

REVEAL MOBILE™

Location-Based Marketing  
Benchmark Report

# How Digital Marketers Use Location Data in Advertising

## Executive Summary

Location-based marketing is a rapidly evolving practice. **Investment in geotargeted ads is growing at 40 percent**, according to eMarketer, making it one of the fastest growing areas of digital marketing. There's good reason. Location-based audiences are among the most high-intent a marketer can advertise to. Audiences who show up in specific retail locations show high purchase intent. This makes location-based marketing highly compelling to professionals in B2C marketing, digital marketing, social media advertising, mobile marketing, direct response advertising, shopper marketing — and the agencies and brands that rely on and deliver these services.

According to Mobile Marketer, **nearly 90 percent of digital marketers use location data in campaigns**. While that may sound surprisingly high, even more surprising is that no authoritative report benchmarking location-based marketing metrics and best practices has been published — until now.

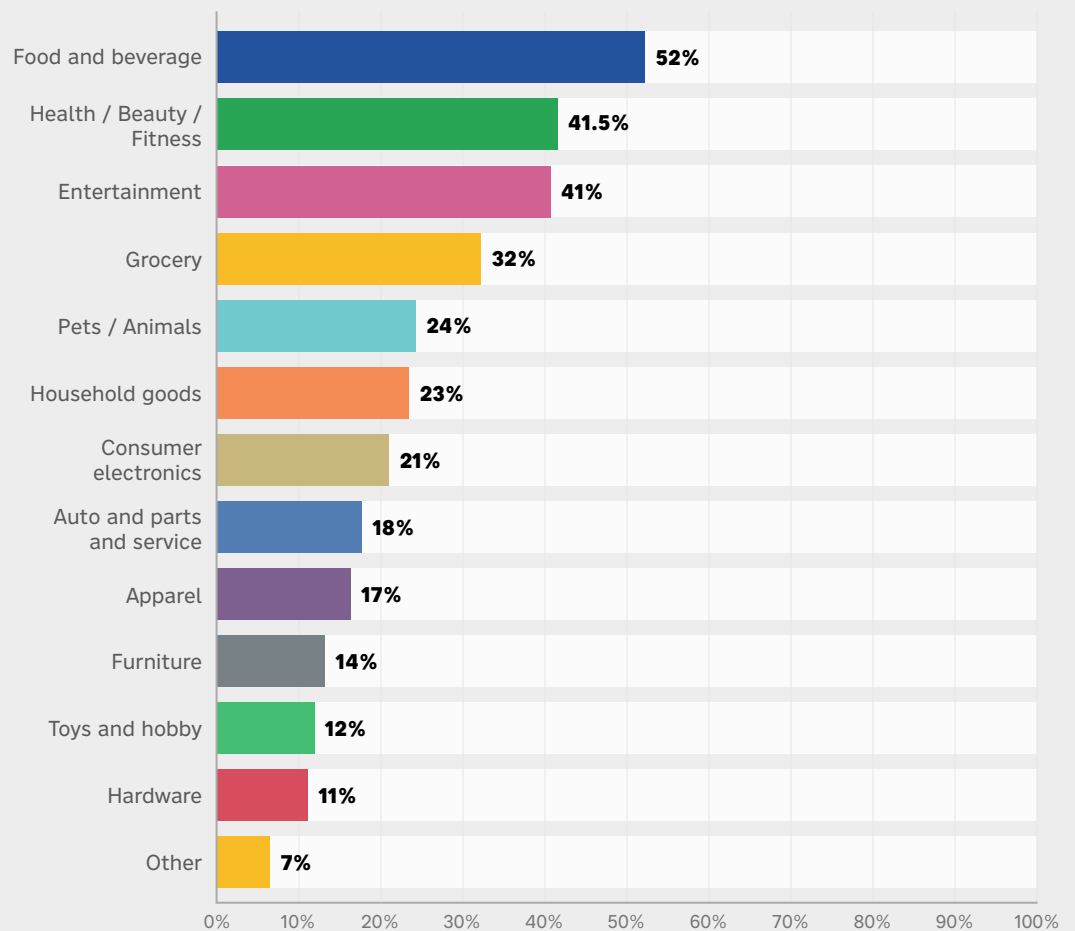
This report provides an unprecedented view into how digital marketers use location data and run location-based marketing at agencies and brands across the United States.



