A Forrester Consulting
Thought Leadership Paper
Commissioned By SOCi

June 2020

The Localized Marketing Imperative

Why Multilocation Marketers Must Harness Their Localized Presence To Compete In A New Marketplace



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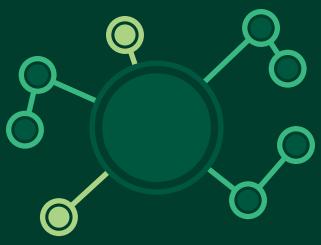
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Executive Summary



A localized marketing strategy involves actively managing the brand's online presence at the local store level.

Consumers are more empowered than ever to find information on businesses quickly, conveniently, and at any time and place. Firms with a physical footprint must ensure that their content is discoverable in any channel the consumer may use — from search engines to social networks to local directories. Increasingly, these channels are producing localized results, but not all brands are taking advantage of the opportunity localized content presents. To be most effective, brands must apply a localized marketing strategy. Through deploying a localized marketing strategy for each location, businesses can drive more awareness, engagement, and sales around specific locations and deliver the kind of localized experiences today's customers expect. An effective localized marketing strategy is essential for large brands that are further removed from local operations and for which scaling this effort across hundreds or thousands of locations is a complex undertaking.

In March 2020, SOCi commissioned Forrester Consulting to evaluate the state of localized marketing today. Forrester conducted a survey with 154 multilocation marketing leaders involved in managing their firms' brand at the local level. We found that decision makers appreciate localized marketing's value, but few have realized its full potential.

KEY FINDINGS

- **National brands need local connectivity more than ever.** The COVID-19 pandemic, which has caused unprecedented operational disruption for many multilocation businesses, has made developing local marketing competence a critical priority. Companies adept at delivering fast and ongoing communication about operations specific to each of their locations are better positioned to flex in today's shifting landscape. They're also more likely to develop trusted local customer relationships, which are vital not only for driving local engagement, but also for shaping the national brand and informing product and service design for emerging customer needs.
- **Obstacles stand in the way of localized marketing success.** Survey respondents associate an optimized localized marketing strategy with multiple advantages, including greater brand alignment, increased foot traffic, and improved marketing effectiveness. However, over three-fourths struggle to make this vision a reality due to challenges related to scale, organizational silos, balancing local and corporate-level needs, and location-specific insight.
- **Certain governance processes and technologies can ease localized marketing efforts.** Centralized oversight over localized marketing activities across locations and sites is hard to come by. Many firms are stringing together multiple point solutions into a disjointed toolset that makes it difficult to ensure seamless coordination across local and corporate teams. However, some have already transitioned to using a solution that can aggregate and manage localized content across locations and external sites in one platform. Solutions like these, when coupled with clear governance processes that tap into the strengths of corporate and local teams, can help marketers attain companywide consistency and a more personal, local touch.

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Multilocation Businesses Need A Local Mindset To Thrive

The age of the customer has demanded that businesses create cycles of interaction through which they can learn more about customers and deliver quality experiences. Today, businesses must go a step further to tailor content not only to the customer, but also to the moment.[1] Seventy-three percent of surveyed multilocation marketers agree that customers expect their experiences to align with their immediate context. One way multilocation businesses can deliver personalized, contextual experiences is by thinking and acting locally.[2] In fact, the stage is set for a scalable localized marketing strategy because:

- **Major customer touchpoints serve location-specific business information.** Marketers know that large search and social sites prominently display localized results (see Figure 1). And the content made available on these sites about locations (including customer reviews and feedback) can shape a customer's perception of a company. In fact, 80% of multilocation marketers admit location information on third-party sites has a significant impact on their brand's overall reputation.
- **Customers seek out localized business content.** Customers want to know how close the nearest location is, if that store has the product or service they desire, and what their experience with that location might be like. Aside from being geospecific, these customer queries are immediate, innate, and ubiquitous. Customers are used to quickly searching for decision-making information anywhere, at any time, and on any device, and they expect the results to be tailored by their location.[3]



79% of multilocation leaders believe customers are more inclined to engage with brands that establish a personal connection with them.

