

# The Truth is Out There

Communications Firms are Using Location Data  
in New Ways to Reach More Profitable Customers

WHITEPAPER:  
**COMMUNICATIONS**



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### ABSTRACT

UNDER TIGHTENING ECONOMIC AND COMPETITIVE PRESSURES, COMMUNICATION CARRIERS NEED TO QUICKLY AND ACCURATELY IDENTIFY THE BEST OFFERINGS FOR EXISTING CLIENTS, WHILE ATTRACTING NEW ACCOUNTS WITH THE HIGHEST PROFIT POTENTIAL. BUT WHAT WILL THEY NEED TO SUCCEED?

THIS WHITE PAPER PROVIDES AN UP-CLOSE LOOK AT HOW PROVIDERS CAN LEVERAGE PERSONAL AND LOCATION-RELATED DATA TO GROW THEIR BUSINESSES.

IN ADDITION TO PROVIDER SUCCESS STORIES, YOU'LL LEARN...THE LATEST TRENDS FOR BETTER UNDERSTANDING CONSUMER LOCATIONS AND LIFESTYLES, THE BEST APPROACH FOR COMBINING INTERNAL AND EXTERNAL DATA, AND HOW IMPROVING DATA ACCURACY CAN UNCOVER HIDDEN CUSTOMER GEMS.

## THE MOST COMPELLING ADVANTAGE OF LOCATION DATA IS THE SYNERGY IT BRINGS TO YOUR MOST CRITICAL ENTERPRISE DECISIONS.

### The Truth is Out There.

Facing fierce competition and a challenging economy, communication carriers are getting smarter about their customers. Five years ago, carriers were sending out checks inviting customers to switch long distance service. Today, market leaders are taking advantage of new data tools to identify and nurture long-lasting, profitable customer relationships.

Every day, firms make decisions that impact growth, which may include network expansion, retail distribution, product development and marketing campaigns. To gain an advantage, companies need an intelligent way to identify trends and new opportunities—and map out a plan to serve customer needs in the most cost-efficient manner.

Unfortunately, in an environment where quick, decisive action is necessary to stay ahead, some companies are making decisions based on estimates, disparate data or gut feel—putting millions of dollars at stake. Fact is, gaining a true picture of the market may be easier than you think.

More communications firms are turning to location intelligence—a discipline that helps you organize and understand complex relationships by combining geographical and location-related data with your existing business information. While it's true that location intelligence can provide an immediate benefit to individual departments, from retail operations and network design to marketing, customer care and compliance, the most compelling advantage of location data is the synergy it brings to your most critical enterprise decisions.

This white paper, developed by Pitney Bowes Business Insight, will help you gain a better understanding of location intelligence and how it can improve results across your organization. Case studies and best practices demonstrate that the whole is greater than the sum of its parts—documenting how location data has helped drive multi-billion dollar decisions for carriers looking for bankable, cost-efficient growth.

Pitney Bowes Business Insight is uniquely positioned as a market leader, helping more than 7,000 organizations make better decisions and derive greater value from location-based information. With Pitney Bowes Business Insight, communications companies are finding new ways to manage network assets, understand market demographics, analyze competitive threats and plan logistics—finding the truth needed to identify, reach and serve more profitable customers.

### Can you hear find me now?

Most businesses are immersed in a world of readily accessible data that could significantly improve their efficiency, effectiveness, and profitability. Yet some don't take advantage of these information assets—or are even aware that they exist. This undiscovered gold mine of data includes the demographics, economics, physical geography, and other characteristics that pertain to location—the spatial environment in which a given organization operates, interacts with customers and conducts business.

The data—which exists today—becomes valuable to a communication carrier only when it is collected and analyzed, and when the conclusions resulting from its analysis are used to drive day-to-day decisions. For instance, absolute data like a city's population can serve as a rough gauge of a market's potential, but only relative data—a matching of store locations to local demographics, or the comparison of a company's own wireless network to those of its competitors—can yield true location intelligence.

Unlike mapping, which can help you capture, manage and visualize geographic data, location intelligence combines insights on customer behaviors, market trends and your own network capabilities, for example, to give you a more accurate, comprehensive picture of your options and outcomes. A carrier's ability to find pockets of customers and prospects who are ready, willing and able to subscribe to multiple, high-margin services can be the difference between those who merely survive and those who lead.

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### Location Intelligence Adds Value to Every Aspect of Your Business.

Approximately 80 percent of all data stored and maintained by communications firms has a location component—information that can be tied to a geographic area. It's not surprising then that location intelligence can help drive the key decisions made in virtually every corner of your organization.

