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MOBILE COMMERCE ROUNDUP

Retail mcommerce will account for roughly one-third of total ecommerce sales in the US this year, according to eMarketer forecasts, and that share is expected to grow rapidly—surpassing 50% by 2021. eMarketer has curated this Roundup of articles, insights and interviews to help retailers and their partners understand the impact of mcommerce throughout the consumer journey.

presented by

amazon pay   **Magento**®

Overview

Mobile site or app? Check.

Many retailers have some form of mobile technology in place, including mobile sites and apps, according to a study conducted by BRP (Boston Retail Partners).

A large share of retail executives in North America surveyed said they have implemented a mobile site or mobile app. Fully 60% said they had implemented a mobile site, and of the remainder more than half expect to build one. Meanwhile, 53% have created a mobile app and, again, more than half of the rest foresee building one.

Nearly two-thirds of the retailers in the study had revenues topping $1 billion.

Beyond mobile sites and apps, there seems to be less activity, and a number of technologies bypassed or overlooked.

For example, just 23% of respondents said they have implemented in-store mobile offers. More than four in 10 said it's something they'll work on within two years.

BRP also found that while retail execs have employed a variety of mobile technologies, across the board, they tend to feel that their efforts need improvement.

The stakes are high. Retail mcommerce sales will make up roughly one-third of total ecommerce in the US this year, according to eMarketer's latest estimates, and that share is expected to grow rapidly, surpassing 50% by 2021.

Implementation of Select Mobile Technologies According to Retail Executives in North America, July 2017
% of respondents

Technology	Implemented and working well	Implemented and needs improvement	Implement within 2 years	Implement within 3-5 years
Mobile site (i.e., site specifically designed for mobile access)	22%	38%	19%	3%
Mobile app	14%	39%	31%	
Mobile offers within store	9%	14%	43%	
Locate products in-store with mobile app/site	8%	14%	33%	11%
Suggestive selling	6%	42%	33%	3%
In-store sign-in via phone	3%	20%	26%	11%
Wearables	3%	6%	22%	3%

■ Implemented and working well
■ Implemented and needs improvement
■ Implement within 2 years
■ Implement within 3-5 years

Source: BRP (Boston Retail Partners), "Digital Commerce Survey 2017" sponsored by ECRS, Manhattan Associates, Mi9, NCR and Radial, Sep 18, 2017

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Retail Mcommerce as a % of Total Ecommerce Sales

United States, 2017-2021

Year	Retail mcommerce sales (% of total retail ecommerce sales)
2017	34.5%
2018	39.6%
2019	44.7%
2020	49.2%
2021	53.9%

● Retail mcommerce sales (% of total retail ecommerce sales)
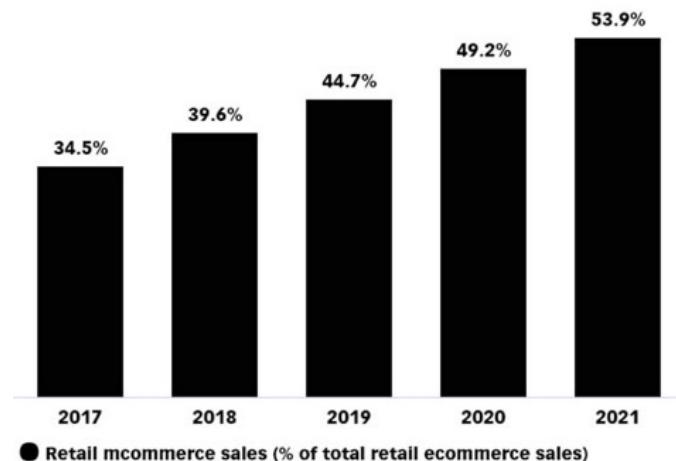
Source: eMarketer, Jul 2017

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Deals and special offers are key

Mcommerce app users say it's all about time and money.

According to a new survey conducted by Clutch, a B2B research firm, almost seven in 10 mcommerce app users in the US access the apps to receive deals and offers. Nearly as many said they appreciate them for the flexibility to buy at any time.

For some, apps appear to address problems with the experience of shopping in-store. Roughly half of the respondents said they wanted to see larger inventories, or save time at the store, or simply avoid going to the store.

Most digital purchases still take place on desktop computers, but mobile purchasing is rapidly rising. According to eMarketer's latest estimates, mcommerce will make up 34.5% of total retail ecommerce sales this year, a share that will rise steadily in the coming years. eMarketer expects mobile to surpass desktop by 2021.

Those figures include both tablets and phones. eMarketer estimates that smartphone sales make up about two-thirds of all mobile commerce sales.

Of that, purchasing activities appear to be roughly divided between app and mobile web. A January 2017 study from Fluent found that 51% of US smartphone mcommerce buyers primarily make purchases via app, while 49% made purchases via mobile web.