Figure 1

"How much do you agree or disagree with the following statements?" (Showing "Agree" or "Strongly agree")



Base: 154 leaders responsible for localized marketing at multilocation businesses in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

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BRANDS THAT LACK A LOCAL MINDSET MISS THE MARK

Customers are finding local information regardless of the individual business's or location's participation. That means that search engines, ratings and reviews sites, and social networks may display inaccurate information about your brand or locations if your organization doesn't have a clear and effective localized marketing strategy. Brands that lack a local mindset and strategy end up:

- **Eroding the brand's credibility.** Locations with inaccurate information about their hours, address, and other key information fail to meet customers' most basic expectations. And we found few multilocation businesses go the extra mile to provide location-specific service/product availability, ratings and reviews, visual content, and Q&As across sites. These inconsistencies can lead to poor customer experiences that are magnified during disruptive events related to public health, environmental, or other difficult-to-predict circumstances that require fast and ongoing communication about operational changes (and that likely differ from one market to the next).
- **Failing to drive awareness.** Given that customer queries are often immediate, customers are more likely to consider brands that are top of mind during micro moments of need. Brands that fail to execute on a localized marketing strategy are less likely to appear prominently on search engines, ratings and review sites, and social networks. This results in lack of awareness of a brand's location during that moment of need for a customer.
- **Leaving foot traffic and sales on the table.** Customers use information they find about local stores to decide whether to visit a location. Roughly 60% of marketers in our study agree that what customers see on local rating and review and social sites has a direct impact on their customers' decisions to visit a store and make a purchase. Locations that lack accurate information and don't appear well within major customer discovery channels will lose foot traffic and sales to their competitors.



An effective localized marketing strategy actively monitors and tailors a brand's online presence at the local level to drive awareness, engagement, and sales around specific business locations.

Significant Obstacles Stifle Localized Marketing Ambitions

Respondents agree that optimized marketing at the local level promotes greater alignment, trust, and awareness for their brands; improves marketing effectiveness; and drives store traffic, among other benefits (see Figure 2). While they appreciate its value, 61% say that localized marketing remains a largely untapped opportunity for their business. And about half (49%) rate their localized marketing capabilities as average or below average relative to comparable businesses in their industries. When you consider the complexity involved, it's easy to see why few have mastered it. Indeed, 77% say that executing on a localized marketing strategy across all their locations is a challenging endeavor (see Figure 3). Common pain points include:

- **Insufficient resources to scale localized marketing.** The scale required to maintain local sites across 30, 50, or even hundreds of stores can quickly outstrip a marketing team's capacity. This might explain why the lack of corporate resources to manage all sites, posts, and reviews effectively and efficiently across locations is a top challenge.
- **Organizational silos.** Gaps between teams, processes, or systems are also common and can limit the visibility, collaboration, and coordination that firms sorely need to scale localized marketing. A tangled management approach also contributes to disjointed localized marketing understanding: Firms are more likely to manage certain localized marketing activities in-house (like responding to social comments and questions) while agencies are more likely to handle others (like nonowned local page optimization). Then there are those activities that fall completely through the cracks (31% don't manage local paid social at all). Even when firms control tasks in-house, integration difficulties mean that manual workarounds and tools are common. Most are forced to use multiple tools for localized marketing: Nearly half (47%) report using three or more.



Execution obstacles mean many multilocation businesses have yet to fully tap into the opportunity localized marketing presents.

