

Building a Business Model for Consumer LB Applications

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So you think you have a million dollar idea. How are you going to turn it into a product then get it into the hands of customers so that you can bank your first million? Learn some of the secrets of commercializing LB consumer applications that actually make money.

Here are some questions that you should ask yourself and some help in answering them to build a successful plan for a successful product.

What does Location mean to your application? A key thing to keep in mind that a lat / long is really only a data point. It needs to be used for something to make it valuable to the user. The less the user has to know about using the location data, the better.

What does your application mean to your Customer? It has to be something that will make a difference in their day to day life or be addicting. But that doesn't mean it needs to be complex. Simple simple simple is better. Make your application solve a problem or satisfy a desired need.

How are you going to get it to your Customer? This is key. Typically, the easiest path to market is through an aggregator. However, you should make yourself known to the carrier as location-based applications usually require some level of carrier buy-in prior to launch, especially if you want to charge for it.

Be realistic on your location performance expectations. High availability / high accuracy location techniques come at a price. Try to use the "free" types of location that are at your disposal. Make sure your user is not left high and dry if no location is available. Location is still not a perfect service. You need back-up solutions in case someone can't get a locate.

What is the right product? The right product usually is not the one that is surrounded by thousands of other similar apps, nor is it usually the ground breaking first of its kind. There are always exceptions, but in reality, it is the app that gives the user something they need or love and connects them to something else that is of value to them. There is something to be said for mashups.

Latest, greatest and most complicated really is not the right choice unless you have very deep pockets and a huge marketing budget. Less is more can be key to LB apps.

Pick markets where you can physically test to ensure the app will work – desktop testing location-based applications is not enough. Location, location, location. There are service providers who can help with this.

Support as many handsets in your target market as possible but don't try to be everything to everybody. Focus is key.

Make sure you spend money and time to physically meet your distributors (i.e. carriers and/or aggregators). Go to some conferences attended by the people you need to meet. Develop a relationship. Get an invite and go see them in their hometown. Deals don't get done via phone and email. Face time is everything to closing deals.

Don't build it and think they will come. Marketing is vital. Budget for it. Co-marketing with a carrier is even better like VZ Navigator on Verizon made the difference. Plan on doing it yourself first. Don't leave your destiny in the hands of others.

Single or multi-user apps? Which one is best? Frankly ones that can do both. An app that can be used by a single user to meet their needs is good. But a multi-user app also allows viral marketing to aid in awareness and sales – and community building in connected devices. And, don't forget the web. Because location-based applications are network-aware, you can incorporate a web component that adds extra value to the user experience without it being mandatory to go to the web.

If you would like to learn more about any of these topics or like help in executing on them, please feel free to contact us at info@growwireless.com.