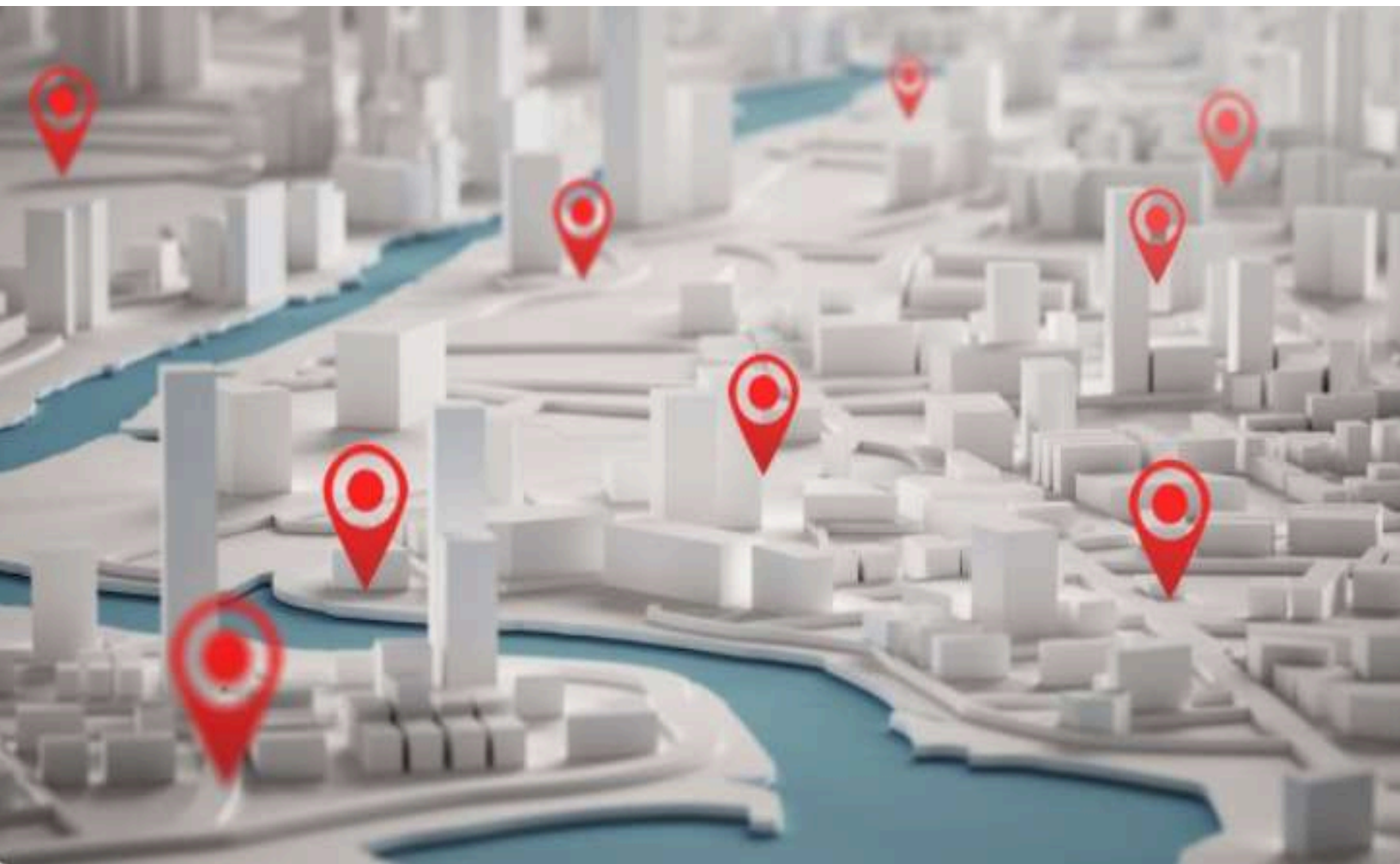




# VCIS Geospatial Analytics: Driving Omnichannel Retail Success with Location Intelligence

The use of advanced geospatial analytics have highlighted the potential for retailers to identify growth opportunities, quantify performance gaps, and achieve early successes in their go-to-market strategies. By leveraging geospatial technology within a certain timeframe, retailers can tap into valuable insights, make data-driven decisions, and ultimately thrive in the dynamic retail industry.