Figure 2

"What benefits do you expect from optimizing your localized marketing efforts?" (Select all that apply; showing top options)

38%
Greater alignment between our brand promise and our customers' experiences

34%
Improved marketing performance and effectiveness at the local level

34%
Increased store traffic

34%
Greater brand trust and reputation in the markets we serve

32%
Greater brand visibility and strength at the local market/location level

31%
Better understanding into how to service, market, or create products for specific customer needs

Base: 154 leaders responsible for localized marketing at multilocation businesses in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

- **Difficulty balancing national and local needs.** Some marketing leaders report being held back by a digital strategy that has historically had a national focus; others are still defining how to best customize content at the local level while maintaining national brand consistency. And without nationwide visibility, some struggle to identify the right opportunities to engage local stores.
- **A lack of location-specific insight.** The interaction cycle between a company and a customer is more vulnerable to snags for multilocation businesses whose national marketing teams are further removed from day-to-day store operations and customers. Without the local knowledge more often found in local store staff who know their neighbors, instilling trust and local authenticity is difficult.



Most multilocation businesses rely on multiple tools to support the localized marketing activities they manage in-house.

Figure 3

"What challenges does your organization face when it comes to executing on a localized marketing strategy across all your physical locations?" (Select all that apply; showing top challenges)

36% Corporate marketing lacks the resources to effectively and efficiently manage all sites, posts, and reviews across all locations

35% We have organizational silos

31% Our digital marketing strategy has historically had a national rather than a local focus

31% It is difficult to balance customization at the local level with consistency at the national/overall brand level

30% Corporate marketing lacks location-specific knowledge or data to properly support localized marketing

25% We struggle to oversee the brand's overall localized marketing efforts while providing individual locations with the ability to participate and be engaged where needed

24% We struggle to properly assign local questions, reviews, etc. to appropriate parties within our organization to be resolved

Base: 150 leaders responsible for localized marketing at multilocation businesses in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

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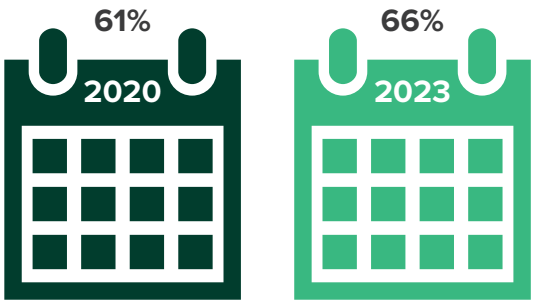
Localized Marketing Success Is Attainable With The Right Processes And Tools

While it's a digital world, the physical world is the one consumers actually inhabit.[4] And the truth is that the most sales still occur in physical locations. That's why 61% of multilocation marketers tell us that their physical locations play a *significant* role in revenue generation today. And despite surveying these leaders during the height of the COVID-19 pandemic, when many were forced to close their physical locations, their view of the future remains bright: An even greater proportion expect their brick-and-mortar locations to generate a significant portion of their revenue in three years (see Figure 4).

While multilocation leaders say that a tendency to default to a national marketing focus has been an obstacle to effectively pursing localized marketing in the past, our data suggests this is changing. Improving the effectiveness of marketing at the local store level is a high or critical priority for 61% in the coming year — on par with the priority they will place on the same efforts at the national level (62%). As businesses give localized marketing optimization a greater share of their attention, it's important that they adopt the processes and tools that can boost their success rate.

Improving marketing effectiveness at the local store level is a high or critical priority for 61% over the next 12 months.

Figure 4



61% of multilocation leaders say their stores generate a significant portion of their revenue today, and 66% expect they will do the same in the future.

Base: 154 leaders responsible for localized marketing at multilocation businesses in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

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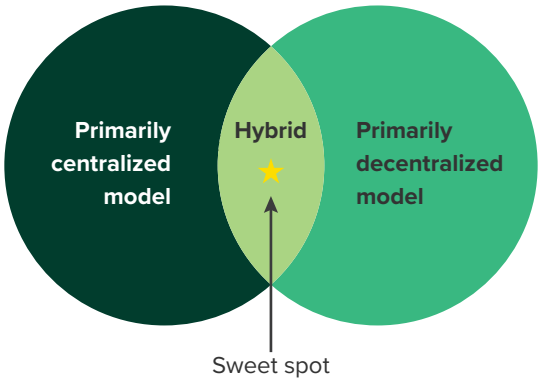
CLEAR GOVERNANCE PROCESSES ACCELERATE LOCALIZED MARKETING SUCCESS