Reasons that US Mobile App Users Use Mcommerce Apps, Q2 2017
% of respondents

Receive deals and offers
68%

Flexibility to buy at any time
64%

Compare products and prices
62%

Save time at the store
54%

See a larger inventory base
53%

Avoid going to the store
47%

Save time by getting curbside pickup
27%

Note: n=505 ages 18+ who use mcommerce apps
Source: Clutch survey as cited in company blog, Aug 1, 2017

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Rapid shift signals volume growth in coming years

New data from The Integer Group illustrates the rapid shift of consumer behavior over the past few years. In surveys conducted in 2012 and 2016, the percentage of internet users who make purchases via mobile device rose substantially, from just a quarter in 2012 to nearly two-thirds last year.

"With nearly two in every three shoppers over 18 now using their mobile devices to shop, brands and retailers need to be more aware than ever of how to tailor their mobile commerce sites to the shopper," The Integer Group report said. "Brands and retailers that are not implementing a mobile commerce strategy are already behind the curve and losing business."

The data is in line with eMarketer's estimates for mobile purchasing behavior. The number of US consumers who made mobile purchases grew at an extraordinary pace between 2012 and 2016, totaling 136.3 million last year.

At that level, mobile buyers made up 59% of internet users that year, eMarketer calculates. By extension, that would work out to a bit more than half of the total US population ages 14 and older.

As far as penetration levels go, the huge growth over the past few years has reached a plateau. eMarketer expects growth in the number of mobile buyers to settle below 10% this year and ease further in the coming years.

But that doesn't mean mobile purchasing is settling into low growth mode. In fact, the volume of mcommerce sales is expected to more than double between 2017 and 2020. eMarketer expects retail mcommerce outlays will increase 38% in 2017, reaching $156.28 billion. That figure is expected to jump to $336.98 billion in 2020.

US Internet Users Who Purchase Products via Mobile Device, 2012 & 2016
% of respondents
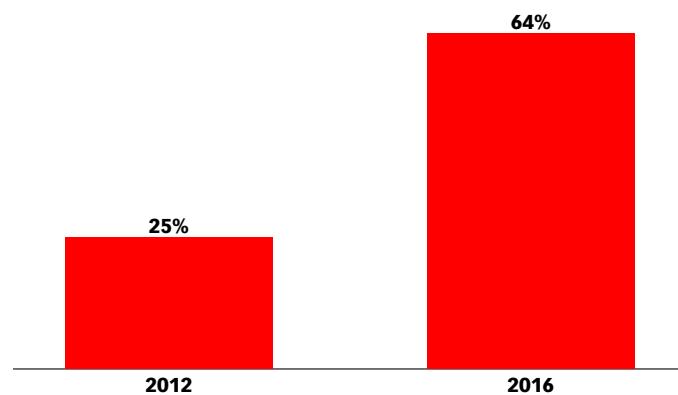
Note: 2012 n=1,200; 2016 n=1,200; ages 18+
Source: The Integer Group, "The Checkout," May 3, 2017
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Mobile Buyers
United States, 2012-2016
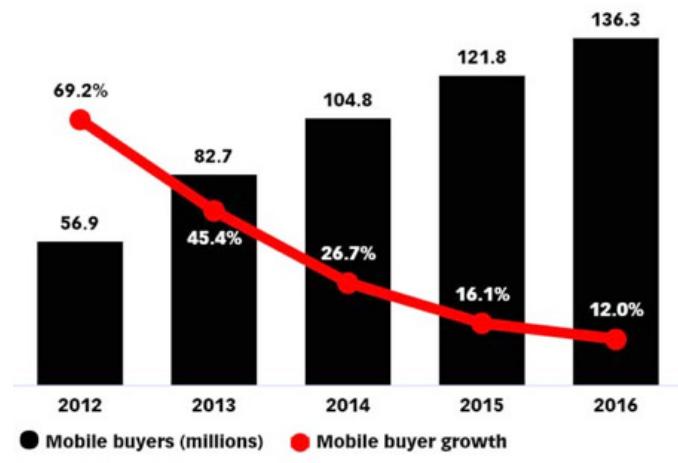
Source: eMarketer, Feb 2017

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Unfortunately, it's out of the hands of retailers

What's stopping mobile users from making purchases on their phones?

Well, for one thing, the screens are too small.

That was one of the findings of a PwC survey conducted last September. The data was part of a UK-focused report that compared consumer usage and attitudes in the UK with those in China and the US.

About one-third of US adult internet users polled said a challenge of purchasing products via mobile devices was that the screen is too small.

Meanwhile, about one-quarter said that mobile sites aren't easy to use—likely a response at least in part to mobile phone screen size.

Another 19% said the lack of security on mobile sites is a challenge of purchasing products via a mobile device.

