedish people would like the idea of getting product offers based on where they are and how they perceived the digital footprints. Based on the results we are given, we will analyse the answers and come with conclusions and suggestions on how companies can use the information.

To be able to categorize the respondents the first two questions of the survey were questions about gender and age. By doing this, it will be possible for us to see patterns and draw conclusion on the most basic level. The age span started at 18 because of reasons explained in 3.3.6 Selection Method. Age spans were used, starting at 18-24, followed by 25-34, consistently adding another 10 years per box, until we reached 64. 65+ was categorized as one group. By using age spans and gender we can figure out if there is a difference of acceptance between the groups.

For a person to be able to receive notifications/offers based on their location and digital footprints they need to own a mobile phone and need to have access to internet. Therefore, we had to see to what extend our respondents used their mobile phones. By asking if they had internet on their phones, we would be able to see if it was even possible for this type of marketing to exist. If the majority of the respondents, or even just a large group, would have answered that they didn’t have internet on their phones, would this type of marketing not have been an option. By also asking to what extend the mobile device was switched on, we could see the possibilities of how often a respondent/customer would be available to receive notifications.

To create digital footprints a person needs to search for certain things on the internet (Techterms, 2014). Since our survey is about Swedish clothing companies, we had to make sure people are using the internet to search for information about clothes. It was therefore essential for us to have a statement/question about the respondent's way of gathering information by using internet. This does not take in consideration if internet is the only way.

After a few questions to determine who the respondents are and if they are using the tools needed for this type of marketing to work, we asked a little about privacy. By giving the respondent 12 alternatives to choose from, we could see how much information a person is willing to give to the company. One question stated that a company couldn’t know anything about the respondent and another was an open text in case a respondent felt that we had missed
something. The rest were to see how personal a company could go. By letting a company know what sizes you are, could to some feel more personal than if they knew your name. We also decided to give the respondents statements about allergies, hobbies, political values etc. To get a brief idea of this type of marketing that can be used for other businesses.

As mentioned before, the survey was created in a way that we first give the respondents statements how they feel in general about this type of marketing. By asking how the respondent would feel about getting notifications based on the product, category and store, we could see which one the potential customers would be most interested in. We found it valuable for us to know which one of the given alternatives is the most desirable one.

3.3.5 Selection method

When conducting a survey there are a few things to take in consideration, for instance it’s difficult to convert every person within a certain area to a respondent (Jacobsen, 2002). To reach out to every person, would not only cost a lot of money and resources, but it would also be very time consuming. According to Jacobsen (2002) a better alternative would be to make a selection or a sample of the population. By using a certain matrix, it can be calculated approximately how many people that would be needed to give a representable picture of the population, by asking a much smaller group of people (Creative Research System, 2012). We’ve decided to have a confidence interval of 5 which is equivalent to that we as authors with 95% confidence can say that this sample is representative of the entire population. By having this said, we estimate to guess correctly in 95% of our cases (Jacobsen, 2002).

There are different types of selections, one is called random selection. As any other selection, random selection also requires a certain number of respondents. This is done based on the population and the matrix, all respondents also must be chosen randomly (Jacobsen, 2002).

Another way to get a selection to be representable to a larger population is by using a probability selection. The respondents are then randomly selected, every individual has the same opportunities of being chosen to represent the population. The highlight of probability selection is that no individual has a greater chance than another one (Jacobsen, 2002) A non-probability selection on the other hand, would be when the chances to participate in the study no longer are the same. By not letting everyone have the same opportunities to participate in a survey, a bias is unavoidable (Jacobsen, 2002).

3.3.6 Selection criteria

Based on the population of Sweden, 384 people are to be asked (Creative Research system, 2012). The respondent can be male or female, but must be over 18 years old. In Sweden it’s against the law to advertise directly to someone that is below 18 years of age (Konsumentverket, 2016). Since we’ve decided to use social networks as our main resource of primary data, therefore it’s also a requirement for the respondents to have access to either
Facebook or LinkedIn. Every respondent must be Swedish, the reasons to this is to have a more representable result of the research.

3.4 Criticism on the method

The pre-survey was like previously mentioned made by creating a group on Facebook, where we asked people to answer our survey and give us feedback based on their thoughts. One of the reasons why we decided to ask people to send feedback to us through private messages were to get as sincere answers as possible. Opdenakker (2006) argue in favour of anonymous answers.

