

Customer-Focused Businesses In Asia Thrive On Location Data

Introduction

The age of the customer is upon us. Our customers are empowered with mobile, cloud-connected devices, and they are dictating to the market what they want, when they want it, and where they want it. Customer-obsessed firms are beginning to realise this and are striving to serve customers in their time and place of need on their mobile devices. Our ability to serve our customers and partners effectively not only relies on delivering the service at the right time, but also in the right location.

This Google-commissioned profile of Asia business leaders evaluates the current use and perception of location data, along with future usage plans for location-based services. Location-based services are services that use knowledge about where a physical item, such as a product, customer, or asset (e.g., office building) is located.

Forrester surveyed 300 respondents in Australia, Japan, Taiwan, Singapore, Thailand, and the Philippines (n = 50 in each country). From the survey we found that:

- › Location-based services have benefits across the business already.
- › Location data will be a key enabler of next-generation mobile apps.
- › Location is becoming a core platform in businesses, helping them succeed in the age of the customer.

Location Data Is Already Providing Real Business Benefit

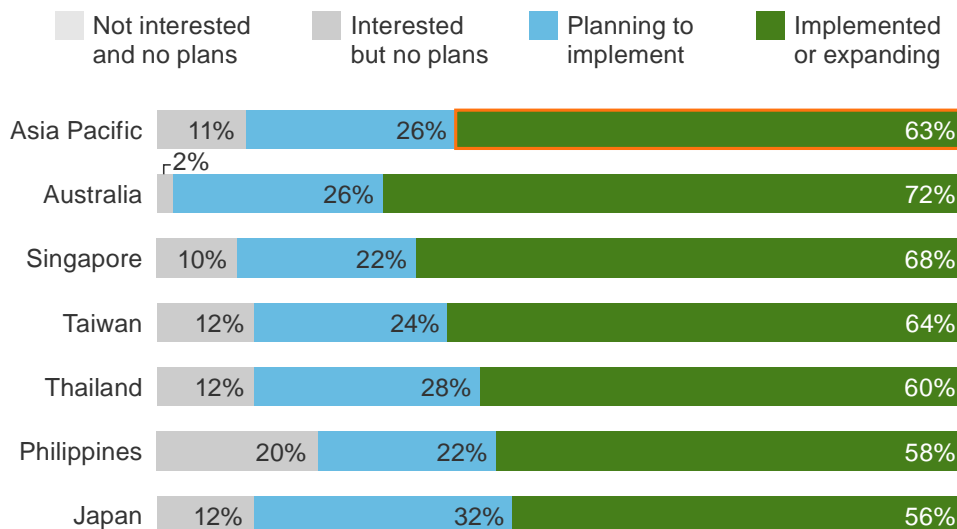
SMARTPHONES ARE MOVING LOCATION DATA INTO THE SPOTLIGHT

Location data has been in use by business leaders in Asia for many years. This is not a new technology or capability. In-vehicle GPS is, in many respects, an old technology. Triangulation emerged in the early 2000s as a way to track devices on mobile networks (and the people using these devices) without a line of sight to a satellite; even accelerometers were proposed as a way to track movement and direction. However, without the applications to make the most of this location data, and the devices on which the content can be consumed, location data remained a niche market — focused on applications such as remote workers or fleet management — helping remote workers better serve customers.

This has all changed. Today, 37% of all respondents are already using location data to track the location of remote workers or vehicles. Location data is now readily available, and the mobile devices to consume and enrich that content are in the hands of our employees and customers. In fact, 63% of businesses surveyed are using location data in some way at the moment (see Figure 1). This is even higher in Australia, with 72% of respondents using location data today, and Singapore, where 68% of respondents are using some type of location data to help their customers or their employees. Publicly available mapping systems are enriching the location data set, and businesses are finding ways to make better decisions with this information and better serve their customers.

FIGURE 1
Most Businesses Are Using Location Data Today

“Does your organisation use or plan to use the following location-based information?”
(Select all that apply)



Base: 300 Australian, Singaporean, Filipino, Japanese, Taiwanese, and Thai respondents

