



## Location Intelligence

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Insights look beyond marketing through hyper-accurate location data





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# The state of mobile advertising in Canada

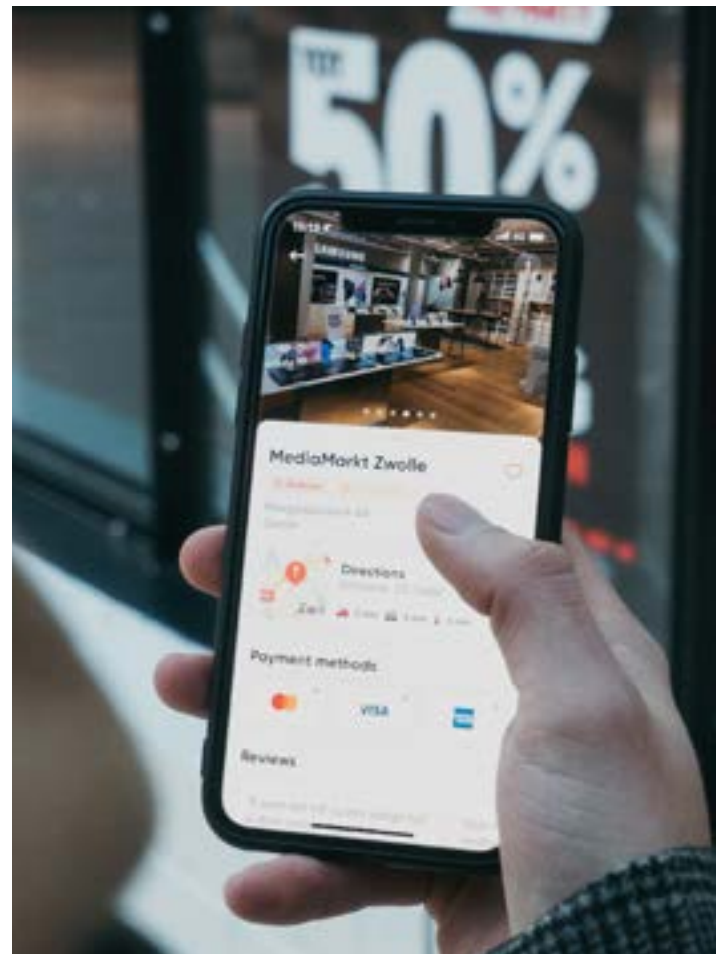
Today, the use of mobile devices is greater than any other. In Canada, users are spending almost 3 hours a day on apps and websites that are conveniently delivering entertainment right into the palm of their hands<sup>1</sup>. This growing trend has led to the prediction that in the next two years mobile time spent will exceed TV. This shift in media consumption has changed the marketing landscape and brands are now turning to a mobile-first method of advertising.

mobile even more competitive and challenging for businesses that are looking to make deeper connections with their target audience. To stand out brands will need to create hyper-personalized engagement driven by hyper-accurate location data that will enable them to obtain a better understanding of where their audience goes, how they behave, and what they are interested in.

The goal for all brands in this new era of personalization is to go from being just another pop-up ad, to conversion through engagement. The battle for audience engagement will be fought for in the world of real time mobile advertising and location intelligence will be the secret weapon for success.

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In 2018, mobile ad spending surpassed the CA\$5 billion mark, up to 37.5% over 2017 with more than three-quarters (75.1%) of all display advertising now spent in mobile formats<sup>2</sup>. This trending rise in ad spend is making predictions around mobile consumption look more like guarantees. This shift is indicative that more businesses are shifting their marketing efforts to a mobile-first mentality, making marketing on



1., 2. [emarter: In Two Years Users In Canada Will Spend More Time With Mobile Than TV](#)



# Location data has evolved

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Gone are the days when marketers would advertise with the confidence that they are in control of the buying cycle. Customers are now in control of their buying journey and in full control of their purchasing decision. Consumers now manage which brands they interact with, when they interact with them and how. The time for hyper-personalized messaging is now. To deliver, consumer-centric must have access to data that is constantly evolving and updating in real-time.

In 2015, Mckinsey updated their customer diagram to reflect that companies are eliminating the consideration and evaluation phase in their buyers journey will assert themselves with a competitive advantage<sup>3</sup>. The shift from simply providing buyers with information during the journey to now delivering that information in a short amount of time with relevant content plays an important factor in driving engagement and loyalty after the purchase is made.

In order to achieve this, information must be put in-front of the right audience in the exact moment that a need arises. A hard task to fulfill unless location data is present.

The evolution of the customer and their buying journey has led to the evolution of what type of customer data is collected and how it is being used. The increase in mobile device usage has created a new window of opportunity for marketers to access location data to target audiences and deliver messaging with precision. This opportunity leads to higher conversions and a better overall customer experience.

The increase on demand and use of location data is a fairly new marketing tactic which has posed learning curves for many brands when

it comes to tailoring their messaging and how they deliver it. Today, many mobile users are aware of their rights to privacy and choose not to share location information with apps, websites and device manufacturers; therefore, today's marketer must entice users to exchange location data for something of value while ensuring advertising tactics used on desktop are not duplicated on mobile. Once that exchange is made and accurate location data is obtained, brands have access to information that allows them to infer the audiences' wants, needs, behaviours and more.



