Discounts offered in Facebook check-in 'Deals'

The Associated Press

NEW YORK (AP) -- If you use Facebook to "check in" to your favorite restaurants or shops, you can now expect to see rewards and discounts from companies looking to drum up business and lure in loyal customers.

Facebook is looking to bridge online advertising with people's offline behavior as it announced a service called "Deals" on Wednesday. It's an extension of Places, the check-in feature the company unveiled this year. Rising with the explosive growth of smart phones, services based on people's location help them find coupons, earn quirky merit badges or simply share with friends where they are.

The number of people using such services is still small - just 5 percent of the U.S. Internet population, according to a May survey from the Pew Internet and American Life Project. But it's growing, and businesses ranging from small mom-and-pop stores to national chains are starting to take notice.

Facebook said Wednesday it is launching a test version of Deals with 23 companies, including the Gap, 24 Hour Fitness, North Face and Alamo Drafthouse Cinema, a small theater chain that serves food and drinks along with movies.

Starting Monday, Alamo plans to give away limited edition pint glasses to people who check in to one of its cinemas. Time League, Alamo's founder and CEO, said Facebook is his company's "primary marketing tool," and offering check-in deals will help increase customer loyalty.

"We do a lot of things to distinguish ourselves from traditional movie theaters," he said. Though check-ins are not part of most people's lives, League believes their popularity will continue to grow, becoming "part of the language of how people use their cell phones" and communicate with one another.

Businesses will be able to choose whether to rewarding customers for simply checking in, for bringing in friends or for repeat business. Instead of discounts, they can also offer charity deals. The gym chain 24 Hour Fitness, for example, plans to donate $1 to Kaboom, a charity that builds playgrounds, for each check-in made during a designated 24-hour period.

Smaller social services such as Foursquare and Gowalla already let businesses offer deals to their users. The review site Yelp is also jumping on the bandwagon; it said Tuesday it plans to introduce "check-in offers" later this month. But Facebook's entry into the space is significant because the company commands the attention of so many more people. As such, it could help shift turn location-sharing from something embraced by few tech-savvy early adapters into something commonly used by a broad range of people.

Facebook, which is based in Palo Alto, Calif., won't disclose how many of its users have tried Places. It would only say that it's in the "millions and millions." Of its 500 million users worldwide, 200 million use its mobile application. Places is currently only available in the U.S.

Also Wednesday, Facebook added the Places feature to its app for phones using Google Inc.'s Android system. Previously, it had an app only for Apple Inc.'s iPhone, though users of Android and other phones could use Facebook through a mobile site for touch-screen phones.

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