Connectivity was close behind: Some 17% of respondents said they have a slow data connection, which makes buying via mobile devices challenging, and nearly as many (15.8%) said they have no Wi-Fi access.

According to eMarketer's latest estimates, some 150 million people in the US will use a mobile device to make a purchase this year.

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Challenges of Purchasing Products via Mobile Device According to US Internet Users, Sep 2016
% of respondents

Screen is too small	33.7%
Mobile sites are not easy to use	23.9%
Lack of security of mobile sites	19.0%
I have a slow data connection	17.0%
No Wi-Fi access	15.8%
I don't own a mobile/smartphone	8.6%
I don't have a data plan	4.0%
Other	5.0%
I don't encounter any obstacles when using my mobile/smartphone to shop online	25.6%
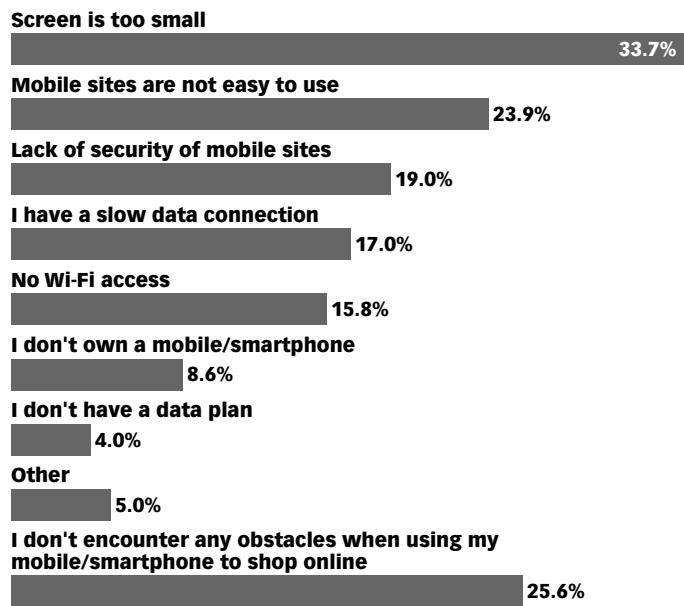
Note: ages 18+
Source: PricewaterhouseCoopers (PwC), "Total Retail 2017: Report on UK findings," Feb 23, 2017
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Cyber Monday Gets Shoppers' Hearts Beating

But when looking solely at mobile sales, Black Friday is already the biggest sales day

Holiday shoppers are more enthusiastic about the prospect of shopping on Cyber Monday than on Black Friday, a September 2017 survey found—another sign of the shifting purchase path and increasing importance of digital shopping options.

The survey, conducted by retail data analytics company Euclid Analytics, asked which holiday shopping days US smartphone owners were excited about. Nearly three-quarters (72%) said Cyber Monday—the day after the Thanksgiving weekend. This was well above the 62% who said Black Friday, known as the traditional in-store kickoff of the holiday shopping season.

Cyber Monday was also the most anticipated shopping day among both men and women, though women were particularly keen, with 74% saying they were eager to shop that day.

Though the ecommerce-focused Cyber Monday may be more highly anticipated than a traditional in-store shopping day, holiday ecommerce sales continue to be dwarfed by in-store sales. eMarketer estimates that ecommerce will make up just 11.5% of total retail holiday season outlays this year.

Perhaps more than anything, the Euclid survey indicates the importance of ecommerce in consumers' minds as they look ahead to the holiday season.

In fact, Cyber Monday is close to being eclipsed by Black Friday as the single largest online sales day. Last year, online sales on the Monday after Thanksgiving weekend rose 12% to a record $3.45 billion, according to Adobe. By comparison, Black Friday online sales surged nearly 22% to $3.34 billion—more than the previous year's record Cyber Monday sales.

If online sales of Black Friday and Cyber Monday were to increase at the same pace this year, Black Friday sales would surpass that of Cyber Monday, making it the single largest digital sales day of the year.

Looking solely at mobile sales, Black Friday is already the biggest sales day—it has outpaced Cyber Monday for two straight years.

Whenever sales occur, the Euclid survey underscored the importance of omnichannel efforts. More than half (55%) of consumers polled said they visit a store to see a product before making a purchase online later. The tendency was particularly pronounced among younger shoppers: Three-fourths of 18- to 34-year-olds said they do this.

