

A Forrester Consulting
Thought Leadership Paper
Commissioned By Verve

June 2017

Pursuing The Mobile Moment

Build Brand Strategies That Leverage Location
Data To Win, Serve, And Retain Customers



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Project Director:
Rudy Hernandez,
Market Impact Consultant

Contributing Research:
Forrester's B2C Marketing
research group

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Executive Summary

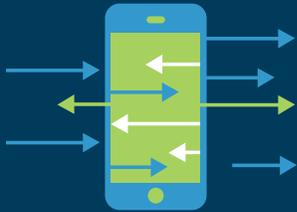
The centrality of mobile in consumers' lives has led to the mobile mind shift. Consumers' expectations have been reset; they now expect mobile experiences that reflect their immediate context, arrive in their moment of need, and anticipate and inspire new engagements with products, services, and brands. This shift suggests that B2C advertisers must rethink mobile advertising as a means to deliver contextual value to consumers based on their present demands.

Location data can help advertisers provide that critical contextual value. Intelligence derived from data based on consumers' location not only helps drive them to stores and other physical locations, but also provides in-depth, often-overlooked insights that help advertisers discover consumer attitudes and behaviors. These insights enable organizations to deliver the mobile moments needed to win, serve, and retain digitally empowered customers.

In March 2017, Verve commissioned Forrester Consulting to evaluate how mobile advertisers in North America use location data by examining how location data informs their advertising efforts, what challenges they face, and what benefits they have received.

KEY FINDINGS

- › **Many advertisers struggle to use insights to contextualize consumers.** Thirty-eight percent have difficulty contextualizing historical insights about consumers and 37% are unable to target them granularly — indicating that they are not taking advantage of the unique characteristics of mobile in their effort to truly maximize the value of advertising for the consumer.
- › **Location data increases ad relevance and gets consumers into stores.** Three-quarters of our survey respondents recognize the value of location in making their messaging more relevant to mobile moments — when consumers use a mobile device to get information they need in their immediate context. Nearly half value location data's usefulness in driving incremental in-store visits.
- › **Complexity challenges advertisers wishing to pursue location marketing efforts.** Nearly all advertisers reported challenges in working with location data. This is due to the varied levels of mobile marketing maturity combined with the complexity associated with the multitude of sources and technologies that make up the location landscape. These challenges often prevent brands from identifying the right third-party partners and taking advantage of the location opportunity.
- › **Location-based marketing efforts help mature companies make their ads more relevant.** Organizations that mature their mobile marketing and focus their use of location data on location-based efforts are 12% more likely to increase the relevance of the ads they serve to consumers. In addition to increased relevance, these more mature organizations increase their targeting efficiency, the ROI of their marketing technology investments, and their overall brand awareness.



Data based on a consumer's **location** can not only help **drive them to stores and other physical locations**, but also **provide in-depth insights** that help advertisers **discover customer attitudes and behaviors**.



Mobile Advertisers Must Reach Consumers In Their Mobile Moments

The central role that mobile plays in the lives of consumers means that mastering mobile advertising efforts is mission-critical to brands in the marketplace. Not only does mobile allow people to be always connected, but it has also reset consumer expectations in what Forrester calls the mobile mind shift: Mobile shoppers now demand that firms deliver highly relevant experiences that reflect both their immediate context and their longer-term goals and needs. Mobile advertising needs to keep up by delivering innovative, location-aware, personalized value to win the hearts and minds of consumers. This is how brands capture attention, win conversions, and earn long-term customer loyalty.

Despite mobile being a crucial component for advertisers, many organizations struggle to create truly contextualized and relevant mobile ads. This study, a survey of North American advertisers working to reach consumers in their mobile moments, found that brands:

- › **Expect mobile advertising to deliver on a range of objectives . . .** Top mobile advertising objectives are both tactical and strategic throughout the entire consumer life cycle (see Figure 1). Increasing conversion rates, cited by 40%, topped the list; one-third aim to retain existing customers. Almost as many seek to improve the ROI of advertising campaigns, acquire new customers, and maximize the relationships between consumers and brands.

“Mobile advertising can do a great job of creating micro moments: serving ads to people at the moment that their passions intersect with the natural environment they’re in.”

