Masters of Marketing Spotlight Series

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As SVP of Product, David is responsible for designing the next generation of disruptive location technology. Prior to Skyhook, David formed and led all of Catalina Marketing's mobile efforts, focusing on monetizing one of the world's largest datasets of consumer purchase history. David has a host of mobile, product leadership, and general business experience, including time at Thomson Reuters, Catalina, and JP Morgan. David's education spans both sides of the pond. He has a BA in finance from Boston College and an MBA from the University of Cambridge / Queens College in Cambridge, United Kingdom.

Here, David shares his thoughts on the need for personalized marketing experiences, the current and future landscape of mobile location data, and the privacy implications of today's advertising technology space.

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Marketing has changed dramatically in the last decade, particularly on mobile. Back then, the iPhone was just a year old and we asked ourselves: What is mobile? How do we define it? Why do we need mobile strategies? If we rewind to about five years ago, we reached our tipping point in mobile, and the conversation shifted. It wasn't a matter of why, but how. How do we optimize for mobile?

In crafting mobile marketing strategies, we realized that mobile users have high expectations about what brand engagements should feel like. The "one-size-fits-all" marketing methods, which had previously served the industry well, were quickly becoming antiquated. Simultaneously, consumers shifted their attention from print to digital, and they started to favor mobile interactions. While consumers shifted their attention, marketers shifted their strategies, and marketing dollars followed.

In addition to all of that, we have this omnipresence to contend with from the likes of Google's and Facebook's walled gardens. They maintain such a dominance over eyeballs and media dollars that marketers have been forced to balance their strategies accordingly. But at the end of the day, it's all about the changing consumer expectations around engagements.

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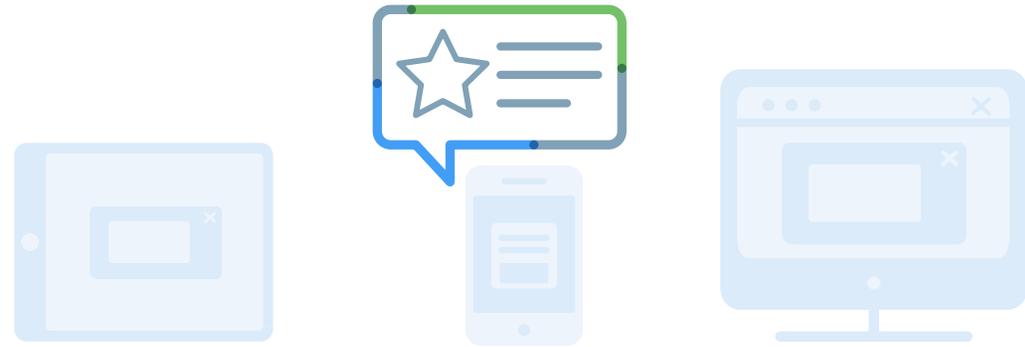
Further, with this canvas around mobile, there has been a dramatic increase in the demand for personalization. When you think about marketing strategies and engagement, personalization is at the forefront.

With the increase in mobile usage, there is a parallel increase in mobile advertising IDs. Because of that natural progression and association, brands and marketers can have a much better understanding of their target consumer—their likes, dislikes, etc.—which leads to greater personalization of content, experiences, and ultimately, marketing. It's a better way of doing business, frankly, and it's more effective.

People-based marketing needs to be at the center of any marketing. If it's not, good luck maintaining your loyal customer base— acquiring new customers would be virtually impossible. The vast majority of active mobile users have this expectation that, if you're going to bother me with an ad, it had better be something that is super relevant to me. When it's not, it's glaring.

Beyond using data to inform people-based marketing strategies and consumer interactions, there also needs to be an element of intelligent, anticipatory engagement. For example, if I'm using a rideshare service and it's the end of the day, the service might suggest two or three common places I typically go when I leave the office. Or maybe, if I'm leaving my house in the morning, the first suggestions they make are to my office or to the airport. It's those simple little things that we come to take for granted. We might not recognize them consciously in the moment, but when they aren't there, we get frustrated.

All of these various app experiences need to incorporate an element of machine learning or intelligence. It's the job of the app developer to learn a consumer's likes, preferences, and behaviors, and then apply those back to the user experience to remove friction. All of those things set the bar higher for the next app that we're going to use and the experiences that we expect and require.

