An aerial, high-angle photograph of a city street intersection. A prominent white-striped crosswalk cuts across the dark asphalt. Several pedestrians are captured in motion, walking across the crosswalk. Their shadows are cast long and dark on the pavement, indicating a low sun position. The overall scene is a busy urban environment.

Location Data in a Marketing Lifecycle

Insights into Location Data Use,
Benefits and Opportunities

June 2020

FOURSQUARE

Independently conducted by:



Introduction

Location, location, location. While this catch-phrase is often applied to real estate, for today's Marketer, it can just as easily be applied to data. From segmentation and targeting, to measurement and analytics, location data informs Marketers on consumer behavior, ad effectiveness and retail performance. But does location data deliver on these promises? And with so many data resources, where does location data reside in the Marketer's toolkit?

To answer these questions and more, in March 2020, Advertiser Perceptions surveyed 150 brand advertising decision makers across the US with \$5M+ annual digital advertising spending across key categories, including Apparel, Automotive, CPG, Media & Entertainment, Restaurants and Retail. In addition, these survey responses were supplemented by interviews with a subset of advertising decision makers to provide more depth and color to the survey data.

Our insights address the following objectives:

- **DETERMINE** who "owns" and accesses location data within organizations, both in and outside of Marketing
- **IDENTIFY** the opportunities for location data and its benefits and challenges
- **EXPLORE** how location data is used, why and desired outcomes
- **ASSESS** impact of privacy regulations on data collection and use – and how organizations respond to privacy-related challenges
- **FORECAST** location data's future

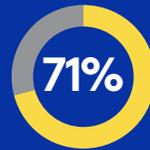


Research Highlights

Location data is critical because of its many - and varied - use cases.



Identify New Consumer Markets



Serve Location-Based Advertising



Measure And Quantify Roi



Offer Personalized Experiences To Customers



Enhance Customer Analytics

Location data's many use cases lead to related benefits, led by improving consumer engagement and driving ROI.



Improved Engagement/Receptiveness



Improved Roi



Relevant Content For Customer



Measurement Campaign Effectiveness/Offline Measurement

Location data delivers on performance, whether Marketers measure attribution, purchase or brand lift, or seek deeper customer insights.



Digital campaign attribution



TV activity or attribution



Advanced metrics



Retail layout



KPI forecasting

Location data will only be more important as we shift to a post COVID-19 world.



More critical



As critical

Who Owns Location Data

When it comes to the question of who “owns” location data – that is, who drives partner decisions, determines how location data is used and ultimately how it performs – the short answer is the Marketing Org. However, as seen below, there are many variations as to who within Marketing is responsible.

Functions Responsible for Location Data - Percent of Respondents



Q: Which functions/departments within your company are responsible for managing location data?

Base: Total Respondents (n=150)

Location data “owners” within Marketing are led by Brand Managers, Marketing Communications and Digital/Social Media Marketers. But ownership is not exclusive to Marketing. Data Science, Consumer Insights, Programmatic and even Finance play roles in how organizations leverage location data. This points to location data’s importance, as well as its various use cases, which we will discuss later in this paper.

Based on the Marketers we spoke with, the agencies' role in leveraging location data is both varied and uneven. Agencies can lead such areas as partner selection, audience identification, attribution modeling, campaign analysis and recommendations. How involved agencies are differentiates the strategic from more tactical partners.

With so many across organizations tapping into location data, a concern is how well they work together to achieve their respective goals. Our research shows that for a majority, collaboration within and across companies is "excellent."

How Well Company Collaborates on Location Data Management - Percent Rating 5 'Excellent'

61%

Collaboration within your team/department

57%

Collaboration between teams/ across the company

56%

Clear articulation from management of your team's/ department's roles and responsibilities

Q: How well does your company collaborate in managing location data? (Scale of 1 to 5, Where 1 = Poor and 5 = Excellent)

Base: Total Respondents (n=150)

One universal key in successful collaboration is strong management from above: the clear articulation of roles and responsibilities. Without this, collaboration within teams and across the company is difficult if not impossible. And without great collaboration, all goals, including those for location data, goals are set up to fail. Fortunately, based on these results, many of the Marketers we surveyed are instead set up for success.



“

It's two main groups A data team is responsible for selecting, purchasing, cleaning and aggregating all of the data we bring in. That group owns the relationship with the companies, and brings the data together for the second group to analyze. This is the media group. We take that data and understanding who our audience is, build segments and assess how our campaigns and movies perform.

– VP (Media + Entertainment)

”

“

Marketing teams. And agencies, where they exist, drive the relationship with partners.

– Director, Customer Engagement (Retail)

”

“

We take advantage of the relationship our agency has. The part where they're the biggest contributors is taking data and learnings and synthesizing to an audience strategy as it relates to programmatic and social media. The agency's expertise lies in how to use location data and analyze it.