*Drawing from VALOORES' experience and expertise, it becomes evident that the implementation of geospatial technology within a specific timeframe can yield remarkable results for retailers.*



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## Introduction

For many organizations, location is more important than ever for key decision-making. And multiple technology trends are making the insights of geospatial analytics increasingly accessible and valuable. Location-aware devices and services have exposed billions around the world to how technology can support “spatial thinking.” Whether searching on Google, navigating to an address on smartphones, ordering a shared ride, or tracking a food delivery, many people use spatial-aware technology routinely.

Understanding the unique aspects of individual locations is crucial for enhancing the effectiveness and efficiency of retail operations. Location analytics leverages geography to provide insights for comprehensive business analysis, enabling businesses to stay ahead of trends.

To effectively meet customer demands, such as having stores in the right markets with the appropriate product offerings for specific demographics, and aligning with business objectives to overcome competition and changing consumer preferences, businesses must embrace location analysis.

In the past, site selection and market analysis dominated decision-making

processes, following the notion of “build it, and they will come.” However, in today's financial landscape, overbuilt establishments can lead to overexposure, making it crucial to strike the optimal balance between physical and digital storefronts. Understanding the distinct needs and desires of customers in each local market is essential for success.

Retailers, economic developers, and stakeholders involved in the real estate life cycle can all benefit from aligning their business strategies with the characteristics of individual markets. This approach ensures the right quantity of goods and services are delivered to the right place, at the right time, and at the best price to fulfill market demand and maximize potential.



## Boosting Competitive Intelligence

When a new business opens, it impacts all business locations in that neighborhood. Your store will bring in new visitors to the area and attract customers from local competitors. Geospatial data processes monitor such activities by:

*Observing the customer journey:* Where are customers coming from and where are they going after visiting your location? What other brands are they interacting with? How many of your customers are visiting your competitors? Spotting new entrants and exits: Are any retailers opening new locations? How may their presence affect your performance? How many shops are closing?

*Understanding competitor performance:* What is the foot traffic to your competitors' locations? What is the percentage of repeat customers? How closely are you located to your competitors? How did your entry affect their performance?



### ***Why are innovative companies investing in geospatial data?***

To put it simply, without geospatial data, your business runs blind; companies that want to work smart and act fast rely on it to better understand their environment. Geospatial intelligence gives you not only acute insight into the location you are aiming for, but also an opportunity to identify and reach out to your ideal customers. Location-based innovation starts with leveraging geospatial data as a powerful business tool.

Data analytics aims to provide answers to critical questions about who, what, when, and why: Who are my best customers and who is most likely to churn? What are my best-selling products? When will this machine need service in the future? Why did my revenue change from last quarter?

The power of geospatial analytics lies in answering “where” questions: Where are our customers interacting with us? Where are our assets and staff deployed? Where do we have exposure to supply chain or regulatory risk? Beyond telling us where things are, analyzing data through the lens of location can help answer where they should be: Where should we build new store or office locations? Where should we direct more marketing spend? Where should we acquire new talent based on local market conditions?



## The aspects in which geospatial technology impacts retail business

Geospatial technology plays a crucial role in the retail business by providing valuable insights and enhancing various aspects of operations. Here is a well-structured explanation of the role of geospatial technology in different areas of the retail industry:

### ***Visitors insights & customer profiles***

Having a holistic view of each customer is crucial in today's highly mobile market. Retailers need to bridge the gap between physical and digital channels to provide an "endless aisle" experience, allowing customers to order online, in-store, or access out-of-stock options. Geospatial solutions empower retailers to analyze transaction locations, enabling the marketing and sales teams to identify optimal points of sale (POS) for customer success. By integrating physical and digital touchpoints seamlessly, retailers can enhance merchandising and pricing strategies, ensuring the right products reach the right consumers at the right time and place. Geospatial technology enables retailers to understand customer behavior and preferences by analyzing visitor data. It helps identify customer demographics, buying patterns, and interests, allowing retailers to tailor their

marketing strategies and provide personalized experiences.

### ***Market research***

Geospatial technology aids in market research by analyzing geographical data and demographics. It helps retailers identify potential markets, understand customer demands, and make informed decisions regarding product assortment and pricing strategies.