Since we asked people for their opinion, we know that a potential bias could be what is called the Hawthorne effect. According to Jacobsen (2002), the Hawthorne effect is when a person subconsciously changes their behaviour when being observed. Ideally every person over 18 in Sweden should have answered, something that is close to impossible to accomplish. Instead we used a 95% confidence level with an interval of 5. This gives our selection a high level of representation to the entire population. We could have used the 99%, which would have given us even more representative answers, because of a larger number of respondents.

We encouraged our friends to like and share the survey to reach a larger group of people, at the cost of not knowing who is answering. Even if we gave instructions indicating that everyone had to be above 18 years of age and that was the only requirement to participate in the questionnaire. What we could have done, is to put in an alternative for people younger than 18. If someone picks this alternative the survey would have been finished for that person.

3.5 Criticism on the sources

To be able to finish this work, we have gathered information by using multiple kinds of sources. Books and sources, found on the internet are the ones we’ve used the most. These are both secondary sources of information, which is something that Jacobsen (2002) explains as information obtained by someone else. We decided to use Halmstad University’s digital school library to find databases with scientific research papers. These sources are approved as reliable.

Digital footprints and location based marketing are two topics which never stop to evolve. What is new today can be old tomorrow. A substantial portion of our paper is based on secondary information, and we rely heavily on the information obtained from scientific articles. Because of this, we as researcher have had to always come back to our old sources to make sure that the information given is up to date.
4.0 Empirical Framework

In this part of the paper, the empirical data that has been collected throughout our survey will be presented. We have decided to use the same statements as given to the respondents to clarify how the results turned out.

4.1 Survey to research the digital footprints and location-based marketing

We have chosen to present all the data from the result of the survey. This to make sure that everything is presented in the paper and be analysed in the last section. It will also be easier for the reviewing and comparing. The survey itself will be presented as an attached file in the very end of this paper. We’ve chosen to present the answers the respondents gave us in both numbers and percentage.

4.2 Survey data

The survey has been answered by 385 people, we chose to have it in Swedish due to the fact that we are investigating the Swedish market and want to decrease the biases with the language. In the first question (Chart 1.0) we are breaking it down if it’s a male or female who is answering the survey. By doing this can we see if there’s a difference and if companies should be using different approaches to reach out to the targets, but it’s not a target of this paper. We can see that the distribution between our two groups are equal.

For further profiling, we asked our respondents about their age, which can be seen in chart 2.0. For reasons mentioned in 3.3.6 the youngest respondent had to be at least 18 years of age. Most our data come from the age group 18-24 and they represent 65% of all the data collected. Our second biggest group are the 25-34 years old representing 19%. Respondents who are between 35-44 stood for 8% of our answers, while people between 45 and 65+ represented 8% in total combined. The smallest group is the 65+ where only 1 % is from it. Similar to our question about gender we give ourselves the possibility to analyse and see if there are any differences between the age groups. This is something that we’re briefly discussing in later parts of the paper.
**Gender distribution and Age distribution**

![Chart 1.0 Gender distribution](image1.png)

![Chart 2.0 Age distribution](image2.png)

Chart 3.0 shows how many of our respondents that said they had access to internet on their phone. A lot of the research is based on that the target person has access to internet through the phone, and the result showed us that 98% of the population have this.

**You have access to internet through your mobile phone.**

![Chart 3.0 Internet access](image3.png)

**Your mobile phone is turned on every hour you’re awake.**

Chart 4.0 shows to what extent our respondents’ phones are turned on throughout the day. 2 or, 0.4% of our respondents answered that they do not agree at all to the statement saying that they have their phone turned on every awaken hour of the day. 9 which is the equivalent of 2.4% of our respondents answered that they agree to some point, 5% were neutral, 20.9%
mostly agree and the majority, representing 71.3% responded that they fully agree to the statement.