**Retail Operations.** The decision to open or close a retail site can represent a significant investment—and lead to a distinct competitive advantage. Choosing where to expand or pull back requires a solid understanding of the economic potential within each market. Combining location data with predictive modeling helps you understand the sales potential for each alternative site in terms of total revenue, specific customer segments or product categories. The ability to analyze “what if” scenarios can help you visualize the impact of new competitors, consolidation or renovation.

For carriers who have numerous locations, customized site modeling systems can help you identify specific pockets of opportunity by quantifying the relationship between site performance and variables such as market demographics, employment trends, shopping preferences and a competitive presence.

**Network Design Team.** How you select markets, prioritize expansion efforts and model network requirements is critical to your long-term success. Decisions based on gut feel, rough estimates or incomplete analyses can put you at a distinct disadvantage. Location intelligence makes it easy to view and analyze all of the factors that can impact your costs and profit potential, including topography, building height, competitive strength, market growth, and sales potential as well as the concentration of customers and prospects most likely to purchase multiple services from you.

**Marketing.** In simplest terms, location data can help you understand the attributes of your best, most profitable customers—and pinpoint prospects with similar purchasing habits. Today, communications firms are using these insights to target new customers, design rate plans and determine which services to promote in different markets.

Product managers can develop integrated programs that map back to market demographics, network capabilities and competitive weaknesses—helping to increase the return on advertising investments. In terms of one-to-one marketing, this same location data can help you identify current customers who should be targeted for cross-sell, up-sell and additional products and services.

**Call Center Operations.** Providing quick, accurate answers helps reduce talk time, while improving the overall customer experience. Using location data, call centers can provide a swift response on queries on which services are available, rates and features for a given area and whether service outages may affect a customer. In many cases, the same information can be made available through self-service web sites, eliminating the need for a call altogether.

**Print and Mail Production.** Some communications firms spend hundreds of millions of dollars each year sending mail to prospects and existing customers. Location intelligence provides the specific details you need to cleanse, standardize and validate address information, which can help you save six percent or more on postage alone. More importantly—you can tackle the costs and hassles associated with returned mail, saving you the cost of re-mail efforts, missed opportunities and dissatisfied customers.

**Finance.** The Mobile Telecommunications Sourcing Act is one of several regulations that impact how communications firms must assign and collect taxes from their customers. Incorrect tax jurisdiction assignment could subject companies to class-action lawsuits or fines—and accurate location analysis is an essential first step to alleviating these risks.

## IT'S NOT SURPRISING THEN THAT LOCATION INTELLIGENCE CAN HELP DRIVE THE KEY DECISIONS MADE IN VIRTUALLY EVERY CORNER OF YOUR ORGANIZATION.

**Compliance.** As of November 1, 2008, communications firms that bill customers for services provided are subject to the FTC Red Flag Rules and must implement a written customer protection program. This program must be designed to detect a "red flag", which is a pattern, practice or specific activity that indicates the possible existence of identity theft. As bad address data was found to be a key indicator in 90 percent of fraud cases, accurate location data can help you detect, prevent and mitigate the effects of identity theft.

But department-level benefits only begin to describe the advantages you can derive from location intelligence. Your ability to use this data and analysis to bring synergy to the decisions made across various business units can have a significant impact on your bottom-line results.

### For Many, the Whole is Greater Than the Sum of the Parts.

While individual business units can leverage location data to achieve departmental goals—the power behind location intelligence is in its ability to provide universal insights that drive enterprise-wide strategy, vision and performance objectives.

Network expansion, competitive pressures, customer buying habits and market opportunities are all connected by a common thread—and when you employ location intelligence in a smart way, you can take the decisive action necessary to succeed in today's economy.

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#### **CASE IN POINT:** Location data underpins the most extensive 3G network in the UK

The Orange Group is one of the world's largest mobile communications companies, serving 116 million customers over five continents. Traditionally, Orange had a network deployment strategy based on growth—but success was measured on the number of sites built, not necessarily on revenue potential or investment returns.

As they prepared to launch the largest integrated high-speed 3G network in the UK, they realized that they did not have an unlimited budget to re-engineer the entire network. Using location intelligence, management created a rollout strategy that focused first on areas with the greatest revenue potential—allowing other carriers to fight it out in the low opportunity trading areas.

They identified where potential 3G customers live, where they work and where they play, and once Orange prioritized those areas with the strongest market potential for 3G services, the next phase was to plan the infrastructure. Here, location data helped them maximize the use of existing masts, reducing costs while minimizing the environmental impact. Data pertaining to network topography provided engineers with the exact coordinates and coverage capabilities of each mast—and a visualization of service gaps.

Overall, this strategy enabled Orange to launch 3G coverage where early adopters needed and expected it—giving them a powerful advantage over carriers who took a more traditional approach.

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#### **CASE IN POINT:** Location data provides framework for multi-service network expansion

A major carrier was preparing to make a multi-billion dollar investment in a network upgrade so they could offer their subscribers voice, broadband and video services. In order to plan the deployment, manage costs and insure they met roll-out commitments, they built their plan using location intelligence.

