

GLOBAL LOCATION TRENDS REPORT 2020

LOCATION TECHNOLOGIES,
MARKETING AND SERVICES:
A LOOK AT THE TRENDS DRIVING
ADOPTION AND INVESTMENT

GREETINGS!



"NOW MORE THAN EVER LOCATION DATA IS PROVING IT'S VALUE BEYOND JUST MARKETING AND ADVERTISING, BUT STRETCHING TO INCLUDE HEALTHCARE, SOCIAL CAUSES, AND MORE."

ASIF KHAN | FOUNDER & PRESIDENT, THE LBMA

"LOCATION DATA ENABLES BRANDS AND RETAILERS TO BRIDGE ONLINE AND OFFLINE WORLDS, HERewith THIS DATA IS THE MOST VALUABLE INFORMATION IN EVERY BUSINESS PROCESS."

CARSTEN SZAMAITAT | CEO, THE LBMA D/A/C/H



With this study, The Location Based Marketing Association (THE LBMA) explores the power and importance of location-based technologies and services in a brand marketing world.

The results clearly show that where people are, and what they are doing in those places is of the utmost importance to any marketer in the coming years and the budgets are falling in line.

THE LBMA

LOCATION BASED MARKETING ASSOCIATION

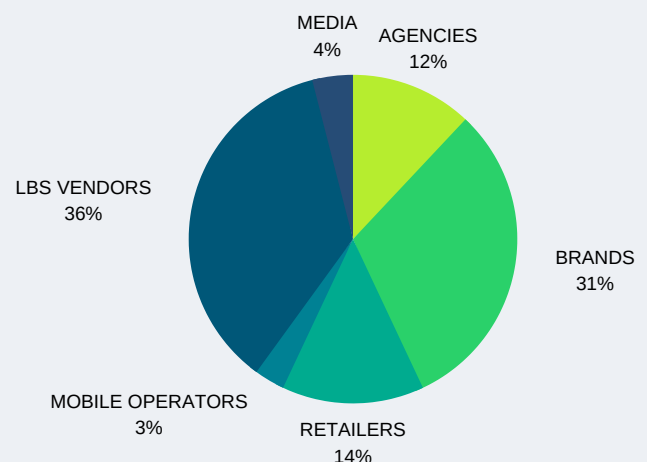
THE LOCATION BASED MARKETING ASSOCIATION IS AN INTERNATIONAL GROUP DEDICATED TO FOSTERING RESEARCH, EDUCATION AND COLLABORATIVE INNOVATION AT THE INTERSECTION OF PEOPLE, PLACES AND MEDIA SINCE 2010.

Members of THE LBMA include retailers, agencies, advertisers, media buyers, software and services providers, and wireless companies. With members full of invaluable expertise, THE LBMA is becoming a global association in the marketing ecosystem.

The goal of THE LBMA is to educate, share best practices, establish guidelines for growth and to promote the services of member companies to brands and other content-related providers. Promoting the exchange among the digital stationary retail world, the association supports its members with information, networking, knowledge and various projects.

Over the years, THE LBMA has organized and partnered in more than 500 events from Toronto to Tokyo, Munich to Melbourne, Prague to Puerto Rico, Seattle to Sydney focusing on networking online, mobile and local.

Worldwide, we have more than 1,600 members, spread across 24 countries in four different continents and many different industries.



METHODOLOGY

A TOTAL OF 871 COMPANIES WERE SURVEYED FOR THE LOCATION BASED MARKETING ASSOCIATION'S ANNUAL GLOBAL LOCATION TRENDS REPORT.

THIS YEAR WE CHANGED THE BASELINE OF OUR SURVEY TO BE ABLE TO PARSE THE DATA ON A REGIONAL BASIS ENABLING US TO LOOK AT THE SPLITS ACROSS NORTH AMERICAN, EMEA, LATAM AND APAC.

GOOD TO KNOW

As a basis for this study, now it's its 5th year, the LBMA asks survey participants which types of media they consider to be location-based. Digital Out of Home (DOOH) ads remains as one of the top media considered with a 11% increase year over year in NA markets and moderate increases in all other markets as well. Globally, we are now seeing 67% of the market view DOOH as a location-based media. In other media types the biggest growth came from the use of static billboards at 50% of the global market print media seeing a resurgence with 38% recognition driven off of online to offline retail engagement and COVID advertising. Both areas saw a 22% year over year rise infuse.

USED ABBREVIATIONS

LBM
Location-based Marketing

LBS
Location-based Services

THE LBMA
Location Based Marketing Association

RESPONDER PROFILE

ROLE WITHIN COMPANY



41 %
Owner/Co-owner

21 %
SVP/VP Marketing
or similar

8.3 %
Director of Marketing
or similar

IN CHARGE OF

83 %
Strategic Planning

67 %
Working with Marketing or
Advertising Suppliers/Agencies

46 %
Selecting Marketing or
Advertising Suppliers/Agencies

LOCATION BASED MARKETING

95 %

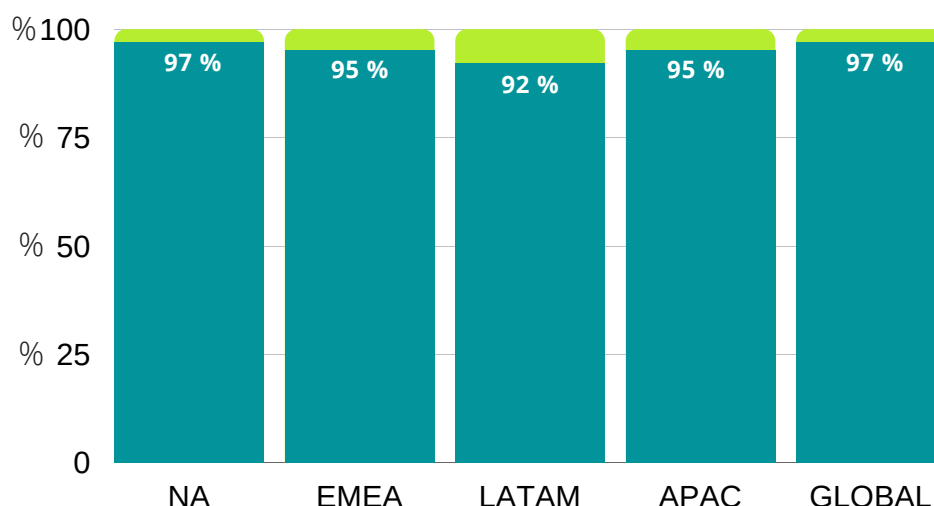
OF GLOBAL COMPANIES ARE ALREADY USING LOCATION-BASED SERVICES

The North American market caught up to APAC this year in location-based service usage with as many as 97% of respondents saying they rely on location-based data. Compared to the previous year, this represents an increase of ten percentage points. Globally this represents a 2% global decrease year over year, but on the whole and 18% rise in the global use of location-based data and services between 2018 and 2020.