Digital marketers see opportunity for location-based marketing and geotargeted advertising in a wide range of industries. When thinking about various retail segments, it's logical and effective to focus on multi-location units with high foot traffic volume, such as grocery, restaurants, entertainment, and the like. More than 50 percent of marketers surveyed see restaurants and bars as prime locations to target for purposes of driving foot traffic. Health/beauty/fitness, entertainment, grocery and pet stores round out the top five retail locations for geotargeting.

However, there are far more places to use in geofencing efforts, many of which go beyond the tried and true. This shows a high degree of ingenuity among marketers who have any number of use cases in mind for location-based marketing.

## Where do you see the greatest opportunity for location-based marketing and geotargeted advertising?

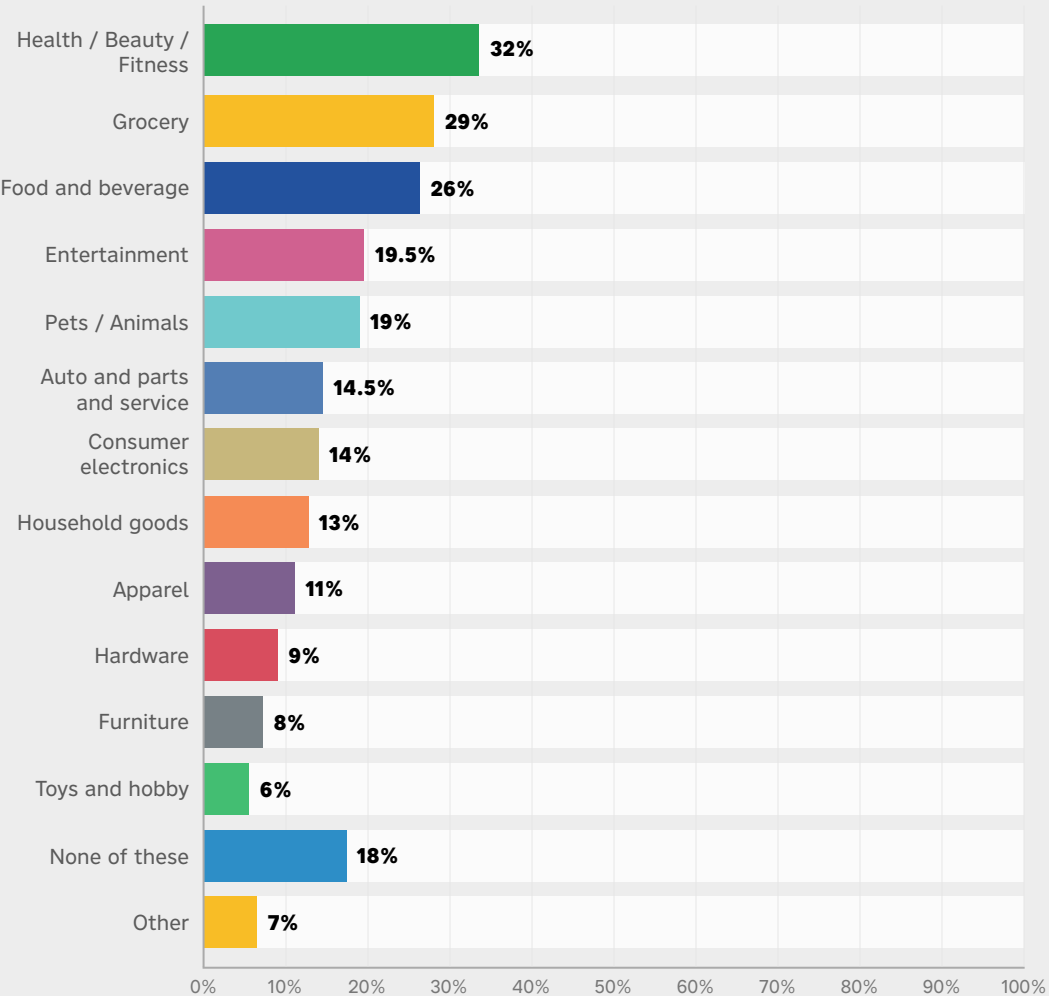


*It's important to note that sensitive locations, such as hospitals, shelters, and places predominantly occupied by children, are off limits when it comes to geotargeting.*