US Smartphone Owners Who Are Excited to Shop During the Holiday Season, by Shopping Day, Sep 2017
% of respondents

Cyber Monday	72%
Black Friday	62%
Day after Christmas	55%
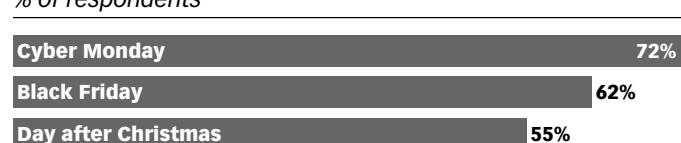
Note: ages 18+
Source: Euclid Analytics, "2017 Holiday Physical & Digital Retail Trends," Sep 21, 2017
230910   www.**eMarketer**.com

US Smartphone Owners Who Showroom*, by Age, Sep 2017
% of respondents in each group

18-34	75%
35-54	68%
55+	34%
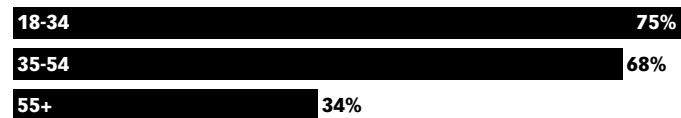
*Note: *visit a store to research a product and then purchase it later online*
Source: Euclid Analytics, "2017 Holiday Physical & Digital Retail Trends," Sep 21, 2017
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Marketing and site merchandising are also significant areas of focus

Mobile looms large in the minds of retailers.

According to a January 2017 report by Shop.org and Forrester Research, more than half of retailers polled in North America identified mobile as one of the three top priorities for their digital efforts this year.

While the finding is not unexpected, it underscores the increasingly urgent need for retailers to address the challenges of mobile consumers. Mobile purchasing makes up just a tiny portion of total sales—3.1% in 2017, according to eMarketer estimates—but consumers rely on phones more and more in the lead-up to purchase.

Surveys point up the challenges of catering to shoppers who tend to feel empowered by the information they can find on their phones, and a reluctance to interact with salespeople. A study released earlier in March by the International Council of Shopping Centers found that more than three-fifths of consumers expect that by 2020, they will prefer to be left alone in-store rather than engage with store personnel.

The Shop.org and Forrester polling results signal that retailers are paying attention: Aside from the 54% who cited mobile as a top priority, another 22% of respondents named omnichannel efforts as a priority their digital business efforts—the fourth most cited response in the survey.

Leading Priorities for Their Digital Business in 2017 According to Retailers in North America
% of respondents

Mobile	54%
Marketing	46%
Site merchandising	42%
Omnichannel efforts	22%
Replatform	18%
Site overhaul/redesign	18%
Fulfillment/shipping	15%
International expansion	15%
Checkout overhaul	13%
Product development	8%
Customer service	4%
Marketplaces	3%
Organization	3%
Social	3%
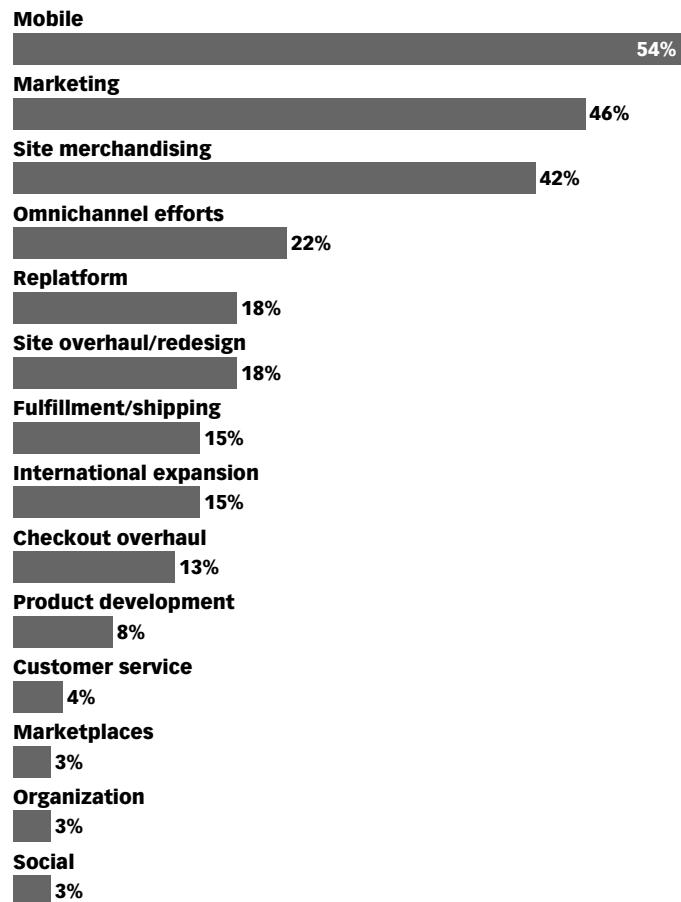
Note: n=72; respondents chose their top 3
Source: Shop.org and Forrester Research, "The State of Retailing Online 2017: Key Metrics, Business Objectives and Mobile," Jan 31, 2017
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Merchants Find the Mobile Sweet Spot with Winning Collaborations

This post was contributed and sponsored by Amazon Pay and Magento Commerce

For today's online shoppers, a speedy checkout experience—especially one that is optimized for mobile—can make a profound difference. More than a quarter of online revenue comes from mobile purchases [1]. Yet the average mobile shopping cart abandonment rate remains above 50% [2].

