Location Intelligence In 2025: Motion *In Motion*

Benchmark Report

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Executive Summary

Key Findings

Each day, shoppers create enormous amounts of data about themselves, their habits, and their preferences. As a result, supply chains (if leveraged properly) can virtually "talk" to retailers, manufacturers, and shippers. Even products, themselves, can tell a story.

But none of that data becomes actionable if retailers and their partners can't turn the noise into something more informative. The key is to get the data to *tell a meaningful story*. This report aims to find out how well retailers – and their trading partners – are able to convert this data into insight.

Some of the key findings include:

- In the current environment of increasing instability (fluctuating tariffs, shifts in supply routes, potential trade wars, swings in consumer confidence levels, etc) 88% of respondents say that market research and planning is important to their ability to sustainably grow in the next 3 years. ***98% see customer analytics as a top way to drive that growth***. Put simply: retailers and CPGers see tremendous value in any/all means to help them make as much sense in the tumult as possible.

- 92% of respondents say that sharing location-based insights within their own organizations can (or already has had) a positive effect on revenue. Retailers and CPGers ***know the power geolocation intelligence creates***. But while they may also know they should be sharing more with their trading partners than they are, neither side appears ready to let their guard down first and share their data

- By collaborating more and by sharing insights gained about consumer shopping behaviors, retailers and manufacturers stand to provide a better overall experience to consumers. Better products, better stores, better promotions, better prices, better service – ***all are in play***. At a time when consumers increasingly express dissatisfaction with both the products available to them AND the shopping experience to buy those products, any opportunity for improvement should be welcome: even at the risk of sharing (or ceding) some of that success to a partner. It's just good business

- Most of our respondents "strongly agree" that geospatial data analysis is *the* way forward: it's effects on supply chain planning will be profound in the near-term future. However, Winners have a much clearer understanding of the details surrounding this new reality. More Winners than average and under-performers expect that location intelligence will dramatically affect personalization and customer segmentation strategies, how consumer demand is measured and effectively managed, and most of all – how AI-enabled analytics will fundamentally change the way they collaborate with their trading partners. And this is just within the next 36 months. Change is on the way. The best performers just "get it" more.

- The top inhibitor to forward progress for all our respondents is ***dirty data***, and CPG companies are far more concerned than retailers are about the quality of the data comping from their operational systems. **The problem isn't new** - but it is persistent:

over the past several years, RSR survey respondents have consistently rated it a top roadblock to collaboration between trading partners. Put plainly, action can't be taken if data can't be trusted. And ensuring the trustworthy nature of data – particularly when it is coming from so many varied sources – requires more than hard work. It requires a strategic directive.

Based on our data, we also offer several in-depth and pragmatic suggestions on how retailers should proceed. These recommendations can be found in the **Bootstrap Recommendations** portion of the report.

We certainly hope you enjoy it,

Brian Kilcourse and Steve Rowen

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Research Overview

An Industry Evolving In Real Time

This report is the 2025 installment in a series of benchmarks that RSR has conducted since 2017 designed to understand how retailers and their trading partners are using location intelligence to improve several areas across their business. In an environment overflowing with exciting topics to study, our reasoning for querying retailers and consumer product goods manufacturers (CPG) year-in and year-out on *this topic* is simple: it is one of the fastest-moving areas of interest and investment for both retailers and manufacturers.

Location intelligence (and its synonyms "location awareness", "spatial data", "geospatial analysis", and "spatial awareness") is made possible by the explosion of geo-spatial data throughout industries and the new analytical tools available to draw insights from that data, ("GIS": Geographic Information Systems). These GIS capabilities can be found in a host of technologies available to both the commercial side of the industry *and* its consumers.

Each day, shoppers are creating enormous amounts of data about themselves, their habits, and their preferences. As a result, supply chains (if leveraged properly) can virtually "talk" to retailers, manufacturers, and shippers. Even products, *themselves*, have the capability of providing a broad range of data.

