

The Practical Guide to Using Location Intelligence for Digital Advertising

HOW TO INCREASE CTR AND DRIVE FOOT TRAFFIC

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Location intelligence is a relatively new term in marketing, but one that's gaining popularity as consumers demand more relevant content and offers. [A recent study](#) found that a majority of C-level executives believe that location intelligence will be important to the overall success of their business, especially in the long term. Sixty-six percent said that it was an important part of business success today, 78 percent said that it would be important in a year, and 85 percent said that it would be important to success in the next three years.

For a relatively new type of data, that paints a powerful picture. Not only has location intelligence become widely used by enterprises in a short time, but it's also continuing to gain traction. In this eBook, we'll explore this trend as it relates to one of the most common use cases of location data: advertising.

We'll take a deeper look at:

- What location intelligence is as well as its use cases
- Business benefits to using location data in advertising
- How to select an advertising audience using location intelligence
- Steps for setting up an advertising campaign
- Best practices for increasing CTR and ROI of your ad campaigns

What is Location Intelligence?

Broadly defined, *location intelligence* is a type of business intelligence based on the places people go in the real world. This information is gathered from opted-in consumer mobile devices. This data includes information about the device, the commercial locations the device visited, and how long the device stayed in each location (known as dwell time).

Location intelligence can be used for many purposes, including:

- Trend analysis
- Marketing and advertising
- Site selection
- Competitive intelligence
- Identifying upsell and cross-sell opportunities

Of these, marketing and advertising are the most common. Location intelligence regularly helps marketers create and distribute more targeted, effective advertisements that increase their ROI. It's also one of the easiest ways for businesses to start using location intelligence because it's a simple use case that drives powerful results.

What is Raw Location Data?

Location data includes:

- Mobile advertising ID (MAID)
- Latitude and longitude information
- Timestamp

Location data is only gathered from mobile users who have consented to share their location information. We take consumer privacy seriously and ensure that our data complies with all local, regional, and national privacy laws.

However, raw location data often contains misinformation or lacks the context businesses need to use it successfully. The best location data has been cleansed, enriched, and analyzed to become location intelligence.

CLEANSING LOCATION DATA

Raw location data must be filtered and cleansed to eliminate duplicate, inaccurate, and fraudulent information. A recent survey found that the top challenge faced by organizations analyzing location data is extracting, cleaning, and transforming data into a useful format.

ENRICHING LOCATION DATA

Data enrichment improves, refines, and enhances location data for more meaningful insights. Location data may show where consumers are on a specific date and time, but knowing the places where consumers are at and what is happening while they are there provides a deeper understanding of their interests and preferences.

Consider this scenario: raw location data tells you that one of your customers was at latitude 38.958402 and longitude -77.357974. Enriched location data can tell you that the person went to a book store and from that, you can infer that your customer is interested in books. If you also know that the bookstore was hosting a wine-tasting event at the time your customer was there, that changes the story. Your customer is likely more interested in wine than they are books. If the bookstore is hosting a rock-climbing event, the picture that analysis of data gives would be quite different. Data enrichment is key to using location data to understand your customers.



ANALYZING LOCATION INTELLIGENCE

After data is gathered from different sources, cleansed, combined, and enriched, it is analyzed to provide actionable insights. To have business value, data analysis must be aligned with corporate objectives, and relevant and specific to your business needs. Most businesses analyze location intelligence on their own, but there are some third-party services that both provide location intelligence and analyze it for insights.

Use Cases For Location Intelligence In Advertising

Location intelligence has several uses in the advertising sphere that big brands have been taking advantage of for years.

The national restaurant chain, TGI Friday's, used location intelligence to improve its reputation as a post-event gathering place for consumers. Location intelligence helped the company discover consumers who had visited other casual dining restaurants nearby, as well as those who regularly attended youth sports events and wine tastings in the area. Using this information to target its digital advertising campaign, TGI Fridays achieved a 600 percent ROI, and an 8X higher click-through rate (CTR) than for a typical digital advertising campaign. It also positioned itself as the top post-event venue for mobile consumers in the lucrative target age group of 20-35.

