

Location Intelligence and the Future of Retail



The future of retail is here

Omnichannel shoppers demand experience above all else—even value—meaning every step of every process must be seamless, fast, and rich with personally-tailored insights. At the same time, the need to lower operational overhead has never been more urgent. This puts pressure on retailers from two directions: customer-facing and operational.



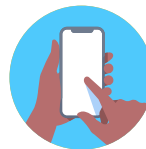
Introducing location intelligence

At the heart of these challenges is **location intelligence**—the maps, routes, and places that make up the world you share with your customers. When combined with your own internal data, location intelligence makes it possible to bridge the online and offline worlds to boost operational efficiency while enabling tailored, omnichannel experiences.

Five challenges facing today's retailers:



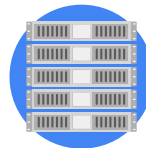
Meeting customers' growing expectations: individually-tailored, highly relevant, location-aware experiences.



Disruption from smaller players: staying ahead of competitors by improving on key metrics like NPS, sales, and delivery times.



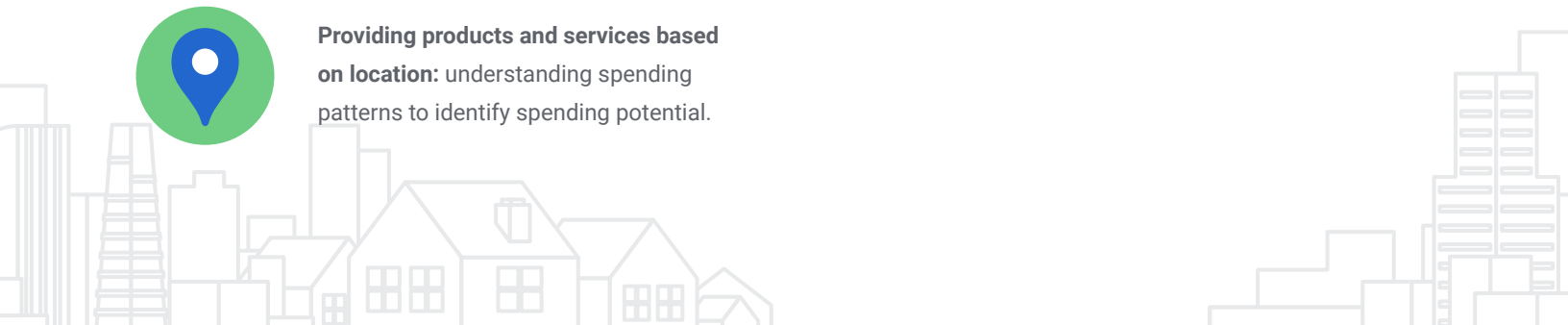
Increasingly complex delivery and supply chains: managing operations to create value for both businesses and customers.



In-house capabilities: understanding and maintaining in-house skills to take advantage of geospatial data.



Providing products and services based on location: understanding spending patterns to identify spending potential.



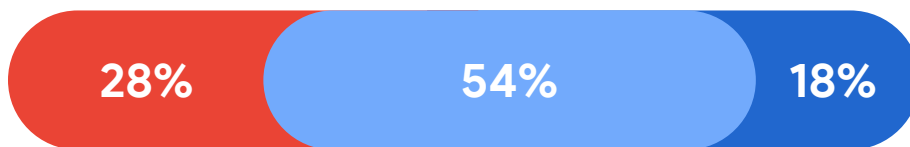
Understanding the research

In October 2020, Google partnered with Boston Consulting Group to conduct an investigation into the role of location intelligence across five major industries, including retail. More than 500 executives from the US, UK, Singapore, and India were surveyed, including in-depth interviews with stakeholders at 40 companies about deploying mapping solutions to advance their businesses and better serve their customers. **This document is a summary of the report's most relevant findings.**

First, we found that location intelligence is top-of-mind for virtually everyone in retail:



Location intelligence maturity



Followers

are in the early stages: limited implementation of basic use cases, typically lagging behind peers.

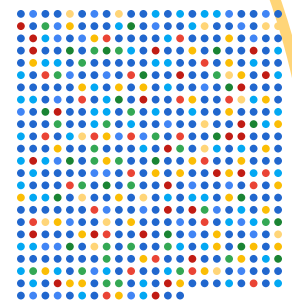
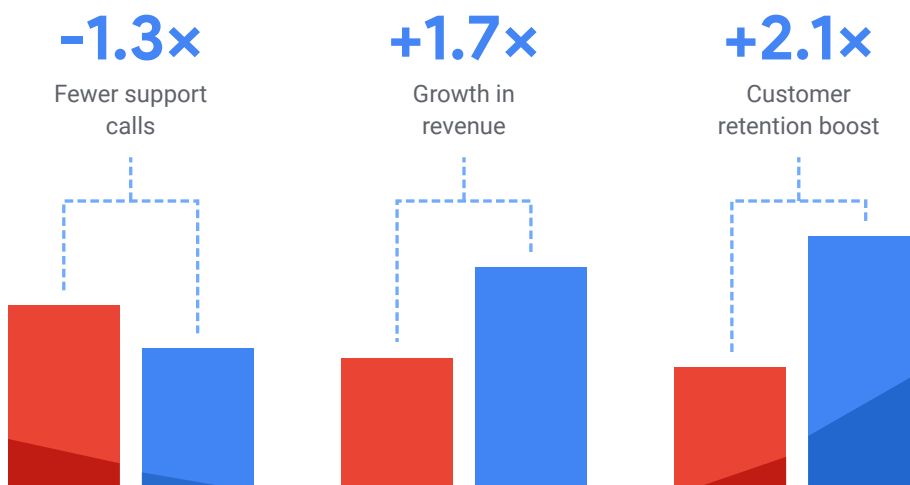
Challengers

see initial benefits but with further work to do to build stronger location intelligence capabilities.

