

3 Ways Location Intelligence Improves Marketing Effectiveness



Abstract

Overwhelmed with the enormous amount of data coming from everywhere? Need to find which data are really relevant to monitor your marketing and sales actions? Trying to gain better accuracy with which to direct these campaigns? Did you know that an estimated 75 percent of all business data contains a geographic component? By taking the location dimension into account when analyzing strategic CRM, tactical marketing and sales data you can get the maximum out of your data. Leveraging location-based data by geographically plotting relationships, trends, dependencies, and patterns on a map, turns your data into powerful information to solve business problems. Location Intelligence can help convert location from a challenge to a competitive advantage.

Location Intelligence: It's All about Location and Data

Location Intelligence is the combination of business intelligence and geo-spatial data combined with cartographic tools to better understand the geographical context and the location-based relationships that lie within data. "Location" relates to tagging and storing pieces of raw data with their specific location (in some instances this may also include the time dimension as well). "Intelligence" describes the process of accessing, analyzing and synthesizing data, converting this into knowledge or intelligence and then converting the learning into appropriate business actions. The new breed of Location Intelligence software is designed to connect and access all the important BI and operational data stores (CRM, SCM, ERP, etc.) combined with rich spatial and cartographic capabilities. On top of the integrated data environment sits a powerful set of enhanced tools and capabilities enabling new and improved data analytics techniques such as Clustering, Heat Maps, Time Sliders (Longitudinal Analytics), User Managed Thematic tools and Iconography. These powerful new software platforms enable marketers to move from analysis and insight to actionable outcomes more quickly.

Location is a central factor in business. A number of recent studies suggest that between 70-85% of a typical large enterprise's data is location identifiable. The location identifier can be an address, a sales territory, a delivery route, an administrative boundary, a customer's address, a store's location, the competitor's store locations, location of installed products or delivery of services or even determining the quickest (or less fuel-consuming) route between the warehouse and the delivery point. Location awareness is beneficial for business performance management, and Location Intelligence can make all the difference in gaining better insights about customers.

Today there are many well-documented use cases proving the business value of deploying a Location Intelligence solution. These use cases leverage Location Intelligence solutions connected directly to enterprise applications, mapping large-scale datasets and applying spatial processing. With that solution architecture, the ROI can be well defined and proven across operational departments, large Business Units or even company-wide.

About Galigeo

Galigeo provides innovative Location Intelligence software solutions to solve complex location-dependent business problems. Galigeo software connects directly to enterprise applications, maps large-scale datasets and applies spatial processing to enhance data visualization, reporting and predictive analytics.

Contact

116 West 23 Street, Suite 500
New York, NY 10011
646 375-2149
communication@galigeo.com

For more information visit
www.galigeo.com

How Location Intelligence can play a Major Role in your Marketing Strategy

Location Intelligence turns data about customers and marketing operations into knowledge that provides greater insight to enhance operational performance. By implementing Location Intelligence companies can more quickly go from diagnostics to action, gain a competitive advantage, and obtain tangible results, such as:

- Monitor store performance
- Identify underperforming sales territories
- Improve pricing strategy
- Enhance direct marketing campaigns and advertising campaigns
- Improve sales territory management
- Analyze sales performance
- Increase in the retention rate for reward and loyalty program card holders
- Identify potential markets and define new trade areas for new stores

Location Intelligence empowers companies by providing deeper insight and understanding the outcomes of prior actions and the impacts to performance metrics. Location Intelligence users benefit from improved information to take action involving networks, distribution channels, and customer-bases, and maximize marketing decisions by answering questions such as:

- Where are my customers, distributors, and prospects located?
- Where are the gaps in my sales coverage?
- Is my distribution channel adapted to my customers' needs?
- Where are the potential areas to establish new points-of-sale?
- Where should the next marketing campaign be targeted?
- What are the risks in this given area?
- Where are the cross-selling opportunities

Let's take an example. A beverage company wants to optimize its sales force efficiency and increase its sales. They are targeting 1 million potential customers (restaurants and bars) within the US territory and their sales force consists of 500 sales reps. Given these numbers, that means each sales rep has to visit 2000 customers, or 8-10 visits every working day. The sale productivity solution resides in optimizing territories, territory coverage models and maximizing "route planning" to visit the most important, most profitable customers or prospects first. Because Location Intelligence enables a better understanding of the geographical context and the location-based relationships that lie within CRM data, more and more businesses turn to these types of solutions to enhance trade area analysis, leverage predictive analytics modeling outcomes into actual marketing and sales planning or tactical marketing campaigns and lead generation.

