

How can businesses use location data effectively?

Article

Marketers saw the potential of location data early and remain major users of it. But applications are expanding beyond marketing, with some of the biggest growth areas being in analytics and operations for real estate, finance, consumer packaged goods (CPG), and urban planning.

Marketing uses of data remain widespread. According to an October 2020 BCG survey, location data was very commonly used for geotargeting and other marketing applications across verticals worldwide. Digital customer experience enhancement was also a popular use case in several industries.

Use Cases for Location Data According to Executives Worldwide, by Vertical, Oct 2020

% of respondents

	Financial services	Retail and ecommerce	Transport and logistics	Real estate	Travel and tourism
Digital customer experience enhancement	69%	65%	43%	59%	73%
Geomarketing and targeted communications	63%	78%	53%	68%	69%
Network and supply chain optimization	49%	60%	56%	35%	24%
Workforce coverage optimization	41%	34%	31%	30%	24%
Support function optimization	41%	0%	0%	0%	0%
On-premises customer experience enhancement	36%	38%	0%	48%	60%
Route planning and optimization	30%	53%	74%	33%	10%
Zone-based pricing	0%	37%	28%	28%	19%

Note: n=520

Source: Boston Consulting Group (BCG) "Unlocking Value with Location Intelligence" commissioned by Google, Feb 8, 2021

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Nearly 4 in 5 retailers that used location data said they have geotargeted marketing, per BCG. Location data is a core way for retailers to drive consumers to a local store by targeting customers primarily, but not exclusively, through social media and search ads.

Even for marketers, location intelligence is more widespread than location targeting. Foursquare and Advertiser Perceptions data from March 2020, prior to the pandemic lockdowns in the US, underscores the importance of using location data in identifying customer segmentation, local trends, competitive intelligence, and other aggregated use cases. And location data is likely to have grown in importance since then. This is probably also true of measuring and quantifying ROI, which includes analyses of store visits as a conversion metric.

How Do US Marketers Use Location Data at Their Company?

% of respondents, March 2020



Note: n=150

Source: Foursquare, "Location Data in a Marketing Lifecycle" conducted by Advertiser Perceptions, June 23, 2020

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Location data can also improve retail operations and customer experience (CX). Beyond using location data to provide directions to stores or identify nearby inventory, retailers can also use it to alert workers when customers arrive for curbside pickup, or to allocate workers in anticipation of a surge of shoppers. Real-time data can also track supply chain movements, which can let shoppers know when to expect in-store availability or delivery of their ecommerce orders.

The travel industry is using location for upsells and improved CX. Location data can trigger welcome messages from hotels or provide targeted advertising for package deals.

Finance and real estate firms can analyze location data for trends. Activity near ports, factories, or stores can provide early clues of a company's performance. Increased traffic in certain neighborhoods or cities can also be early indicators of real estate demand.

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