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, August 2014

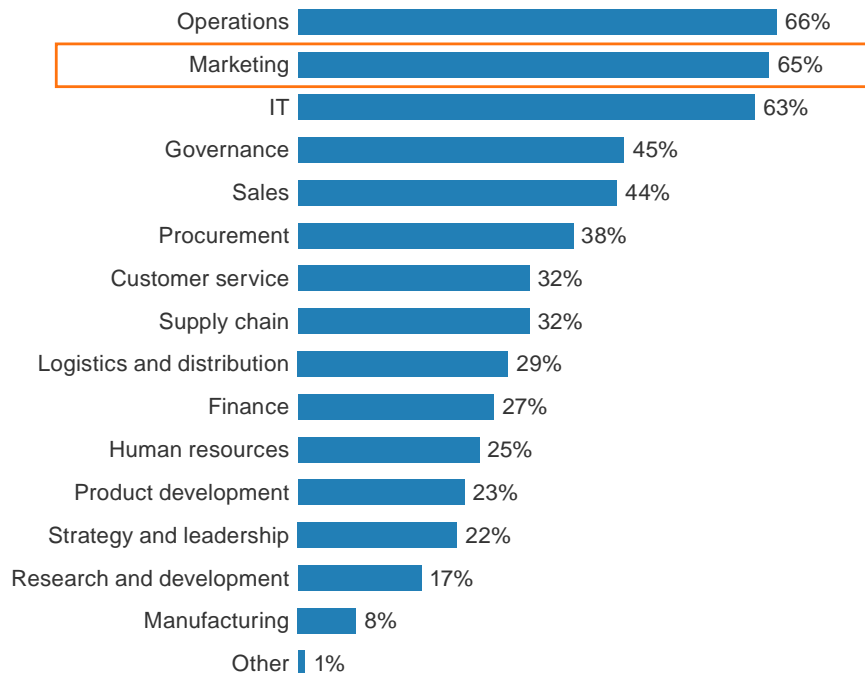
LOCATION DATA IS BEING ADOPTED BROADLY ACROSS MANY BUSINESSES

Location data is being used beyond its traditional home, which is the operations, logistics, and distribution departments. While 66% of operations departments are using location data, marketing is the second biggest user, with 65% of all respondents stating their marketing teams are using location data, followed closely by IT (63%) and sales (44%) (see Figure 2). The use cases for location data are growing, and mobility is accelerating this trend.

FIGURE 2

Location Data Is Being Used Across Many Business Functions

“What groups or departments currently use this location-based information?”
(Select all that apply)



Base: 300 Australian, Singaporean, Filipino, Japanese, Taiwanese, and Thai respondents

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, August 2014

That said, while many businesses are using location data today, and more plan to use it in the future, there are some areas of low usage within Asia businesses where location data can be further used to drive better business outcomes. While Figure 2 demonstrates the fact that location data has moved beyond operations, there are some departments and functions yet to embrace location data. Some examples of these emerging use cases are below:

- › **Use for strategic decision-making.** Strategy teams have the opportunity to drive better whole-of-business decisions through the effective use of location data. For example, they may choose a new warehouse location that minimises delivery costs based on where your customers work and live. Product development teams may find that product customisation can drive greater results based on the location of the customer. Human resources can understand how a recruiter might be able to bring better skills to the business through targeting specific locations where people with certain skills gather. Location data is driving an explosion of business and customer value.

- › **Better engage with customers.** Retailers could use indoor location networks to create enhanced in-store user experiences. Customers could be efficiently routed to what they want to buy, customise and order products they're standing in front of, and automatically check out when they walk through the door.
- › **Drive greater customer insight.** Businesses could better understand their customers based on their behaviour with the businesses' products over time. For instance, a shoe store might be able to track its customers' activity over time in order to more effectively target deals for new running shoes when store employees know the old ones are wearing thin.