One reason for this is a slow and complicated checkout experience. According to one study, 25% of mobile device users who didn't complete their purchases say the checkout process took too long [3].

In the current environment, it's more important than ever to streamline the checkout experience—and Magento Commerce has teamed up with Amazon Pay, enabling customers to pay using the credentials already stored in their Amazon account.

"Through this integration, Magento merchants can easily incorporate Amazon Pay into their site," says Andy Barker, head of payments at Magento Commerce. "They can also reduce friction at checkout and reach Amazon customers who have come to value this trusted, familiar Amazon buying experience."

Thousands of Magento merchants are already using Amazon Pay, and the mobile successes have been impressive.

Increased Mobile Conversions

Flooring Superstore, an online flooring merchant in the UK, selected Magento Commerce and Amazon Pay to provide a quick and scalable checkout experience for its mobile shoppers. Flooring Superstore offers high-quality flooring from carpet to vinyl and even artificial grass, and has successfully grown its business with Magento Commerce and Amazon Pay.

"Within two months of introducing Amazon Pay, conversion rates rose 44%," says Andrew Kennedy, commercial manager at Flooring Superstore. "The increase in conversions has carried over to mobile shoppers, who now account for nearly 70% of customers. We've seen a massive shift from desktop to mobile. Amazon Pay has made the mobile experience seamless."

The larger number of mobile conversions has translated into higher sales and more revenue.

"Both our prices and our advertising have remained the same, yet we've experienced 10% year-over-year growth since adding Amazon Pay," Kennedy adds. "I think it's because of the trust people have in Amazon and the faster checkout experience. Those things coming together have had a positive effect."

A Streamlined Checkout and Enhanced Multi-Channel Shopping Experience

As with Flooring Superstore, the combination of Amazon Pay and Magento Commerce has helped US retailer Shinola improve the customer experience, eliminating friction during checkout. In the first three months after adding Amazon Pay, 19% more mobile users and 5% more desktop users completed their online purchases. Amazon Pay has quickly become a favorite alternative payment option with one in four mobile Shinola shoppers choosing it for their online purchases.

UK-based online retailer DOMU has experienced similar success, cutting the checkout process to just three clicks with Amazon Pay and enhancing the multi-channel shopping experience for DOMU shoppers across all their devices, increasing tablet conversion by 38% and mobile conversions by an outstanding 50%.

A Quick and Trusted Buying Experience

Amazon Pay and Magento Commerce can help merchants meet customer expectations for a quick and trusted buying experience, optimized for today's mobile shoppers. It's fast, easy and secure–helping merchants to add new customers and increase sales. To learn more, visit **Magento Marketplace.**

About Magento Commerce. *Magento Commerce is the leading provider of cloud commerce innovation to merchants and brands across B2C and B2B industries, with more than $124 billion in gross merchandise volume transacted on the platform annually.*

About Amazon Pay. *Amazon Pay makes it easy for hundreds of millions of customers to check-in and checkout on third party websites using the payment and shipping information already stored in their Amazon accounts.*

[1] Retail Industry Report. Adobe Digital Insights, 2017

[2] The Remarketing Report. SaleCycle, 2017

[3] Mobile Money Report. Mobile Ecosystem Forum, 2016

Still Targeting Devices Rather than Users? Why that Is Problematic for Programmatic

Marc Grabowski

Executive Vice President, Global Supply and Business Development

Criteo

Marc Grabowski, executive vice president of global supply and business development at ad retargeting firm Criteo, spoke with eMarketer's Lauren Fisher about the importance of taking a user-centric view when buying programmatically and shared his observations on the latest trends in header bidding.

eMarketer: What are some of the big trends you are seeing unfold in the programmatic space today?

Marc Grabowski: We're seeing a number of things, but the first is mobile cross-device or omnichannel. We've obviously been seeing this area unfold for years, with revenues and purchase behavior moving over from desktop to mobile and tablets. We are continuing to see that in 2017.

Criteo works with a lot of ecommerce and retail, and we've seen that the number of conversions taking place on smartphones is up enormously year over year. In our latest study, "The State of Cross-Device Commerce," we found it's up 41%, so a big number. That probably doesn't come as a big surprise, but we are also seeing that the customer journey is longer and involves more devices than a lot of people previously suspected.

"The customer journey is longer and involves more devices than a lot of people previously suspected."

A lot of people still look at things in terms of device view vs. user view. Device view is if you look at how people are interacting with the brand on a single device. User view is if you look at the user across all devices.