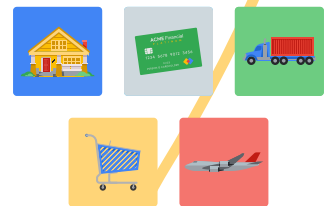
Leaders

have a holistic location intelligence data strategy, strong in-house capabilities, and more advanced use cases.

The difference between followers and leaders



n = 520
Global executives polled



5 industries

Retail, financial services, real estate, travel, transportation



4 regions

US, UK, Singapore, India



Top 5 location intelligence use cases

With these applications in mind, let's take a look at the real-world impact BCG discovered in conversations with retailers at the leading edge of location intelligence.

1 Profile and segment your customers

Location can help you better understand the people buying from you—and how to keep them coming back. It's why a **multinational grocery retailer** uses location data to improve their in-store experience and provide targeted offers.



11-15%

Increase in cart size



14-20%

More time in-app or on website

8-13%

Increase in cart size



6-10%

More online-to-off conversions



2 Tailor your products and services

Location can shed new light on your business offerings, including novel ways to refine them. It's how a **UK supermarket chain** drives customer traffic into stores with location-based ads.

2

3 Measure marketing efficacy

Marketing is only as good as the ROI it drives, and location intelligence can help measure it in new ways. It's why a **US supermarket chain** uses loyalty card holders' spend data to analyze spending based on location.



10-15%

Boost in customer experience



6-11%

More time in-app or on website

11-16%

Faster delivery time



11-15%

Reduction in delivery costs



4 Optimize locations and supply chains

Location is key to choosing where your next store goes and optimizing your supply chain around it. It's how a **global retail conglomerate** selects locations—incorporating demographic data, demand proxies, and access to public transport.

4

5 Boost engagement with information

Location can even play a role in digital CX, delivering information that keeps customers engaged. It's why a **global coffeehouse chain** shares local store updates including traffic estimates, operating hours, menu changes, and more.



7-12%

Fewer customer support calls



7-13%

Faster online checkout time

Seven lessons from location intelligence leaders

Through interviews with more than 500 executives, the following seven principles emerged as common threads in location intelligence success:

- 1 Start with the big picture.** Think broadly and strategically about how to leverage location intelligence to enhance customer experience and improve operational efficiencies.
- 2 Get proactive.** Anticipate new digital business models and shifting customer expectations in which mapping and geospatial data play a central role in enabling new value propositions.
- 3 Think empirically.** Systematically prove the value that geospatial data contributes.
- 4 There's no substitute for data expertise.** Invest in strong data management and analytics capabilities.
- 5 The right partner can make all the difference.** Consider location intelligence partnerships carefully and deliberately, focusing on long term capabilities and reliability.
- 6 Privacy is essential.** Proactively ensure that customers' geospatial data is protected.
- 7 Table stakes still matter.** Excel at the fundamentals of applications based on mapping and geospatial data, including uses that have matured and become table stakes.

Case study: Spencer's

Spencer's is a large Indian retail chain with a location intelligence strategy that drives substantial value for the business—particularly as the company has moved into the omnichannel ecommerce grocery segment. One especially noteworthy success is the elimination of customer orders that lay outside the company's service areas. By using location intelligence and mapping to indicate whether nearby

stores can deliver from the start of the online shopping process, Spencer's reduced non-serviceable orders by 98% and enhanced customer relations in the process. Meanwhile, they've improved delivery performance, reaching customers within a target four-hour window 96% of the time—significantly improving customer satisfaction and reducing support calls.

“Location intelligence plays an important role in Spencer's online grocery business, but this is only 3% of the overall business. There's a huge opportunity to leverage location to improve the conventional grocery business as well.”

Jawed Ahmed

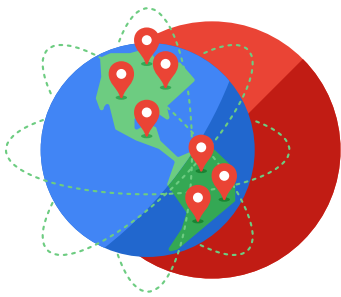
General Manager and Head of IT, Grocery
Spencer's Retail



Why Google?

Developing the location intelligence strategy that best suits your goals is a long-term process, making your choice of platform all the more important. With Google Maps platform, you're building on the scale, performance, and innovation you've come to expect from Google, and delivering it all to your customers to an interface known worldwide.

Visit the [Google Maps Platform site](#) to learn more.



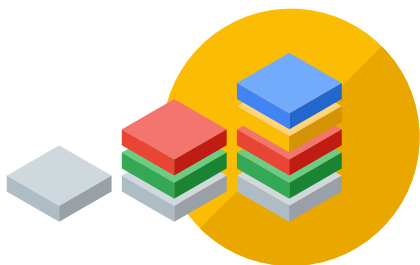
Global coverage

We've been mapping the Earth since 2005 at an unmatched scale: **200 million** places around the world, updated **50 million** times a day.



A familiar interface

Google Maps serves over **one billion** users every month, making it the navigation solution your customers are most likely to be familiar with.



Speed and reliability

Deliver the speed, responsiveness, and reliability your customers have grown to expect across their digital lives.



A pipeline of innovation

Working with Google means leveraging the talents of a team that never stops innovating.



Google Maps Platform