

Straight Talking – Geography lessons for online retailers

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Companies face a growing choice of channels for connecting customers to products and services. But in a world awash with thousands of marketing messages, consumers are becoming increasingly discerning. They expect a personalised experience regardless which contact channel they use.

With web transactions taking a bigger share of overall sales for many companies, offering a personal, relevant and convenient online experience can attract business and maintain customer loyalty.

Targeted content makes websites more relevant and encourages visitors to continue browsing and return more frequently. Amazon, eBay and Google are all examples of websites that offer effective personalised and dynamic content. These online brands are setting customer expectations for more targeted and personalised online interactions throughout the internet.

Geolocation technology is coming into wider use, moving away from its origins as an anti-fraud measure. One way of improving the online experience is to personalise communications by understanding where the customer is located. Geolocation technology is coming into wider use, moving away from its origins as an anti-fraud measure.

Geolocation has essentially dispelled the myth of the borderless internet by enabling geographic locations to determine what content is displayed to whom.

The technology determines the geographic location and network connection data for each IP address accessing a website. This approach can provide such information as longitude, latitude, connection type and speed, ISP, company name and domain name.

Companies such as Quova and Digital Element are gathering terabytes of data that further narrow the identification process down to cities and zip codes. Quova's Internet Location Intelligence platform uses real-time, permission-based techniques to locate web visitors

regardless of their network connection or internet access device.

The company's GeoPoint database is the central repository for all internet geolocation data gathered by Quova and contains up to 30 geographic and network attributes for almost two billion routable and addressable IP addresses. The content distribution specialist Akamai also has a geolocation product, EdgeScape.

So what are the benefits of understanding the location of users on the internet? In the physical world, almost every business decision is influenced by geographic considerations.

Whether those are customers, property, products or any other asset, knowing their location is usually essential for improving operational efficiency and gaining competitive advantage.

Although the internet was once considered borderless, businesses are recognising that understanding the location of their web visitors has an impact on advertising and marketing, compliance, fraud protection and security.

For instance, what is the local language and currency? Where is the transaction occurring? How does this relate to the prior patterns of behaviour? What national regulations apply? Is this product or broadcast licensed in this geography?

Geolocation can be used for delivering customised content, targeted ads, web analytics, digital rights management and regulatory compliance. The use of geolocation in marketing cannot be understated.

Targeting advertising to a user's locality and providing localised content such as local weather or directions improves the web experience by giving customers relevant advertising or content. For businesses, this geo-targeting can improve click-through rates and increase revenues from website traffic.

Knowing where and how web visitors are accessing the internet is fundamental to preventing online fraud and complying with regulations.

For instance, online retailers and payment processors use geolocation to detect possible credit card fraud by comparing the user's location with the billing address on the account or the shipping address provided, or identifying known IP addresses associated with known fraudulent transactions.

Law enforcement and government agencies can use geolocation to trace the internet routes of cyber criminals, look at domains and investigate the use-history of IP addresses associated with crimes to prosecute criminals.

Bringing geographic borders to the internet in areas such as online gambling or digital rights management has particularly driven the need to geographically identify web users.

Geolocation can block online gamblers from restricted countries while it can also be used to deliver digital content to users within geographically restricted boundaries.

As customers' expectations of a personalised experience grow, businesses need to know more about their customers than ever before and adjust and differentiate their communications accordingly.

By combining and correlating geolocation data with other data sources such as reference geographic and demographic data, organisations can gain greater insight into their customers purchasing behaviour.

For example, firms can analyse in which regions most online theft occurs or identify the cities or regions where most online shopping for books occurs. Geolocation can therefore add depth to current analytical tools, offering new insights into customer segmentation.

But for firms to exploit geolocation technology to the full they have to be able to integrate it with business intelligence tools that can analyse and visualise the data for a rapid response to user activity. Through analysing web interactions in real-time, businesses can understand what

customers are doing on their site and offer relevant products and services and make changes dynamically.

For instance, Inflight from Radware, a supplier of real-time business intelligence products, captures all transactional data to and from web applications, profiles the user and delivers identity-based, detailed information in real-time to business applications.

Nevertheless, there are downsides to geolocation. When it comes to data accuracy, Quova claims 99.9 per cent country level accuracy and 95 per cent US state level accuracy.

But error rates may increase when users route their requests through a proxy for anonymity, or where mobile users browsing the internet may be given a central IP address by their wireless carrier. This makes it difficult for businesses using geolocation to be certain of levels of data accuracy for their particular geolocation purposes.

Delivering local-oriented content by geolocation of users may not always be what the user wants - for example consider the UK traveller in Japan being sent a Japanese-language web page, or experiencing restricted content on a UK site that would be available in the UK.

These are areas where geolocation does not create the customised experience for the web visitor, so it should be possible to override geolocation settings in these instances.

But geolocation certainly has a part to play in offering a personalised and relevant online experience and ultimately relevancy translates into more business and customer loyalty.

Geolocation technology is an essential element of understanding, analysing and predicting the online behaviour and purchasing patterns of web visitors.

As the bordered internet becomes more commonplace and as customers' expectations for an individualised service grow, businesses should look to geolocation as a means of delivering relevant products and services and enhancing customer relationships.

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Details of Quocirca's work and the services it offers can be found at <http://www.quocirca.com>