We found that if you look at a device-centric view, about 43% of transactions take place in the first visit to a website. But if you look at a user-centric view, you see that it's only 32% on the first visit. That means that, looking at a user across multiple devices along their journey, they have a much longer path to purchase than [if you look] at the user on just a single device.

So it's important for us to examine the value of that user and attribute that properly across those devices, because it then allows us to bid more for those users and find them in much more valuable areas than if we just took a single device view.

eMarketer: Does moving from a device-level view to a user-level view substantially change your bid strategy? It seems like it would, given the numbers you shared above.

Grabowski: In programmatic, it makes a big difference. We can bid more for that user because we can assure a higher value to an advertiser longer-term, because we know more about their user behavior. If we're only attributing sales to a user on a single device, the challenge is we're attributing too low. Instead of assessing a bid based on the likelihood for a user to convert on a particular device, we need to assess a bid based on the likelihood of that user to convert, period.

If we look at a device-centric view of conversions in the US, we see about a 6% conversion rate. But if we look at a user-centric view, we see [that rate] go up to about 9%. That allows us to bid 1.4 times higher, and allows the advertiser to capture more value for that user when they're bidding than if they were just looking at a single device.

eMarketer: I know Criteo is very active in the header bidding arena today. What big trends are you seeing?

Grabowski: We are definitely seeing that header bidding is important, and it's a big topic. There are some benefits and drawbacks for header bidding. One of the big benefits is it brings a lot of demand forward for the publisher, and it's definitely an advantage for savvy buyers. But it becomes very difficult for smaller, less sophisticated buyers

to evaluate inventory across platforms, which is probably going to lead to greater consolidation it the space.

"If we look at a device-centric view of conversions in the US, we see about a 6% conversion rate. But if we look at a user-centric view, we see [that rate] go up to about 9%."

When people were buying in the waterfall in the past, you'd see an impression. You'd evaluate the impression. Then you'd determine if you wanted to bid or not. But now, if you're buying across multiple [supply-side platforms] SSPs as well as publisher direct, you might see that impression come up in 10 or 15 different auctions. It becomes much more difficult for buyers to understand where they should be buying that [impression] and what they should be bidding on it.

Over the past year, we've actually had a lot of the [demand-side platforms] DSPs coming to us and saying, "Look, it's getting more and more difficult for us to buy across multiple SSPs. Can you help us do that? Can you do the bidding on our behalf so that we can actually end up buying some of that inventory through you?" That's been a big trend for a lot of companies, and I think it's going to lead to greater consolidation in the next year or two.

"Publishers are trying to figure out how to do server-to-server, but they just moved over to header bidding or to a wrapper and have now realized they have to make another move."

eMarketer: Many of the conversations about consolidation have to do with the transition to server-to-server header bidding, in which the publisher chooses a primary header partner though which the auction with all other header partners will run. There's a lot of hype around server-to-server, since it enables publishers to take the auction out of the browser—thereby improving some of the page-load latency issues header has caused. Are you seeing many publishers transitioning to server-to-server setups?

Grabowski: We see a lot of publishers asking questions, but we haven't seen a lot of publishers make that move yet. There are definitely pockets where they have, and I think that over the next six to nine months, it's going to pick up a lot of steam. Publishers are trying to figure out how to do server-to-server, but they just moved over to header bidding or to a wrapper and have now realized they have to make another move. It does take time, and a lot of publishers don't have the IT resources to be able to roll out new infrastructure that quickly.

Now the benefit for server-to-server is less latency, as well as potentially feeling less data risk and leakage. And as more inventory moves over to mobile, server-to-server is not only going to address the latency, but it can also serve in-app much better. There's no question a lot of the space will move there, but it hasn't moved yet.

Consumers Want Choice, Control and Convenience When Shopping During the Holidays

Sean Flaherty

Senior Director, Global Retail Strategy
UPS

Consumers are more empowered than ever, and their increased expectations mean that retailers will have to work hard for their business this holiday season. If one retailer can't give them what they want, they'll simply find it elsewhere. eMarketer's Tricia Carr spoke with Sean Flaherty, senior director for global retail strategy at UPS, about how retailers can perfect their fulfillment strategy so they're never at risk of losing a sale during the holidays.

eMarketer: What's your outlook for the 2017 holiday shopping season as of the end of the second quarter?

Sean Flaherty: It's too soon to call it, but I expect the trends we saw in previous years to continue. Retailers will continue to make strong use of ecommerce, but they'll need to balance their online presence and their mobile presence with their store presence for a true omnichannel experience if they want to be successful.

Our latest "Pulse of the Online Shopper" study [based on a comScore Inc. survey of more than 5,000 US online shoppers] showed that 71% of transactions are influenced by the online experience in some way. That means only 29% of transactions happen by walking into a store, looking for what you want and buying it. The majority of the time consumers are researching online or purchasing online—or both.