Din mobil är igång alla timmar du är vaken

<table>
<thead>
<tr>
<th>1 Instämmer inte alls</th>
<th>2 Instämmer delvis</th>
<th>3 Neutral</th>
<th>4 Instämmer mestadels</th>
<th>5 Instämmer helt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>9</td>
<td>19</td>
<td>80</td>
<td>275</td>
</tr>
</tbody>
</table>

Chart 4.0 Phone turned on

**You’re using the internet to search for clothes.**

Chart 5.0 shows if our respondents are using the internet to search for clothes. As we can see most the respondents are using the internet to search for clothes. 163 people, which is the equivalent of 42.2%, answered that they fully agree to the statement. 30.2% answered they mostly agreed, 11.1% were neutral, the least popular answer, even though it was marginal, was the partly agree which represented 8% followed by 8.4% coming from people who do not agree at all.

Du använder internet för att söka efter kläder

<table>
<thead>
<tr>
<th>1 Instämmer inte alls</th>
<th>2 Instämmer delvis</th>
<th>3 Neutral</th>
<th>4 Instämmer mestadels</th>
<th>5 Instämmer helt</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>31</td>
<td>43</td>
<td>116</td>
<td>165</td>
</tr>
</tbody>
</table>

Chart 5.0 Clothes on internet

**You would say it’s okay for the company to have the following information about you: (tick a free amount of alternatives)**

Chart 6.0 shows what the respondents think is okay for a company to know about them. We
decided to let our respondents tick in as many answers as they wanted. This was done because we do not value one answer more than the other. Some options consisted of personal information like age, name, allergies and gender. While others were more about personal interests. As described before, this was a multiple-choice question and therefore it presents numbers that in total are a lot bigger than the 385 respondents we had.

The information that most people thought would be okay for a company to know was gender with a total of 83,1%, second would be age with 82,7%, name came in third with 77,4%. Clothing size was the fourth most okay information for a company to know about a customer, representing 48,9%. 43,2% of the respondents ticked in shopping habits and 145 people, which is the equivalent of 37,6% thinks it’s okay for a company to know their interests. The less popular answers were: financial situation 16,2%, allergies 12,4%, civilstatus 14,3%, political opinion was the smallest one with only 4,5% followed by people thinking it’s not okay for a company to have any information about them, which represented 9% of the 385 people who answered. We also had the option to let our respondents fill in their own thoughts, out of the 385 respondents, no one did. Therefore, we cut it out of the picture shown below.

![Chart 6.0 Approved information](image)

**You appreciate offers based on your interests.**

Chart 7.0 gives us an idea of what our respondents think of offers which are based on their interests. The majority of our answers are to the far right, which means that people tend to prefer offers based on their interests. The most frequently picked alternative are the one where people mostly agree (35,3%) to the statement. 111 or 28,9% of the people fully agree, where 19,9% were neutral. The difference between people who don’t appreciate offers based on their
interests at all (7.5%) and the people who *partly agree* (8.3%) are marginal.

**You appreciate offers NOT based on your interests.**

Chart 8.0 illustrates how the respondents feel about receiving offers which are not based on things they have shown interests for. Most of the people, 141 or 36.7% do *not agree at all* to the statement, and therefore do not appreciate to receive offers which are not based on your interests. 34.5% *partly agree* and 18.4% were *neutral*. A small portion of the respondents *mostly agreed* (6.7%) to have offers not based on their interests sent to them. The least popular answer was the *fully agree* which represented 3.7%.
You appreciate to be able to choose when you’re getting offers sent to you.
The following chart (9.0) displays the results of how our respondents would appreciate the ability to choose when offers are being sent to them. 190 which is the equivalent to 49% of our answers suggests that people fully agree to the statement and would appreciate to have the ability to decide when a company can send offers them. The second largest category are the people who mostly agree (31%). 12% are neutral towards the statement, and the minority would be the people who partly agree (6%) and the do not agree at all (3%).

You have recurrent advertising about a pair of pants you’ve shown interest for. You now feel more willing to try them.
Chart 10.0 shows us the most evenly spread results of all our questions from the survey. It has to do with how the respondent would feel about having recurrent advertising sent to them even though it is based on a pair of pants they’ve shown interest for at some point. Even though it was very evenly spread, the majority (24%) of the respondents mostly agree to our made-up statement. Second largest (23%) would be the people who partly agree, the third most popular (22%) answer is the one where people do not agree at all. If rounded up, neutral had the same percentage (22%) as the people who do not agree. As we can see on the chart, it was very close between the third and the fourth largest groups. The smallest group and therefore the least popular (10%) answer would be the people who fully agreed to the statement of feeling more willing to try the pants.

