

# Location data: a powerful resource for customer analytics

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Customer Data & Analytics Blog

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Location data can be found in many places- social media, archived purchase orders, and mobile devices to name a few. This blog post highlights how location data could be used by organizations for customer analytics and marketing use cases.

**Build customer segments with geographic data**

Modern consumers expect personalization when it comes to advertising, marketing, and online shopping. Segmentation is a way of dividing and grouping consumers in a broad market. These segments are used for a variety of marketing purposes such as personalizing marketing campaigns and predicting customer purchasing patterns. Customer segments are often based on demographic attributes and historical behavior patterns. However, geographic data is especially useful for businesses in the retail, travel, and hospitality industries.

A hotel chain marketing team could segment customers based on travel locations, business travel, leisure travel, and hotel amenity preferences. These segments could be used to increase booking reservations. For example, business travelers in France may prefer the same hotel



amenities as business travelers in Germany. But wealthy business travelers in France may prefer different hotel amenities compared to similarly affluent business travelers in Germany. The marketing team could create separate campaigns that cater to business travelers depending on their destination and amenity preferences. Personalization based on personal preferences and location data could help increase hotel bookings.

Travel industry organizations could [engineer customer segments](#) from social media data which often includes geographic data. Location-based segmentation could be used to create holiday travel packages or marketing campaigns for specific travel destinations like Paris or London.

## Gain customer insights from location data

Most information contains geographical relationships that can be analyzed and leveraged for [customer analytics](#) and marketing purposes. Location analytics primarily involves aggregating and analyzing location data from multiple sources. Location data is analyzed to discover location-driven behaviors, trends based on geography, and patterns based on location. Location analytics sometimes involves the use of [beacons](#) (indoors and outdoors) to detect the location of a person or object in real time. Types of beacons include GPS, Wi-Fi, and Bluetooth Low Energy (BLE). Some brick and mortar retailers use in-store beacons and corresponding apps to analyze customer behavior and help customers navigate stores.

For example, indoor beacons and customer location data could be used by retailers to create heatmaps that show in-store foot traffic patterns. Retailers could analyze traffic patterns in real time. And retailers could analyze traffic patterns to determine the days and times of the heaviest foot traffic and areas of a store where there is the least foot traffic. Travel companies could use location analytics to predict future travel behavior and to market travel packages and specific amenities to potential customers.

## Location-based mobile notifications

Beacons along with location data can be used for mobile marketing. For example, brick and mortar retailers could build mobile applications that send push notifications (opt-in) automatically when customers walk near certain products. A customer shopping in person at a high-end clothing retailer might receive a push notification as they pass by the handbag department or walk near the shoe department. The notification could alert the customer to a name brand shoe sale or offer a discount for a designer handbag. Retailers could build loyalty apps that leverage smartphone GPS or

Bluetooth sending alerts automatically (opt-in) when customers are near the stores of competitors. Alerts could offer special discounts to persuade customers to forgo shopping at nearby competitors.

## **Location data is a powerful resource**

Location data can be used for customer segmentation, location analytics, mobile marketing, and so much more. It is a powerful resource for customer analytics and marketing.

*Janet Wagner is a Zylotech contributing writer.*

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