Director of consumer marketing, US consumer technology company



Figure 1

“Which of the following are your organization’s top mobile advertising objectives for the next 12 months?”
(Showing the top five responses ranked as first, second, or third)



Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017

› . . . **but find execution challenging.** Advertisers cite difficulty in delivering on their campaign objectives due to challenges around actionable insights, data granularity, and tracking (see Figure 2). These factors hinder advertisers' ability to deliver value in mobile moments — the points in time and space when consumers use a mobile device to achieve what they want in their immediate context. A lack of deep consumer understanding plagues more than one-third of respondents: 38% have difficulty contextualizing historical insights about consumers and 37% can't target customers granularly, indicating that they are not taking advantage of mobile's unique characteristics and truly optimizing the value of advertising for the consumer. Compounding this gap in consumer insight is the fact that about one-third of advertisers are unable to track customers or reach them in their moments of need.



A mobile moment is a point in time and space when a consumer uses their mobile device to get what they want in their immediate context.

Figure 2

“Do any of the following challenges hinder your organization’s ability to achieve the priorities you listed in the previous question?”

(Select all that apply)



Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America

Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017

Advertisers struggle to gain insight into their customers' context.

LOCATION DATA IS AN AVENUE TO CONSUMER CONTEXT

Location data is key to gaining the insights into consumer context that advertisers need to deliver on the promise of highly contextual mobile moments. Location data from mobile devices provides a view of what mobile experiences consumers will value most, empowering companies to overcome some of their greatest advertising challenges.¹

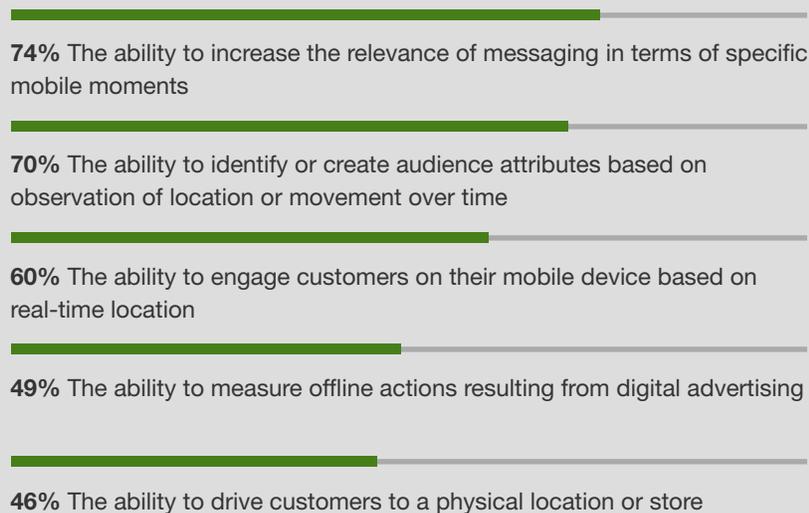
Most of the advertisers surveyed in this study recognize the importance of location data, understanding that it:

- › **Can hone their messaging.** Three-quarters of the respondents in this study acknowledge location's value in increasing the relevance of their messaging, especially when it comes to mobile moments — when consumers use a mobile device to get information they need in their immediate context (see Figure 3).
- › **Helps brands learn more about their customers.** Seventy percent acknowledge that location data can help them define key audience attributes by highlighting changes in location over time.
- › **Drives online consumers to brick-and-mortar stores.** While most advertisers understand the nuanced capabilities of location data, only about half recognize its potential to drive customers to physical stores.

Figure 3

“Consider the use of customer location data to inform your organization’s mobile advertising efforts. What use of location data does your organization perceive as having value today?”

(Select all that apply)



Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America

Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017

Location data delivers relevancy and helps advertisers win “mobile moments” by helping them **hone their messaging, learn more** about their customers, and **drive online customers to brick-and-mortar stores**