We asked respondents what actions they could take to improve localized marketing. The single most impactful action, they say, is to clearly define localized marketing responsibilities for corporate/national and local teams. And while 75% believe doing so would have a sizable impact on their abilities, just 40% have a governance structure they believe is clear. Thus, multilocation businesses must allocate responsibility across local and corporate teams in a way that ensures all players understand their respective duties. Organizations can choose between three models (see Figure 5):

- **Primarily centralized.** Thirty-two percent have a predominately centralized model in which corporate marketing owns all or most of local and national marketing — including the planning, creation, execution, measurement, and optimization efforts — with some input from local stakeholders, owners, or franchisees. While this approach is likely to have a clear north star to guide marketing efforts on a national scale, it may fail to tap into valuable local knowledge at the store level.
- **Primarily decentralized.** Just 23% have a decentralized structure where individual locations own all or most of the local marketing strategy. While this approach is likely to result in a strong local presence, there is a greater chance for misalignment with the corporate marketing strategy and overarching business goals. This means that businesses need a high degree of governance in place to ensure that branding rules are followed, templates are available, and local owners/franchisees are highly engaged and fluent in basic marketing principles and tactics.
- **Hybrid.** The most common model, used by 45%, is a hybrid approach that sits between the two extremes. It requires seamless coordination and sharing across corporate and local owners made possible with the right technology. Respondents agree: The hybrid model is ideal for optimizing local content while preserving companywide consistency.

Figure 5

A Hybrid Management Approach, In Which Both National Teams And Local Stores Take Part, Is Best Suited For Multilocation Marketing Success



Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

SUPERIOR LOCALIZED MARKETING STRATEGIES ARE EXECUTED THROUGH A COMPREHENSIVE TECHNOLOGY PLATFORM

New technologies have lowered some barriers to scale and execute a localized marketing strategy. While many marketers are juggling multiple tools to support various localized activities in-house, 34% have already adopted a solution that can proactively manage all localized marketing assets across all locations and external sites. And 71% of these marketers have seen a positive impact on their localized marketing as a result (see Figure 6).

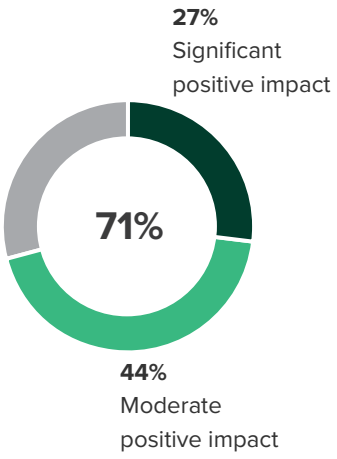
We asked respondents to elaborate on the specific features they'd want most in this kind of solution to optimize localized marketing. They see value in a range of capabilities; however, the most desirable ones include the ability to (see Figure 7):

- **Set and manage service-level agreements (SLAs) around response times and post frequency.** Marketers want to be able to establish a formal set of deliverables that their vendors will be able to provide so that they can scale their local marketing activities and their ability to respond to questions, social posts, and ratings and reviews. This will be a key capability to look for when building out your local marketing tech stack.
- **Claim and manage local (nonowned) search pages.** Another key capability that marketers need to look for is how well their vendor helps them claim and manage localized pages on search engines, social networks, and ratings and reviews sites. Marketers would be smart to ensure that their technology vendors can claim and manage pages where their customers most frequently find information about their locations. This also means that their vendors should be able to update and sync local listings across a wide variety of third-party sites and aggregators.
- **Measure local marketing effectiveness.** At a baseline level, marketers should ensure that their localized marketing technology can help them track and measure basic metrics like impressions and clicks, as well as provide localized insights. But the ultimate need of multilocation businesses will always be determining how well their marketing efforts drive in-store traffic and sales. Today, there is no silver bullet. But marketers need to ask for vendor roadmaps to better understand how their providers are planning to answer that question for them over the long term.