– VP (Media + Entertainment)

”

“

The agency is deeply involved in a lot of attribution modeling they do tied to the media they buy. So they are big partner, but when it comes to vendor selection, that's our business.

– Marketing Director (QSR)

”

“

Our agency is definitely involved, recommending and contracting with local data partners. And work with our data team on analysis and recommendations. A partnership versus something transactional.

– Global Marketing Manager (Auto)

”

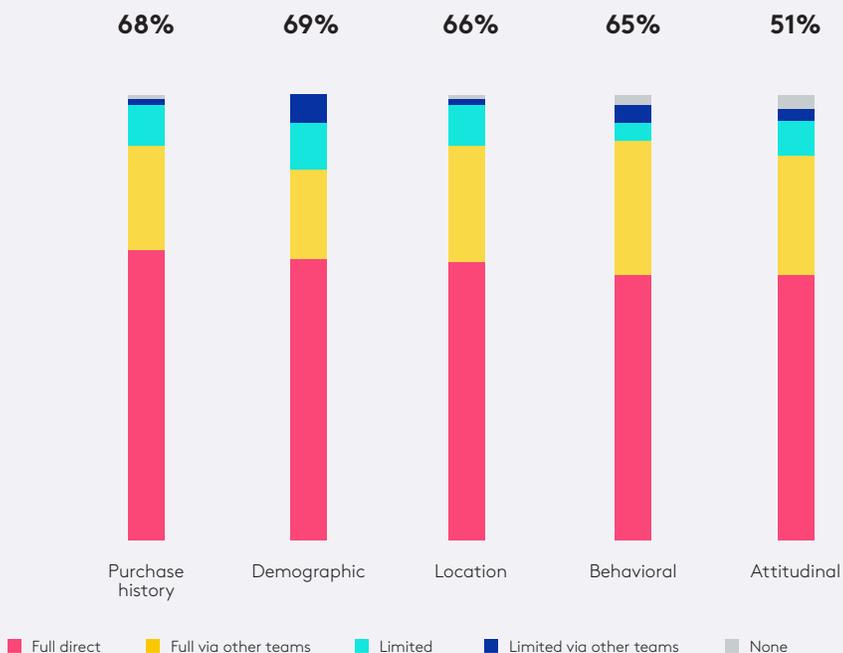
Location Data: Opportunities and Obstacles

More sources of consumer data are available to Marketers than ever before. Data can be anything from who we are and where we are, to our attitudes and opinions, to the media and products we consume. So where does location data fit among these resources? What is its importance versus all the other data points Marketers can leverage?

We asked Marketers to rate the importance of various types of customer data for achieving their goals. What is striking is that most Marketers deem nearly all these data types “very important.” Marketers need a robust data portfolio to succeed, regardless of their product category or goals. And for two-thirds of Marketers, location data is very important in driving this success.

Customer Data Access by Type

- Percent of Respondents (Sorted by Full Direct Access)



Consider Very Important to Achieve Marketing Goals

Q: Which describes your access to these types of customer data? (Scale of 1 to 5, Where 1 = Full Direct Access and 5 = No Access)

Base: Total Respondents (n=150)

Q: How important are these types of customer data for achieving your marketing goals? (Scale of 1 to 5, Where 1 = Not At All Important and 5 = Very Important)

Base: Has Access to Data (Variable Base - All bases are variable)

As noted earlier, Marketing, along with other functions like Data Science and Programmatic, use location data and tend to collaborate well. Key to this is data access – what data marketers are able to utilize and how – direct or indirect, full or limited. We found that Marketers are more likely to have full access. In the case of location data, for example, 88% of those we surveyed have full access. And Marketers with full access tend to have direct access versus relying on other teams (63% direct vs. 25% indirect). This indicates that being location data-fluent is a critical skill for today’s Marketer.

We have established that most Marketers tend to have full, direct access to location data, and deem it very important to achieving their goals. But what are these goals? How is location data used?

Location data is important in part because of its many – and varied - use cases. The most common uses are identifying new consumer markets, ad serving, ROI measurement and creating personalized content and ad experiences for customers.

Location Data Uses - Percent Respondents



Identifying new consumer markets



Serving location-based advertising



Measuring and quantifying ROI



Offering personalized experiences to customers



Enhancing customer analytics



Generating competitive intelligence



Building out customer profiles



Deriving deeper store insights

Q: What does your company use location data for?

Base: Total Respondents (n=150)

“ Location data is super important and it's specific to the approach we take to advertising. We advertise along a decision funnel, from awareness to consideration to conversion. We're layering on top of that, the travel journey. WE want to make sure we reach our audiences while they're traveling...converting them when they're nearest the point of sale.

– Director, Customer Engagement (Retail)

”

“ Half our business is chain retailers. We're trying to show consumer patterns in distributors' footprints, and which chain locations they went to. We show chains how campaigns drove customers to their stores, give distributors a readout of all the campaigns run in their territories, We then figure out ways to merchandise with their customers.

