

THOUGHT LEADERSHIP

The importance of where: twelve ways location data yields better decisions

2010 Perspective

Consumers rely on location data now more than ever. Thirty-one percent of Americans own a portable navigation device. iPhone apps calculate longitude and latitude to locate nearby restaurants. Worldwide, over 500 million users view aerial photos using Google Earth.

The business applications for location intelligence in both the public and private sector are even more powerful. Nearly 70 percent of all business data contains a geographical component and today's commercial mapping and geographic information systems make it easy to analyze this information faster and more efficiently than ever before.

Once the domain of technology heads and mapping professionals, location intelligence has become a mainstream business practice—driving decisions across most every department. As accuracy increases, it is not surprising that organizations now rely on geographical data analysis to support many mission-critical functions.



SITE SELECTION: Opening a new store or branch location can cost millions of dollars, with payback often calculated in years. Companies can now analyze market demographics, competition and consumer buying habits across alternative geographies in order to predict events well into the future. This is especially important in times of economic uncertainty, when many firms are deciding whether or not to close or relocate stores and branch locations.

CUSTOMER SEGMENTATION: Marketers can go beyond simple postal codes to identify households at the neighborhood and street level who are most likely to become new customers or to purchase additional products and services. Color-coded maps overlay multiple levels of data, including revenue, Census information, proximity and customer penetration—making it easy to visualize how market demographics correspond to sales potential.

E-TAILING: The exponential growth of online shopping adds another dimension to marketing decisions. While consumers may transact in a “virtual world” they still access the Web from specific locations. Understanding the relationship between where online customers live and work vis-à-vis the location of retail locations and competitive outlets makes it easier to develop strategies that best leverage both on- and off-line efforts.

CRIME FIGHTING: While governments have long used geo- technology to support public works decisions, such as highway and sewer planning, a number of specialized applications now incorporate location intelligence in the area of crime mapping. In many municipalities, citizens now have a centralized portal where criminal intelligence and information is shared by law enforcement at the local, state and federal levels—giving law enforcement agencies the insight needed to solve and prevent crimes.

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Pitney Bowes suite of Location Intelligence solutions include:

- MapInfo Professional®
- AnySite® for Predictive Analytics
- TargetPro for Predictive Analytics
- GeoStan
- GeoTAX Enterprise Tax Management
- MapInfo® Stratus™
- Confirm®
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- Vertical Mapper™
- Crime Profiler™

Pitney Bowes Business Insight

One Global View
Troy, NY 12180-8399

1.800.327.8627
www.pbinsight.com



Location data

Better decisions

E-GOVERNMENT: In the public sector, location intelligence is used to plan for growth, improve public services and share information with citizens. New government legislation, such as INSPIRE in Europe, is changing the way public organizations manage and share their GIS data. Many agencies have found ways to keep costs down, serve citizens and comply with new government mandates.

CUSTOMER ONBOARDING: The opening of a new account can be one of the most critical times in the relationship between a customer and a company. Geocoding applications help validate the exact location of new accounts so correspondence and shipments reach customers in a timely fashion. Increasingly, organizations are also using location-based information to make real-time decisions on which products or services to cross-sell in the first 90 days, when customers are most open to expanding their relationship.

TAX MANAGEMENT: State and local tax jurisdictions involve complex rules and boundaries that have no relationship to postal codes—and the failure to collect or pay appropriate taxes can result in significant penalties. This need is especially prevalent in certain industries, such as telecommunications, where miles of fiber optic cable may cut across hundreds of distinct tax jurisdictions—each with unique rules and tax rates.

RISK IDENTIFICATION: In financial services, predictive analytics based on geo-demographics now provide an early-warning mechanism to detect borrowers who may be at risk of bankruptcy and default. In the insurance industry, companies have

integrated spatial analysis into underwriting and claims management systems—instantly calculating the distance between a home and the nearest fire hydrant, flood plain or fault line.

CUSTOMER CARE: In many companies, telephone reps now navigate intuitive, user-friendly mapping applications to make on-the-spot decisions based on location. In most cases, these technologies are employed to identify cross-sell opportunities and provide accurate information to customers regarding network access.

FRAUD DETECTION: Due in part to the recent recession, fraud attempts are on the rise and more organizations are integrating customer data quality and location intelligence into their fraud management systems. In the credit card industry, geo-based analytics can instantly assess whether two credit card purchases could have been made by the same person using the same card based on time and distance.

ROUTING AND FLEET MANAGEMENT: As consumers shift to online shopping, location intelligence is increasing part of the delivery system, as retailers and shippers calculate optimum drive routes and determine where to locate distribution centers—decisions that provide for faster deliveries and lower costs.

CUSTOMER SELF-SERVICE: With an ability to integrate vast amounts of data, analytics and customer-friendly mapping applications, customers can now view the same information used by back-office personnel. In one instance, an insurance company shared details on a hurricane’s path online, discouraging individuals from submitting false claims.

Experts predict that the market for business geographics and location intelligence will grow 50% over the next five years. While spatial analysis is just now hitting its stride in terms of business applications, it is likely that major breakthroughs are yet to come.

Pitney Bowes Business Insight launched the world’s first business-strength mapping solution nearly 35 years ago, and today offers a broad range of predictive analytics, geocoding and location intelligence solutions including MapInfo Professional®, MapInfo® Stratus™, Confirm®, AnySite® and TargetPro.

Whether your organization is looking to pursue one, two or all twelve of these strategies, learn how you can locate new opportunities, connect with customers and communicate more efficiently—all through the power of where. To learn more about trends in location intelligence, contact Pitney Bowes Business Insight at 800.327.8627.