The LATAM market is at the bottom of the pack, but not very far behind. In 2017 42% of survey respondents indicated they weren't using location. Today only 8% are in that camp with a full 92% now using it, representing a whopping 50+% increase in just the last three years! As for the location technologies currently in use, Bluetooth beacon technology surpassed WiFi deployments for the first time this year. The EMEA market leads the way with (84%), Followed by North America (79%) and at APAC (75%). Globally use of beacon technology saw a rise of 23%.

While the LATAM region is lagging behind other markets here we are seeing strong growth there for alternative solutions, where NFC is growing the fastest at showing a 8% increase over 2019.

CURRENT USE OF LOCATION-BASED DATA FOR YOUR CUSTOMERS TO REACH?



LOCATION BASED TECHNOLOGIES

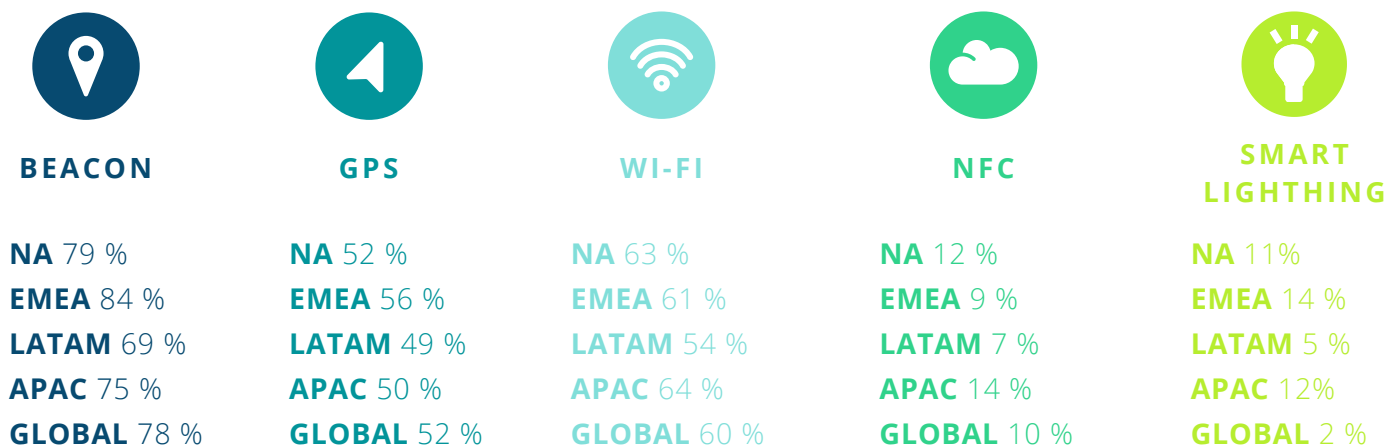
With regard to the planned usage, it turns out that the surveyed companies in the APAC have lowest motivation to catch-up with WIFI. There 58% of companies not currently using WiFi plan to do so by the end of this year. That is likely justified in that 74% of the market already has it deployed.

BLUETOOTH BEACONS TOP PRIORITY FOR INVESTMENT

When we look at planned spend for location-based technologies across all markets examined again bluetooth rises to the top surpassing last years champion NFC with 49% of global companies indicating additional expenditure in this area for 2020. APAC, EMEA both saw slight increases in planned expenditure of 4 and 8 percent respectively indicating a slowing in these markets. The North American market however grew quite significantly with additional spend of 14% in the US and 10% in Canada for beacons by the end of the year. A second priority after beacons is focused somewhat surprisingly on GPS-based tech.

Globally we are seeing 52% of companies already using GPS with EMEA leading the way at 56%. There is also no sign of slow down for them with an additional 36% planning to add GPS-based solutions later this year. As for the rest of the countries polled, LATAM saw the biggest increase rising 7% to a penetration of 49% in total this year. It should also be noted that as this is the 3rd year we have comparable data on the smart lighting market, all 4 markets showed a slight decline in this area with EMEA and the APAC leading the slowdown and a global average drop of -9% in investments in this area. In speaking to several members directly we understand the core reason to be COVID leading to store closures and an overall slowdown in construction of new locations.

WHICH LOCATION BASED TECHNOLOGIES ARE IN USE?



NOT CURRENTLY USING IT BUT PLAN TO BY THE END OF THE YEAR!



BEACON

NA 57 %
EMEA 41 %
LATAM 46 %
APAC 52 %
GLOBAL 49 %



GPS

NA 38 %
EMEA 36 %
LATAM 27 %
APAC 32 %
GLOBAL 34 %



WI-FI

NA 69 %
EMEA 71 %
LATAM 72 %
APAC 64 %
GLOBAL 69 %



NFC

NA 41 %
EMEA 37 %
LATAM 36 %
APAC 42 %
GLOBAL 39 %



SMART LIGHTING

NA 9 %
EMEA 12 %
LATAM 6 %
APAC 14 %
GLOBAL 10 %

60 %

OF GLOBAL COMPANIES ARE
USING WI-FI

NFC TECH TOOK THE BIGGEST HIT THIS YEAR

In addition to the current spend on NFC the APAC region saw the biggest drop with 22% decline in NFC investments.

EMEA followed closely behind with a drop of 18% on their planned investments in NFC.

In North America only 12% of the market are currently using NFC, but an encouraging sign is that an additional 41% are planning to do so by the end of the year.

APPLICATION OF LOCATION BASED SERVICES

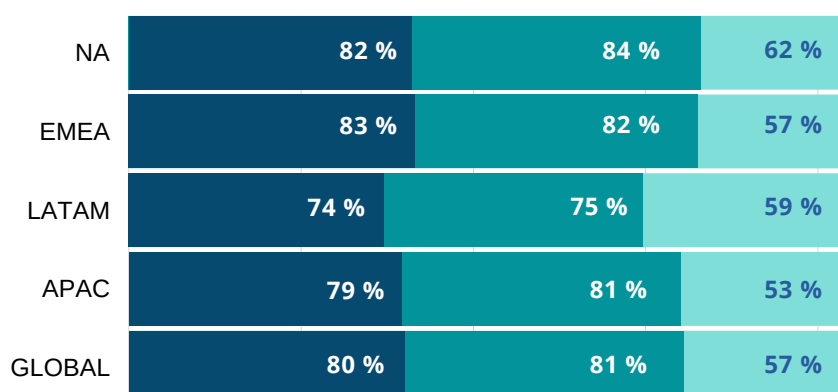
When asked about the most important applications or features for location technology or data marketers saw benefit in, the ability to target within a narrow geofence remained in the lead again for 2020. Globally 46% of marketers saw this as a key opportunity with North America leading the way at 48%. Following this there is a significant drop-off, to the next most popular category of “increased brand recall” garnering 21% of global interest, especially in the EMEA (24%) and NA 23%. A little further afield is the ability to drive “sales at POS. Globally this represented 17% of respondents indicating their support. EMEA and APAC regions tied for the lead in this category with 19% seeing this as valuable to their businesses. Rather surprisingly, the biggest gain year over year was in the use of location-based services to harness brand recall amongst consumers. Globally we saw a rise of just over 1% in 2019 to 21% in 2020.