Chart 9.0 Offers on your demand

Chart 10.0 Most evenly spread results of all questions from the survey.
You receive recurrent advertising about a pair of pants you’ve shown interest for. You would consider this annoying.

Chart 11.0 illustrates if our population, based on our sample, would be annoyed with recurrent advertising regarding a pair of pants they’ve shown interest for. 31% which represents the most of our answers would mostly agree and feel annoyed by recurrent advertising about the same pair of pants. 25% fully agree, 22% are neutral, 16% partly agree and 6% do not agree at all to the statement given.
You’re getting a notification with an offer from a clothing company. The chance of you reading the message, is higher if it’s based on items you like.

The chart below (12.0) gives us an idea of how likely our respondents are to read a notification about an offer which is based on items of their interests. From the results illustrated we can see that 43% mostly agree and would therefore most likely read the message received. 30% fully agree, 16% were neutral, 6% partly agree and only 5% do not agree at all to our statement about being more likely to read an offer/message sent to them if it was based on things they like.

![Chart 12.0 Opening frequency based on interests](image)

You’re out in the city and you get a notification sent to your mobile from a clothing company you’re not familiar with. You would have visited the store.

The two last questions were more precisely towards what our research question is all about. On this statement, for the first time, neutral represented the majority of the answers (30%), the group of people who partly agreed represented 24% and was therefore the second largest group. 22% of the answers are from people who mostly agree. 19% of the people would not have visited the store. 6% fully agree to the fact they would have visited the store if they received an offer, even though they didn’t know the store before.
You’re out in the city and gets a notification about a garment you’ve shown interest for, that same garment is in a store not far away from you. You would have visited the store.

Our last question of the survey, the one that is the most similar to our research question. Chart 14.0 illustrates how likely it would be for a respondent to visit a store after they’ve received an offer or a notification saying that something they are interested in can be found in a store close by. This is as mentioned before, what we are researching and trying to find out with this paper. 37% of the respondents mostly agreed as can be seen below, this is the most frequently picked answer. 27% said that they fully agree and 21% are neutral in the statement given. 8% answered that they partly agree and the least picked answer would be the do not agree at all (6%).


Chart 13.0 Location-based advertising

Chart 14.0 Location-based advertising based on interests
5.0 Analysis

In this chapter, the results from our empirical framework will be analyzed and compared with our theoretical framework. This will be done to investigate differences and similarities with previous research.

5.1 The usage of mobiles in marketing

The mobile marketing has never been as big as it is today and is becoming vital for companies’ promotional strategies (Berman, 2016). Berman (2016) continues that the usage from the individual’s point of view has never been more as much as it is today. This is since the mobile phone is always on, always connected and always with the customer. Gilan and Hammarberg (2016) confirms this with the argument that five of seven billion people have access to some sort of mobile device. The mobile marketing has the opportunity to become the most powerful advertising media, simply because it creates an interacting platform with the target customer (Kushwaha & Agrawal, 2016).

Kaplan (2012) speaks about three requirements for mobile marketing to work, he also mentions that all three lays within the hands of the consumer. Kaplan (2012) arguing transability and the ability for the mobile device to connect to different networks. One of the requirements is that the consumer should always have the mobile device connected online. By looking at chart 3.0 we can see that 98.2% of the 385 respondents have internet access on their mobile phone. When it comes to the questions about if the mobile phone is always switched on, we can see in chart 4.0 that combined did 92.2% either agree completely (5) or agree mostly (4). This strengthen the information that Berman (2016) provides in the article “Planning and implementing effective mobile marketing programs”. Hence can we state that the mobile marketing platform in Sweden is very accessible and have a high volume of active users. The figures also show that our respondents fulfil Kaplan’s (2012) requirements of mobile marketing.

Berman (2016) argue that a lot of companies suffer from high bounce rates from the mobile devices. He describes it as a possibility that the consumer is using the mobile device as a searching tool, rather than something which finalizes the purchase. This even though they are just visiting and leaving the homepage straight away. In chart 5.0 you’re using the internet to find information regarding clothes, we can see that most our respondents, more often than not, are using the internet to search for information about clothes. 72.6% of the responders did chose either agree completely (5) or agree mostly (4).