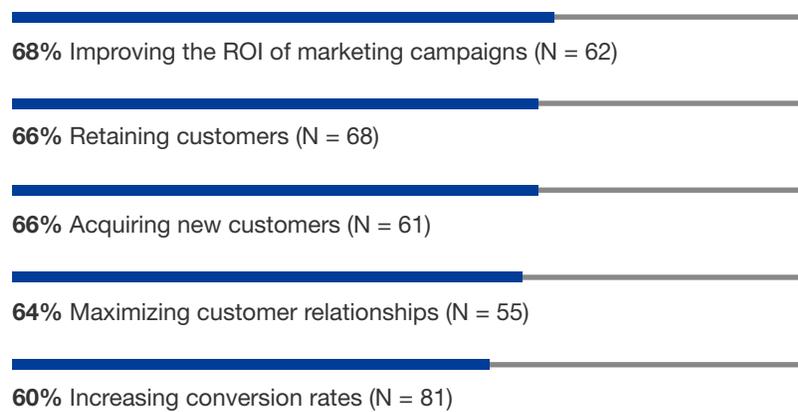
- › **Already delivers value to advertisers.** Across different levels of maturity, advertisers credit the location data they currently leverage with helping them achieve their high-level marketing goals (see Figure 4). They say that location data has been helpful in winning (66%), serving (64%), and retaining (66%) customers, as well as increasing conversion rates (60%).

Location data presents a distinct opportunity to win, serve, and retain customers — so advertisers must understand the location data landscape more deeply, learning and applying best practices to avoid pitfalls and mature their efforts.

Figure 4

“Thinking specifically about your mobile advertising efforts that use location information, how effective has this use of location been in helping you achieve your organization’s overall marketing goals?”

(Respondents selecting “very helpful” or “extremely helpful”)



Using location data helps advertisers win, serve, and retain customers by helping them master mobile moments

Base: Marketing and advertising decision-makers responsible for media strategy at companies in North America prioritizing each initiative
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017



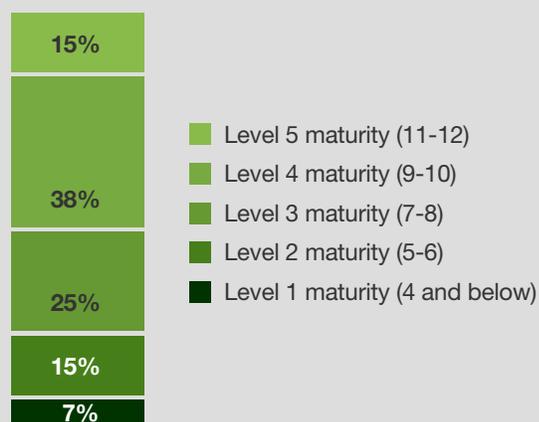
Location Data Sources And Applications Pose Mobile Marketing Challenges

Despite the promise and proven results of using location data, the complexity of the landscape challenges many advertisers. Varying levels of marketing maturity, different ways of understanding and applying location data, and a tangled web of modern and emerging technologies, data vendors, and associated data types can confuse even savvy organizations. Respondents identified challenges that include:

- › **Missing out on the advantages of location data.** We evaluated respondents on three elements from Forrester's Mobile Marketing Maturity Assessment: organization, planning and execution, and measurement. We categorized brands as belonging to one of five levels of maturity, with 1 being the lowest and 5 being the highest (see Figure 5).² The results show that nearly half of the surveyed advertisers are still at one of the lower three maturity levels. Advertisers without the necessary level of mobile marketing maturity are unable to fully execute on their overall mobile strategy, let alone their strategy for using location data.

Advertisers without the necessary level of **mobile marketing maturity** are unable to fully execute their overall mobile strategy, let alone their strategy for using location data.

Figure 5
Mobile marketing maturity



Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017

Respondents received a maturity score of 1 through 4 for each of the following aspects of mobile marketing:

- Organization (what best describes the team supporting mobile marketing initiatives)
- Planning and execution (how the organization plans new mobile marketing strategies)
- Measurement (What best describes the mobile measurement strategy)

We totaled the results to generate a score from 3 to 12 and aligned those scores with one of the five levels of mobile marketing maturity.

- › **Multiple meanings of “location.”** Definitions and understandings of “location” vary across the advertising industry. To help advertisers articulate their location efforts, Forrester defines “local marketing” as marketing efforts that center on helping people discover and convert in a physical location, and “location-based marketing” as efforts that use location as a data input for audience intelligence to create and improve segmentation and targeting. Advertisers can intertwine the two to further enhance their efforts; the ones in our study use location data for both location-based and local efforts at roughly the same rate, 65% to 70% (see Figure 6). For advertisers, growth depends on not getting locked into a local-marketing-only mindset or approach. One director of consumer marketing confirmed that location-based marketing is too “deep” for his needs and that his team has not ventured beyond local marketing.
- › **Difficulty understanding the data.** Ninety-four percent of advertisers report difficulty in working with location data, listing an average of four challenges (see Figure 7). Top challenges include not getting a clear picture of what third-party offerings exist (30%), not fully understanding how to leverage location data to deliver relevant messages (33%), and working with inaccurate location data (34%).

