

Location Based Services Expanding

By Rachel Nielsen

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The big three providers and smaller players all want to help you find things. Igor Tabakov

The list of location-based services — mobile applications that can inform you what businesses are close to your smartphone location, link you to discounts and connect you with nearby friends — got a new entrant Wednesday with the launch of <u>Lokata</u>, the Russian version of a successful European offering.

Lokata, which combines interactive maps, virtual catalogs and address information to turn your computer or smartphone into a shopping compass, is a joint venture of Moscow-based Fast Lane Ventures and Bonial International Group, which is 75 percent owned by German publishing powerhouse Axel Springer.

The big three mobile operators — MegaFon, Mobile TeleSystems and Beeline — all have their own location-based services, or LBS, offering, but Lokata anticipates partnerships with them.

"We would like to reach out to them," said Christian Gaiser, who founded the original German service in 2008. Once the Russian version of the product is running full force — it is in trial

mode through June — the mobile operators will come to them, he added.

With smartphones now making up more than 25 percent of cellphone sales in Russia, according to figures from ACM-Consulting, the customer base is guaranteed, but Lokata faces competition from similar products offered by the leading operators and their existing partners, plus products in their pipelines.

Last year MegaFon launched a navigation product combining interactive maps, a MegaFon store finder and other features. This summer, it will sell smartphones with a mobile auction application pre-installed, Leonid Savkov, marketing director for MegaFon's research arm MegaLabs, said by e-mail.

Beeline is partnered with location-based social networks <u>Foursquare.com</u> and <u>AlterGeo.ru</u>, which delivers a full spectrum of location-based services. Beeline also has an entertainment portal, Afisha.Beeline that gives movie, theater and concert times, lets you reserve movie tickets and gives details on taxis and other services.

MTS didn't respond to e-mailed requests for details of its location-based offerings.

Lokata sees a differentiator in that it combines online services with the information necessary to make offline purchases in person at the vendor nearest you.

While there are lots of online shopping sites, "there has to be something for the offline world," Gaiser said. With the service, called kaufDA in Germany and Bonial in France, users can access electronic versions of fliers, minicatalogs and other paper advertisements for major retail chains. Those are paired with maps and store information to help users find brick-and-mortar stores.

Lokata has an Internet portal, Lokata.ru, and a mobile application that works on Apple's iPhone, iPhone Touch and iPad, as well as on devices using Google's Android platform.

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