

Bluetooth marketing three years on

 By [Petros Kondos](#)

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Late 2005 saw the first malls in South Africa go live with Bluetooth as location-based marketing communication medium. The idea is to use Bluetooth to communicate relevant retail and mall communications to accepting customers' cellphones.

The media has seen a steady growth within South Africa and the rest of the world. Two predominant business models have been developed within the Bluetooth location-based marketing environment.

The first and most successful model is based on major property owners controlling not only their retail space but also their digital/mobile space. The property owner has gone to the expense of building the mall and creating an environment which attracts customers, hence the next step is to ensure ownership of the mobile space as far as possible within the mall. This then gives control of the mobile and content environment to the mall management. Therefore content control allows the mall on-site access to the customer (when spend is top of mind) without the restrictions or costs of the cellphone network operators. Therein lies the crux of successful mobile communication.

The second, significantly less successful, model is one where the mall relinquishes all rights to their digital/mobile environment to an outside agency. Here income is derived by the agency via the sale of content to be distributed in the mall. This then takes location-based mobile communication and converts it to a "billboard" model. The mall gives away their link to their customer in exchange for a small percentage of "billboard" profits. The astute mall manager understands that a customer centric CRM model demands that you never relinquish your link to the customer.

The basic difference between the two models is that in model one, the mall manages the nature and content of the customer communication, constantly adjusting it to suit the retail environment that it is creating. Model two acts as an electronic pamphlet with customers receiving only the campaign that the agency managed to sell for that month.

The next area that we can look at is data. By the end of 2005, there were only two malls that were Bluetooth enabled. In early 2008 that count had risen to over 30 malls including most of the major regional malls, an international airport and 40 - 50 other independent sites. In 2005, very few brands were leveraging the media; by 2008 many major brands have ensured some Bluetooth footprint.

Finally, by late 2005, there were maybe 1,000 Bluetooth downloads taking place per month across SA. Today, from just one Bluetooth location-based supplier company there are over 40,000 unique downloads per month across SA. An estimate including all of the companies in operation in this field today would easily take that number to over 60,000 per month. That's a lot of phones to reach with your message.

ABOUT PETROS KONDOS

Petros Kondos (petrosk@w cit.co.za) is co-founder and CEO of Wireless Customer Interactive Technologies (www.w cit.co.za), which launched in 2004 and mainly focuses on providing Bluetooth location-based marketing systems. Petros specialises in alternate mobile media communication as seen from a customer relationship management context, and as the marketing brain behind WCIT, has twice been an invited guest speaker in Europe on the subject.

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