“Our location efforts really focus on just driving the sale. Location-based marketing gets a little too deep for us.”

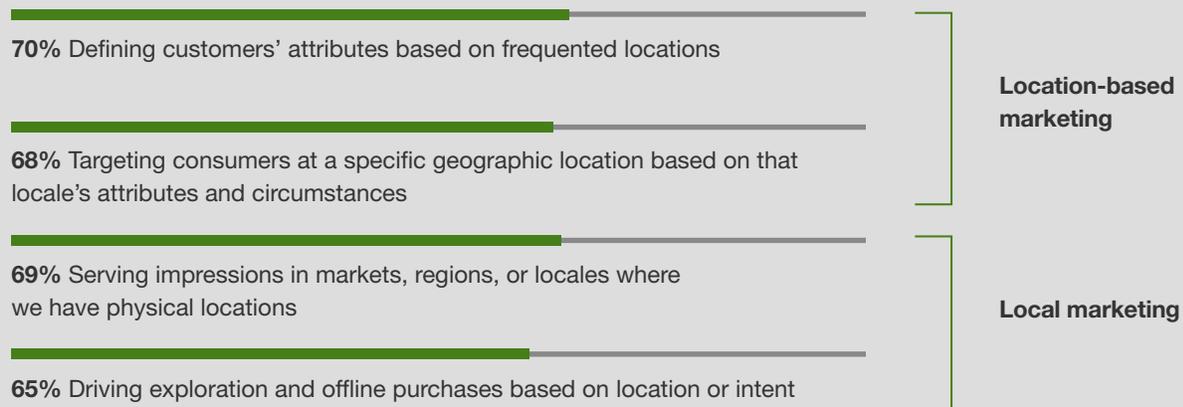
Director of consumer marketing, US consumer technology company



Local marketing uses “location” as a place, centering marketing efforts on **helping people discover and convert in a physical location**, whereas **location-based marketing** uses “location” as a **data input for audience intelligence** to create and improve **segmentation and targeting**.

Figure 6

“In which of the following ways does your organization use location data in mobile advertising efforts?”
(Respondents selecting “piloting”, “fully adopted”, or “expanding our current adoption”)