Across the board, we are seeing marketers realize increasing value in using location-based data to influence and engage their audiences. COVID-19 and government application of location data in contact tracing is having a significant impact on the public perception of location data, especially as opportunities become apparent to not only use location data to sell products and services, but to also drive public health awareness. In all markets surveyed, “increases in average purchase size” also saw the significant growth with a 5% increase in the North America, and a 4% increase in the EMEA market leading the charge. APAC (4%), LATAM (3%) also saw important growth here.

46 %

ENGAGING IN LOCAL TARGETING VIA LOCATION SERVICES

WHAT IS YOUR OPINION ABOUT THE CURRENTLY AVAILABLE LBS AD TARGETING DATA?

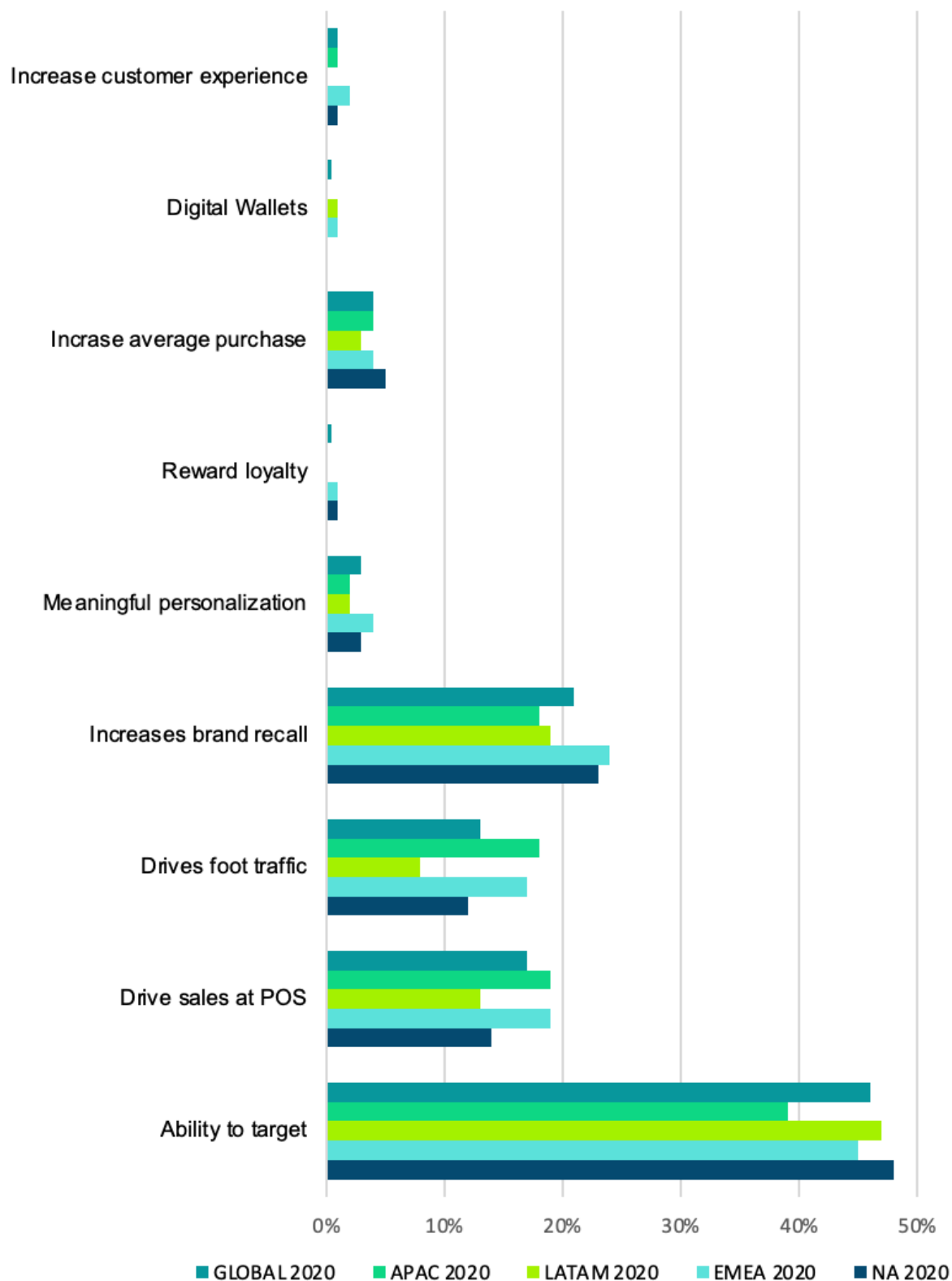


VALUABLE

ACTIONABLE

ACCURATE

MOST BENEFICIAL FEATURES OF LOCATION BASED MARKETING?



LOCATION BASED MARKETING BUDGETS & INVESTMENTS

52 %

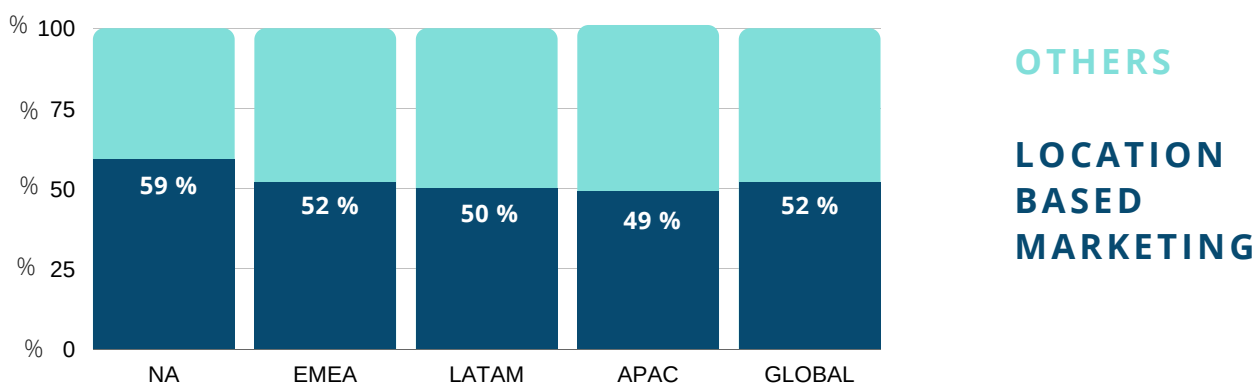
OF THE MARKETING BUDGET
IS GOING INTO LBM

Spending on location-based marketing - as measure by its share of the total marketing budget remained relatively stagnant across all markets seeing no material change in allocation for 2020. The North American market remained in the lead with 59% of overall marketing budget directed to some form of location-based media. Of interest is that there is not a major difference across the regions in realizing the value of location-based marketing as part of their budget. The APAC region showed the lowest allocation at 49% , but that's only a 10% swing between them and NA and the global average remained at 52% overall, the exact same at 2019. Regardless, all markets are showing significant expenditures when come to recognizing the value of location-based data.

