

# Location Analytics for Marketing

A Knowledge Brief







## Improving Customer Insight and Intimacy with Location Analytics



*This use case details how Esri helps companies enhance the performance of marketing campaigns through improved customer insight and understanding.*



Consumers who are connected with smartphones and devices are changing the face of business. To keep up, companies must reach across different channels to make the most out of e-marketing and social media strategies. The vital dimension for marketers? Location. Yet it is too often overlooked. Location adds tangible insight to social and mobile outreach and customer service. Social media, location, and mobile technology—together they are a trifecta of customer engagement.

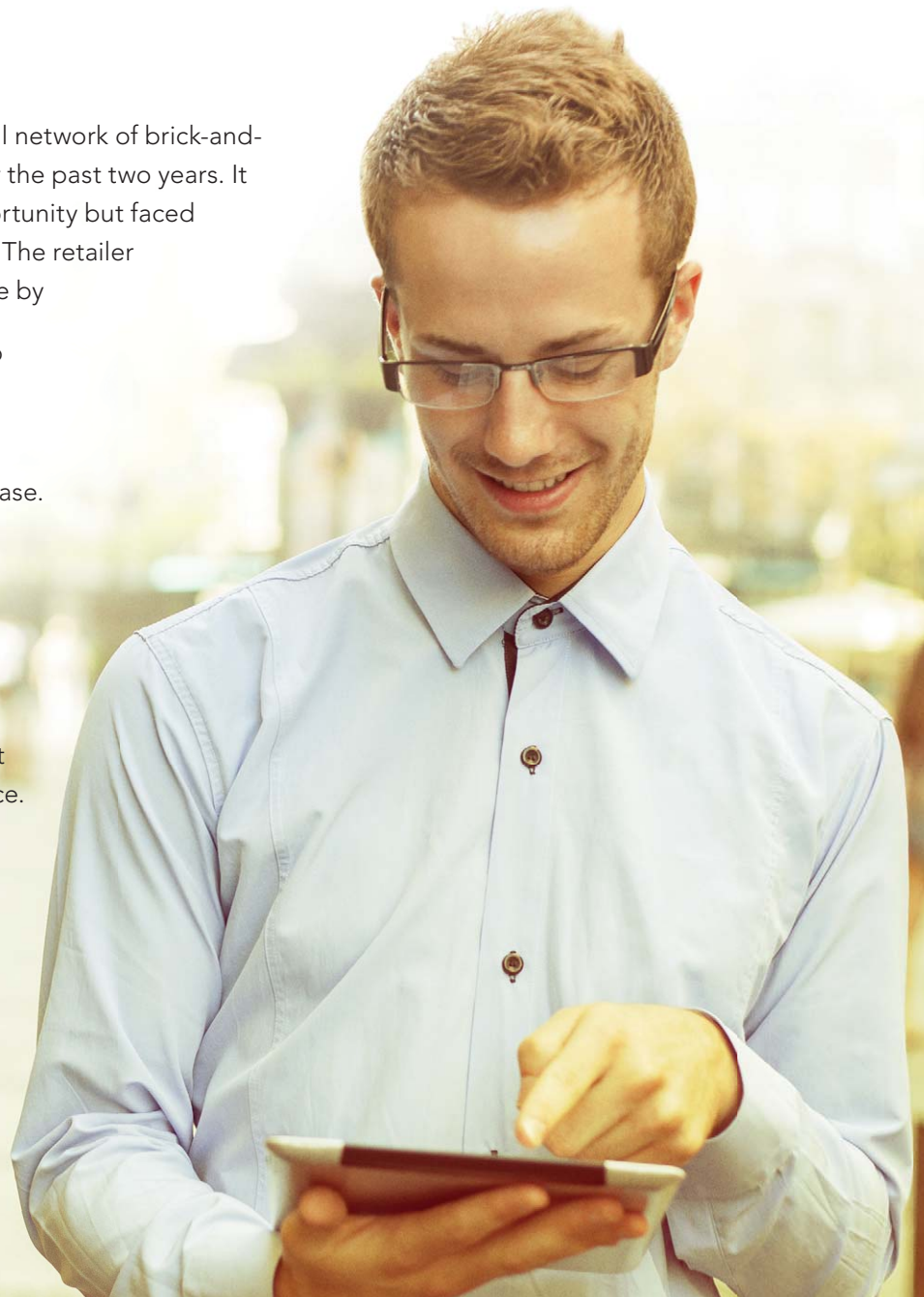




By viewing social media information by location, tangible insight can be gained, such as where to focus customer service or marketing efforts to shift shopper sentiment or respond to sales demands.