Understand the location-based relationships that lie within CRM data

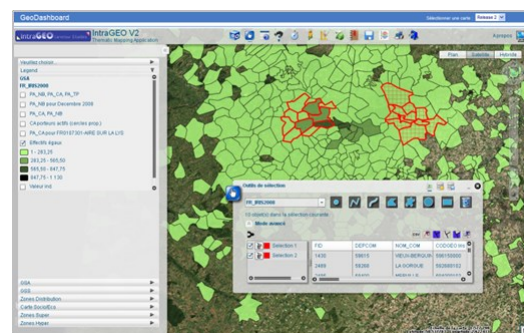
No. 1 - Multi-Variant Analysis

One example of this is Trade Area Analysis, which helps to understand where the customers are located in relation to a precise point-of-sale. By analyzing the demographics of an area to profile the customers, it becomes easier to align sales and spend marketing budget where it is easy to reach the most customers the most cost effectively. Accurate trade area analysis, leveraging multi-variant data can make all the difference when it comes to improving marketing decisions that enhance operational performance and increase return on marketing operations investment.

Further, by analyzing multiple location-based data, trade area analysis efficiently monitors store performance and measures the key statistics that impact a store's performance. Here are some examples of usage:

- Map existing customers in relation to store locations
- Develop demographic profiles
- Calculate time and distance customers travelled to reach a store
- Perform Competitive analysis and Market gap analysis
- Evaluate market penetration
- Identify and quantify the effects of cannibalization

Trade area analysis can also contribute to the selection of new locations where there is the most potential to grow and to the decrease of marketing expenses to find more customers.



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No. 2 - Predictive Analytics

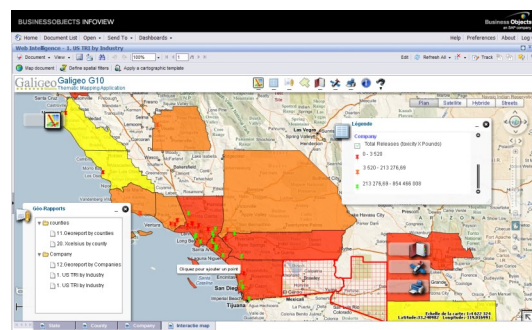
Prediction of future probabilities and trends are not an easy thing to do. At a minimum, companies must have access to relevant data stored in a data warehouse or analytics cube, data mining tools and a team able to analyze the information and build predictive models. Leading companies have come to learn that by adding a powerful Location Intelligence solution to their “toolset”, they have been able to:

- Directly connect all these components together to map large scale data sets
- Incorporate valuable third party data to improve the analysis and learning
- Improve the value of the predictive models outputs (co-efficient) by visually representing the possible outcomes and applying spatial processing and rich data visualization tools to visually see outcomes and scenarios

Location Intelligence enables predictive analytics based on the “where” factor and map-based visualization, which might reveal spatial dependencies or trends that might be difficult to discover otherwise. Improved insight about customer behaviors, can lead to:

- Identifying cross-selling opportunities
- Detecting fraud and risks
- Preventing high-value customers from leaving
- Anticipating customers’ needs

Data, even informed by predictive models, without real-world application, is just another report. Predictive analytics is a means to help organizations anticipate the probability of future outcomes, so that they can plan and carry out strategies that boost sales. With Location Intelligence, companies can expand predictive outcomes by creating if-then scenarios through spatially enhanced, rich cartographic reports using location as a driver to enhance predictions and improve the effectiveness of sales and marketing activities.



No. 3 - Data Visualization & Reporting

Data Visualization- the ability to represent complex information graphically and make it understandable and actionable for users, is gaining more importance and wider adoption within the business world.



Business Intelligence users often work with large data volumes and during the analysis and decision-process this often requires the data to be reduced or otherwise manipulated to improve the performance of queries and visualization. With Location Intelligence this is not necessarily the case anymore. Well-designed Location Intelligence solutions can actually extract greater value from the increasing volume of context-sensitive, spatially oriented data collected. These solutions often include a large palette of data visualization tools and widgets allowing the analyst the ability to build rich thematic maps, apply user determined and appropriate iconology, and extend visual analysis, for example with mosaic tiling or preferably true heat mapping. Other advanced tools might include Clustering, Longitudinal Analysis (period over period change using a time slider), Distance Analysis, and more, making it easier to visualize information and shorten the cycle time from analysis to taking action based on the insights.

By visually examining existing data on a map, through multiple thematic layers, with enhanced visualization tools, users can better identify hidden trends, gain insight and understanding of your overall marketing strategy and from that enhance customer relations. Let's illustrate this with an example: Three separate spreadsheet tables with data representing customers, competitors, and demographics may not reveal many insights if viewed in a tabular format, but if this data is overlaid on a map, organizations can quickly see where their best customers are, where their customers are in relation to competitors, where potential customers are in relation to both and which regions represent the best business potential based on underlying demographics. Further layering on a thematic view of the probability to respond to or act on a specific marketing offer may add additional insight as to the actual proximity to your retail stores, as well as your competitors stores. From that you might direct your marketing investment to focus on the best targets that are closer to your store, than your competitor and reduce the likelihood that you have your best prospects- now more informed and excited to buy, walk into the competitor store because it is closer, or easier to get to.