Below are three use cases for location intelligence in advertising, including the use cases leveraged by TGI Friday's.

1. LOCATION INTELLIGENCE CAN CREATE DETAILED, ACCURATE PERSONAS.

Location intelligence provides real-world information on the top customers for different businesses. It provides insights into what customers are interested in, allowing marketing

and advertising professionals to build personas that help them improve offers, messaging, and ad copy.

Take a major grocery brand, for example. The grocery brand could gather location intelligence on its most dedicated customers, understanding where they go before and after shopping at their stores. If they find that over half their customers visit the gym before shopping for groceries, they could create relevant ads that suggest healthy food and drink options for their customers.



2. LOCATION INTELLIGENCE CAN IDENTIFY 'LOOKALIKE' AUDIENCES.

As with the personas use case, location intelligence can help businesses determine the interests and behavior of their most dedicated customers. If there are specific characteristics that are common to this group of customers, such as being interested in fitness, then businesses can use

this data to find other consumers who are also interested in fitness. This creates a 'lookalike' audience of new prospects that are likely to engage with advertisements.

3. LOCATION DATA CAN IDENTIFY COMPETITORS' CUSTOMERS FOR CONQUESTING CAMPAIGNS.

Location data isn't limited to just a single business' customers. Companies can also use location data to understand their competitors' customers, learning about their interests and behaviors as well. An advertising audience can be built on that information, allowing companies to directly target their competitors' customers in marketing and advertising campaigns.

Business Advantages of Using Location Intelligence for Advertising

Large enterprises have been using location intelligence to improve their customer personas and advertising campaigns for years. The most successful organizations have also used the insights they gained to improve the customer experience and win over new audiences.

1. EFFECTIVE AD TARGETING

Ad targeting is one of the most common and easily implemented uses for location intelligence. Companies can purchase what are known as 'advertising audiences' from location intelligence providers. For example, a health food store could purchase an advertising audience of people who have visited health food stores in the past six months, and send relevant advertisements to a group of people they know are interested in healthy food.

That same health food store could also use an advertising audience of people who have visited gyms since they've used insights from location intelligence to learn that people who visit gyms are also often interested in a healthy diet. By using an audience with complementary interests, the health food store could reach a new audience and acquire new customers.

2. HIGHER CLICK-THROUGH-RATES (CTR) AND ROI

Using location intelligence, companies can learn more about customer interests, activities, and habits, which can then help create detailed personas for sales, marketing, and customer service. When this data is used within a customer relationship management (CRM) system, it can help each team provide highly relevant communications to customers and prospects.

Using personas to improve messaging throughout the customer lifecycle creates a better customer experience and can greatly improve your business results. Advertisements and offers that are highly relevant gain better results, improving the CTR and ROI of campaigns. We've seen companies achieve a 250 percent increase in CTR for marketing campaigns just by using location intelligence to reach relevant audiences and provide more personalized offers.



3. BETTER FOOT TRAFFIC AND PURCHASE ATTRIBUTION

Because location intelligence is based on real-world actions, it can help businesses connect online activities to offline behaviors. That means companies can use location intelligence to connect mobile advertisements to offline foot traffic in stores, restaurants, and other commercial locations of interest.

By connecting changes in your foot traffic data to advertising campaigns, you can understand which advertisements work and which ones don't, giving you the insight to make better decisions and increase your ROI in the future.

Advertising Audiences: What Audiences Are, How to Find the Right Audience, and How to Set Up an Audience- Based Campaign

The fastest and easiest way for businesses to start using location intelligence in their marketing and advertising campaigns is with an advertising audience. Consumer interests, affinities, and in-market buying behaviors based on insights from location intelligence are combined to create precision advertising audiences for use in digital advertising campaigns.

For example, we have hundreds of advertising audiences with different characteristics. We've released audiences based on:

- Brand loyalty, such as consumers who regularly shop at stores like Best Buy, Old Navy, or Whole Foods.
- Interests, including consumers who are wine lovers, regular gym-goers, or concert fans.
- Behaviors, including consumers who regularly visit specific commercial areas or have defined routines.