"There has to be ... a shipping solution that allows customers to control how inventory gets to them."

eMarketer: How can retailers ensure their fulfillment strategy aligns with the omnichannel experience they're trying to achieve?

Flaherty: Retailers have to make the experience easy and have a consumer-experience mentality. There has to be a seamless transaction across platforms, visibility of their inventory and a shipping solution that allows customers to control how inventory gets to them.

Retailers also need the ability to pull inventory out of physical retail locations to fulfill orders when necessary. If it's more efficient to do that than pull inventory out of a warehouse, or if there's inventory sitting on shelves in one part of the country where it's not popular and it can be shipped to another part of the country where demand is high, retailers can turn inventory instead of it being remaindered after the holiday.

Eventually all retailers will adopt an omnichannel model that embraces the empowered consumer in accordance with their specific strategy, whether they choose a differentiated, high-end experience or they want to compete on shipping cost.

eMarketer: What are the pain points in retailers' distribution network?

Flaherty: One big challenge is demand visibility and spikes in demand. There are some built-in spikes in demand in the holiday season that retailers have to plan for and be ready for. These include natural moments like Black Friday, Cyber Monday and the days before the Christmas shipping deadline, but they can also be driven by sales the retailer puts in place.

Retailers also have to do their best to anticipate how much demand those natural spikes will produce and make sure they have the right inventory. If people go to the store and they can't buy an item off the shelf, or they go online and they don't see an item on your website, your competitor is seconds away on the internet. Retailers have to sell customers that item when they want it or they'll lose that sale.

"Retailers need to think through how their marketing strategy connects to their logistics and supply chain strategy."

eMarketer: How can retailers keep these challenges from derailing their fourth quarter?

Flaherty: Retailers need to think through how their marketing strategy connects to their logistics and supply chain strategy. Last year, retailers did a particularly good job of communicating with consumers about purchase deadlines to receive gifts in time for Christmas. There was a lot more communication from retailers to consumers and from logistics companies.

Retailers also have to make sure they have clean inventory visibility and can meet the demand of customers who come to them. That's one of the biggest challenges, but as consumers become more empowered, if you don't have what they want, they won't wait around for you to get it back in stock—especially if they're trying to finish their holiday shopping.

eMarketer: Have there been any changes at UPS to cater to this increasingly empowered consumer?

Flaherty: One significant change in our model this year is our move to Saturday delivery—it'll be available in 4,700 cities in the US by the holiday season. We're also pairing Saturday delivery with Saturday pickup to [get consumers their orders faster]. This introduces the possibility of someone placing an order online on Saturday and receiving it on Monday if they choose an express shipping option.

How Retailers Can Do More with Location Data

Duncan McCall
CEO
PlaceIQ

Access to location data from consumers' mobile devices has helped retailers to target their marketing and advertising more precisely, but there are other areas within a retail business that can benefit from this data. eMarketer's Tricia Carr spoke with Duncan McCall, CEO of location data and technology company PlaceIQ, about the applications of location data that go beyond a retailer's marketing department.

eMarketer: The majority of retailers now know the value of location data for ad targeting and relevancy, but what's the next step? How can retailers do more with it?

Duncan McCall: Don't think of location data as just for targeting—it really is a new holistic data set that allows you to have a new level of consumer understanding. It

can be used for not only better marketing, but also better construction of creative, better omnichannel marketing and better sequential messaging. Most importantly, it enables retailers to analyze and understand why someone doesn't come to their store … or drives past their store to go to their competitor.

Our most sophisticated clients have pushed us to build products that give them a new understanding of consumers. We still see some [marketers] saying, "I'll just target everyone within 10 miles of my store," instead of thinking about location as a fundamentally new type of asset that can be used to revolutionize business, be it brick-and-mortar, omnichannel or online.

"Our most sophisticated clients have pushed us to build products that give them a new understanding of consumers."

eMarketer: Can you walk us through how location data helps retailers get that deeper understanding of consumers?

McCall: Most retailers are omnichannel; they're driving people in-store and to ecommerce sites. Mobile provides a connection between physical and digital, and location data shows customer journeys in the physical world: How far do people drive to go to a store? How many people go to my store vs. my competitor? How many people buy things online, and how does that correlate to their behaviors in the physical world?

We're focused on using mobile devices and privacy-friendly identifiers to understand consumer behavior by bringing in large amounts of movement data and then connecting that back to third-party data, like TV viewership and credit card data. It's not just about knowing whether someone went to a store, but also what TV stations they watch, what cars they own, what things they buy, etc.

Lastly, we are connecting that to first-party data, which in retail typically means loyalty cards, traceable purchases, registration data and website visitation data. Suddenly retailers can understand the correlation between people buying items on their website vs. their store or even a competitor's store.

eMarketer: In what other areas of their business can retailers apply location data? How can it help them make better decisions outside of marketing and advertising?