We can see that a majority of our respondents, more often than not, are using the internet to search for information about clothes.
5.2 Relevance

Kushwaha and Agrawal (2016) research the major advantages of mobile marketing such as being able to price efficiently reach out to customers anywhere at any time. Different approaches can be taken, depending on the company’s goal. It doesn’t matter if the goal is to inform a large target audience about a sale or if it’s about informing a smaller group of key people about a certain offer; it can both be done (Varnali & Toker, 2010). Kim, Lee and Park (2016) speak of the importance of the context and that the customers have shown some sort of interest for the brand or the products provided before. The results of Granstra and Zbikowski’s (2014) survey shows that 67% of the respondents, would welcome a notification from a company, if it was based on their own preferences.

In chart 7.0 can we see that the 64.2% of all our respondents agree to a greater extent than neutral to have offers based on their interests sent to them. Almost 20% were neutral, and a small number of respondents did not appreciate these offers. The following chart (8.0) regarding how consumers felt about having offers sent to them not based on what they liked, were the answers majority on the negative side, where 71.2% either choose (1) Not agree at all or (2) partly agree. On this question, 18.4% were neutral or wetter they appreciate the offers without the range of interests. This is something that goes well with what Aitken, Gray and Lawson (2008) statement in their article regarding positive and negatives attitudes towards mobile marketing based on how relevant the information in the message is. According to Xu et al. (2009) mobile marketing can be distracting and annoying. A reason for this is because the message/offer lacks relevance for the consumer. The high numbers of disagreement in chart 8.0 You appreciate offers NOT based on your interests aligns well with what Xu et al. (2009) states about the importance of relevance.

Authors Banerjee and Dholakia (2012) mentions in their article Location-based mobile advertisements and gender targeting, a few things that needs to be considered before reaching out to the customer but more importantly, before sending them notifications. Arora et al (2008) continues to build on this statement by using the terms relevant, beneficial, irrelevant, intruding, when speaking of the message being sent out to the consumer. To maintain a relationship with a customer through online messages, the messages shall be designed smart and not be sent out to often (Smutkupt et al., 2012). As shown in chart 12.0 You’re getting a notification with an offer from a clothing company. The chance of you reading the message, is higher if it’s based on items you like. 89% of our respondents agree to a greater extent than neutral. 43% mostly agree, 30% fully agree and the other 16% came from respondents who were neutral in the statement given. Li and Unger (2012) strengthen this statement by saying that consumers can take distance from a company when their information have been or is being used in a careless way.
5.3 Location based marketing

Location based marketing is a strategy that sends out notifications/offers to a consumer based on their location (Rouse, 2012). The idea is that the mobile device pings its location and therefore can expose where it is located. This information is something that companies can use to provide personalized services to the consumer (Ryschka, Murawski & Bick, 2016).

The push method is a strategy when a company sends out a message with information to a consumer (Beldona et al, 2012). By doing this the company can control when the message is being sent out and the content which the consumer will see. According to Rimlinger (2011) it’s essential for the company to send out the right message at the right time. If executed correctly, the consumer will have an increased customer experience. If this fails and the consumer receives something that is irrelevant or at the wrong time, the consumer could potentially stay away from the company.

According to our data collected in chart 13.0, You’re out in the city and you get a notification sent to your mobile from a clothing company you’re not familiar with. You would have visited the store. The result of this was that 72% answered they were neutral or less interested of visiting the store. This can be compared to chart 14.0 where the same conditions were presented but with the extra factor that the respondents are familiar with the company. At this point did 86% either pick neutral or higher. As we can see, consumers are more positive towards companies they are familiar with. Arora et al. (2008) speaks about customization and the importance of building a good relationship with its customers, something that according to our answers seems to be extra important when it comes to LBS.

“A successful pull effort from the consumer side will contribute greatly to the push effect generated on the retailer side in a channel system” (Jyh-Shen et al., 2009, p. 431). LBS is based on the push effect from the company and as illustrated in chart 13.0 and 14.0 there is a difference between how people feel about location based marketing from companies they are familiar with or not. As shown in chart 14.0 this aligns well with Jyh-Shen et al. (2009), that the search history or interests are leading to a more efficient push effect. At the 13.0 chart did the majority chose the neutral (3) alternative. One requirement for the pull method to occur is that the consumer need some sort of brand preference (Rimlinger, 2011).