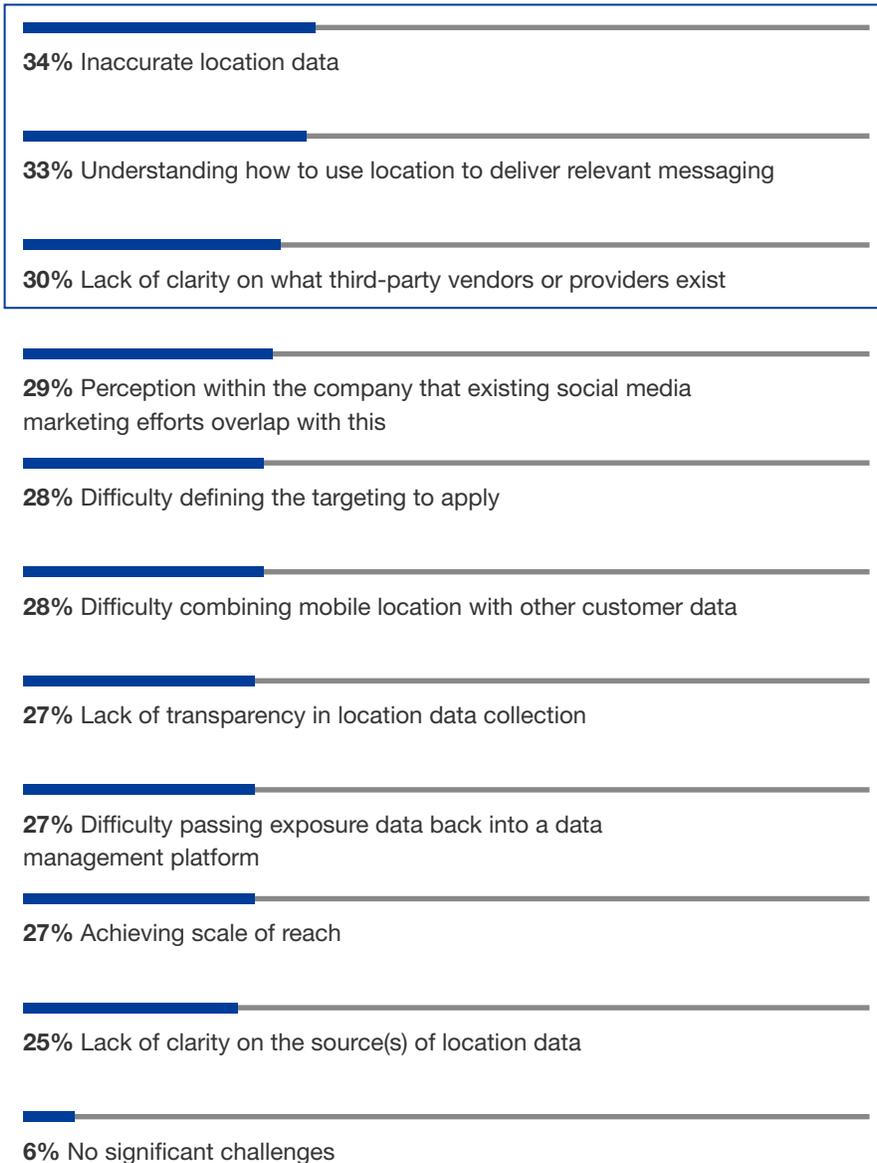


Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017

Figure 7

“What challenges does your organization have with using location data to inform mobile advertising?”

(Select all that apply; top 10 responses shown)



94% of advertisers report **at least some challenges** in working with location data, listing an **average of four**.

Average number of challenges faced:
3.7

Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017



› **Difficulty understanding the source, integration, and accuracy of location data.** The location data landscape is incredibly complex. Advertisers use an average of two sources of location data, both internal and from third parties (see Figure 8). That data comes from multiple technologies, including GPS, cellular towers, RFID, Wi-Fi, and beacons; brands source data from an average of three different technology types. They then integrate location data with an average of two other types of customer data to uncover insights. This complexity can stymie advertisers and discourage them from taking full advantage of opportunities. One director of digital analytics told us that the challenges he encounters in finding the right third-party partner prevent him from making extensive use of location data relative to other data types.

This network of complications demands that advertisers focus on maturing their organization’s approach to using location data. Local marketing without location marketing is insufficient for organizations seeking a commanding role in the mobile marketplace. Furthermore, tight alignment with third-party data and platform partners — that is, expertise on data sources and data types — is essential to growth and successful outcomes in the location marketing arena.

“It’s not that we have challenges with location data, it’s just that we’re not using it that much, because we don’t see the value relative to the high expectations that third parties are communicating to us. They would have to clear the hurdles on their side in order for us to make more use of location data.”

*Director of digital analytics,
US advertising agency*



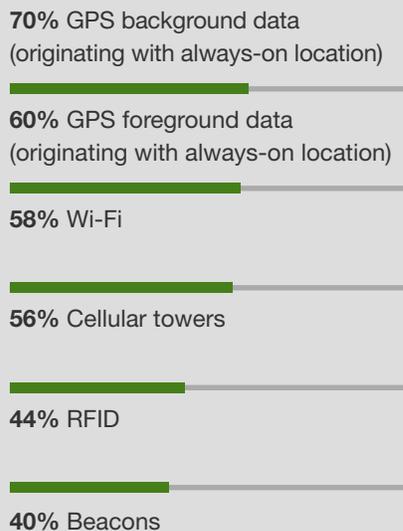
Figure 8

“Which of the following sources does the location data that your organization uses to inform mobile advertising come from?”
(Select all that apply)



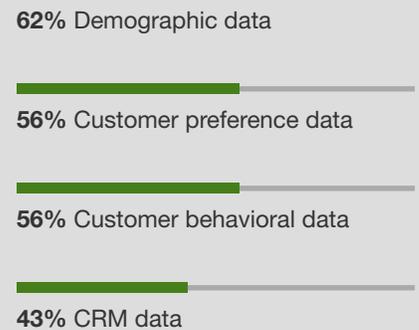
Average number of sources of location data:
2.1

“To the best of your knowledge, which of the following technologies are used to collect the location data your organization uses?”
(Select all that apply)



Average number of technologies used to collect data:
3.3

“What additional sources of data are being integrated with location data to create audiences and/or insights?”
(Select all that apply)



Average number of additional data sources integrated:
2.3

Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017

Mobile Marketing Maturity Unlocks The Benefits Of Location Data

The complexities of location data in the marketing ecosystem can discourage advertisers seeking to take advantage of location-powered opportunities. However, these challenges prove more surmountable as organizations mature their location data efforts.

