

## **ABSTRACT**

### **PRICE FORMATION IN LOCATION-BASED ADVERTISING NETWORKS**

A method of providing a location-based advertisement is provided. The advertisement is provided to an electronic communications device, over a communications network, on behalf of an advertiser. The method includes calculating an adjusted price to be charged to the advertiser for the advertisement using at least a geographic location associated with the advertisement, a distance of the electronic communications device from the geographic location and optionally a bid price associated with the geographic location. The method also includes delivering the advertisement over the communications network to the electronic communications device. A system for providing such advertisements, as well as a computer-readable storage medium with instructions, in the form of software, to perform the method or implement the system are also provided.

FIG. 1