McCall: The real power of [location] data is to connect it to all these different applications. It's no longer just research—it's real data. You can apply it to many areas: Where do I open stores? Where do I worry about my competitors opening stores? How do I support store openings [by reaching] people who are most likely to come to my store? How do I think about my digital marketing dollars? How do I think about personalization of content?

"It's no longer just research—it's real data."

We have a part of our business that helps retailers figure out where to open new stores and diagnose why certain stores are succeeding or failing based on the types of people coming to them vs. their competitors.

eMarketer: How can location data help retailers budget their marketing and advertising spend more efficiently?

McCall: The idea is that you can use this data to deploy marketing dollars in a much more efficient, effective manner. In markets where [location data shows] you're outperforming competitors, you won't necessarily spend additional dollars there because you're already doing well.

In markets where your competitor is beating you, you can analyze why that is. Don't waste money on someone who doesn't live near your store, or push them to your ecommerce site. If it turns out consumers are driving past your store to go to your competitor, you should spend more dollars in that market because you have a higher chance of getting people into your store.
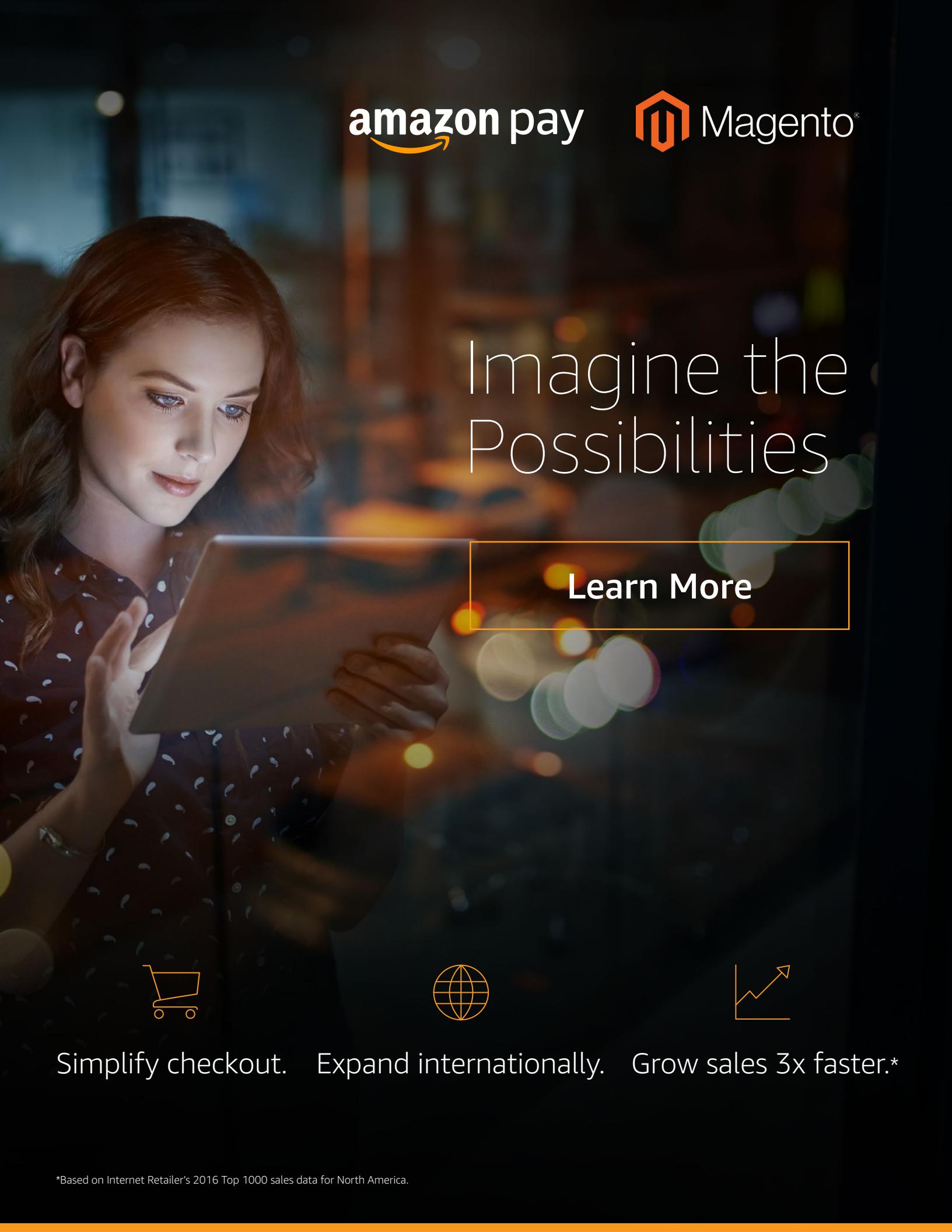
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