Respondents that matured their overall mobile marketing profile and focused on location-based marketing over local marketing improved their ability to serve contextual messages that deliver successful business outcomes (see Figure 9). With this focus in place, it's easier to tackle other challenges. Organizations ranking higher on mobile marketing maturity and focusing their efforts on location-based marketing:

- › **Delivered more relevant ads to their target audiences.** Mature organizations using location data to gain rich consumer insights were 12% more likely to report that their use of location data increased the relevance of their ad content than their less mature peers (see Figure 10). A director of digital analytics confirmed that using location data in this way allows his firm to design creative content that is more relevant to a specific time and place.
- › **Received brand benefits beyond relevance.** Mature organizations were also directionally more likely to increase their targeting efficiency, marketing technology ROI, and brand awareness than their less mature peers.

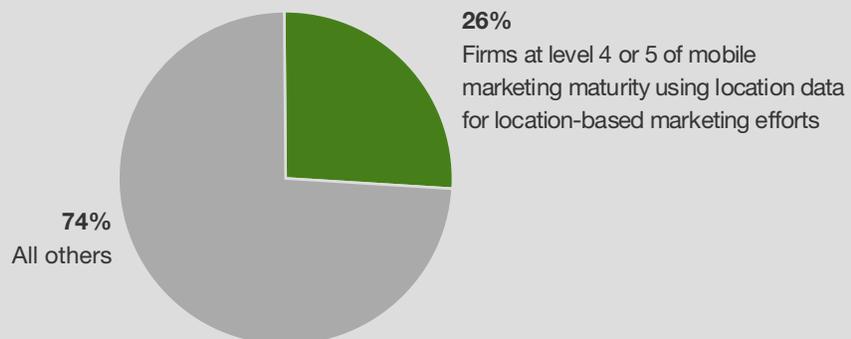
The results suggest that embracing location data as a complement to a greater focus on what consumers now expect from brands — relevant, context-rich content at the time and place of their choosing — is key to unlocking growth and successful outcomes. It appears that many advertisers are still in the early stages of mobile marketing maturity. The brands and third-party partners that advance along the maturity spectrum, optimizing location-powered efforts for the long term, will lead the marketplace.

“Location data helps **eliminate wasted messaging** and helps us design creative content that is **more relevant** to that specific moment in time and to that specific place — versus a more ‘spray and pray’ approach. It takes a bit of the heavy lifting off the creative teams.”

*Director of digital analytics,
US advertising agency*



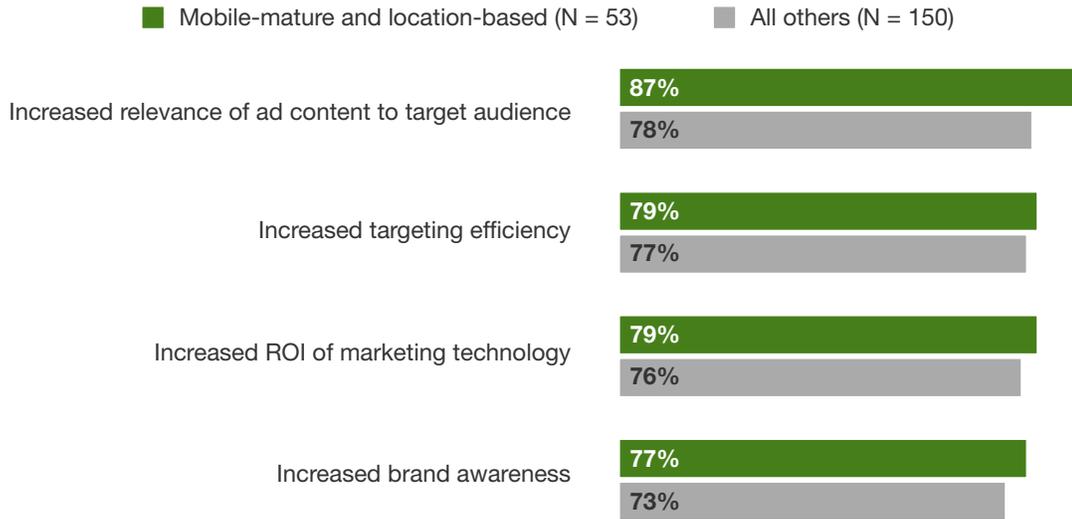
Figure 9



Base: 203 marketing and advertising decision-makers responsible for media strategy at companies in North America
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017