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When companies adopt Location Intelligence solutions, to use innovative ways to view and analyze information, they can quickly acquire insights that help them take action effectively. By integrating the spatial dimension to data analysis, the data can be quickly queried, analyzed, and displayed through a map allowing enterprises to exploit the data proactively through dynamic and interactive dashboards and detailed reports.

Combining the business intelligence data with cartographic tools can reveal information hidden within business intelligence data, and access information that cannot be viewed in regular reports. The value of Location Intelligence is to guide businesses and make sense out of the chaos of data and turn that information into learning and action.

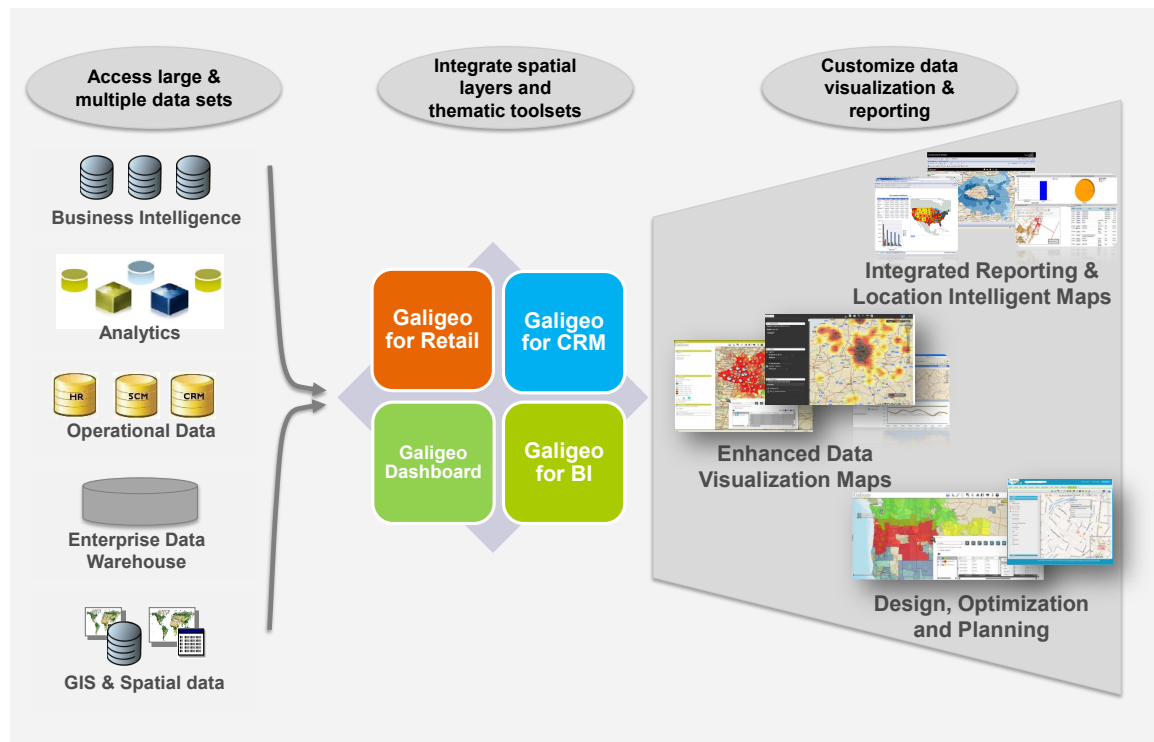
As you can see, Location Intelligence not only allows exploration of the location itself, but also exploration of all CRM and sales data linked to a location. In the end, companies using Location Intelligence enhance and improve their analytics efforts with demonstrable improvements to their business results and return on investment.

Who Should Take Advantage of a Location Intelligence solution?

Location Intelligence solutions can be integrated into all facets of your company, especially marketing, sales, distribution, and logistics. Your experts in marketing studies, site acquisition, marketing and communication, sales management and sales operations, finance, store operations, merchandising or store managers will benefit from a Location Intelligence solution to solve complex location-dependent business problems.

Galigeo: Innovative Location Intelligence Solutions For Superior Business Outcomes

Galigeo is the new generation of Location Intelligence applications integrating predictive analytics, performance management, and marketing management solutions to solve complex location-dependent business problems. To learn more about Galigeo, visit www.galigeo.com.



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