While those figures show where marketers see opportunity, we wanted to know if this is where they are actually making the investment.

As it turns out, there’s a direct relationship between where marketers see the greatest potential for location-based ads and where they are spending money. The top five verticals getting the most paid media attention when it comes to geotargeting are restaurants and bars, health/beauty/fitness, grocery, entertainment and pet stores.

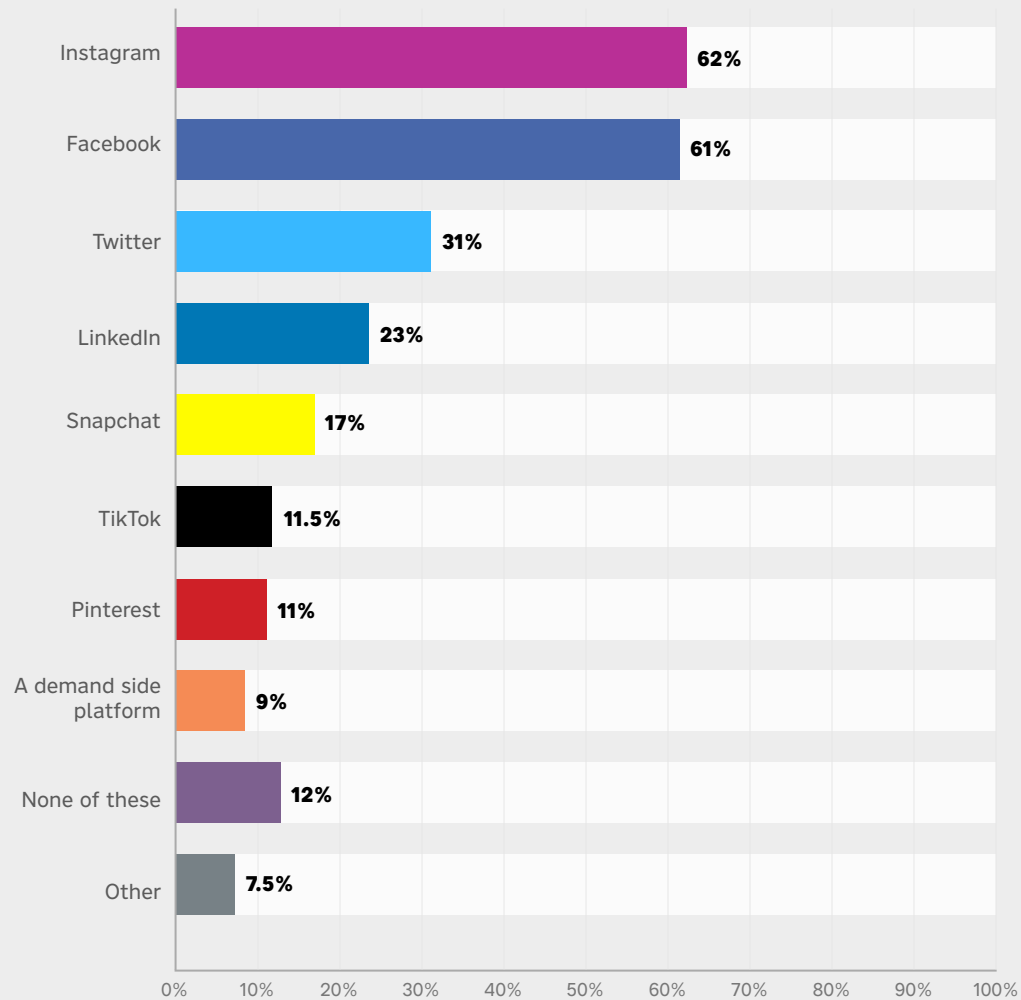
It’s also worth calling out that **18 percent of ad buyers are not investing in any of the categories we asked about**, while another **7 percent are running ads on behalf of CPG/ecommerce and home services**.