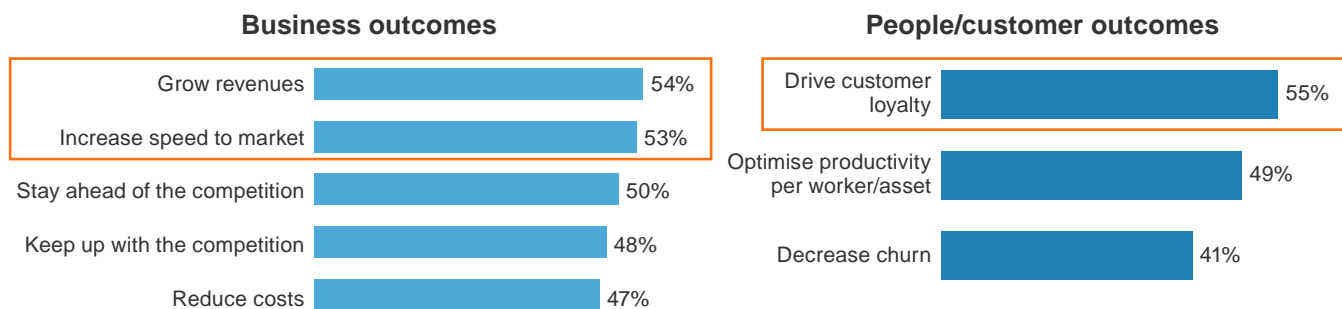
LOCATION DATA IS BEING USED TO DRIVE BETTER CUSTOMER AND BUSINESS OUTCOMES

Companies that are using location data are doing so for the right purpose — to better serve their customers. There are many examples of great location-based services in Asia already, such as those serving up local news and weather, negating the need to navigate through menus; routing service calls to the nearest agent; and even airlines localising content and processes in their smartphone apps to help customers drive the right outcome in their time of need. When asked about the business benefits they are achieving or hope to achieve from the use of location data, 55% said they wanted to drive higher customer loyalty, 50% said they wanted to stay ahead of the competition, and 41% said they are hoping to decrease, or already are decreasing, churn (see Figure 3). Business outcomes are also important, such as growing revenue (54%), increasing speed to market (53%), and increasing employee productivity (49%). Australia, Singapore, and Japan tend to be more conservative in their expectations of business benefits, but Taiwan, Thailand, and the Philippines in particular are bullish about the benefits that location data could provide. This geographical split is typical for many technology deployments across Asia — the more established economies tend to take a conservative approach to their technology deployments, looking for predetermined returns, whereas the emerging economies will take bigger bets on technology and take bigger risks, delivering better rewards.

FIGURE 3

Location Investments Are Improving Customer And Business Outcomes

“What business benefits have you achieved/do you expect to achieve from investments in location-based services?”
(Select all that apply)



Base: 300 Australian, Singaporean, Filipino, Japanese, Taiwanese, and Thai respondents

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, August 2014

Location Data Will Be A Key Enabler Of Next-Generation Mobile Apps

To effectively meet customer needs, mobile applications and services need to be relevant at the time of the need and based on the location of the user. This may be a hotel app that gives a different experience while you are in the hotel (such as food and leisure options in and around the hotel) versus a week before your hotel stay, when you are at home (where it can offer the ability to make the booking and find out about a destination). There are already retailers whose mobile apps offer a customised, time-sensitive deal to their customers while customers are in a competitor's store. Location data will enable a whole new generation of mobile apps, and businesses in Asia are starting to realise this.

MOBILE APPS AND COMMERCE ARE BEING ENRICHED WITH LOCATION DATA

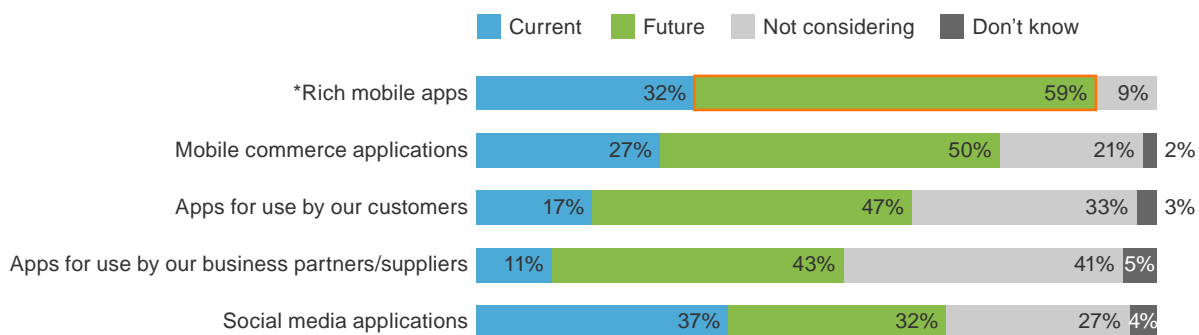
The survey respondents were asked what the possible applications of location-based services are within the business, and mobile apps was the most popular response, with 59% of the businesses seeing this as a future use case (see Figure 4). Mobile commerce applications were the second most likely response, with 50% of the respondents.

Thirty-six percent of respondents plan to empower their employees with location data in order to drive better customer outcomes.

Nearly 60% of businesses surveyed stated that they intend to add location data to customer and/or partner mobile apps within the next 12 to 24 months — 34% stated they plan to enrich customer engagement across many channels with location information to help them make better decisions, and 36% plan to empower their employees with location data in order to drive better customer outcomes. The promise of location-based services will begin to be delivered as more organisations and mobile app developers begin to use location data more effectively in their apps to create a great customer experience.

FIGURE 4
Location Data Is Enriching Mobile Applications

“What do you see are possible applications of location-based services in your organisation’s business environment?”*
“How does your organisation use or plan to use location-based services for any of the following applications in the next 12 to 24 months?”