– Sr. Media Manager (Alcohol)

”

“ With location data we can understand psychographics or demographics on who saw our movie. That helps us build out profiles. We also share data and strategies with theater chains on what people do before and after they go to the movies.

– VP (Media + Entertainment)

”

“ We're starting to use location based data to quantify KPIs. Have people exposed to our ads, maybe in the upper funnel phase, visited our store location? We use geo-data to confirm who actually visited our stores.

– Director, Customer Engagement (Retail)

”

“ We access zip codes and hit a person with a deal that really works for them. The ability to hyper-target the exact person where they're at with their local dealer. We also look at socioeconomic within zip codes... whether they fit a certain vehicle type or brand better.

– Global Marketing Manager (Auto)

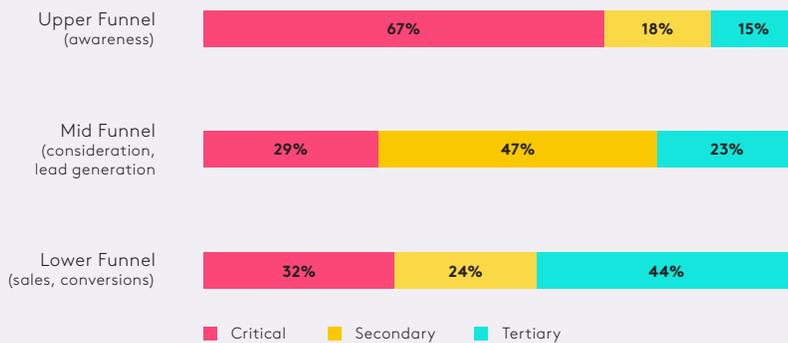
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Our results also show that many marketers may be underutilizing location data. For example, as Marketing organizations move to Customer Data Platforms, location data can have a critical role in helping build out customer profiles. Also, location data can generate deeper store insights. As in-store experiences evolve, both retailers and brands can benefit from detailed, timely findings that they can act upon.

But location data is not just about conversion. Our research finds that Marketers apply location data across the purchase funnel.

Importance of Location Data by Funnel Section

- Percent Respondents (Sorted by Critical)



Q: How important is location data for achieving your marketing goals throughout the funnel?

Base: Total Respondents (n=150)



While one-third cite location data as “critical” for driving lower funnel goals like sales and conversions, about twice as many deem this data critical for upper funnel goals such as driving awareness. Awareness aligns well with uses mentioned earlier, such as identifying new consumer markets and offering personalized experiences.

So why is location data critical? What benefits do Marketers experience? Mapped to location data's many use cases are related benefits, led by improving consumer engagement and driving increased ROI. Furthermore, location data enables more detailed measurement and insights. This creates a virtuous circle, as data-driven findings spur greater ROI.

Top Location Data Benefits - Percent Ranking 1-3



Improved engagement/receptiveness



Improved ROI



Relevant content for customer



Measurement campaign effectiveness/offline measurement



Audience insights



Audience segmentation



Inform campaign strategy



Improved ROAS



Improved lift

Q: What are the top benefits of using location data?

Base: Total Respondents (n=150)



Biggest Obstacles to Location Data Use - Percent Ranking 1-3



Privacy Concerns



Accuracy/quality



Availability of real-time data



Cost



Ability to apply/integrate data



Defining and measuring ROI



Lack of vendor differentiation in marketplace



Segmentation of audience



Limited scale



Lack of transparency in data collection



Complexity/lack of understanding how to use

A notable pain-point raised in our interviews was creative. More specifically, Marketers described having creative that did not align with the campaign's goal. For example, with the goal of driving foot traffic to a retailer, the available creative assets may be more appropriate for branding, with no call to action. While outside the purview of location data, creative misalignment can set the campaign up for failure.

But as anyone who works with data knows, there can be challenges, and location data is no exception. The most frequently cited challenges were privacy concerns (which we will expand upon later), data accuracy and not having real-time data. Marketers were much less likely to call out scale, complexity or lack of transparency as issues.

“
A challenge is drilling down to the actual place I drive people. I don't want to know if people walked into a store's front door. I want to know if people actually visited a specific counter.
 – Director, Customer Engagement (Retail)
 ”

Q: What are the biggest obstacles to using location data?