The result from our data collection align with Rimlinger’s (2011) theory about push and pull method and location based marketing.
5.4 Customization

Arora et al. (2008) speaks of the advantages of customization and how it can increase a customer’s satisfaction which eventually will lead to a healthier relationship with higher profits. Customization is according to Svane (2016) a way to take marketing to a more personal level. This is something that will bring value to the consumer in the form of exclusivity. It doesn’t necessarily have to be an offer customized to the consumer, based on his or her interest. It can also be personal on another level, which could be that the company is using the surname and family name in their send outs (Li, 2016).

To make this type of marketing possible Arora et al. (2008) speaks of data that needs to be analyzed. This is being referred to as digital footprints. This is information is partly generated through cookies and partly from information that the consumer decides to give away throughout requests to insert that information in open text boxes. Chart 6.0 illustrates, as will be mentioned more in detail in 5.4.1, which information a consumer considers okay for a company to know.

Chart 7.0 *You appreciate offers based on your interests*, a legible majority (64.2%) of our respondents answered that they either mostly agree (35.3%) or fully agree (28.9%) to the statement. According to Svane (2016) one of the reasons could be because the offers are based on the consumer’s interest and therefore is relevant to them. If we continue to look at chart 9.0 *You appreciate to be able to choose when you’re getting offers sent to you. people tend to value this function high. This is also something that will be analyzed more in depth in 5.4.2

5.4.1 Which Information is okay?

Thommesen and Andersen (2009) speaks of different varieties of security and that it’s highly individual of which information people think it’s okay to share with others whom they do not know. Our respondents gave us a large variety of answers when they were requested to fill in which information they think would be okay for a company to know about them. This is being illustrated in chart 6.0. As we can see, most of the respondents think it’s okay for a company to know gender (83.1%), age (82.7%) and name (77.4%). Where not as many thought, it would be okay for a company to know about their: political opinion (4.5%), no information at all (9%), allergies (12.4%) civil status (14.3%) and financial situation (16.2%).

Lahlou, (2008) speaks of different social identities and that people tend to change their social identity based on the situation. People seems to care about what other people think and feel the need to be in a social community, and therefore they tend to not always share information they think is to personal. According to Thommesen and Andersen (2009) relationships can be maintained and improved by sharing personal information. Both Lahlou (2008) and Thommesen and Andersen (2009) states that sharing of information depends on the relationship between the two. This also goes for the relationship between a company and a consumer. Chart 6.0 therefore indicates that political opinions, allergies, civil status, financial situation are significantly more personal than gender, age and name. Li (2016) implies, that a send out with...
the receiver’s family name written on it can give it a friendlier touch, which also goes well with the information our respondents think is okay for a company to know.

5.4.2 When to receive advertising

Many companies are using what’s called opt-in/out, which is a function that allows the consumer to choose if they want to expose their location or not. According to Gazley et al. (2015) there are countries where an opt-in service is a necessity for them to be legal. By having the option to opt-in/out, consumers tend to be more accepting towards the companies or the application providing it (Gazley et al., 2015).

For LBS to work it also need a geofence. Greenwald et al. (2011) speaks of two kinds of geofencing, a pull location-relevant information method and a push location-relevant information method (Greenwald et al., 2011). The difference of these two is that the pull method is when the consumer wants to receive notifications. The push method is when a person enters a certain area and receives a message/offer without accepting it beforehand.

When given the statement *You appreciate to be able to choose when you’re getting offers sent to you* (chart 6.0), 49% said they fully agreed and 31% said they mostly agreed. The data displayed in chart 9.0 shows that people are positive towards this function and which aligns with Gazley et al. (2015) states. Dhar and Varshney (2011) highlight the importance of protecting a customer’s privacy and making the consumer aware of their option to control how much information is being sent to the company.

