

## Background

Foursquare recently rolled out its new promoted products in order to monetize its service. Foursquare is a location-based social networking service for mobile devices that allows users to check in on local locations that they are visiting. The rollout of paid advertising comes almost two months after Foursquare launched a revamped version of its service that makes it a more direct competitor with recommendation services like Yelp, instead of merely a check-in service.

## Details

In mid-July Foursquare announced the launch of “local updates”, which let business owners send updates about their business to their “best customers” when they’re nearby. Your “best customers” are determined by how often they check in, how recently they’ve checked in and whether they’ve liked a certain venue. The updates target people who’ve already interacted with the brand on Foursquare, so it’s more of a tool to build loyalty and continue the conversation with existing customers than a way to acquire new ones.

Now Foursquare has launched a promoted product suite: allowing brands to connect with new potential customers. The new “explore” tab lets people find things near their location and brands can connect in one of three ways:

- They can send **promoted updates**, telling people about the business that exists. They can do this for one or all locations depending on the reach they want to get
- They can create **promoted specials and coupons**, which allows retailers and merchants to be able to communicate offers and deals going on.
- Finally, a partnership with Amex encourages businesses of all sizes to share the ability to come and buy from them timing with Amex discounts. These **promoted credit card specials** are now available through the “explore” tab.

Foursquare is also paving the way for profile pages. The new feature, which can be seen at [foursquare.com/businessname](http://foursquare.com/businessname), has all the trappings of profile pages, hinting at future paid features. Each page has a bio, banner image, a collage of likers, photos, tips, recent updates and lists. To optimize Foursquare, brands can support local businesses by leaving tips around town — these tips comprise much of the content users see, with hyperlinks to the tipster’s page, so brands could actually drive traffic to their own page by being supportive of other businesses.

## Implications

From a brand’s perspective, the early benefits include the ability to get the data and insights on the users check-ins. Brands will be able to see how many check-ins a day they got, what time of day users checked in, any comments that customers were making and get solid insights on those repeat visitors. Regardless of whether the updates are paid or free, good update topics include: new menu items, upcoming events, specials, discounts and a fresh batch or new shipment of product. Think about the kind of things your frequent customers would want to know about, and use updates to lure them to your storefront.

## Summary

Foursquare is rolling out Promoted Updates and Promoted Specials with a handful of large chains, including Gap, Old Navy, Hilton, JC Penney, Best Buy and Walgreens, as well as some smaller enterprises. All these companies are paying Foursquare on a “cost per action” model, not based on how many views, or impressions, their updates receive. The other 1 million merchants registered on Foursquare will be able to advertise through Promoted Updates “in the coming months,” a spokesperson said. It’s certainly a start, and it will be interesting to watch how it opens up to paying customers.