Base: Obstacles Using Location Data (n=142)

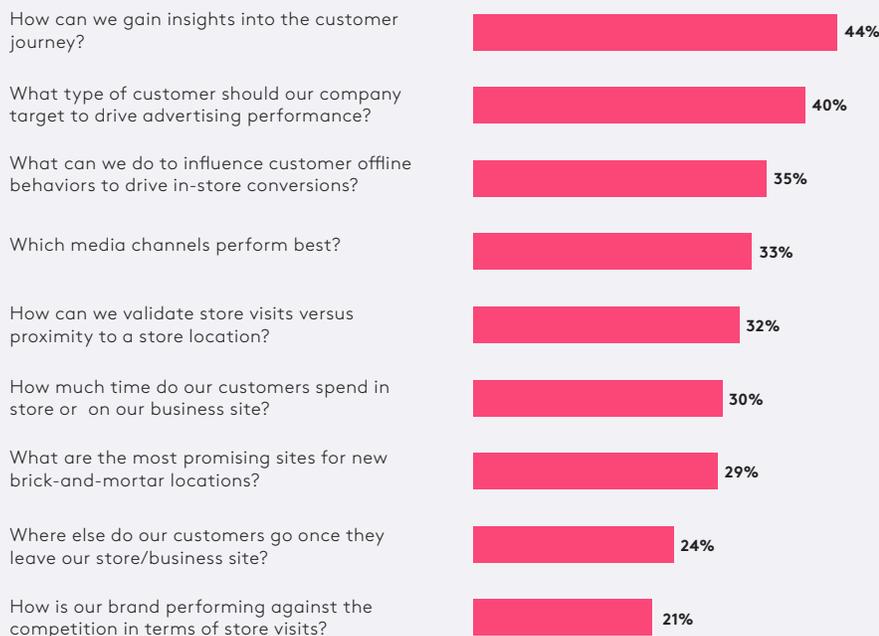
“
The creative never rose to the occasion. We didn't have creative that spoke to somebody about to walk into a convenience store. It was more brand-based, and that's not a recipe for success.
 – Sr. Media Manager (Alcohol)
 ”

Location-Based Solutions: Insights In-Demand

Much of data’s value comes from Marketers’ ability to extract actionable insights that enable brands to reach and surpass their goals. Where location-based solutions have great promise and differentiate themselves from other data solutions is the unique ability to answer critical questions that Marketers need answered to inform their strategies.

Top 3 Questions Location-Based Solutions Can Answer

- Percent Ranking 1-3



Q: What are the most critical questions a location-based solutions provide can answer?

Base: Total Respondents (n=150)

The top three questions location-based solutions can answer have the customer – or potential customer – as the focus.

- How can we gain insights into the customer journey?
- What type of customer should our company target to drive advertising performance?
- What can we do to influence customer offline behaviors to drive in-store conversions?

Location-based solutions address these questions by identifying the most valuable prospects (the who), describing the ways customers go from awareness to conversion to loyalty (the how), and based on that visibility, prescribe ways Marketers can drive foot traffic that leads to sales (the ultimate goal). Location-based solutions, especially when informed by other data like demographics, attitudes and behaviors, are a powerful tool in a Marketer’s arsenal.

Measurement

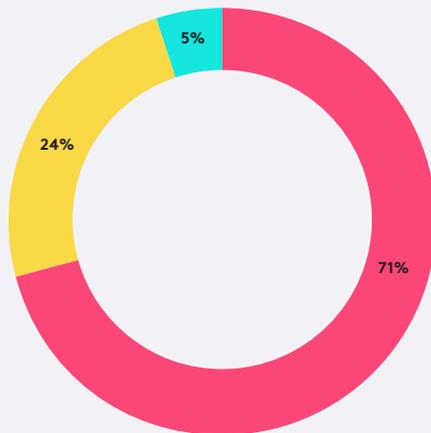
Measurement is critical. The answers to questions like the ones above cannot be left to guesswork. Robust, reliable, timely measurement is necessary to ensure media is working at its best – or can be optimized – to ensure goals are met. The promise of high quality, accurate measurement can spur greater investment in location-based solutions.

Measurement's Impact on Location Data Investment

- Percent of Respondents

Sub-par measurement results have negatively impacted our location data investment

Measurement has had no impact on our location data investment



Strong location-based measurement performance has enabled us to invest more in location based data

Q: Based on your experience with location data-based measurement, which is true?

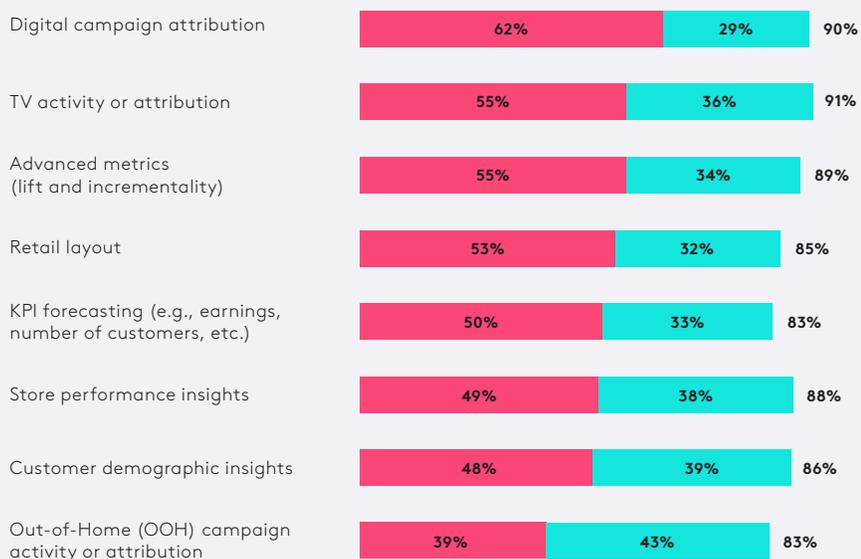
Base: Total Respondents (n=150)