Figure 10

“Which of the following benefits has your organization experienced by pursuing marketing efforts using location data?”
(Select all that apply)



Base: Marketing and advertising decision-makers responsible for media strategy at companies in North America
Source: A commissioned study conducted by Forrester Consulting on behalf of Verve, March 2017



Key Recommendations

Navigating the challenges of location-powered mobile marketing requires that advertisers optimize their efforts and use insights from location data to build upon that foundation. Advertisers aiming to mature their stance and take advantage of the location opportunity must:



Use location to augment consumer understanding. Location-based advertising uses location data as an input to augment the advertising audience profile and further distill consumer intent — not to replace the entire profile. Using only real-time location data alone can miss the mark: Walking by your store is not necessarily a signal of intent, so targeting an individual at the precise moment they do so may not drive results. But using that same person’s location-derived behavioral data (where they shop, when, and for what) in tandem with other data can help establish the best time to serve them an ad based on interest. Taking all data into consideration ensures that you gather the right location data, reap the most benefits from it, and ground the insights you derive in a larger strategy.



Select the right partners based on the quality and scale of location data. As this study shows, location affects advertising in several areas: insights, targeting, creative content, campaign measurement, and attribution. Once your location-based strategy is in place, see which of these factors you want to augment to set the right parameters for data source, scale, and accuracy; this will help your organization select platform partners. For example: Do you need granular location data tracked over time, or will real-time location at an event suffice? Do you want your creative content to change dynamically with location? Do you need to measure offline behaviors to drive an offline conversation, or will the conversion happen online?



Arm yourself with data questions. Understanding location data challenges many advertisers, and rightly so. The quality of location data varies with the source, differing in accuracy, scale, and access. Limiting these differences means asking a few questions. Where does the location data come from — for example, a first-party SDK, a publisher, and/or a beacon? How accurate is the data and how is it validated? What types of location tracking are available for gathering historical insights, cross-device tracking, measurement, and attribution?



Assess your audience’s location-data sharing behaviors. Privacy awareness, information-sharing, and technology behaviors vary by audience. For example, 57% of a category that Forrester calls “Data-Savvy Digitals” (younger digital natives) know that companies buy and sell data, and 52% are comfortable sharing their location with apps when it makes sense to do so. This contrasts starkly with “Skeptical Protectionists,” who are older and less aware — only 17% are comfortable sharing this data.³ You must go into your location data effort with a clear view of your customers’ unique privacy expectations and understand what implications those may have on the collection and usage of location data.

Appendix A: Methodology

For this study, Forrester conducted an online survey of 203 marketing decision makers in organizations that spend \$250 million or more annually on advertising in North America. These individuals were directors or higher with decision-making authority over strategy across social media, digital, and mobile advertising efforts. The survey asked participants about their mobile marketing maturity, their use of location data, the challenges they faced, and the benefits they experienced. Forrester also conducted five in-depth phone interviews with individuals drawn from this audience. The study began and was completed in March 2017.

Appendix B: Supplemental Material

RELATED FORRESTER RESEARCH

“Brief: Tap Your Consumers’ Location For Mobile Marketing Success,” Forrester Research, Inc., August 24, 2016.

“Score Your Mobile Marketing Maturity,” Forrester Research, Inc., March 23, 2016.

“Introducing Forrester’s Consumer Privacy Segmentation,” Forrester Research, Inc., December 14, 2016.

Appendix C: Endnotes

¹ Source: “Brief: Tap Your Consumers’ Location For Mobile Marketing Success,” Forrester Research, Inc., August 24, 2016.

² Source: “Score Your Mobile Marketing Maturity,” Forrester Research, Inc., March 23, 2016.

³ Source: “Introducing Forrester’s Consumer Privacy Segmentation,” Forrester Research, Inc., December 14, 2016.