When it comes to channels, B2C marketers rely heavily on Instagram and Facebook. **More than 60 percent of all those we surveyed run ads on these platforms.** This may come as no surprise. Facebook has proven to be a highly effective channel for getting shoppers to consider, decide and purchase. A distant third place is held by Twitter. LinkedIn and Snapchat round out the top five spots. TikTok and Pinterest are very nearly tied, each of them seeing a little more than 10 percent of mindshare among marketers.

Interestingly, **just 9 percent of marketers surveyed use a demand side platform (DSP)** to run location-based marketing campaigns, signaling just how much control marketers want to have in terms of audience building, activation and attribution. All of the social media ad platforms we asked about accept mobile ad IDs for the purpose of audience building, giving marketers full flexibility in terms of targeting, creative, testing and budget throttling.

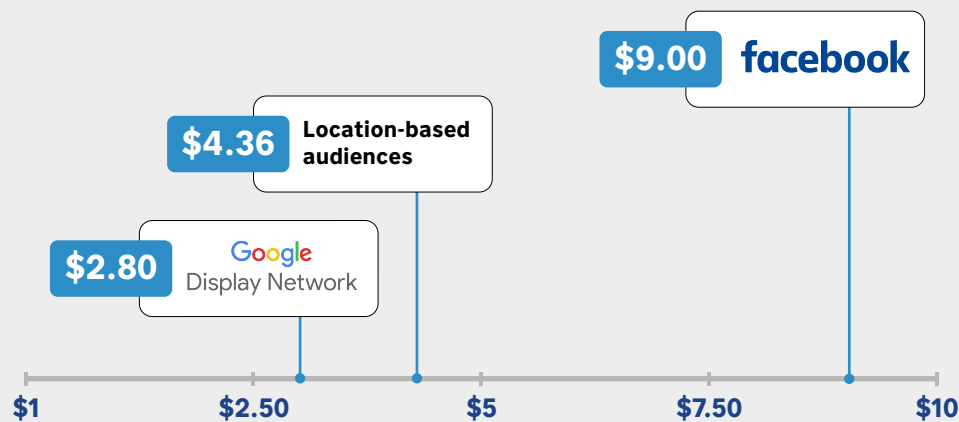
What channels do you use to advertise to location-based audiences?



When marketers spend in these channels they see a range of costs and returns related to their investments. Sometimes, CPM costs can be slightly higher with location-based audiences because they are higher intent and further into their decision process, having shown up in a store that indicates a propensity to purchase. **That said, the average CPM for location-based audiences reported by those surveyed is \$4.36**, markedly lower than the average CPM of \$9 for Facebook ads focused on impressions.

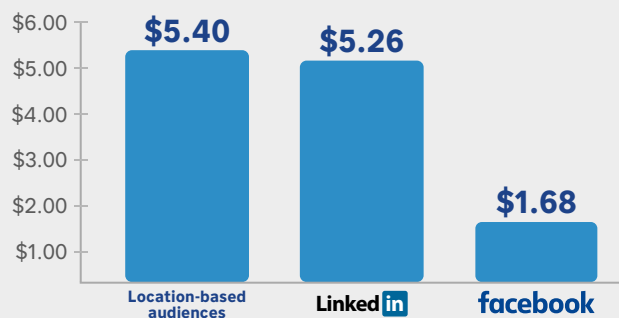
Among the lowest CPMs in advertising can be found on **the Google Display Network, which includes Gmail, YouTube and other sites, averaging \$2.80**. The downside to Google is that it doesn't allow for highly targeted location-based audiences, forcing advertisers to rely on its own built-in tools for geotargeting, allowing marketers to focus mostly on countries and/or cities. When marketers want to get the best possible return on investment for geotargeting, they can do so with audiences who have visited specific locations, powered by geofencing technology.