For 7-in-10 Marketers, this is the case. Interestingly, only 5% have reduced their location data investments due to measurement. This implies that a) the quality is there when it comes to measurement and b) Marketers are having success using location data.

To confirm this, we had Marketers assess how well location data performs across eight metrics on a scale of 1 to 5, where 1 is “poor” and 5 “excellent.”

Location Data Performance by Metric

- Percent Ranking 4-5/5 (Sorted by 5 "Excellent")



Q: How well does location data measurement perform in achieving each? (Scale of 1 to 5, Where 1=Poor and 5=Excellent)

Base: Used Location Data Measurement Type (Variable Base)

Regardless of whether Marketers measure attribution, purchase or brand lift, or seek deeper store or customer insights, location data delivers. Marketers get tracking and reporting on a metric-by-metric basis, and for a majority success is reached. For many Marketers, the measurement benefits of location data, plus the improved performance it enables, incentivizes location-based investment.

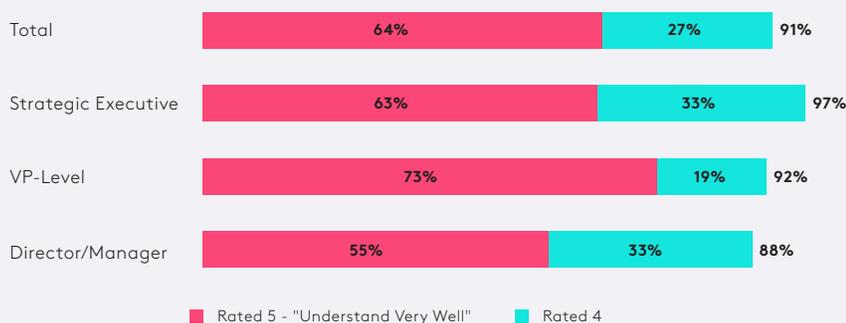


Consumer Privacy

On the heels of GDPR, CCPA and a slew of other states considering increased privacy regulations, compliance is critical for the data-driven marketer. A prerequisite of compliance is having a strong understanding of these regulations and their implications.

Understanding of Privacy Regulations

- Percent Ranking 4-5/5



Q: How well do you understand privacy regulations? (Scale of 1 to 5, Where 1 = Do Not Understand and 5 = Understand Very Well)

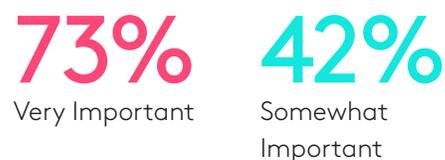
Base: Total Respondents (n=150)

The good news is that most Marketers have at least a good understanding of privacy regulations. This understanding skews to more senior-level Marketers, especially those at the VP-level. Our results here indicate there may be an education opportunity for Managers and Directors. This is important, because as their responsibility grows, so too will their need to have a strong understanding of these regulations, which may only increase over time.

Interestingly, those who deem location data very important for them to reach their Marketing goals, were much more likely to understand privacy regulations “very well” (73% very important, vs. 42% somewhat important). Knowing the guard rails of compliance does not undermine location data’s importance.

Understanding Regulations Very Well

-By Location Data Importance



Valuing the importance of location data seems to go hand-in-hand with understanding – as well as actioning on – privacy compliance issues. We found that companies are already taking many steps to address privacy.

Actions Taken Due to Privacy Regulations

- Percent of Respondents



Increased transparency around data use



Created new internal standards for data collection and use



Considered new advertising channels and/or platforms



Limited information collected or included in customer profiles



Reduced the amount of consumer tracking



Changed or reduced audience targeting



Ask consumers for less data



Lowered social media advertising spend



Appointed Chief Data Officer

Q: How have privacy regulations impacted your company's data strategy?