One specialist retailer with a successful network of brick-and-mortar stores saw increased sales over the past two years. It wanted to take advantage of the opportunity but faced increasing pressure from competitors. The retailer recognized it could boost performance by

- Improving its campaign execution to attract new customers.
- Leveraging the loyalty and brand awareness of its existing customer base.
- Focusing insight based on actual campaign results.
- Enhancing its brand in higher-value markets before competitors do.
- Sharing customer insight throughout the company to improve performance.



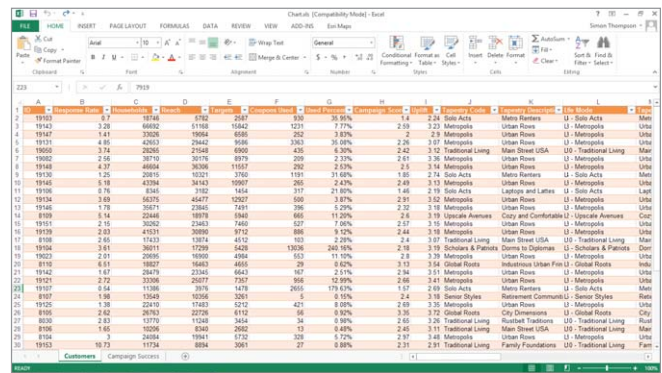


# Discovering the Patterns

By analyzing the company's marketing campaigns, staff were able to quickly identify, visualize, and analyze where the most loyal customers lived and in-store results in terms of sales and product line purchases. By viewing each store's sales, along with offer redemptions, coupon use, and in-store transactions, the company explored patterns in the data. Correlation between predicted and actual performance became apparent. It became immediately obvious that campaign response varied based on differences in demographics, urbanicity, time of day and week, and individual store-level merchandizing.

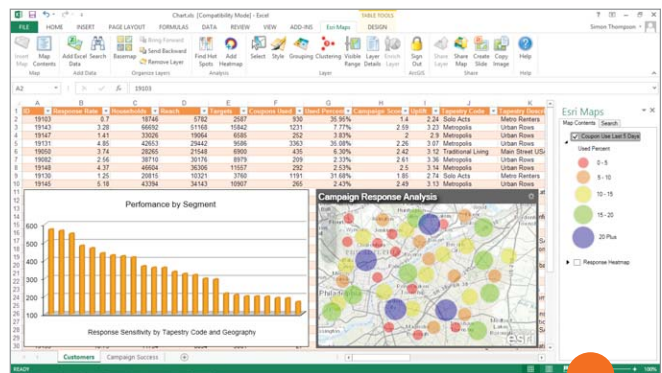
The company had previously focused only on where and what types of competitive products and services were being sold. By viewing the information by location on a map, it was able to quickly understand that while customers came to the stores, they weren't purchasing at expected levels.

Using location analytics, the company was able to dive into its customer data and not only access but compare merchandise and product lines by store, market, time of day, and demographics. Company staff members found that campaign profitability varied considerably for each store—some locations significantly outperformed expectations, while others lagged far behind.