Advertising audiences contain everything businesses need to accurately reach their target market. But to be effective, businesses need to select the right audience for each of their campaigns. If the audience doesn't match the campaign's objectives, you risk mistargeting and miscommunicating with your prospects, resulting in lower engagement, reduced clicks, and a poor ROI.

CHOOSING THE RIGHT ADVERTISING AUDIENCE

Most campaigns will need different audiences based on the campaign's goals, offer, and ads. To select the best audience for your campaign, follow these four steps:

1. Set goals and determine your desired results before purchasing an audience.

It is critical to have a set of measurable, well-defined goals for each campaign. If your goal is to bring in new customers to your grocery store, you should set goals for:

- Ad impressions
- Ad engagement, including click-through rate (CTR)
- In-store foot traffic
- Sales

2. Lay out your offer.

What is your ad going to give to consumers who click on it? A discount? Free products? Determine what your business is going to use to incentivize its audience to engage with the ad or visit your store location.

3. Define your target audience.

Even though you'll be purchasing an advertising audience from a location intelligence provider, you need to know the broad characteristics you're looking for. Do you want to reach people who regularly visit grocery stores in your area? Are you interested in sending these ads to your competitors' customers? Or are you targeting your ads based on interest, such as people who want to live a healthy lifestyle?

All those factors will affect which audience you buy, as well as the messaging you use in ad copy and creative.

4. Match your target audience to existing advertising audiences.

Once you've discovered your target audience, start looking at location intelligence providers. The best providers will offer advertising audiences with clear characteristics, so you can match your target audience with the advertising audiences they provide.

If you can't find an audience that fits your needs, contact the location intelligence provider. They'll likely be able to build a custom audience with the characteristics you're looking for.

HOW TO SET UP YOUR ADVERTISING CAMPAIGN WITH A LOCATION-BASED AUDIENCE

Choosing an audience and creating ads is the most difficult part of creating an advertising campaign with location data. After you've checked off those items on your to-do list, setting up the campaign is simple.

Your advertising audience should contain everything you need to set up an ad campaign. Your location intelligence provider will help you onboard the audience into your data management platform (DMP), demand-side platform (DSP), or AdTech platform. Once your advertising audience information is available, you can use integrations between your system and other advertising tools to connect the audience with your ads, budget, and campaign timeframe.



Best Practices for Increasing CTR and ROI

Location intelligence can increase the CTR and ROI of digital advertising campaigns because it allows companies to create more relevant ads and deliver them to an engaged audience they know will be interested in those advertisements.

Ad campaigns based on location intelligence regularly outperform traditional advertising, and even digital advertisements based on online behavior because they're based on real-world actions. Consider how many websites your audience visits in a day. Are they interested in every website? Probably not. But if your audience makes the effort to physically travel to a location and spend time there, they're displaying a much higher level of interest.

However, there are still several techniques you can use to improve your campaign's CTR and ROI beyond simply using location intelligence. [Depending on industry](#), a company's average click-through rate (CTR) may range anywhere from 1.5 – 3.5 percent. However, a higher CTR offers many benefits to an organization: increased conversions, improved sales, and overall revenues; as well as a better quality score for platforms like Google and Facebook.

TIP #1. FOCUS ON THE ACCURACY OF YOUR AUDIENCE TARGETING AND SEGMENTATION MODELS.

[A recent study](#) found that 71 percent of consumers prefer ads tailored to personalized interests and shopping habits, while 75 percent prefer fewer ads that are aligned to their needs and interests. To improve your CTR, you'll need to reach the right consumers at the right time. To do that, you could work with your location intelligence provider to create a custom audience, or even break your ad campaign down into smaller segments, reaching consumers with hyper-targeted ads based on their interests.

Even with hyper-targeted ads, it's unlikely that you'll have a mega-successful campaign right away. Always test multiple ads with different designs and copy that speaks to your audience's pain points and the value they'll receive from your business. By testing different versions of your ads, you can see what resonates with buyers and what doesn't.



TIP #2. TEST MULTIPLE AD CREATIVES.