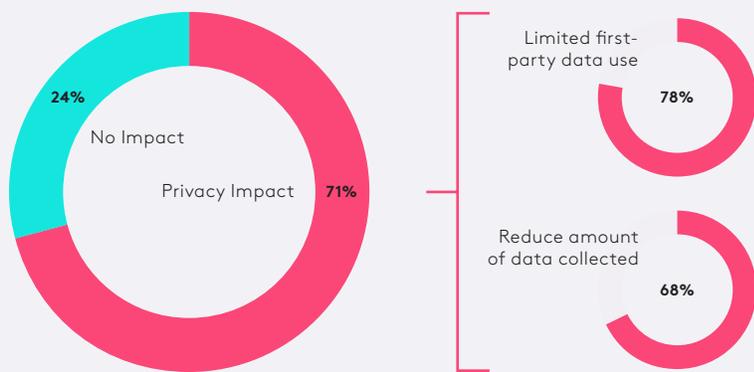
Base: Total Respondents (n=150)

Just over half of companies have increased the transparency on how they use consumer data, and created new standards for data collection and use. About 2-in-5 reduced tracking and data collection. This discernment applied to policy serves to make data that is collected and activated even more valuable.

When we drill in further on data, we find that while Marketers distinguish between first and third-party data, compliance impacts both. Privacy regulations' impact on first-party data is significant. For 71%, privacy regulations have impacted first-party data. Among this 71%, about two-thirds have reduced the amount of first party data they collect, and even more (78%) have scaled back their activation of first-party data.

Privacy Regulation Impact on First-Party Data

- Percent of Respondents



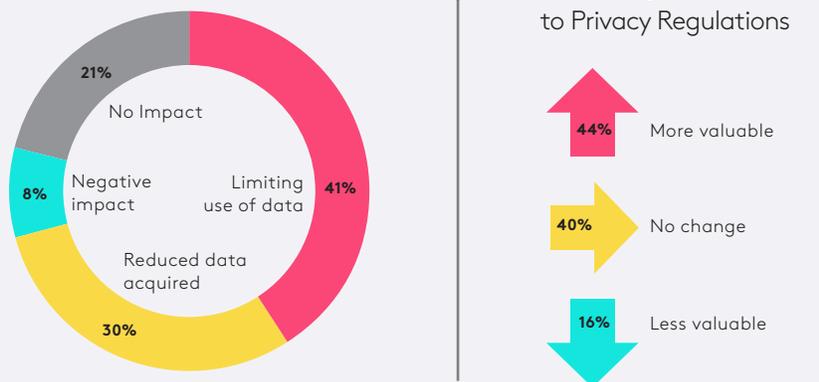
Q: Which best describes the impact privacy regulations are having on first-party data at your company?

Base: Total Respondents (n=150)

Third-party data, while perhaps less sensitive, is also significantly impacted. A similar percentage (71%) have had their use of third-party data or the amount acquired negatively affected. However, regulations may have also positively influenced the value of this data.

Privacy Regulation Impact on Third-Party Data

- Percent of Respondents



Q: Which best describes the impact privacy regulations are having on third-party data at your company?

Q: How has the value of third-party data changed because of privacy regulations?

Base: Total Respondents (n=150)

For 44%, third-party data has become more valuable due to privacy regulations. Perhaps this is not surprising due to privacy's impact on first-party data. However, what comes into question is the long-term value of third-party data. As browsers like Safari, Chrome and others block third-party cookies, data will be drastically reduced, perhaps impacting its worth to Marketers.

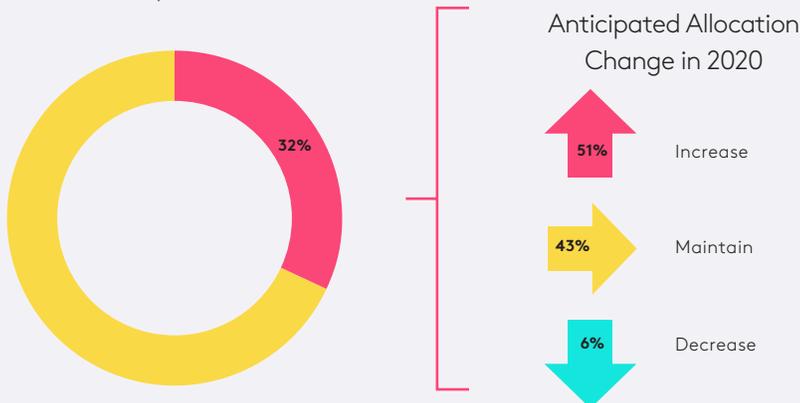
2019-2020 Location-Based Advertising (LBA)

We surveyed Marketers in the early days of the COVID-19 crisis, asking them to predict their 2020 plans. The impact on the advertising market has been significant in the weeks since and will continue to be over at least the next few months. Marketers made their 2020 LBA projections during a time of relative normalcy. What we see in these projections is optimism for LBA, and we expect that optimism to return as states and localities lift the limits on where we can go and what we can do.

Looking back to the pre-COVID-19 world of 2019, Marketers in our key categories averaged one-third of their digital ad spend to LBA. And most were bullish on 2020, with half expecting this allocation to increase in 2020, and almost as many keeping spend levels consistent with the prior year. Few were projecting a reduction in their LBA investment. This speaks to the value and results location data generates.