|    | A     | B     | C     | D     | E     | F     | G       | H    | I    | J                   | K            | L                       | M            | N                       | O            | P                       | Q            | R                       | S            | T                       | U            | V                       | W            | X                       | Y            | Z                       |
|----|-------|-------|-------|-------|-------|-------|---------|------|------|---------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|
| 1  | 19103 | 0.7   | 19146 | 5762  | 2587  | 330   | 35.9%   | 1.4  | 2.24 | Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           |
| 2  | 19143 | 3.28  | 68892 | 51168 | 15642 | 1271  | 7.7%    | 2.19 | 3.22 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 3  | 19147 | 1.41  | 33026 | 19864 | 6888  | 352   | 3.8%    | 2.2  | 3.22 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 4  | 19131 | 4.85  | 42853 | 29442 | 9586  | 3263  | 35.8%   | 2.26 | 3.97 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 5  | 19117 | 3.74  | 26955 | 21444 | 8888  | 3263  | 35.8%   | 2.42 | 3.12 | Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  |
| 6  | 19082 | 2.16  | 38710 | 30176 | 8979  | 209   | 2.3%    | 2.41 | 3.36 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 7  | 19148 | 1.25  | 20815 | 10321 | 3760  | 1191  | 31.8%   | 1.65 | 2.74 | Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           |
| 8  | 19106 | 5.76  | 8345  | 1582  | 1454  | 217   | 21.8%   | 1.45 | 2.19 | Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           |
| 9  | 19134 | 3.89  | 56375 | 44477 | 12927 | 580   | 3.8%    | 2.91 | 3.52 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 10 | 19145 | 1.78  | 30571 | 22665 | 7491  | 386   | 6.20%   | 2.32 | 3.19 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 11 | 19109 | 5.14  | 22444 | 18979 | 5940  | 660   | 11.20%  | 2.3  | 3.19 | Upstate Avenues     | Urban Rivers | U - Upstate Avenues     | Urban Rivers | U - Upstate Avenues     | Urban Rivers | U - Upstate Avenues     | Urban Rivers | U - Upstate Avenues     | Urban Rivers | U - Upstate Avenues     | Urban Rivers | U - Upstate Avenues     | Urban Rivers | U - Upstate Avenues     | Urban Rivers | U - Upstate Avenues     |
| 12 | 19151 | 2.15  | 30262 | 23463 | 7460  | 237   | 7.20%   | 2.37 | 3.19 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 13 | 19178 | 2.83  | 41521 | 30590 | 9712  | 886   | 9.12%   | 2.44 | 3.19 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 14 | 19108 | 2.57  | 48884 | 36900 | 11932 | 520   | 11.10%  | 2.4  | 3.19 | Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  |
| 15 | 19104 | 3.61  | 36111 | 17299 | 5428  | 13036 | 245.16% | 2.18 | 3.19 | Scholars & Patriots | Urban Rivers | U - Scholars & Patriots | Urban Rivers | U - Scholars & Patriots | Urban Rivers | U - Scholars & Patriots | Urban Rivers | U - Scholars & Patriots | Urban Rivers | U - Scholars & Patriots | Urban Rivers | U - Scholars & Patriots | Urban Rivers | U - Scholars & Patriots | Urban Rivers | U - Scholars & Patriots |
| 16 | 19022 | 1.87  | 28479 | 16900 | 4984  | 623   | 11.10%  | 2.4  | 3.19 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 17 | 19110 | 6.51  | 18827 | 14463 | 4655  | 29    | 0.62%   | 3.13 | 3.54 | Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        |
| 18 | 19142 | 1.67  | 28479 | 22345 | 6643  | 827   | 2.11%   | 2.34 | 3.19 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 19 | 19121 | 2.72  | 33306 | 25077 | 7357  | 866   | 12.9%   | 2.46 | 3.41 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 20 | 19147 | 1.64  | 11386 | 3076  | 1478  | 2665  | 179.63% | 1.37 | 2.49 | Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           | Urban Rivers | U - Solo Acts           |
| 21 | 19107 | 1.98  | 13449 | 10356 | 3291  | 6     | 0.15%   | 2.4  | 3.19 | Senior Styles       | Urban Rivers | U - Senior Styles       | Urban Rivers | U - Senior Styles       | Urban Rivers | U - Senior Styles       | Urban Rivers | U - Senior Styles       | Urban Rivers | U - Senior Styles       | Urban Rivers | U - Senior Styles       | Urban Rivers | U - Senior Styles       | Urban Rivers | U - Senior Styles       |
| 22 | 19150 | 3.39  | 22470 | 17483 | 6212  | 421   | 6.8%    | 2.49 | 3.19 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 23 | 19105 | 2.42  | 28762 | 22728 | 8112  | 56    | 0.9%    | 3.35 | 3.72 | Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        | Urban Rivers | U - Global Roots        |
| 24 | 19109 | 2.83  | 12779 | 11348 | 3450  | 34    | 0.9%    | 2.45 | 3.19 | Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  |
| 25 | 19108 | 1.45  | 16206 | 8340  | 2932  | 13    | 0.4%    | 2.45 | 3.11 | Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  |
| 26 | 19104 | 2.85  | 26884 | 19341 | 6732  | 328   | 5.12%   | 2.37 | 3.44 | Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          | Urban Rivers | U - Metropolis          |
| 27 | 19153 | 10.73 | 11734 | 884   | 3051  | 27    | 0.8%    | 2.31 | 2.91 | Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  | Urban Rivers | U - Traditional Living  |

Diving into customer data using location analytics allows staff members to access and compare merchandise and product lines by store, market, and demographics for a clearer picture of who is buying what.