Chart 13.0 and chart 14.0 shows that our respondents are less interested in visiting a store whom they are not familiar with than a store they know. The push method means that the company controls the message being sent to the consumer (Rimlinger, 2011). Chart 13.0 is entirely based on the push method, while 14.0 is based on both pull and push. In the statement given in 14.0 the respondents have had some sort of interests in the products and the store. To have a brand preference is a key factor in the pull method (Rimlinger. 2011). The reason for this outcome could be strengthened by Jyh-Shen et al. (2009) who says that it’s more effective with a mix of both the methods.

5.4.3 Frequency of advertising

In chart 10.0 can we see the results of what the respondents would think about having recurrent advertising sent to them and their willingness to try the product. Xu et al. (2009) argues that consumers think mobile marketing is most annoying when it’s not relevant. 24% mostly agree to the statement, 23% partly agreed, 22% did not agree at all. If combining the percentage of answers that were 1-3 (not agree at all to neutral) we would have gotten 67%. If we do the same with answers from 3-5 (neutral to fully agree) we only would have ended up with 56%.

This question was the one where the respondents differed the most, one reason to this can be their perception of the remarketing can be more offending than valuable. According to Granstra
and Zbikowski (2014) most companies find a way to establish trust with customers and an effective way to do so without crossing any privacy line. Zarouali (2017) adds up that the remarketing there is a fine line between being to private and being profitable for the company.

11.0 confirms to an extent what’s been stated above. Most of our respondents would consider it annoying to have recurrent advertising being sent to them. Even if it is based on something they’ve shown interest for. The numbers in chart 11.0 are more extreme, 31% of the respondents would mostly agree to the statement and be annoyed, while only 6% would not be annoyed by recurrent advertising.

The numbers are far less spread out in chart 11.0 than in 10.0. Lahlou (2008) argues that the level of relevance can change as the consumer changes his or her social identity. What is relevant today, might not be relevant tomorrow. As mentioned in 2.1 the importance of being up to date is essential to not risk annoying a consumer (Smutkupt et al. 2012) which could result in that the consumer takes distance from the company (Li & Unger 2012). Rimlinger (2011) speaks about the importance of when the message is being sent which also could be backed-up by the change of relevance stated by Lahlou (2008). Banerjee and Dholakia (2012) speak of the importance of a message not being too intrusive and that there is a fine line between reminding and annoying the respondent with recurrent advertising. Li and Unger (2012) strengthens this statement by saying that consumer can take distance from a company when their information has been or is being used in a careless way. Even though this type of ad is based on a pull effort from the consumer’s side, it can’t guarantee to be effective as an upcoming push effect, something that Jyh-Shen et al. (2009) claim.
6.0 Conclusion

This part of the paper will cover our conclusion as well as a discussion. The discussion will be based on our own thoughts and the outcome of the results. We will also outline an answer of the research question and give advice for further research based on what we’ve learnt throughout the process.

6.1 Conclusion

The purpose of this paper was to examine if the clothing industries’ brick and mortar stores could change its down going trend by using both location-based marketing and the digital footprints of a customer as a part of their strategy.

To examine this purpose, we have during months of frequent investigation studied how consumers would perceive marketing through their phones. Our study has shown us that marketing, based on a person’s geographical position and digital footprints, could be closer than we first thought. We have focused our research from a company’s point of view and this has been done by asking the market thru a survey. With the theories from previous studies and the results from our own empirical work, we have been able to draw a conclusion, which should be able to reflect the reality in Sweden. Our goal is, and has always been, to let Swedish clothing companies get inspired by our study and hopefully form an idea of how to combine LBS and digital footprints.

In our study, we have seen a pattern of how important context and relevance in the messages and offers being sent out to the consumer. We can see a difference, in the data provided, between offers being sent based on interests or not. Our data strengthens previous studies, regarding the importance of interests. Another finding provided by our result is that our respondents prefers to be able to choose, when to get notifications/messages/offers sent to them. The opportunity to be in control of how much information the consumer share, could be why our respondents prefers the ability to opt-in/out.

According to our data, most of the people would be annoyed by the recurrent advertising, but an even larger portion of our respondents would still try the pants from the advertisement. This is very contradictory and the whole reason for this we cannot explain, we can only speculate. A potential reason could be that people tend to change their behavior based on social norms and what other people in their surroundings says and thinks. A long shot could be that people subconsciously sees advertising as a social community. As previously mentioned, the pull method relies on brand preferences. For this to happen, the consumer must have been in contact with either the product or the brand. It doesn’t mean that it’s necessarily the company who has informed the consumer, it could as well be a friend, family member or a social community. So, based on our results and theories presented, a relationship between the customer and company is essential.
So, how can the Swedish clothing companies increase customer flow in their brick and mortar stores by using customers’ locations and their digital footprints?