This year, we are hearing more and more marketers say that they need to understand the end-to-end customer journey better so they can tweak marketing strategies to participate in that journey more or to influence it. This is often where location-based marketing fits into the overall marketing mix.

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When a marketer thinks of location-based marketing, it's usually in terms of real-time context. So, for example, if a consumer is near a store's brick-and-mortar location, that retailer may want to deliver content via incentives or promotions to increase the likelihood that they come in and engage with the store.

Location is a real-time contextual trigger that brands have been experimenting with for a long time. But if it's not done well, it can feel like spam. It's the very worst version of "spray and pray" marketing. If a brand says that it wants to send everyone a $10 coupon to their store when consumers are within three miles of the desired location, that's just casting a wide net that isn't terribly focused, and likely won't yield strong ROI. Alternatively,

we recommend that they look at consumers who have visited that store and maybe a competitor's store in the last 90 days. This gives them the power to tap into a segment of people more likely to be visitors before using a location-based trigger.

Another important element to consider in location-based marketing is the impact of the device graph. While mobile marketing has given us incredible insight into location-based consumer behaviors, we also have to consider that most people own one, if not several, devices. As a result, a key component is developing a device graph that allows marketers to draw connections to all of these devices linked to an individual or a household. Location plays a part in this as well.

"Just because it is mobile location data doesn't mean it's only for the mobile channel."

The insights and understanding gleaned about a particular mobile user don't just apply to mobile. If I identify someone as a business traveler or someone who has a strong brand preference toward a certain fast food chain, that knowledge is tied to the person, not the phone. One of the most important things to educate marketers about is that just because you're using mobile location to derive insight, it's not a mobile-only channel that you can play in. Once you have a device map to connect that mobile advertising ID back to in other channels, you have this multichannel marketing opportunity. In other words, you can use those insights and link them back to a loyalty platform or CRM system.

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The travel and hospitality industries are doing some really unique things with mobile location data. Airlines in particular are using innovative analytics to solve big business challenges. They are blending consumer insights derived from mobile location data with sophisticated loyalty program data, and they are seeing pretty significant results. When you can couple that with insights from the mobile location data side, you open up a window.

For example, an airline could identify a loyalty member with a certain status. They might surmise that they are winning all of that individual's travel business, but upon further analysis, they realize that the individual flies with them only 30% of the time. That translates into an incredible, measurable opportunity. And it's very easy for them to model out ROI based on marketing strategies. They know if they can convert one or two additional trips a year from those individuals, there are huge dollars attached.

The other key point to remember is that airlines are fundamentally no different than any other industry. Being able to identify competitive visits and understand your share of wallet and brand affinity with consumers within your segment gives you really powerful, actionable insights. These can be used to pilot successful marketing and advertising programs.

Further, having more data doesn't matter if it doesn't help a brand influence and measure real consumer behaviors at the individual level. Having focused, down-to-the-individual-level information is what allows a brand or marketer to connect the dots end-to-end and justify the investment of doing some of these activities.

It all comes down to greater conversion, which is what we evangelize for marketers. We want them to understand that they don't have to deal with location data per say. They may just want consumer insight and

analytics derived from location data because it gives them an accurate, real-world view of their customers when they aren't online or connected to something. When a marketer can match the behaviors associated with a mobile advertising ID back to a loyalty profile or an internal CRM system, it creates a broader, more accurate understanding of the consumer and opens up multichannel outreach opportunities. Once you've tied data back to an individual, you can engage with them via email, online, mobile, etc.
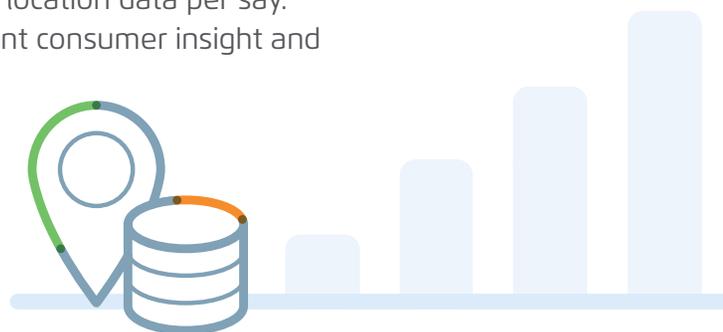
"Consumer privacy isn't going away, and there isn't going to be some broad-brush solution that addresses every problem. For the foreseeable future, our reality will be living with the balance of user privacy, but also utility, and supporting tradeoffs between the two."