Don't just create your campaign and let it sit. Monitor it closely and iterate on your ad design, copy, and offers based on performance. For example, if your campaign isn't performing well after two weeks, pause it and take a deeper look into the metrics. Is your campaign underperforming, or is it just one ad? Pull out what's working and what isn't, then tweak your ads to make them more successful.

Remember that you can optimize your campaign even if your ads are performing well. Don't make sweeping changes, but adjust your copy to speak more to the pain and value points that are resonating with your buyers to improve CTR even further.

TIP #3. CONNECT DIGITAL ADVERTISEMENTS TO FOOT TRAFFIC AND SALES.

This is less about increasing your CTR and ROI and more about proving the value of your campaign to your boss and business leaders.

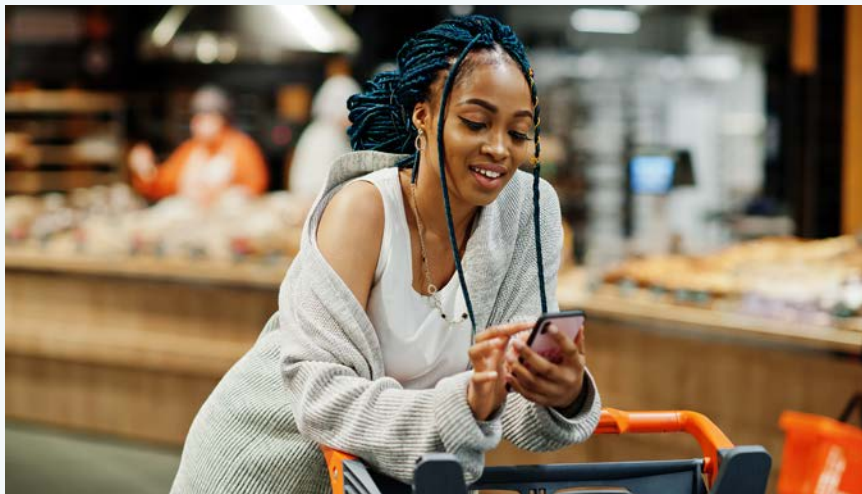
Since foot traffic is a critical component used to identify and track a consumer's real-world behavior, businesses can use it to quantify the effect of advertising on in-store visits. The ability to accurately attribute customer behaviors to real-world activities, and connect the dots from online exposure to offline behavior, gives marketing a competitive advantage with a quantifiable measure of advertising effectiveness.

Location intelligence helps a company with omnichannel attribution by recording consumer behaviors online and offline, allowing you to track the users who see your ads and determine if they visited a store location. You can then use that data to evaluate in-store foot traffic before, during, and after advertising campaigns to see how effective your campaign was.

Context is King to Using Location Intelligence for Advertising

The perceived business value of location intelligence has increased steadily over the last several years, with 58 percent of respondents to [a recent survey](#) stating that LI is 'critical' or 'very important' to business success in 2019. This number is expected to continue to increase over time as location intelligence becomes more common and consumers continue to demand more relevant content and advertisements.

To effectively use location intelligence for advertising, businesses must work with providers that use cleansing and contextualization processes, as well as create specialized audiences to improve ad targeting. Verified information about the places your customers or target audience is going, why they're going there, and what they do in that location is critical to creating a successful campaign.



Follow the steps and advice listed in this eBook to get started, but when in doubt, contact your location intelligence provider. Their experts will be able to guide you through the best advertising audiences for your business as well as help you level up your location intelligence use if your business is ready for more.

ABOUT GRAVY ANALYTICS

Gravy Analytics is the leading provider of real-world location intelligence for marketers. Our patented AdmitOne engine verifies consumer attendances at millions of places, points-of-interest and local events, providing unprecedented visibility into the offline consumer journey. Gravy Analytics processes billions of pseudonymous mobile location signals every day to create its industry-leading and privacy-friendly data services, insights, and audiences. From ad targeting to customer relationship management, competitive intelligence to sponsorship selection, Gravy Analytics enables better business decisions with big data that reveals where people go in the physical world. Where we go is who we are. For more information, visit us at gravyanalytics.com.



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