While these capabilities are useful in their own right, their value is enhanced when they live under the hood of one solution. Sixty-five percent or more say that having one solution with all these capabilities would meaningfully improve their ability to meet top organizational priorities, including better differentiating products/services from those of local competitors, improving the customer experience, and improving the use of data in decision making.

Figure 6

71% of those who have a solution that can aggregate and manage all localized content across locations and sites report a positive impact on their localized marketing efforts as a result



Base: 52 leaders responsible for localized marketing at multilocation businesses in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

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Figure 7a

"How valuable would the following capabilities be in your efforts to optimize localized marketing?" (Showing top 10 most valuable capabilities)

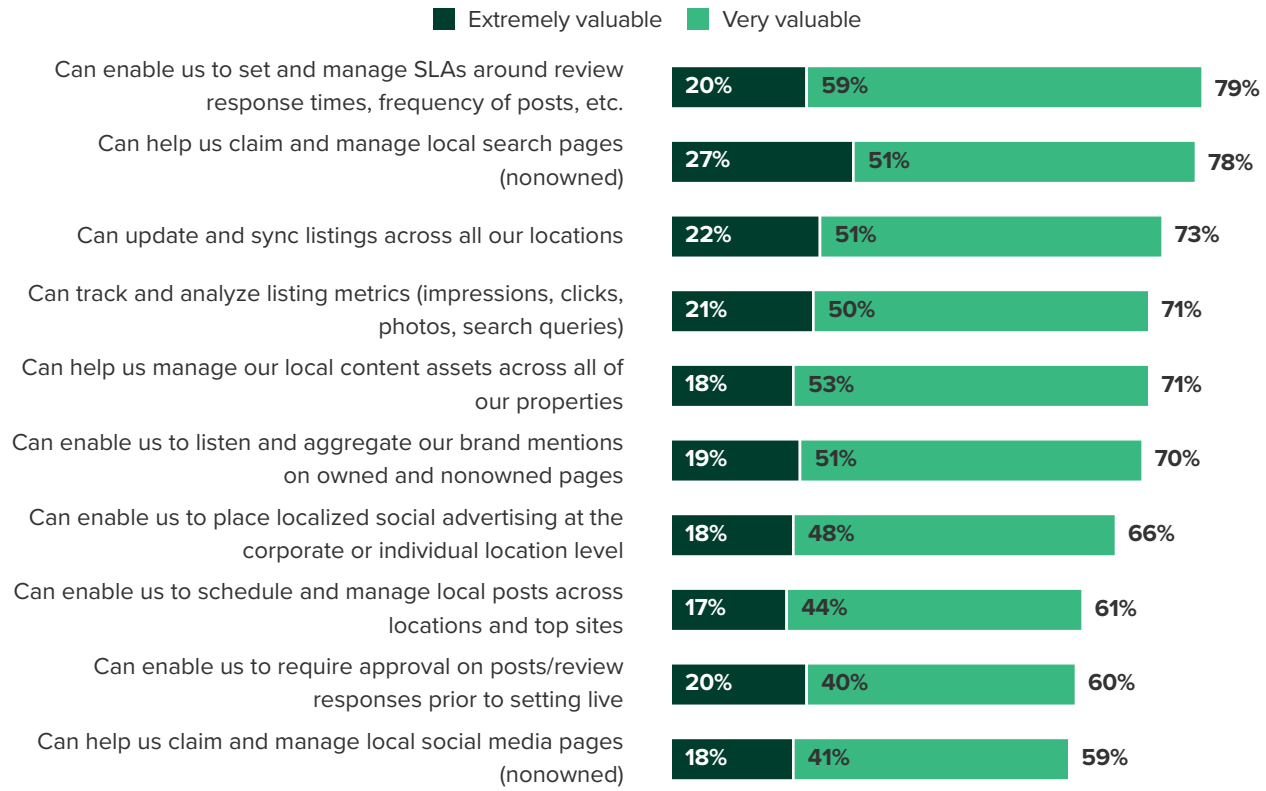


Figure 7b

"If you had access to one solution with <u>all the above capabilities</u>, what impact would that have on your ability to meet your priority objectives?" (Showing "moderate" or "significant" improvement in the ability to meet each objective)