3. [Mckinsey & Company](#)



# Location data targeting

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Not all location data is equally accurate or precise. Like any form of data, brands using user generated location information will have to ensure that data being used is scrubbed and validated for accuracy, as well as only being sourced from dynamic sources and not static ones. Forms of dynamic and static sources include:

## DYNAMIC SOURCES:

**GPS-** Provides location using a smartphone using the device's GPS to provide coordinates. This is the best location data available and is accurate to 5 metres.

**In-Store Beacon-** Provides location using smartphone applications and mobile device proximity to a sensor within a location. Has potential for greater accuracy and precision than GPS however, requires additional hardware installation in a physical location and the user's device to have bluetooth on.

**Wi-Fi-** Provides user interaction using a location enabled wireless router. Accuracy depends on the range of the router, usually within 20 metres.

**Cell Tower Triangulation -** Provides location based on device's location relative to a group of cell towers. Limited to accuracy around 150 metres.

## STATIC SOURCES:

**IP Address -** Based on the IP address of application servers is not relevant to the locations of the app's users.

**Registration Data -** Uses registration information when an individual signs up for an app or service, not suitable for targeting based on an individual's current location.

*When searching for a location data partner, it's important to verify where data is being sourced from. For hyper-accuracy, location data providers should only be sourcing dynamic location data, including the ability to confirm the percentage of ads being served using GPS targeting.*



# Not all location data is accurate

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If you want to get to know someone, just look at how they use their mobile device. The use of mobile technology has now become second nature to the mass population and now holds the key to brands building a personalized experience. That secret ingredient? Location data that reveals how a user behaves, what they enjoy, where they do it and how they do it. But not all location data is made equally and not all marketers have a good grasp on how to use it in their strategy.

*In a recent study, 94% of advertisers reported difficulty with location data, 30% had a lack of clarity around location-data offerings and 33% said they didn't have a complete understanding of how to leverage location data. The most troubling of stats in that study was that 34% found inaccurate location data as their biggest marketing challenge when using mobile advertising<sup>4</sup>.*

Like most quality issues that require fixing, it's best to start by looking at the source. Today

the most common sources for location data include IP addresses, GPS, Wi-Fi, and mobile apps. Each of these sources come with limitations that can heavily influence how accurate they are at reporting.

Marketers using location intelligence must find ways to work with their location data partners to gain access to large volumes of data using many sources to filter out "dirty data" and attain hyper-accurate location intelligence. A partner that provides high quality and accurate location intelligence will be able to do so by using a synthesis process, where they take large data sets from diverse sources and filter out fraud signals. The remaining data is then left for contextual interpretation in the form of a grid or map.

Today, close enough is no longer good enough when it comes to location accuracy. Businesses need to ensure that they ask how partners are determining a device's location, what process they use to remove bad data, and if they have the ability to scale and tie location data to the real world.



4. Forrester



# The fraudulent location data problem

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Buying and using unverified location data is unfortunately a problem that many businesses have experienced causing enormous setbacks on mobile ad campaigns that end up using wrong or invalid location data.

Location data fraud is created by the publishers of an application or when the demand-side platform (DSP) manipulates location-based data in an effort to increase the ad spend by the advertiser.

Advertisers using location data rely on their campaigns being delivered to the areas that matter most. Because of this, accuracy is important for precision targeting and it can only be delivered by using data that has been verified.

Today, many marketers continue using a significant amount of their budget on location data that is unverified for accuracy. Brands need to start taking a deeper look into how their location data providers are sourcing the data by asking deeper questions about how they are measuring for accuracy.

## TOP QUESTIONS

that marketers should be aware of in an effort to ensure campaign success are:

- > How are you defining location?
- > How are you detecting fraudulent data?
- > How are you reporting exposed visits?
- > How do you build control groups?
- > How does media planning and placement affect measurement?





To combat this inaccuracy in reporting, the Mobile Marketing Association reported that location data providers have made the following leaps towards increased location accuracy.