Companies shouldn’t try to push new, unknown products to a consumer who haven’t shown interest in the company or product. The company should aim at building a relationship with consumers before implementing this strategy. A company shouldn’t use a combination of LBS and digital footprints to recruit new customers by asking them to visit a store. Instead, companies should make sure that they are always up to date with their customers’ preferences to avoid that customers takes distance from the company. By being up to date and informative, companies can improve the customer flow in their stores with the combination of location based marketing and consumers’ digital footprints.

6.2 Limitations

Based on our sample size, our results could have been representative. We had the number of respondents needed, but the distribution among our respondents were not a true reflection of Sweden. 65% of our respondents were within the age span 18-24, which isn’t representative, therefore our results cannot be generalized.

Our results are also based on Swedish consumers’ view on this type of marketing for clothing companies and therefore it shouldn’t be taken for granted that the same results will be given at another industry or country.

6.3 Suggestion for further research

Our study was based on that the Swedish clothing industry’s brick and mortar stores are losing ground to the online alternative. We chose to do this by studying the location-based services and the digital footprints that a customer leaving online, and how/if this can benefit companies.

With the conclusion, we got regarding the LBS and that companies are not gaining anything by sending out notification to people who haven’t shown any interest of the brand; would it be interesting to research about how the LBS can be used as a recruitment marketing. That will say to target groups that are not customers of the brand or the product today. With the fact that LBS are increasing its field of activity each year, must marketers investigate these new types of communication tools.

Another area to study is to do the same survey in other cultures and industries, and see if the answers differ or follow the same pipeline. This to see how the perception of the location-based marketing and that a company know so much about a person differ in other cultures and industries. A cross-country study between more countries could be one suggestion and see how the brick and mortar stores gets affected by the different opinions. To implement this on different industries could also be of scientific interest, and measure how i.e. substantial risk buys can use these strategies.
The research could also be investigated from an age perspective, where a point of departure could be from the digital native, whom are born and raised in the digital era. From a marketing view this could lead to new findings in how to segment the market and target customers by using customer data and location.
7.0 References


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Appendix – Survey

Platsbaserad marknadsföring och digitala fotspår i vardagen.

I denna studie så granskar vi hur företag använder sig av platsbaserad marknadsföring och hur dem följer upp digitala fotspår, som vi konsumenter lämnar efter oss. Dessa fotspår kan exempelvis vara hur vi röker os på internet, mellan hemsidor och vad vi gillar på sociala medier.

Du kommer i denna enkät ställas inför ett antal påståenden och frågor, där din uppgift är att ta ställning till påståenden genom att fylla i det alternativ som bäst passar din åsikt.

Undersökningsen tar uppskattningsvis 3 minuter och alla deltagare är anonyma och svaren kommer endast användas i vetenskapligt syfte.

*Obligatorisk

1. Du är: *

☐ Man

☐ Kvinna
2. Du är mellan: *

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+

3. Du har tillgång till internet på din mobil: *

- Ja
- Nej

4. Din mobil är igång alla timmar du är vaken. *

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5. Du använder internet för att söka efter kläder. *

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6. Du tycker det är okej att ett företag har följande information om dig: (Kryssa i frivilligt antal alternativ) *

☐ Namn
☐ Ålder
☐ Kön
☐ Klädstorlek
☐ Shopping vanor
☐ Ekonomisk situation
☐ Allergier
☐ Intressen
☐ Civilstatus
☐ Politisk åsikt
☐ Jag tycker ingen informationslagring är okej

☐ Övrigt: ____________________________

7. Du uppskattar att få erbjudanden som ÄR baserade på dina intressen *

1 2 3 4 5

Instämmer inte alls

☐ ☐ ☐ ☐ ☐ Istämmer helt
8. Du uppskattar att få erbjudanden som INTE är baserade på dina intressen. *

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9. Du uppskattar att själv få bestämma när du ska få erbjudanden skickade till dig. *

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