Base: 154 leaders responsible for localized marketing at multilocation businesses in the US
Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

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Key Recommendations

A localized marketing strategy can unlock tremendous business and customer value for those brands that tackle it effectively. Forrester's in-depth survey of 154 decision makers from multilocation businesses yielded several recommendations to help marketers realize localized marketing success:



Clearly define localized marketing responsibilities. As a first step, determine which management model to apply to ensure coordination across corporate/national and local teams (i.e., centralized, decentralized, or hybrid). Identify metrics for localized marketing effectiveness and use those to inform corporate and local team performance expectations.



Educate and support all stakeholders. Regardless of the model used, all parties must be educated on the need to develop a local digital presence for each location. Encourage them to claim and optimize local pages across top local search, social, and ratings and review sites and to boost the number of localized content assets to add a personal touch while taking advantage of local search engine optimization (SEO) benefits. Create a posting plan to ensure content that is found on local (owned and third-party) pages is updated and useful to their local communities while staying relevant and top of mind to search engines, social networks, and customers. Post regularly across the top sites, and provide timely, brand-approved content libraries for locations to access.



Identify and close capability gaps. Brands should determine where they may need to enable technology or services to fill in gaps that will make the implementation of a localized marketing strategy effective, efficient, and scalable. Solutions considered must accommodate corporate marketing as well as the individual local user experience and needs. Prepare and submit necessary RFPs to start this process. Prioritize vendors that allow marketers to post efficiently across multiple properties/locations in one platform.



Use each local customer interaction as an opportunity to improve the customer experience. Enhance the experience of local customers by ensuring your locations are aware and empowered to respond to customer comments, questions, or reviews where and when they are happening. Provide SLAs and templates to your locations to ensure inquiries are being addressed quickly. Use chatbots on sites to allow customers to retrieve answers to common questions on their own, freeing up workers to focus on more complex customer needs that do require human intervention.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 154 leaders from multilocation businesses in retail, professional services, financial services and insurance, entertainment and hospitality, restaurant, and children's services industries in the US to evaluate the degree to which they're tailoring their brands' online presence at the local level to drive awareness, engagement, and sales around specific business locations. Survey participants included decision makers involved in managing their organizations' brand at the local level. Questions provided to the participants asked about their localized marketing practices and challenges, as well as the value they see from optimizing their localized marketing efforts. Respondents were offered a small incentive as a thank you for time spent on the survey. The survey fielding began in March 2020 and was completed in April 2020.

Appendix B: Demographics

COUNTRY



100%
US

GEOGRAPHIC SCOPE



10% Multinational
26% National
64% Regional

NO. OF PHYSICAL LOCATIONS



18% 30 to 39
31% 40 to 49
25% 50 to 99
25% 100 or more

SENIORITY



6% C-level
15% VP
34% Director
45% Manager

INDUSTRY



Base: 154 leaders responsible for localized marketing at multilocation businesses in the US
Note: Percentages may not total 100 because of rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of SOCi, April 2020

Appendix C: Endnotes

[1] Source: "The Power Of Customer Context," Forrester Research, Inc., December 14, 2018.

[2] Source: "Brief: The Local Marketing Opportunity," Forrester Research, Inc., April 20, 2015.

[3] Source: "Brief: Attract Customers Through Local Search," Forrester Research, Inc., August 22, 2016.

[4] Ibid

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