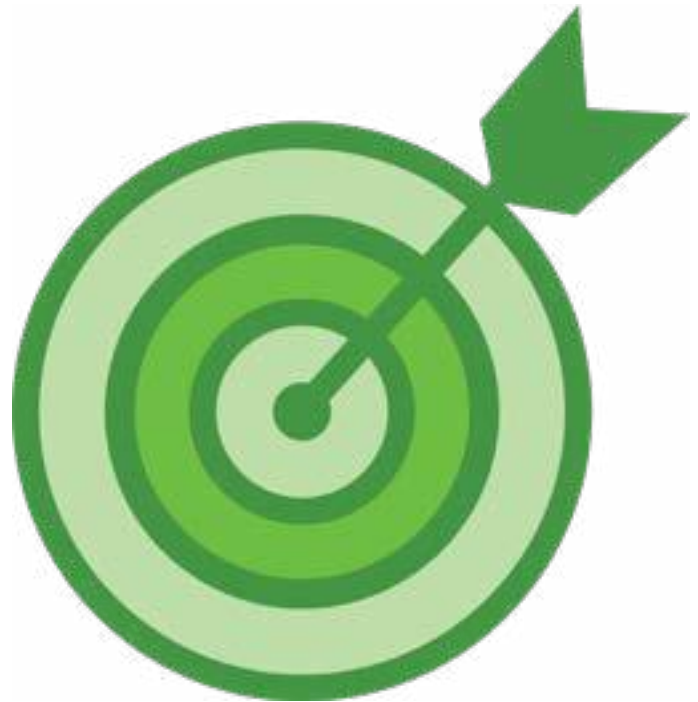
**Proximity Targeting:** Utilizes big data and pattern recognition technologies, most inaccurate locations, centroids and IP-based traffic can be filtered to allow for effective targeting and creative optimizations. In this way, brands are able to target end users based on their proximity to points of interest such as their own retail outlets, or even competitors' stores, and can adapt their ads to reflect different messaging at different locations.



**Location-based Audiences:** Filters out inaccurate locations by analyzing historical location data as well as first and third party data sets, advertisers can further refine the information about a given device to provide useful insights and determine patterns or place usage.



**Attribution:** Location is used to measure a mobile advertising campaign's effectiveness, including measuring foot traffic or integrating real time point of sale data (e.g. coupon redemptions)



**According to thinknear in a report made by the Mobile Marketing Association, up to 60% of ad requests contain some form of location data. Of these requests, less than 1/3 are accurate within 50-100 metres of the stated location<sup>5</sup>.**

5. [Mobile Marketing Association](#)



# Insights beyond marketing

A Local Search Association Market Landscape Report found that location-targeted ads are expected to reach \$32 billion by 2021<sup>6</sup>. It goes on to note that the increase in spend is due to marketers waking up to the possibilities that location data provides beyond just mobile advertising. Marketers are now seeing the valuable information that hyper-accurate location intelligence provides for brands in identifying audiences, gaining competitive insights and observing offline consumer behaviour. The report also notes that other uses for location data that are driving the increase in spend:

- Identifying audience segments (from offline behaviour)
- Understanding consumer purchase intent and preferences
- Matching digital and other ads to real-world activity and transactions
- Understanding customer activity from an operational perspective (what is our busiest time?) to improve the customer experience
- Gaining competitive insights (where does the customer go and how often)
- Benchmarking store/location performance (internally or competitively)
- Enabling contextually relevant or personalized customer experiences
- Predicting earnings, financial performance, and potential M&A activity
- Security and fraud prevention

*When companies leverage location data for more than just advertising on mobile, customers and businesses both win.*



6. [Local Search Association](#)



# Going from accurate to hyper-accurate

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Not all location data providers offer the same degree of data coverage or quality. This is why your location data partner needs to be great at what they do, come with a proven track record of getting it right and have the ability to connect you with audiences in the moments that matter.

An ideal location data partner will be able to provide you with insightful planning, targetting capabilities, optimization and measurement capabilities.



## *How we achieve hyper-accuracy:*

- > Validated data scrubbed for fraud
- > 100% deterministic data
- > Triple validated as accurate
- > Accessing econometric, demographic, and geographic data
- > SDK approved across facebook, Google and Apple
- > Sourced from the largest mobile data market place using 54M addressable in Canada
- > Enriched by a 3<sup>rd</sup> party



# The APEX factor

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At APEX Mobile Media, we only work with the best partners in location intelligence to learn, target, deliver and measure your targeted audience. We do this by using layered first party user data sourced from ESRI data sets and designed to deliver targeting based on a user's home block group. This type of data is much more granular than postal code or DMA level targeting.

We understand that, "close enough is not good enough" and work only with exclusive partners with a proven track record in their specialty business. We do this to ensure that the first party location and profile data you get is always accurate.

*The demand for personalization from consumers and audiences has never been higher. The time to capitalize on hyper-accurate location data to achieve this, is now.*



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# Our exclusive partners

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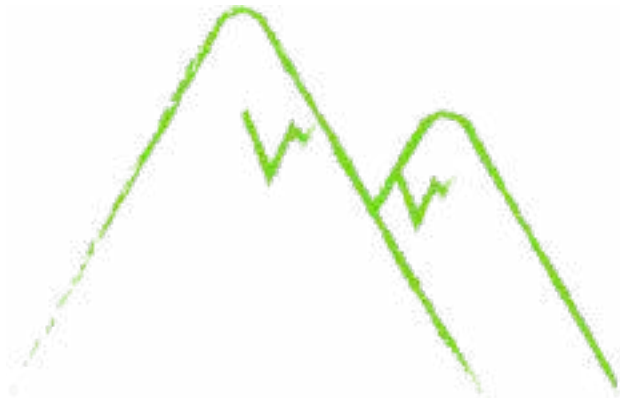
# Disclaimer

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This document was created to help marketers better understand the importance of accurate location data.

The data and statistics cited in this document were collected from third party websites in an effort to help illustrate the growing demand for accuracy in the mobile advertising industry.

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