Base: 300 Australian, Singaporean, Filipino, Japanese, Taiwanese, and Thai respondents

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, August 2014

Location Is An Enabling Platform In Businesses

FROM LOCATION-BASED SERVICES TO LOCATION DATA

For many years, the focus was on location-based services, with the assumption that many of the new services enabled by location information would be “location-centric” — and many of the original apps were, such as mapping and “finder” apps. But today, location is an enabler of other services. It enriches existing capabilities and helps you, your company’s employees, and your customers make better decisions. Enriching sales data with location data does not create a “location-based service” — it helps you drive a more accurate forecast. Tailoring information to a customer’s location is about providing the right information at the right time. As location data is used across many different departments and roles in the business, it is enhancing existing capabilities and enabling new ones.

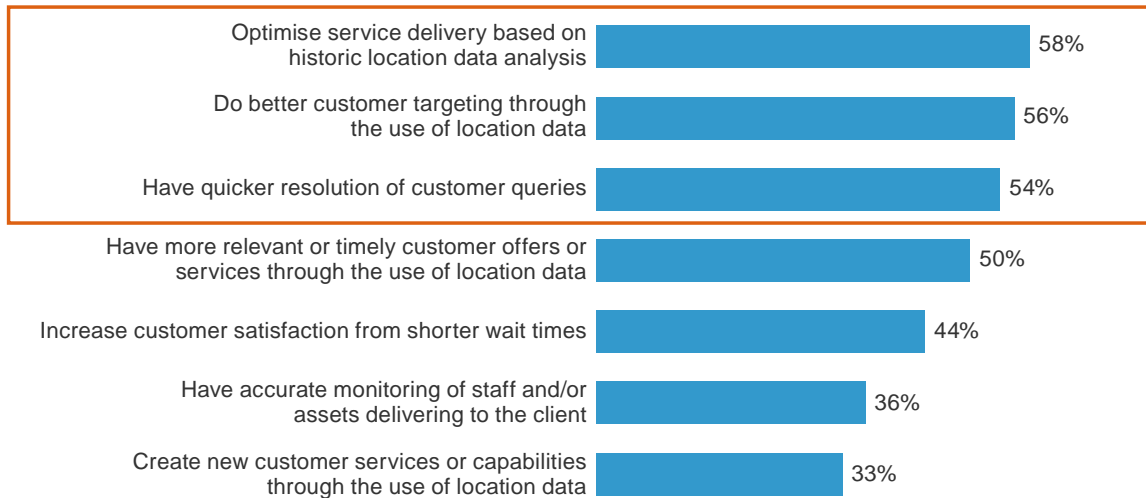
COMPANIES WILL PROVIDE A RICHER CUSTOMER EXPERIENCE — POWERED BY LOCATION DATA

Companies are keen to use location data to better serve customers and help them make better decisions in their time of need. Giving customers, partners, and suppliers the right information at the right time and location will help them make better decisions, driving better business results. Companies surveyed stated that they are looking to optimise service delivery based on historic location data analysis (58%), such as stocking the products your customers demand at each different retail location based on historical demand. They also plan to improve customer targeting (56%), which may include having differentiated offers in the market based on the location of the customer. Resolving customer queries faster, perhaps through better allocation of service or repair teams with the use of location data, is also a priority for businesses in Asia (see Figure 5). The next 12 to 24 months will see a flurry of activity and innovation with location data, and if you are not taking location seriously today, it is likely your competitors are.

FIGURE 5

Location Data Should Drive Happier Customers And More Successful Businesses

“How would you enrich your customer experience with location-based services?”
Through the use of location data, we would . . .



Base: 300 Australian, Singaporean, Filipino, Japanese, Taiwanese, and Thai respondents

Source: A commissioned study conducted by Forrester Consulting on behalf of Google, August 2014

Location Data Is Driving Fact-Based Decisions In Asian Businesses

Many businesses and government departments have the stated aim of becoming “fact-based businesses,” driving gut feeling out of decisions and making decisions with real data. Location data is one of the next layers needed to enrich data, helping businesses make better decisions, helping customers drive better outcomes, and helping you achieve your business objectives.

However, we have only started on the location journey. There are many parts of your business that have not yet embraced location data, and where it has been embraced, there are many more use cases to enrich data and help drive better decisions. Organisations should consider how their business can strategically use location data to disrupt the market.

Methodology

This Technology Adoption Profile was commissioned by Google. To create this profile, Forrester surveyed 300 respondents in Australia, Japan, Taiwan, Singapore, Thailand, and the Philippines (n = 50 in each country), asking questions around location-based services. This included fleet managers, field service managers, service managers, support managers, traffic dispatchers, service centre managers, operations managers, operations directors, customer service managers, logistics managers, service desk managers, and other managers using location-based services. The auxiliary custom survey was conducted from May 2014 to August 2014. For more information on Forrester's data panel and Tech Industry Consulting services, visit www.forrester.com.

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