What's the average CPM you're getting with geotargeted audiences?



When it comes to cost per click (CPC) and location-based audiences, this is where respondents see higher levels of investment. While the average CPC for **Facebook ads is \$1.68** across all industries, the average CPC for **location-based audiences is \$5.40**. Because these audiences are high-intent and convert at higher rates than more general audiences, the investment can be justified.

What's the average cost per click (CPC) you're getting with geotargeted audiences?

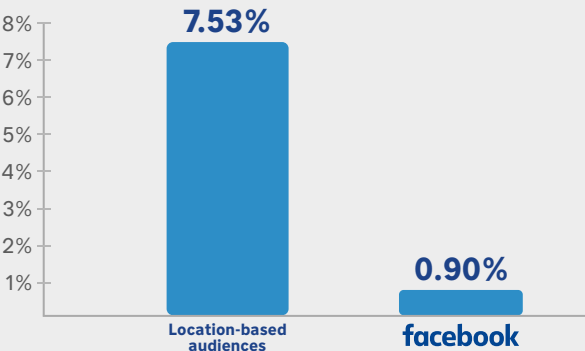


Just how much better are the results in terms of click-through rates (CTR)? **Location-based audiences** take action on ads at an average of **7.53 percent**. By comparison, the average CTR for **Facebook ads across all industries is 0.90 percent**.

In those industries where marketers invest most heavily in geotargeting, **the average CTR for general, non-geotargeted audiences is 1.59 percent in retail, 1.16 percent in beauty and 1.01 percent in fitness**.

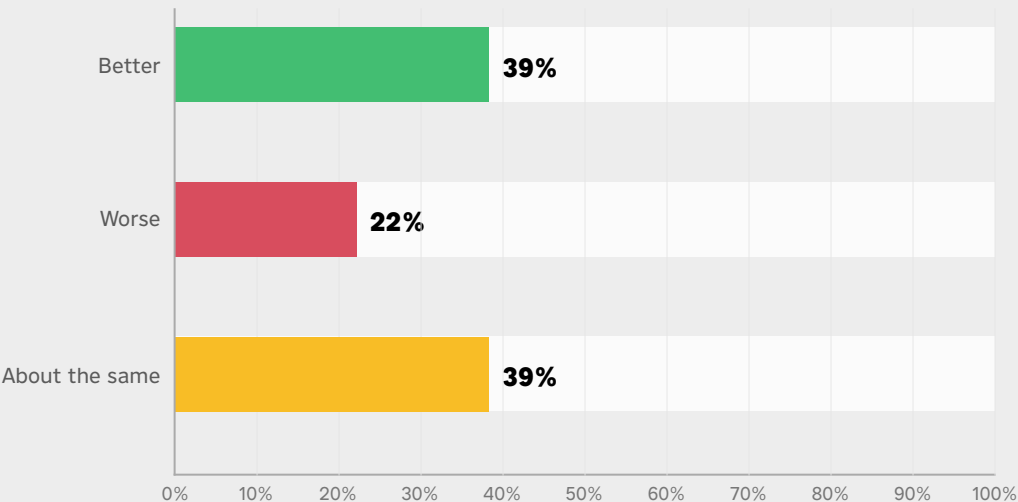
The positive difference with location-based audiences is paramount.

What's the average click through rate (CTR) you're getting with geotargeted audiences?