By adding a location component, company staff found that campaign profitability and performance varied considerably for each store—some locations significantly outperformed expectations, while others lagged far behind.



# Who's Where—A Deep Dive on the Customer

The retailer accessed data from mobile applications, marketing platforms, point-of-sales systems, and the company's own loyalty program. This data was then tied together using geography. For the first time, analysis was performed that linked campaign activities across social media, mobile, web, text, phone, and e-mail platforms and tied them to actual store transactions and performance. This led to a new appreciation of customer shopping behaviors across online, mobile, and physical stores. The results? Five key business insights had far-reaching implications beyond just marketing.

- The three major demographic segments using the stores came from areas outside the predicted drive-time analysis for the market.
- Baby boomers and Generation X shoppers contributed the largest share of consumer spending.
- Tablet owners were twice as likely to shop across all marketing channels, with almost 10 percent making an online purchase after visiting a store.
- Consumers who were offered targeted, personalized coupons via their mobile devices while shopping were three times as likely to purchase.
- Digital and in-store offers were twice as effective as print and direct mail.



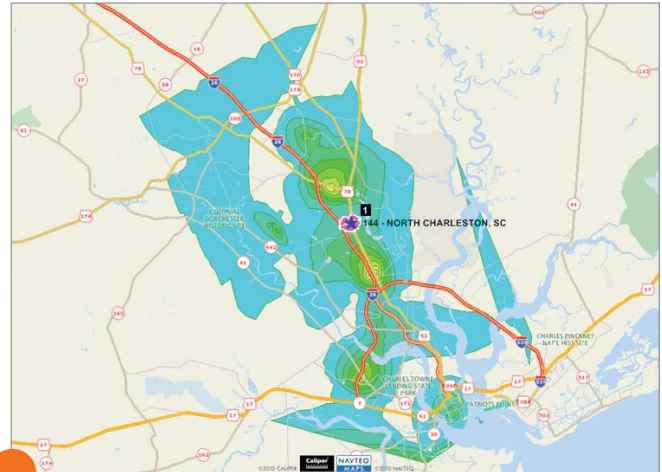


# Satisfying Customer Demand—Anywhere, Anytime

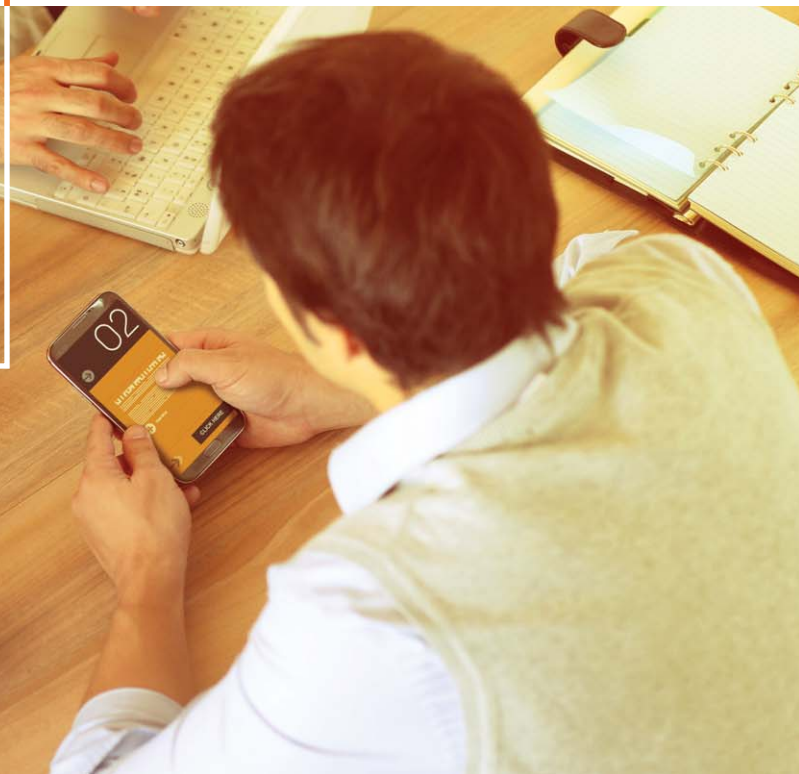
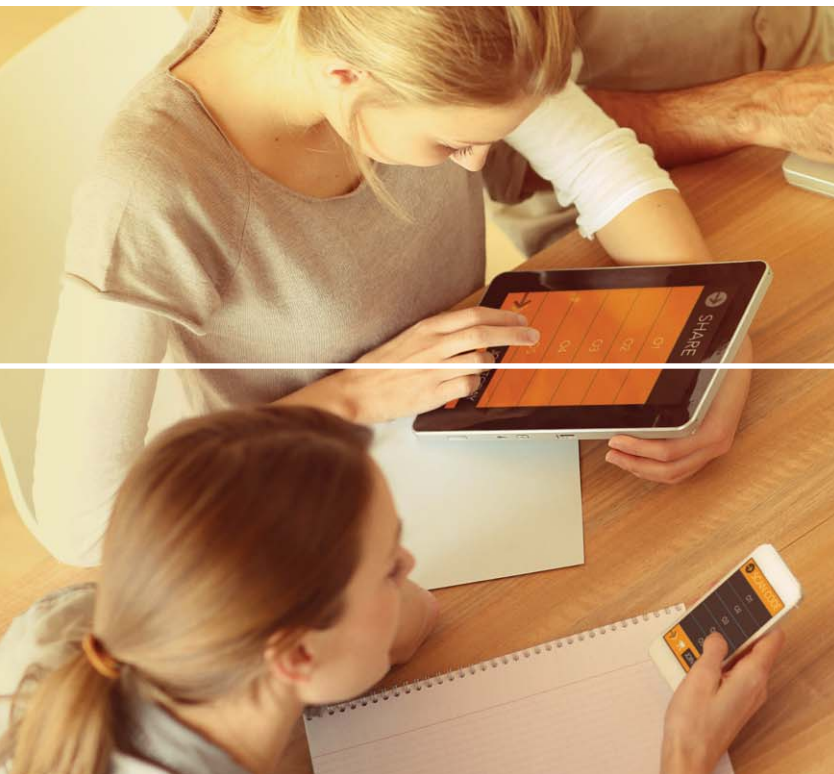
Using these insights, the retailer was better able to align different areas of its business. Staff members had not previously shared data and collaborated on customer intimacy. They could finally focus on creating a seamless and consistent customer experience connected to inventory, pricing, and fulfillment. Once these were implemented, the company had greater visibility into

