4 Benefits of Leveraging Hyper-Local Data to Scale Your Business

Prior to the advent of the Internet, many businesses were local. If you owned a business, there's a good chance you lived on site or nearby. You knew the local neighborhood, and you probably had regulars who frequented your business. You knew what your customers were looking for because you interacted with them every day.

Things are different now. Instead of just competing with other nearby businesses, it's become a global market. And yet, customers still want that personalized experience. In fact, 73% of consumers report having a preference for businesses that personalize their experience.

So how do you deliver a personalized experience when businesses are more removed than ever from their customers? The answer lies in hyper-local data. With hyper-local data, you can learn about your customer base and the factors influencing them down to the neighborhood or even block level and make business decisions accordingly. Let's look at four benefits of leveraging hyper-local data to scale your business.

1. Loyal Customers

It pays to have customers that stick around. Customers that make repeat purchases from your business are worth up to ten times more. Focusing on delivering products or services that meet your customers' needs is a worthwhile investment.

According to the *Harvard Business Review*, it costs between five and 25 times more to gain a new customer than it does to retain a customer you already have. Furthermore, increasing

your customer retention rate by a mere five percent translates to between 25% and 95% more profit. Investing in creating a loyal customer base is one of the best ways to scale your business.

Hyper-local data can help. You can find purchasing habits, income levels, weather patterns, and more. For example, maybe you learn that a prime shopping time in your area is 3:00-4:00 p.m. and your analytics show that a large number of parents are shopping on their way home after picking their children up from school.

How can you use that data to build a loyal customer base? Offer a promotion or create an environment that targets that audience. Maybe you offer a free snack to children while their parents shop. Parents appreciate your thoughtfulness, and their children enjoy coming to your shop. They begin to frequent your business over your competitors because of the experience.

Alternatively, if you have a more global business, you can still meet local needs. Using hyper-local data to create targeted emails, offers, and shopping experiences will help you find and retain loyal customers. And remember, 30% of people prefer to return to a site they've already made a purchase from. Offer a pleasant experience, and you're well on your way.

2. Targeted Marketing

If your business is going to grow and grow well, you need to make sure you're reaching the right people. You don't want to waste time and money marketing premium steaks to vegetarians, luxury cars to people who can't afford them, or pet food to people who don't own pets, for example.

Let's take the last example. Say you own an up-and-coming trendy shop that caters to people whose dogs are an integral part of their lives. You're looking for the type of owner who buys premium foods, spends a fair amount of money on grooming, purchases a lot of toys, and likely has both the extra money and passion to purchase your gourmet treats.

You can use hyper-local data to find neighborhoods with upscale pet grooming salons and dog parks. Maybe you decide it's worth growing and adding franchise locations nearby. Or you might keep your focus on online sales but send samples or a free birthday treat offer to targeted addresses. Perhaps you create partnerships with local grooming salons that share your targeted customer base and agree to keep a stock of your treats for sale.

3. Invest In Appropriate Technology

Do you reach more customers through email or print? Does your customer base shop mostly through mobile phones, PCs, or in person? Do they use their mobile phones while in your physical location? Do they switch devices multiple times before purchasing? Would you have higher engagement with an app? Would a chatbot be useful in fielding common customer requests?

If you don't know the answers to the above questions, you won't be able to invest in the technology that best reaches and serves your customer base. Customer service is important in all industries. [Most](#) customers will leave a business after experiencing poor customer service.

Increasingly, customers expect to be able to make returns, find prices, arrange for pickup, and check inventory online. If your business has a customer base that regularly engages with technology, offering an online shopping experience that caters to their expectations will help you grow your business and retain customers.

Hyper-local data can go even farther. For example, you can set up automation so that when your customers are physically close to your store, an offer is sent to their phones through text or your app. You can even take local conditions into an account. Cold and rainy today? Send out a short-term promotion for raincoats and umbrellas.

4. Relevant Information

Hyper-local data allows you to distribute the information that matters to your customers. Do they rely on reviews? Set up a review page on your website and send out emails encouraging customers to review their purchases. Is your business specific to a specialized industry? Analyze whether your customers engage with blogs or industry publications. Perhaps it's worth adding a blog to your site or advertising in an industry magazine.

It's also worth exploring *where* your customers go for information. Do they use search engines or spend a significant amount of time on social media? What time are they online? With hyperlocal data, you can publish relevant information on the platforms your customers use at the times they are most likely to engage.

Conclusion

It has always been important for businesses to know their customers. Although we're now living in a global world, hyper-local data allows you to learn your customer's preferences, habits, characteristics, and even the weather or specific events that are relevant to the neighborhood they live in. Leveraging that data will help you target your investments as you scale your business.