Combining street data, address demographics, network maps and regulatory data, they were able to model the network requirements for each wire center, more accurately measure the cost of deployment and determine the overall sales opportunities. This allowed them to roll-out their network in ways that maximized their return on investments.

In a way, the common language of location data allows it to serve as a solid foundation for most every critical decision you'll make.

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### Rely on Location Data That is Accurate, Precise and Current.

Whether you are looking to plan a retail expansion, prioritize network investments or craft a new brand strategy, the decisions you make today need to consider the demographic shifts that are already underway. By using data that is accurate, precise and current, communications providers can help ensure that choices made today are appropriate in the years ahead.

**Accurate.** Many providers of demographic information rely on census data as the baseline. Unfortunately, the census occurs just once every ten years and its ability to capture today's population trends leaves room for improvement. True location data augments census data with household-level information in what is called "household geodemography". Leading location intelligence applications will combine multiple government and commercial data sources to create a bottoms-up approach centered around on-the-ground households.

**Precise.** In the past, geo-targeting may have been based on broad generalizations such as ZIP Code™ or census tract. The current trend within the industry is driving toward more precise block-level information. This increased level of precision allows users to more accurately identify pockets of growth and retraction over time, which leads to smarter business decisions.

**Current.** New household information is compiled and verified on a daily basis, which provides a clearer picture of market trends. The combination of annual and quarterly data updates provides you with the ability to measure long-term trends (one year, five year, etc.) as well as the quarter-to-quarter variations that help pinpoint rapid growth areas that may have otherwise been overlooked.

Understanding your data sources will be particularly important as we approach 2010, as the decennial census will be transitioning from the traditional "long form" to the new American Community Survey. While this change should result in more timely, better quality data collection and reporting, the smaller sample sizes will make it more challenging to gain insights on shifts within local neighborhood demographics. The need to rely on location intelligence applications that combine multiple, reliable data sources has never been greater.

### The Truth is Out There: Pitney Bowes Business Insight.

Pitney Bowes Business Insight is the leading global provider of location intelligence solutions, with expertise in the communications sector. Forty of the top 50 global communications providers, nine out of the top 10 U.S. providers and hundreds of small to medium-sized communications providers worldwide rely on Pitney Bowes Business Insight for a single enterprise-wide solution—superior software, services, consulting and data—to locate network assets, customers and markets that are critical to their success.

Given the fierce competition and a challenging economy, it's no longer viable to rely on unqualified estimates, disparate data or gut feel—gaining a true picture of the market may be easier than you think.

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TO LEARN MORE ABOUT HOW YOU CAN IDENTIFY, REACH AND SERVE MORE PROFITABLE CUSTOMERS, CONTACT US AT 1.800.327.8627 OR VISIT [WWW.PBBUSINESSINSIGHT.COM](http://WWW.PBBUSINESSINSIGHT.COM) TODAY.

## INTRODUCING THE NEWEST MEMBER OF OUR DATA SOLUTION FAMILY... GROUNDVIEW™ NEXT GENERATION DEMOGRAPHICS

- Get more up-to-date demographic information to adapt to rapidly-changing markets, and shifting resource and system demands
- Uncover opportunities to provide additional services or retail sites to select customers or regions
- Make more confident decisions regarding customer analysis, site selection, network planning, marketing, distribution, product development and other key business areas

The GroundView™ data solution represents the next stage in the evolution of demographics, bringing a new level of reliability and timeliness to market analysis and decision-making.

By leveraging The Gadberry Group's patent-pending MicroBuild™ data as a primary source for residential household and population trends, our new demographics not only provide dependability for market analytics, but also the means to easily move from analysis to marketing action on residential mailing lists.

These household geodemographics provide recency and depth of household demographics in a census-standardized format and for census geographies, beginning at the census block level.

### Key Attributes

- This new demographic system is fully compatible with Pitney Bowes Business Insight software applications—so you can leverage its value while using your preferred analytic platform
- The system provides the greater accuracy needed in household and population counts for critical high-change markets



GroundView™ demographics enable you to accurately identify and quantify high “change” areas—both growth and decline—such as this growth area in Arizona.

- Timely quarterly updates ensure that you're basing your decisions on current information—unlike U.S. Census Bureau data that is only updated every 10 years
- A series of themed modules address critical demographic, socio-economic and consumer expenditure metrics:
  - Age by income
  - Age by race by sex
  - Age by sex
  - Best of 1990
  - Consumer potential detail
  - Cultural background
  - Detailed income
  - Financial assets and wealth
  - Housing units
  - Home value
  - Occupation and employment
  - Race Hispanic detail
  - Retail sales potential
  - Update
  - Puerto Rico module



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