- Improving the customer experience and driving more sales by reaching shoppers on every device at any location at exactly the right time.
- Quantifying customer impact from new ways of showcasing products, such as "webrooming" and "showrooming."
- Pinpointing the exact trade area for every store for every part of the day and week.
- Revitalizing omnichannel strategies by including price matching, improved inventory management, and revamped distribution models.
- Increasing inventory visibility, merchandise availability, price competitiveness, and fulfillment options.

Analysis and ongoing metrics showed that the new direction yields significant cost savings in marketing execution, especially in ad purchase and coupon distribution. Customers benefit from ease of delivery, redemption, and applicability, while the retailer experiences noticeable increases in revenue and overall customer loyalty.



Using location analytics, it becomes obvious that campaign response varies significantly based on the time of day and week.



## Gain More Insight and Value with Location Analytics

Location analytics leverages and enhances marketing and sales data to improve campaigns. Companies can deliver faster and deeper insight to their customers. Interactive maps, visual analytics, and powerful intuitive dashboards simplify complex networks of data and are a strong platform for collaboration throughout any department, across the organization, and on a global scale.

Esri® Location Analytics solutions are available as tightly integrated extensions to your existing business systems through custom installations for all BI, CSM, ERM, ERP, and CRM platforms and off-the-shelf solutions for

- Microsoft Office®
- IBM Cognos®
- MicroStrategy®
- Microsoft SharePoint®
- Microsoft Dynamics® CRM

## Making the Unfamiliar Normal and Usual



***More customers are trying out unfamiliar fashion chains this year compared to last.***

Market Force Information, March 2013—

The survey found that 39 percent of shoppers had tried a new retailer in the previous three months, up from 32 percent in 2011 and 14 percent in 2010.



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Understanding our world.

Esri inspires and enables people to positively impact their future through a deeper, geographic understanding of the changing world around them.

Governments, industry leaders, academics, and nongovernmental organizations trust us to connect them with the analytic knowledge they need to make the critical decisions that shape the planet. For more than 40 years, Esri has cultivated collaborative relationships with partners who share our commitment to solving earth's most pressing challenges with geographic expertise and rational resolve. Today, we believe that geography is at the heart of a more resilient and sustainable future. Creating responsible products and solutions drives our passion for improving quality of life everywhere.



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