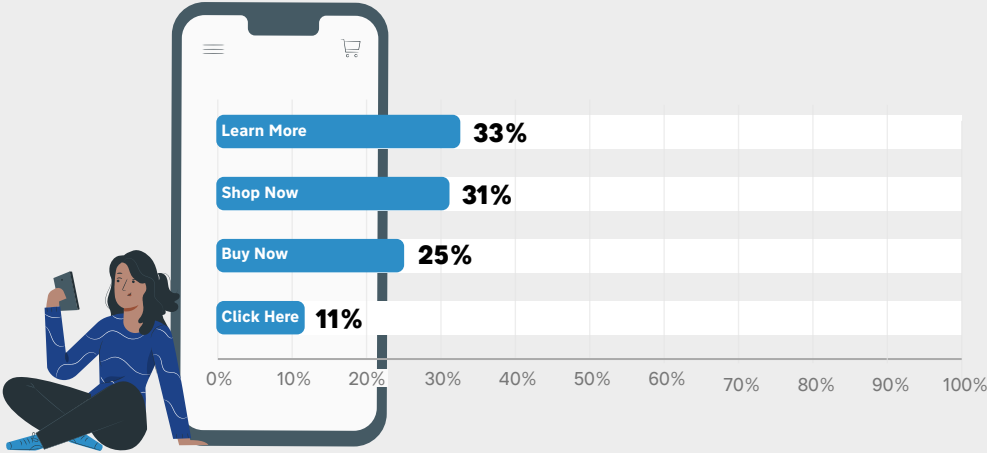
We asked marketers if they think the geotargeted audiences they use perform better, worse or about the same as other targeting tactics. With the data supporting their instincts, 39 percent said they perform better, and 22 percent they thought they performed worse. Another 39 percent said they think their location-based audiences perform about the same as other audiences they address.

On average, do your geotargeted audiences perform better, worse or about the same as other targeting tactics?



Not all location-based marketing effectiveness results from the audience. Creative, offer and call-to-action are all powerful elements in compelling shoppers to action. While the combinations of these elements are infinite, we wanted to know the most effective CTA used in location-based marketing.

What is your top performing call-to-action (CTA) among your geotargeted advertisements?



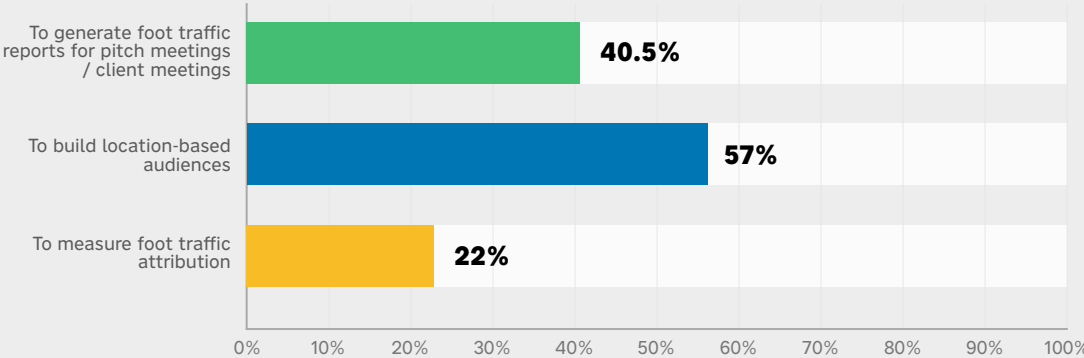
Honorable Mentions

These CTAs didn't crack the top 4, but they were mentioned by survey respondents as top-performing options.



When it comes to use cases for location data, there are as many options as there are campaigns. To better understand the range of use cases, we asked digital marketers about the overarching goals of their efforts when it comes to geofencing and geotargeting.

How do you currently use location data?