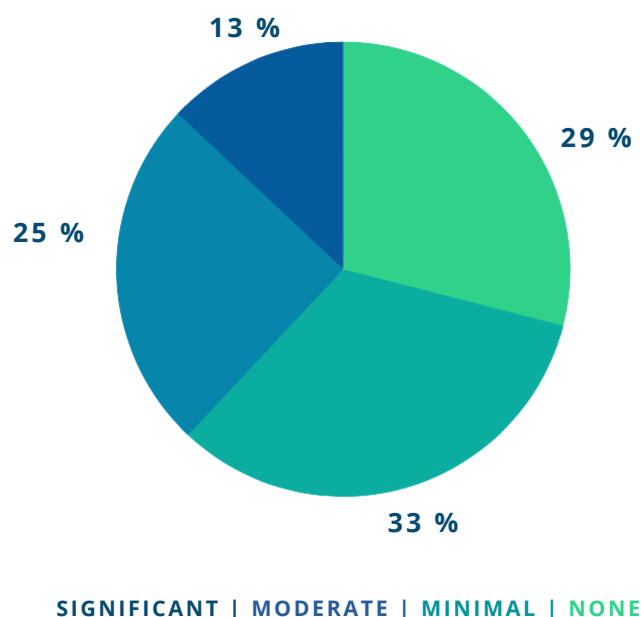
FORECAST FOR THE FUTURE

With overall share of budget remaining over the 50% mark, marketers are indicating their recognition in the value of LBM. All five markets are hold spending in 2021, with EMEA and the North America both expected 1-2% increases for next year and LATAM and APAC to invest even more at 3% and 5% respectively. Many survey respondents have indicated that COVID-19 has enabled them to hold budget over for expected better times in 2021.

SHARE OF LOCATION BASED MARKETING WITHIN OVERALL MARKETING BUDGET



HOW DO YOU DESCRIBE YOUR CURRENT INVESTMENTS IN LBS? (INFRASTRUCTURE AND INTERNAL RESOURCES)



Globally we saw marginal increases in the investment landscape around LBM in 2020. Compared to 2019 a slight rise of 1% to 29% viewing LBM as “significant” and a 5% rise to 33% for “moderate” consideration around LBMA.

We also saw a 10% rise in those not investing in LBM at all in 2020. This is primarily driven off of COVID-19 budget suspensions and is likely to be invested in 2021.

28 % OF GLOBAL COMPANIES ARE MAKING SIGNIFICANT INVESTMENTS IN LBS

RISING INVESTMENTS

APAC took the lead again this year with 31 percent of respondents considering their investment in LBM to be significant. This represents a 2% increase from last year at 29%. EMEA was also strong with 28 percent of respondents indicating their investment to be significant followed by the North America and LATAM at 29% and 27% respectively. It should be noted that all markets were fairly stable year over year with APAC showing the biggest growth of 2%

In the LATAM, 3% of marketers don’t believe in location-based marketing and have committed no funding to these initiatives. This marks a 5% shift year over year in interest as that number dropped from 8% in 2019. In both North America, EMEA less than 2% of the market are holding out. It should be noted that the average was 11% of companies globally that were not allocating budget to LBM when we first initiated this research in 2016. The bottom line is that location-based data and technology is increasingly valued by marketers and they are showing this in their budgets and spending. Very few companies today are still holding out.

IMPORTANCE OF LOCATION BASED MARKETING

72 %

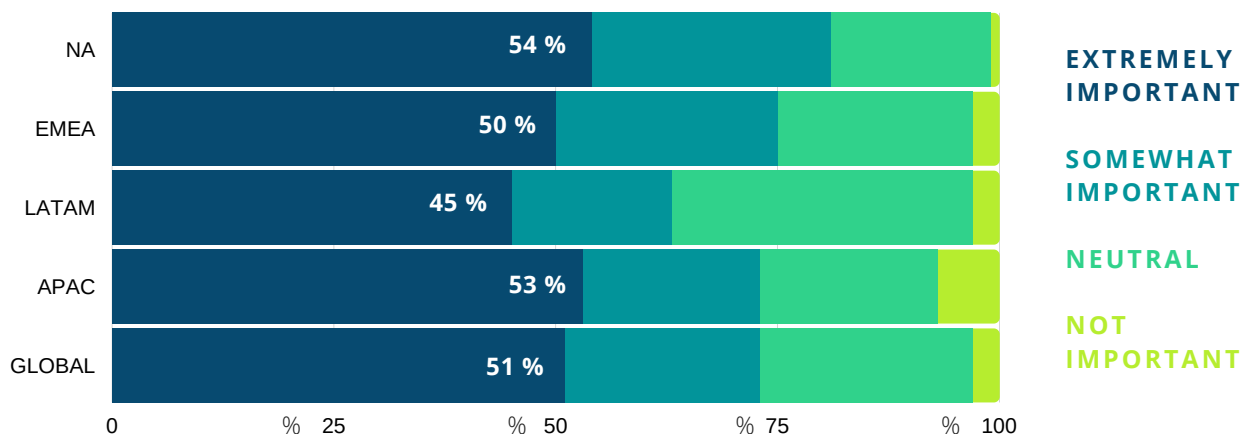
OF COMPANIES CONSIDER LBM
IMPORTANT OR VERY IMPORTANT

With regard to the change from 2019 to 2020, it can be seen that all respondents from this years' survey continue to attach great importance to the value of location-based marketing.

ITS VALUE IS ON THE RISE

All parties consider it extremely important to invest more in this distribution and outreach channel. At the top is the North America, which makes the biggest leap with 4 percentage points increase to 55 percent. However, despite this change in sentiment, APAC respondents' skepticism also remains high with 7% (2% lower than 2019) of respondents ascribing no value to LBM. Overall, LBM is growing in importance across all markets. In North America is 55% (+4 points) In EMEA it's 49% (+3 points), followed by LATAM at 44% (no increase) seeing LBM as extremely important. There is a clear shift toward location-based marketing: in all marketing, it is perceived as more important than in the previous year. For example, there were more participants in all countries who assigned LBM as extremely important or some- what important, than all who voted neutral in the countries combined.

HOW DO YOU DESCRIBE THE IMPORTANCE OF LBM FOR YOUR BUSINESS?