The general governance for privacy, of course, applies to location data. If it's your data, you need to understand: Are you getting consent? Where are you storing the data? How are you handling the data when a user opts out? All of those are important steps related to privacy, and they have been thrust into the spotlight thanks to GDPR. You need to make sure that your organization understands and has a plan to follow the appropriate rules.

The other piece, which is equally as important if you are working with partners who provide you with location data or insights derived from location data, is that you also need to know and understand what their privacy policies are. You need to be able to verify, without a doubt, that they know how to comply with GDPR. As an industry, we're in a place where GDPR is front and center. It's the buzzword of the moment, and in the wake of the regulation, there are undoubtedly different levels of readiness, even now. However, it's going to be an evolution of preparedness, and

brands and marketers need to make sure they ask the right questions of their organization and of their organization's partners.

Privacy will continue to be at the forefront of the industry conversation. It isn't going away, and there isn't going to be some broad brush solution that addresses every problem. For the foreseeable future, our reality will be living with the balance of user privacy, but also utility, and supporting tradeoffs between the two.

"We're seeing a steady influx of requests for mobile location data in the IoT marketplace, and in a lot of ways, the applications are surprising or unique."

As it relates to where we see mobile location data providing value, we dabble in a lot of different industries. In addition to operating on smartphones and mobile apps, we also have a lot of customers in the IoT space where we support business operations, asset tracking solutions, and competitive intelligence (i.e., the ability to understand the competitive environment without needing to install software or hardware to do so). In fact, we're seeing a steady influx of requests for mobile location data in the IoT marketplace, and in a lot of ways, the applications are surprising or unique.

Fun anecdote: our software is embedded in an appliance manufacturer that makes washers and dryers. They recently released a new washing machine, and were mining insights from users because they were experiencing a high fault rate. Basically, consumers were experiencing more malfunctions than expected, and they were desperately trying to diagnose the problem. They came to us asking if there was anything in the data that could help them; and remember, this is washing machines. At first blush, washing machines have nothing to do with location, or so you'd think. They initially thought that the malfunctions might be

related to the big retailers they work with, but what we figured out very quickly is that the appliance malfunctions were happening at locations with a higher altitude. Once they had that insight, they were able to mobilize their team to service the problem efficiently and effectively. It's a fun little success story, but it goes a long way in terms of underscoring where location, as a context point, will continue to be critical as we accumulate more and more data. Marketers need different ways to organize that data, and location is one vector they can use.

"Wearables will be the next frontier and battleground for mobile location data and marketers who play in the space."

Up until very recently, the latest Apple Watch did not have cellular support. Once that was added, it was the missing piece, so to speak, from an operating perspective. With cellular support added, the device no longer had to rely on always being paired to an iPhone; that was a critical watershed moment in wearables. Once the watch could stand on its own, all of a sudden it became an additional channel for location data.

As the market continues to grow and mature, as the hardware and capabilities on the devices get better, and as manufacturers continue to troubleshoot the tradeoff between power and all of the functions that consume power, location will get more relevant. It's an exciting space for us, and we've been in talks with a number of different wearable manufacturers that have some really cool things coming out in the next year or two. Wearables will be the next frontier and battleground for mobile location data and marketers who play in the space.

It's not just wearables though. There are a number of other emerging technologies that could benefit from location data. Autonomous vehicles and the AR/VR markets come to mind. For driverless vehicles, it will be interesting to see how mobile location data could fit into the handoff between the mobile device and the car ecosystem. Mobile devices will clearly be going in and out of these driverless vehicle networks, and will probably be more useful, as in-car mobile usage could climb once the car drives itself.

For something like AR/VR, I go back to my washing machine anecdote. Location will always provide a critical context, so as AR/VR solutions are created, knowing where different people are, or at least their relative location, will deliver valuable input for marketers. The applications are broad, yes, but that also means the possibilities and opportunities are endless.

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