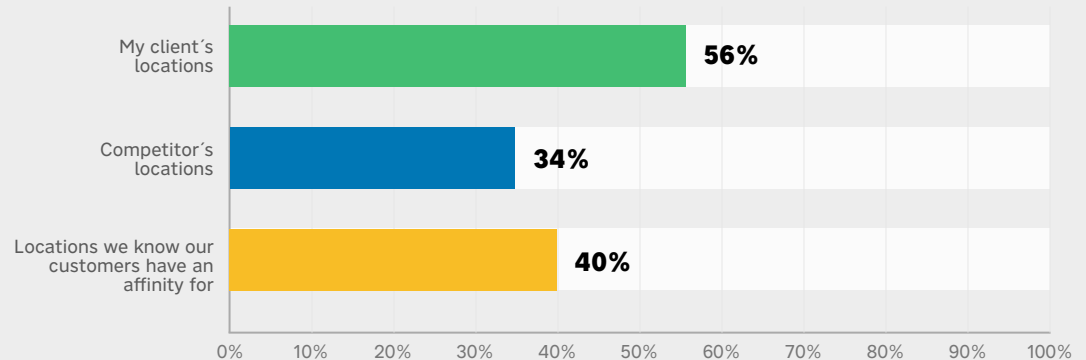




The various uses for location data invite a more specific question about what locations digital marketers geofence. While campaign goals should dictate this aspect of location-based marketing, there are any number of ways to think about geofencing creatively to generate the best possible results.

As it turns out, digital marketers geofence a great variety of places and place types, driven by what they want to achieve in the context of a given campaign.

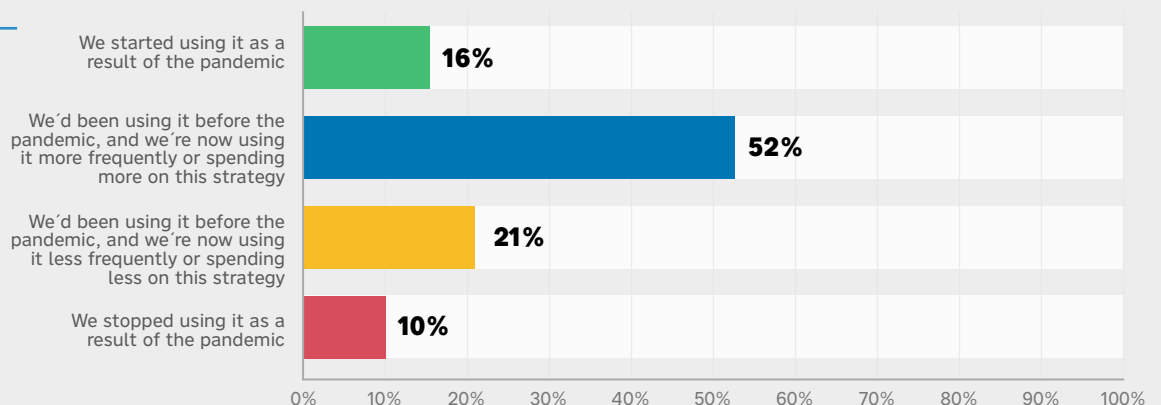
### When you build location-based audiences, what locations do you typically geofence?



Given the coronavirus pandemic remains in full swing at the time this report was published, we asked digital marketers how the pandemic has affected their use of location-based marketing and geotargeting.

**More than half of those surveyed have increased** their investment in the practice as a result of the pandemic. On top of that **16 percent of marketers have begun the practice** as a direct result of the health crisis. **Ten percent of digital marketers have ceased the practice**, likely due to budget cuts and needing to pause advertising in general. The other **21 percent have decreased the focus on the practice**.