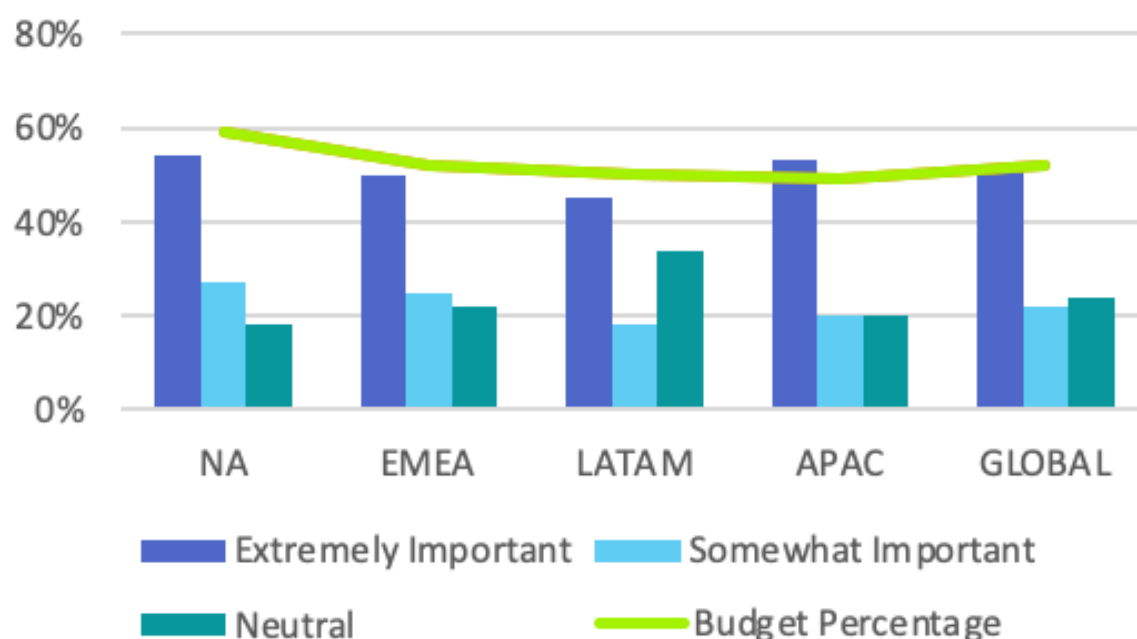
Now let's take a look at the development for the year 2020. As we began to see in 2019 two groups are beginning to solidify in terms of investment. Group one with North America, and group two representing all other regions combined.

NORTH AMERICA ON THE RISE

In the latter group, the importance of location- based marketing is rated as below average in comparison, which is why the budgets are lower than in the other countries.

In EMEA and LATAM respondents plan to spend 52% and 40% respectively on LBM, slightly ahead of APAC's 49%. Looking now at North America, it is noticeable that they are separating from the pack and above average. Respondents here are planning to spend 59%, indicating at 10% variance between the two groups.

RELATIONSHIP OF PERCEIVED IMPORTANCE OF LBM AND ALLOCATED BUDGETS



ACTIVITIES & CHALLENGES

Asked which location-related topics or sub-categories are of particular interest to them, almost all respondents agreed: Location Based Advertising. In the NA market as many as 53% of those surveyed have this topic highest on their radar. It should be noted that this is down 11% from 2019. In all other markets with the exception of EMEA, services leveraging geo-targeted ads remained the most popular activity.

A BIG LEAP FORWARD IN ANALYTICS

2020 represents big growth in several sub-categories of LBM. In particular, the areas of augmented reality and location-based gaming. In the EMEA region, interest in location-based analytics represented 47% of survey respondents bringing it virtually in-line with NA expenditures in this area. APAC was right behind in analytics growth now at 45%, followed by 42% in the LATAM market. Another interesting finding this year is a very significant decline in spending on local search optimization when this was one of the biggest growth areas last year! The EMEA and North America saw equally huge decreases of 24% to 19% and 23% respectively. Most surprising is the change in the APAC market which declined a whopping 28% to 14% overall. . Many of the brands that participated in the survey, have indicated that this is being driven off of COVID spending related delays on new real-time targeting capabilities and the advancements in voice and image enabled search.

33 %

USING AUGMENTED REALITY

Augmented Reality also proved to be a hot topic this year. The EMEA region lead in the AR space with 30 percent indicating spend in this area. Many of the major platforms such as Niantic, Magic Leap and Microsoft have opened up location targeting and tagging of content to both the users and developer community fuelling significant growth in this category. This category is also beginning to see more mainstream adoption of VR glasses.

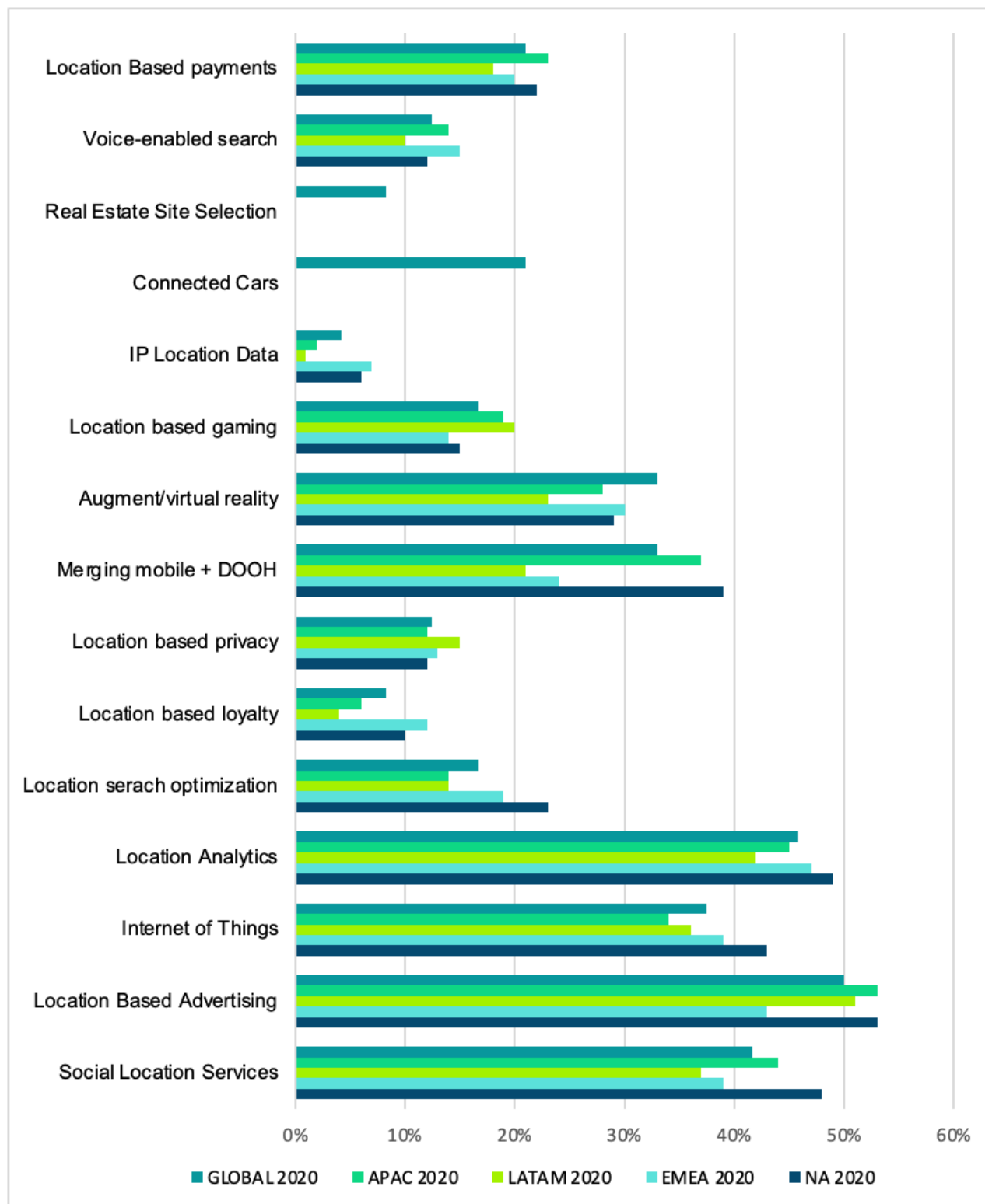
CONNECTED CARS

The intersection of location data and vehicle is also clearing evident in 2020. EMEA with 21 percent of respondents actively using it. This is the first time we are tracking the use of this very valuable data in our industry.