### ***Store locations***

Geospatial technology assists retailers in selecting optimal store locations. It analyzes factors such as population density, competition, traffic patterns, and customer demographics, enabling retailers to identify areas with high potential for footfall and sales.



### ***Competitive intelligence***

Geospatial technology helps retailers gain a competitive edge by analyzing competitors' locations, market share, and customer demographics. It allows

retailers to identify gaps in the market and develop strategies to differentiate themselves from competitors.

#### ***Inventory planning and management***

Geospatial technology helps retailers optimize inventory planning and management. It analyzes historical sales data, customer demand patterns, and geographic factors to ensure that the right products are available at the right stores, minimizing out-of-stock situations and reducing excess inventory.

#### ***Inventory and geospatial activity link***

Geospatial technology allows retailers to link inventory data with real-time spatial information. It helps identify the impact of inventory levels on store performance, such as out-of-stock situations and back-of-house (BOH) management, improving operational efficiency and customer satisfaction.

#### ***Supply chain efficiency***

Geospatial technology improves supply chain efficiency by providing real-time visibility into inventory levels, transportation routes, and distribution centers. It enables retailers to make data-driven decisions, track shipments, and optimize inventory replenishment, ultimately reducing costs and improving customer satisfaction.

#### ***Site selection/real estate acquisition***

Geospatial technology helps retailers identify suitable locations for new stores or franchises. It considers factors such as market potential, competition, demographic profiles, and proximity to target customers, facilitating informed decisions regarding real estate acquisition.

#### ***Paths to purchase***

Geospatial technology analyzes customer movement patterns, both online and offline, to identify the most common paths to purchase. This information helps retailers optimize store layouts, product placements, and marketing efforts to enhance customer experiences and drive sales.

#### ***Demographics***

Geospatial technology provides valuable demographic insights by analyzing population density, income levels, age distribution, and other relevant data. It helps retailers understand their target audience and develop marketing strategies that align with the demographic profile of a specific area.

#### ***New store/franchise analysis***

Geospatial technology assists retailers in analyzing the feasibility of new store or franchise locations. It considers factors like market saturation, customer demographics, competition, and brand

affinity, helping retailers identify areas with high growth potential.

### ***Logistics planning***

Geospatial technology assists in logistics planning by optimizing delivery routes, reducing transportation costs, and improving overall supply chain efficiency. It considers factors such as traffic conditions, store locations, and customer demand to streamline logistics operations.

### ***Work locations***

Geospatial technology helps retailers identify areas with high concentrations of workplaces. This information allows retailers to understand potential customer bases during working hours and tailor marketing or product offerings accordingly.

### ***Home locations***

By analyzing residential areas, geospatial technology helps retailers understand the customer base around specific store locations. It enables targeted marketing campaigns and personalized offerings based on customers' home locations.

### ***Overtime visualization***

Geospatial technology allows retailers to visualize footfall and sales trends over time. By analyzing historical data, retailers can identify peak shopping periods, seasonal variations, and plan promotions or staffing accordingly.

### ***Brand/location affinity***

Geospatial technology helps retailers understand the affinity customers have towards specific brands or locations. It analyzes data to identify areas where certain brands are more popular, enabling retailers to make informed decisions regarding brand placements and expansions.

### ***Visits by the day of the week***

Geospatial technology provides insights into customer visitation patterns by analyzing footfall data across different days of the week. Retailers can use this information to optimize staffing, promotions, and inventory management based on the specific demands of each day.

### ***Visits by time of the day***

Similar to visits by the day of the week, geospatial technology enables retailers to analyze footfall patterns based on different times of the day. This information helps retailers optimize staffing, adjust store operations, and plan targeted marketing campaigns during peak hours.

### ***Dwell time***

Geospatial technology helps retailers measure and analyze the dwell time of customers, which represents the duration they spend at a particular location or store. By understanding dwell times, retailers can optimize store



layouts, improve customer experiences, and drive sales.

### **Trade area analysis**

Geospatial technology facilitates the analysis of trade areas, which represent the maximum distance customers are willing to travel to make retail purchases. By understanding the trade area, retailers can assess market potential, evaluate competition, and optimize their store network.