### How has COVID-19 affected your use of location-based marketing?

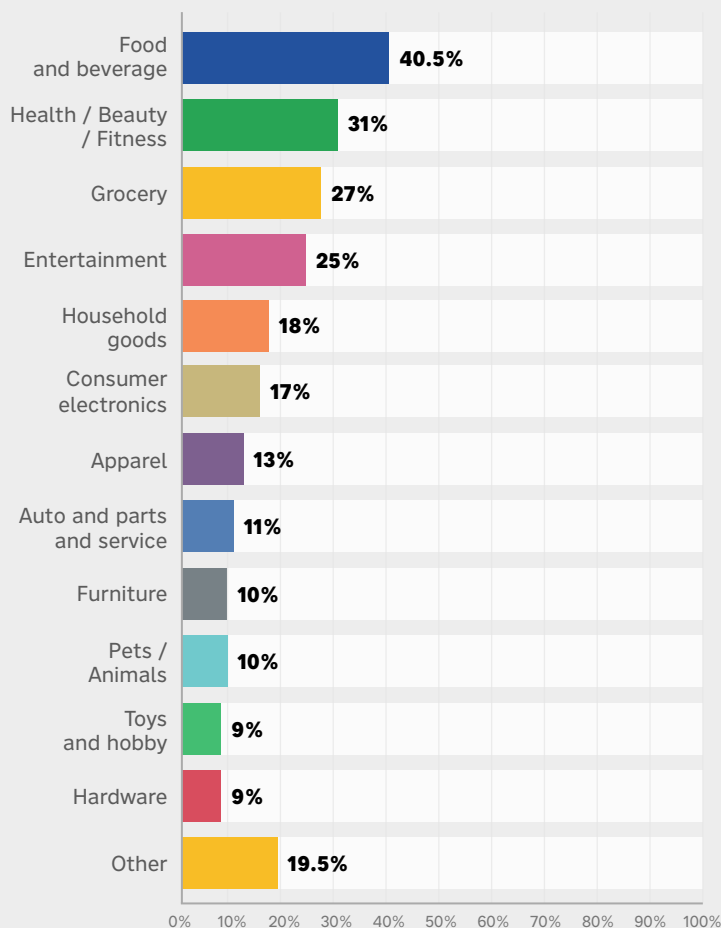


# Methodology

Location-based marketing has earned its place in the digital marketing mix through the establishment of best practices and consistently driving reliable results. This benchmark report provides a clear view into how digital marketers across the U.S. use location data in advertising.

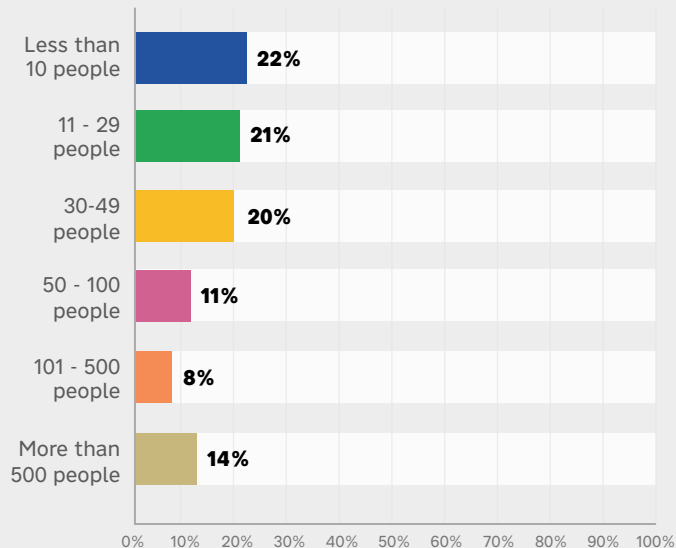
**116 digital marketers at agencies and brands** across the U.S. participated in this location-based marketing benchmark survey. The survey was issued in **July 2020**.

## Primary Industries

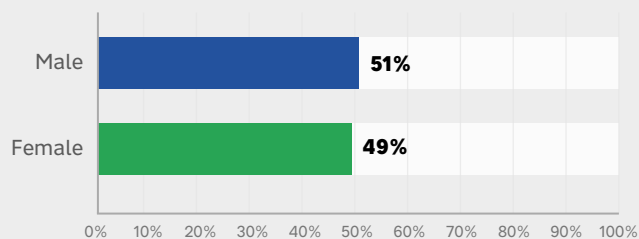


*Other industries include gaming/casinos, retirement communities, real estate, media, education, and financial services.*

## Company Size



## Gender



# REVEAL MOBILE™

Reveal Mobile is a leader in location-based marketing, analytics, audiences, and attribution. Creator of VISIT Local, VISIT Match and VISIT Data, the company's products help digital agencies, brands and retailers of any size leverage location data to understand and reach the right audiences.

Reveal Mobile is CCPA compliant and a member of the Network Advertising Initiative, which conducts an annual privacy certification.

Reveal Mobile is based in Raleigh, NC. For more information, visit [\*\*https://revealmobile.com\*\*](https://revealmobile.com).

