

MARKETING

How marketers can collect location data responsibly

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Image courtesy of Lancome

By DANNY PARISI

NEW YORK Harvesting location data for marketing purposes can put some individuals on edge, but doing so responsibly and transparently can be a win-win for brands and consumers.

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Speaking at Connected Marketer Institute's "Personal Data Economy" event in New York April 26, a senior executive from Mira spoke about the various forms of data collection in out-of-home advertising. Some of these collection methods are predatory in nature and customers are right to be concerned about where their data ends up, but it does not have to be that way.

"From the very beginning we have had this in mind: the company that is going to win is the one that takes privacy the most seriously," said Jonathan Frangakis, CEO of [Mira](#), New York. "There is a massive outrage when people find out you are doing stuff under the table, and rightfully so."

The event was hosted by the Connected Marketer Institute at New York's Fordham University.

Data collection

Marketers need data. That much is true, so much to the point that consumer data is one of the most highly sought after and valuable things to collect.

While many might think of ecommerce and digital as the most viable use of collecting consumer data, physical retail can benefit as well thanks to the increasingly connected nature of modern consumers.

One of the main ways they can benefit is through out-of-home advertising, which is any digital marketing that happens outside the home such as on a smart billboard. Out of home can often be used for collecting location data on consumers that is highly valuable to brands and marketers.



Mira's Jonathan Frangakis

But location data can be unnerving for consumers, who increasingly feel that companies overstep in how much data they collect and what they do with the gathered information.

Mica's Mr. Frangakis said that only brands that collect data in responsible ways without scaring away consumers will earn their trust and cooperation.

The executive notes three ways that marketers can collect location data on a large group of people in real time. The first is carrier data: the information collected by phone carriers such as AT&T or Verizon.

This type of data is freely bought and sold, with little input from consumers who cannot opt out of information being collected by their own carriers.

The second method is through proximity technology, such as beacons. While these are great for privacy, using only Bluetooth and giving customers a clear opt-in or opt-out choice, it does not provide a valuable amount of data and has underperformed in general.

According to Mr. Frangakis, the last way strikes a balance in the middle. Marketers can collect device IDs, a resettable, non-personally identifiable information source, from customers' devices and use that to infer other data about them without encroaching on personal and private data.

Responsible marketing

Data collection methods that include customers as a part of the process, rather than keeping everything murky and beyond the reach of the average consumer, can go a long way toward making customers more comfortable with having their data used.

As data silos collapse, brands can better shape data collection practices to minimize customer repulsion ([see story](#)).

Collecting that data fairly and transparently is important not just to keep customers happy and comfortable, but also because that data is valuable for brands to serve their advertisements effectively.



Bluetooth beacons are responsible, but not terribly effective

More than 50 percent of consumers believe that three out of four targeted sales are irrelevant, and therefore a nuisance, according to a report by Boxever ([see story](#)).

Using device IDs and non-personally identifiable information can give marketers a better look at consumers' desires without angering or alienating them.

"Knowing the device ID and a segment we can infer is the most responsible way to do it," Mira's Mr. Frangakis said. "We could have just bought the data unethically from some company, but we do not."

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