### **Cross-shopping visitations**

Geospatial technology enables retailers to analyze customer visitation patterns to both direct and indirect competitors. This information helps retailers identify potential partnerships, optimize product offerings, and improve competitive positioning.



### **Visitation heatmap**

Geospatial technology provides retailers with a visual representation of customer visitation patterns using heatmaps.

Heatmaps help identify high-traffic areas, popular store locations and areas with untapped potential, allowing retailers to make informed decisions regarding marketing, store expansions, and resource allocation.

### **Growing footfall and analysis improvement**

Geospatial technology helps retailers track footfall trends and analyze improvements over time. By monitoring and understanding footfall growth, retailers can evaluate the effectiveness of marketing campaigns, optimize store layouts, and enhance customer experiences.

### **Staffing improvement and follow-ups**

Geospatial technology assists retailers in optimizing staffing levels by analyzing footfall data and customer demand. It enables retailers to align staffing resources with peak hours, improve customer service, and enhance overall operational efficiency.

Overall, geospatial technology empowers retailers with valuable insights into customer behavior, market dynamics, and operational efficiency. By leveraging geospatial data and analysis, retailers can make data-driven decisions, enhance customer experiences, and gain a competitive advantage in the retail industry.



## Benefits

### ***Targeted Marketing***

Location intelligence enables retailers to analyze the demographics and behaviors of their target customers in different areas. This information allows them to create marketing campaigns that are tailored to specific customer segments. By understanding the preferences and needs of customers in different locations, retailers can deliver personalized promotions and experiences, resulting in increased customer engagement and higher sales.

### ***Optimal Site Selection***

Location intelligence helps retailers make informed decisions when selecting new store branches. By analyzing geographical data such as population density, competition, and proximity to target customers, retailers can identify the most suitable locations for their business. This strategic approach improves the chances of success for new ventures by ensuring they are positioned in areas that are likely to attract the desired customer base.

### ***Competitive Analysis***

Location intelligence allows retailers to gain insights into their competitors' store locations and market presence. By understanding the geographic spread of competitors, retailers can identify gaps in the market and evaluate competitor strategies. This information enables

them to differentiate their offerings and develop competitive strategies that give them an edge in the market.

### ***Customer Segmentation***

Location intelligence enables retailers to segment their customer base based on geographical factors. By understanding the characteristics and preferences of customers in different locations, retailers can develop targeted marketing strategies and product offerings that resonate with each segment. This approach enhances customer satisfaction and drives stronger brand loyalty.

### ***Enhanced Supply Chain Management***

Location intelligence provides insights that help retailers optimize their supply chain and distribution networks. Retailers can identify the most efficient routes for product delivery, minimize transportation costs, and optimize inventory levels based on the proximity to customers and demand patterns in different locations. This improves operational efficiency and ensures timely availability of products.

### ***Real-time Market Monitoring***

With location intelligence, retailers can monitor market trends and changes in customer behavior in real-time. By analyzing location-based data, such as foot traffic patterns and customer preferences, retailers can quickly adapt

their marketing strategies or adjust product offerings to respond to local market dynamics. This agility in decision-making enhances competitiveness and helps retailers stay ahead of evolving customer needs.

### ***Customer Journey Mapping***

Location data analysis allows retailers to gain a deeper understanding of their customers' journeys and touchpoints. By tracking customer movements and interactions with physical and digital touchpoints, retailers can identify areas for improvement and optimize store layouts or online experiences. This leads to the creation of seamless omnichannel experiences that align with customer expectations and improve overall satisfaction.

### ***Expansion and Growth Strategies***

Location intelligence provides valuable insights for retailers planning to expand their operations or enter new markets. By analyzing market data and understanding the local consumer landscape, retailers can identify untapped markets and develop effective growth strategies. This data-driven approach helps retailers make informed decisions about expansion, minimizing risks and increasing the chances of success in new markets.

### ***Footfall Visualization***

Footfall visualization allows businesses to observe trends and track changes in customer traffic over time. By analyzing footfall data, retailers gain a comprehensive understanding of customer behavior within their physical spaces. This information helps retailers optimize operations, identify opportunities for growth, and enhance the overall customer experience. By leveraging footfall data, retailers can make data-driven decisions to improve efficiency, maximize sales, and create more engaging environments for customers.



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