The use of location data in vehicles serves to provide everything from emergency services to an increasing array of solutions to deliver brand marketing offers and automotive insurance premiums.

This data is becoming mission critical. While it has its privacy issues, the benefits are beginning to out way the cost. Globally 215 of survey respondents have indicated this are already engaged in leveraging location data for connected car applications. It will be interesting to see how this evolves in 2021.

WHICH TOPICS WILL BE IMPORTANT TO LOCATION BASED MARKETING IN 2020?



BEYOND THE MARKETING

33 %

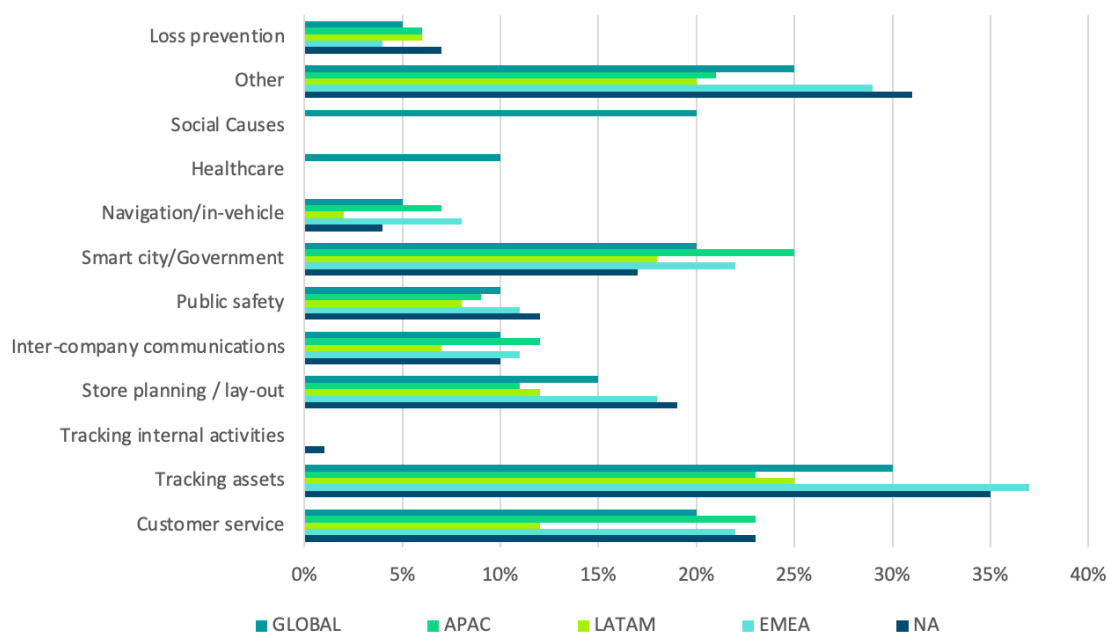
ALSO USE LOCATION BASED SERVICES OUTSIDE OF MARKETING

Of course, location-based technologies and data are also used for purposes other than marketing. With 33% of all companies surveyed globally indicating they are using it in this way- it should be noted that this represents a 15% decline from last year As previously attributed to the COVID-effect. The EMEA and APAC markets lead the way in non-LBM applications of these technologies at 38% and 34% respectively. This is closely followed by NA at 31%, and LATAM bringing up the rear at 28%. EMEA also continued from 2019, had the largest group at 31% of people that had no plans to use these technologies a non-LBM capacity, but with 42% planning to do so in the future.

SOCIAL CAUSES, HEALTHCARE & INTER-COMPANY COMMUNICATIONS

Amongst the leading uses of location data for non-marketing purposes were two new categories we introduced in 2020. Social Causes, such as location-data centred on homeless populations and healthcare applications driven by COVID tracing and hospital tech were at the top. 20% of non-marketing use went to social causes and 10% to healthcare applications. Inter-company communications also drew 10% share in the survey for non-marketing application of location data.

HOW DO YOU DESCRIBE YOUR CURRENT USE OF LOCATION-BASED TECHNOLOGIES FOR NON-MARKETING PURPOSES?



36 %

USE LOCATION BASED SERVICES IN ASSET TRACKING

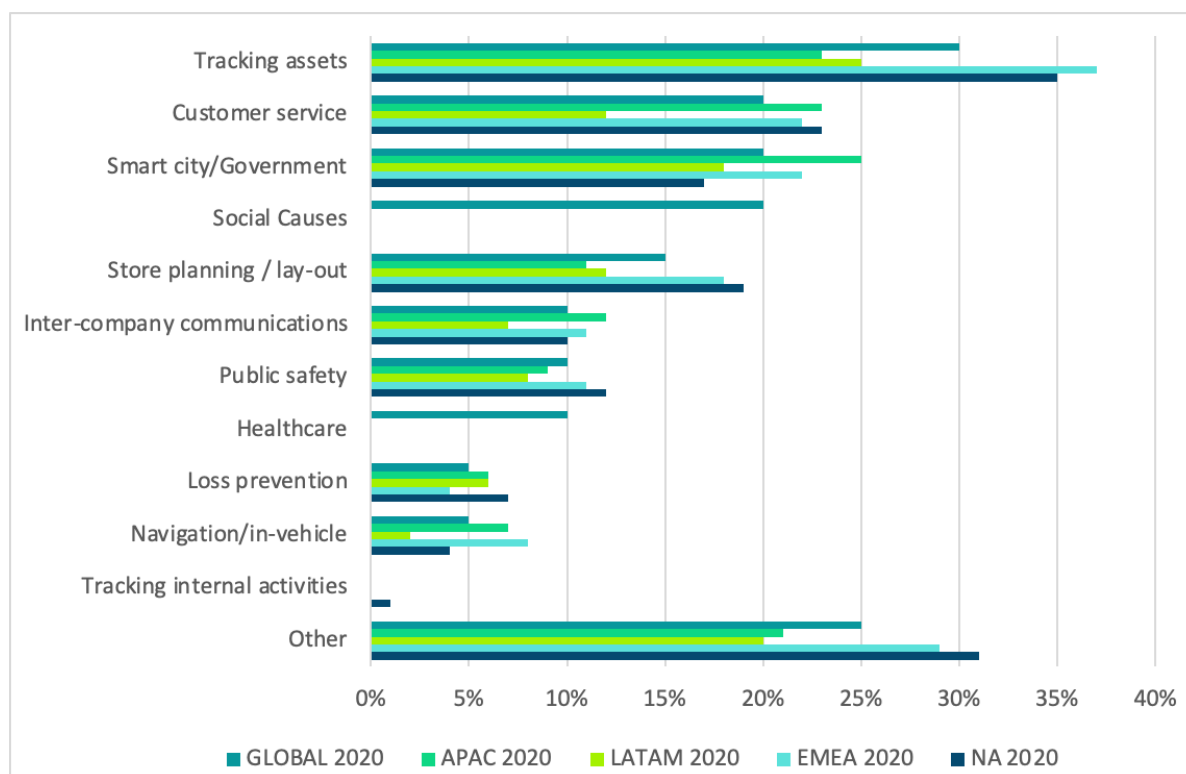
Asset tracking remains strongly supported with significant growth in all markets. EMEA in particular has 37 percent of respondents using these technologies to monitor where equipment and other items are.