2019 Digital Ad Spend Allocation to Location-Based Advertising

- Percent of Respondents



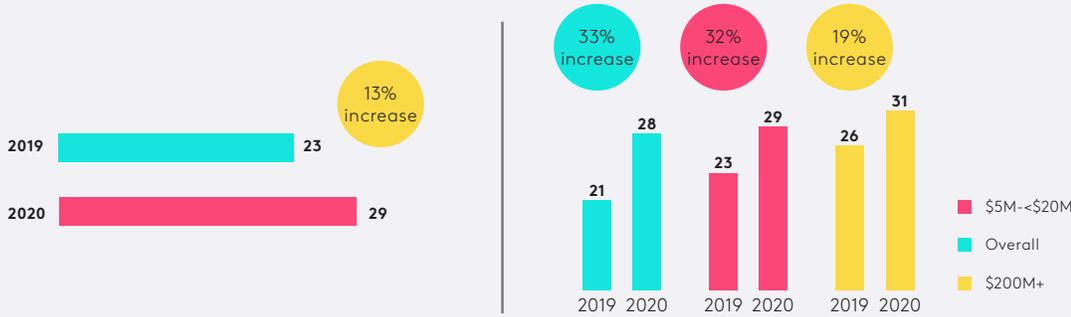
Q: What percent of your company's total digital media spending went towards location-based advertising (spanning geofencing, location audience targeting, conquensing, proximity marketing) in 2019?

Q: How do you anticipate your company's allocation of total digital media spending towards location-based advertising to change in 2020?

Base: Total Respondents (n=150)

Beyond dollars, Marketers predicted the number of location-based campaigns for 2020 would represent double-digit increases over 2019. This was true across small and large overall digital ad budgets.

Average Number of Location-Based Campaigns



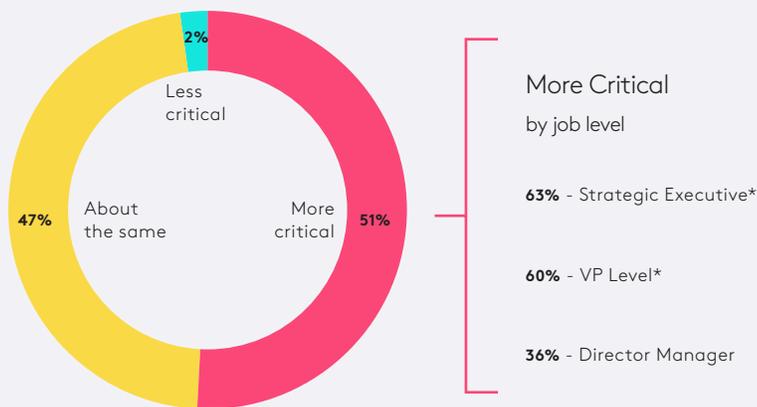
Q: How many location-based advertising campaigns did your company run in 2019, and what do you estimate this will be in 2020?

Base: Total Respondents (n=150)

What these predicted 2020 dollars and campaigns reflect is a strong future for location data in a post COVID-19 world. Half of Marketers believe location data will be more critical. Those more experienced – VPs and above - are even more likely to deem location data more critical.

Location Data's Future Importance

- Percent of Respondents



Q: Looking ahead, how do you expect the importance of location data to change?

Q16b: Please explain your response.

Base: Total Respondents (n=150)

*Statistically higher than other comparison group at 90%

Post COVID-19, it will be critical for advertisers and retailers to evolve their brand and store experiences to align with changing consumer attitudes, preferences and behaviors. Location data will be paramount to informing these changes and measuring success.

“ *We have not fully utilized the application of location data. We need to improve the creative we serve to consumers based on their location*

– Advertiser Manager

”

“ *I expect it to be the same for the time being: it might change later on due to the crisis.*

– Advertiser Vice President

”

“ *As we still try to understand the impact of GDPR globally and CCPA nationally, we're quite frankly unsure how the importance of location data specifically will change.*

– Advertiser manager

”

“ *Location data is a critical piece of intelligence that can guide a company's strategy.*

– Advertiser Vice President

”

“ *As audience become more fragmented and more platforms become available, it will be harder to reach and will need more ways to reach consumers.*

– Advertiser Director

”

“ *Data is so important but getting good data is hard.*

– Advertiser Vice President

”

Key Takeaways

Marketing “owns” location data, but may not be sole owner.

First, when we say “Marketing,” there are many roles within Marketing that claim ownership. These roles include Brand Management, MarCom and Digital/Social Marketing. Also, functions outside of Marketing can have significant location data roles. The most common functions include Data Science, Consumer Insights and Ad Tech.

The majority of Marketers consider location data very important for achieving their goals. Because of this, location data opportunities abound. The most common uses are identifying new consumer markets, ad serving, ROI measurement and creating personalized content and ad experiences for customers. And these experiences span the funnel, from driving awareness and consideration to conversion and loyalty.