Smart city and government applications are also of growing importance with 24% global companies turning to LBS for these applications and the largest growth attributed to the APAC region.

Public safety uses of location data are growing fast in NA with 12% of companies now engaged in this activity.

At THE LBMA, we are seeing a larger movement to extent traditional location marketing tools to other verticals.

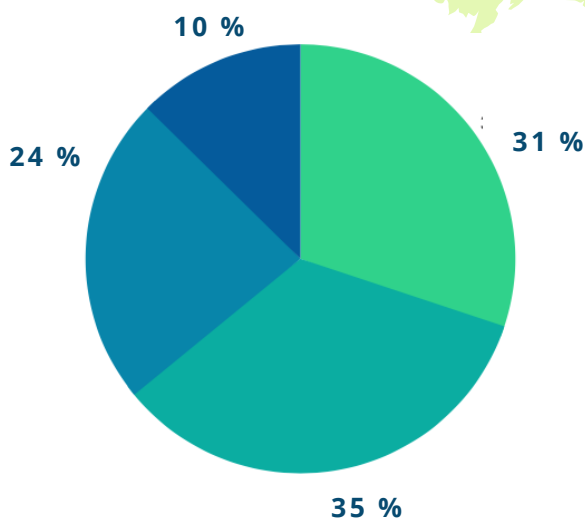
FOR WHICH ACTIVITIES DO YOU USE LOCATION-BASED SERVICES BESIDES MARKETING?



REGIONAL OVERVIEW:

NORTH AMERICA

NORTH AMERICA SHOWED TO BE A SOLID PERFORMER IN OVERALL UTILIZATION OF LOCATION-BASED DATA FOR MARKETING AND ADVERTISING APPLICATIONS.



Combined, some 62% of survey respondents indicated that they have invested significantly or moderately in their use of LBM during 2020.

This despite the overall global reduction due to COVID-19.

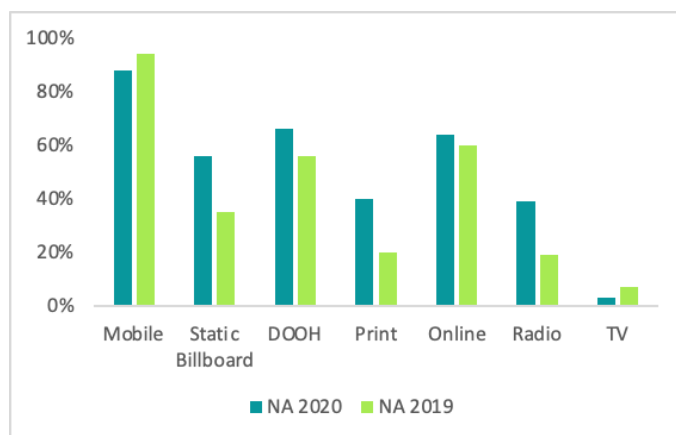
SIGNIFICANT | MODERATE | MINIMAL | NONE

56 %

OF NORTH AMERICAN ADVERTISERS TURNED TO STATIC BILLBOARDS DURING 2020.

The North American market saw the greatest increase in the use of static billboard which rose by 21% between 2019 and 2020.

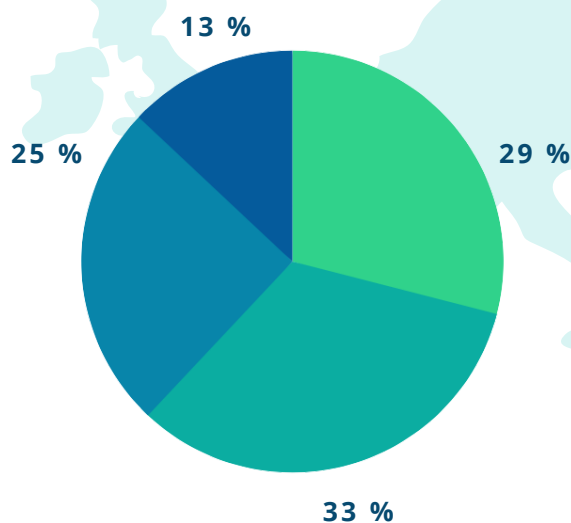
Of interest we also saw the use of both Print and Radio as location-based media both decline by 20% over this time period.



REGIONAL OVERVIEW:

EMEA

12% (+10% FROM 2019) OF SURVEY RESPONDENTS IN THE EMEA MARKET HAVE NO PLANS TO LEVERAGE LOCATION DATA IN THEIR CAMPAIGNS.



While the non-user group rose by 10% year-over-year, those that had some minimal usage rose from 24% to 41% in the same time frame.

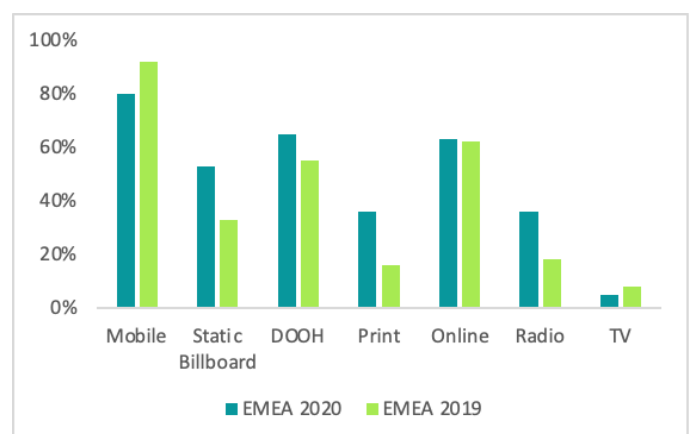
SIGNIFICANT | MODERATE | MINIMAL | NONE

36 %

OF EMEA ADVERTISERS ENGAGED WITH LOCAL PRINT MEDIA IN 2020.

In the EMEA region both the use of static billboard and print advertise saw a rise of 20% from 33% to 53% in 2020 and 16% to 36% respectively.

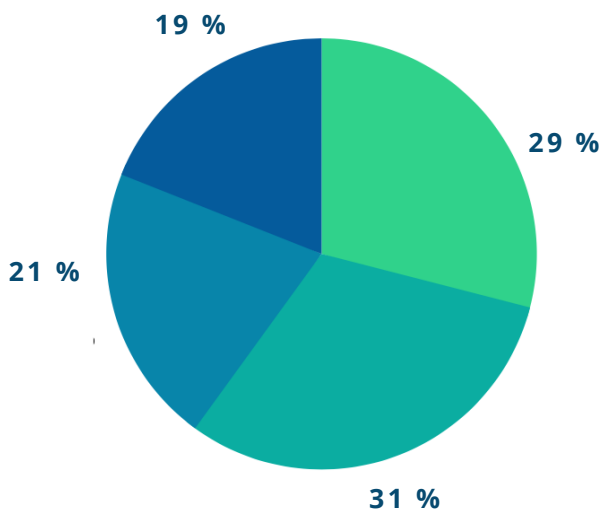
As in several other markets the EMEA region saw a sharp decline of 18% year over year in the use of local radio.



REGIONAL OVERVIEW:

LATAM

17% OF THOSE SURVEYED IN THE LATAM MARKET ARE NOT USING LOCATION DATA AT ALL FOR LBM APPLICATIONS.



With just 5% indicating their lack of interest in using LBM data in 2019, that number rose a whopping 12% year-over-year indicating a severe budgetary pullback in 2020.

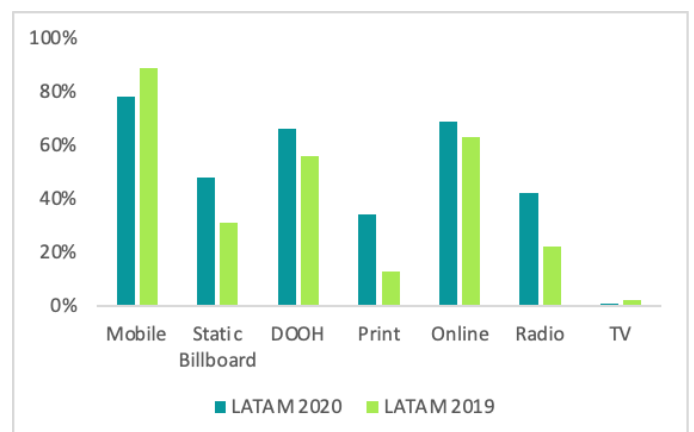
SIGNIFICANT | MODERATE | MINIMAL | NONE

42 %

LATAM ADVERTISERS SAW LOCAL RADIO AS THE WAY TO REACH CUSTOMERS IN 2020.

The LATAM market in contrast to NA and EMEA this year saw an equal rise in the use of both local print media and local radio. Both rose by 21% year-over-year in their respective categories.

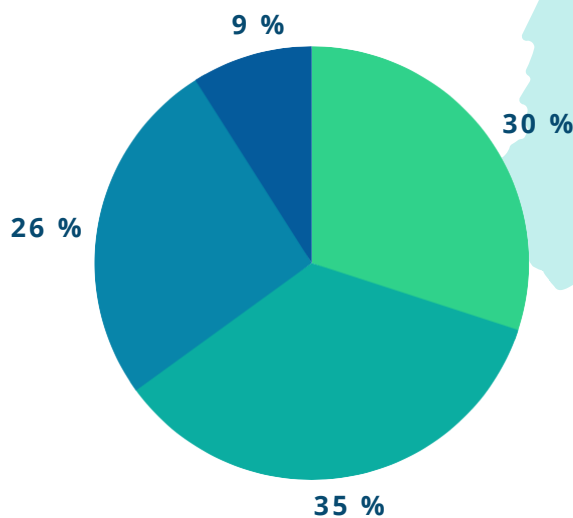
In another surprise the use of location-based mobile as a medium declined by 11% in 2020.



REGIONAL OVERVIEW:

APAC

THE APAC REGION LEAD THE WAY IN THE OVERALL UTILIZATION OF LOCATION-BASED DATA FOR MARKETING AND ADVERTISING APPLICATIONS.



Combined, some 67% of survey respondents indicated that they have invested significantly or moderately in their use of LBM during 2020.

This despite the overall global reduction due to COVID-19.

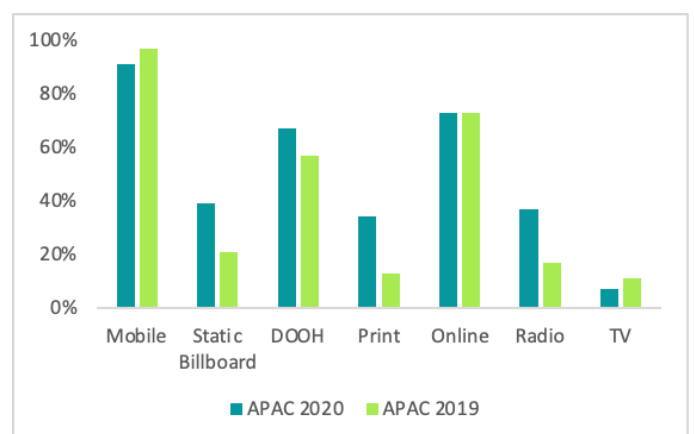
SIGNIFICANT | MODERATE | MINIMAL | NONE

34 %

OF APAC ADVERTISERS VIEWED LOCAL PRINT AS THE WAY TO REACH CONSUMERS IN 2020.

In the APAC region survey responded indicated a huge increase in the view of local print media by 21% in 2020. This was followed closely by a 20% rise in the use of local radio.

APAC was one of the few markets to show a decline in the use of mobile location ads with a loss of 6% compared to 2019.



KEY FINDINGS



PANDEMIC EFFECT ON LBM

COVID-19 caused a major slowdown in the allocation of advertising budgets towards LBM



FAST GROWING: CONNECTED CAR APPLICATIONS

Connected Car applications, which we tracked for the first time this year drew a surprising amount of attention at 22% of all respondents showing interest.



LOCAL SEARCH OPTIMIZATION GOT HIT BY COVID-19

Local Search Optimization saw the biggest decline in LBM spend dipping by 26% year-over-year. With so many business closed due to COVID, it's easy to understand why.



SOCIAL RESPONSIBILITY ON THE RISE

Another new area tracked by the survey showed 20% of respondents finding ways to use location-data to optimize their engagement with social causes. People and businesses worked hard to give back in tough times.



PRINT MEDIA IS BACK!

With a 22% increase over 2019 the use of local flyers, newspaper and magazines gained major traction in 2020. With people forced to be in lockdown they simply had more time to read.