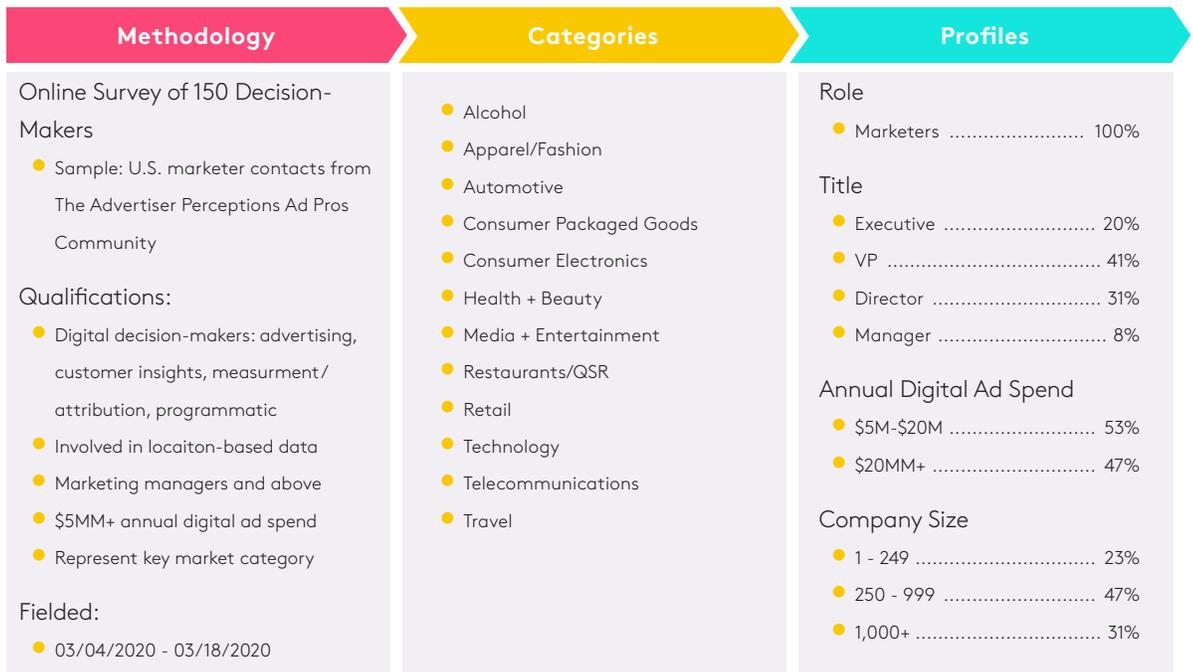
Based on these uses, location data delivers many benefits, led by improving engagement and ROI, to delivering more relevant content and measurement. The multiple use cases and associated benefits Marketers articulate point to location based data as table-stakes for modern Marketing organizations. However, Marketers do face challenges with location data, led by privacy concerns, data accuracy and the lack of real-time data.

Marketers with a strong understanding of privacy regulations were more likely to describe location data as very important to achieving their goals. This suggests that compliance does not undermine location data’s positive impact. Lack of fluency is likely a bigger impediment than the regulations themselves. Understanding and abiding by these regulations does not handcuff Marketers and their ability to achieve success with location data.

Marketers were bullish on their 2020 location-based advertising pre-COVID-19 projections, averaging double-digit increases over their 2019 investments. We expect COVID-19 may put a damper on what was expected to be a sharp growth year. However, this crisis will pass, and for many Marketers, the tools and infrastructure are in place to succeed. As consumers return to normalcy, location data will only be more critical to drive Marketer understanding and customer engagement in a changed world.

Research Methods

Phase 1: Online Surveys



Phase 2: In-Depth Phone Interviews



About Advertiser Perceptions

Advertiser Perceptions is the global leader in research-based business intelligence for the advertising, marketing, and ad technology industries. Our expert staff delivers an unbiased, research-based view of the advertising market with analysis and solutions tailored to your specific KPIs and business objectives. These insights provide you with the confidence to make the very best organizational, sales, and/or marketing decisions, driving greater revenue and increased client satisfaction.

About Foursquare

Foursquare is the leading independent location technology platform, powering business solutions and consumer products through a deep understanding of location. Over 1,000 clients—including more than 50% of the Fortune 100—choose Foursquare. Foursquare's toolkit empowers brands to measure foot traffic lift via multi-touch attribution; deliver proximity-based advertising; analyze and identify trends; drive deeper engagement via Foursquare's industry-leading developer tools; and optimize advertising campaigns across hundreds of audiences. Foursquare's R&D team, called Foursquare Labs, and our consumer apps round out our portfolio. Over the past 10 years, we've counted more than 14 billion consumer-verified place-visit confirmations, which help us keep our map and models fresh and up-to-date.