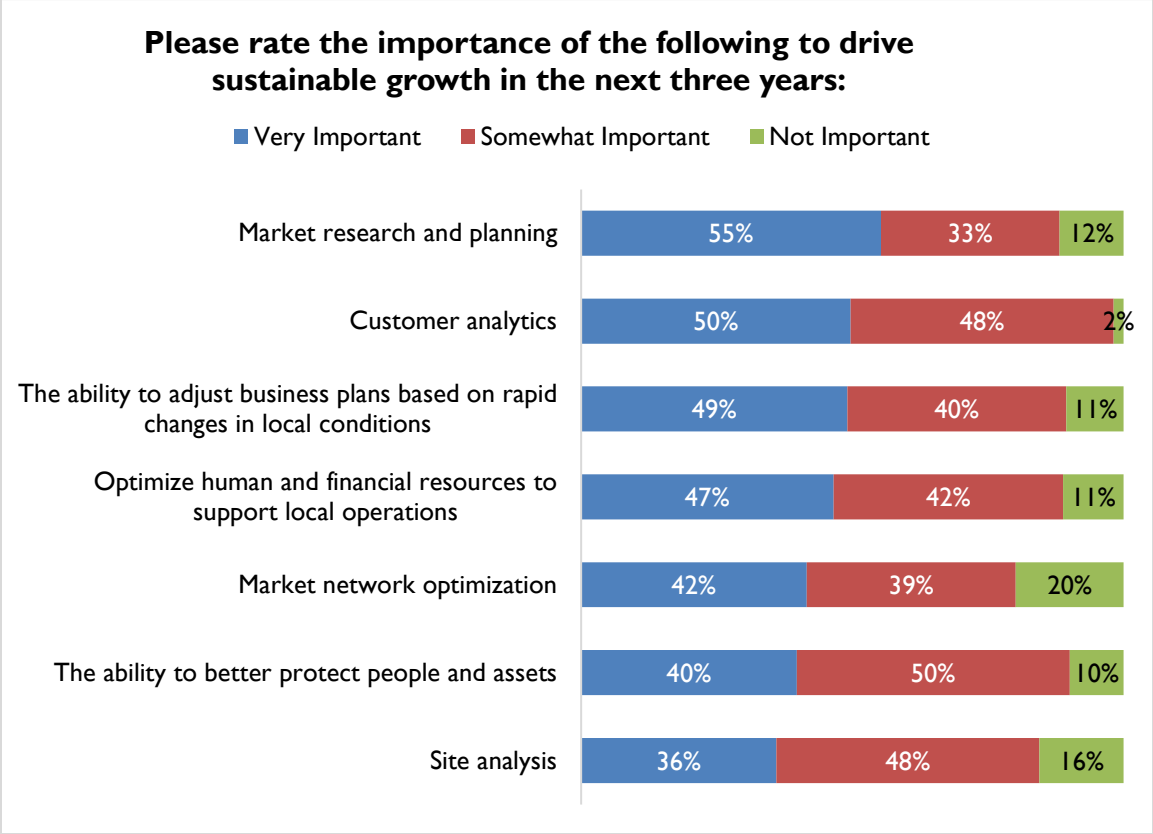
But none of that data becomes actionable if retailers and their partners can't turn the noise into something more informative. The key is to get the data to *tell a meaningful story*. Only then does data have the capability to become insightful, or intelligent. But the **truth is that most retailers and CPG companies still mostly just have data** - enormous amounts of it. Turning that data into real intelligence has been the goal for companies on both sides of the trading relationship for several years.

As a result, our goal remains to benchmark retailers and consumer goods manufacturers to find out how they are progressing, what their roadblocks are, what their near-term plans are, and – as ever – to conclude by offering pragmatic recommendations as to how they can make the journey a bit easier, faster, and/or less painful.

What makes this year's research even more interesting *is its timing*. Released in late Q3 2025 from a survey conducted in June and July, these findings represent our audience's views and intentions during a time of increasing chaos. Confusion permeates the market, brought on in large part by an environment of tariffs that vacillate wildly in their scale and scope. The list of products and materials that may be included changes rapidly, as does the list of countries of origin. As a result, the past months have been extremely challenging for an industry that thrives on stability.

With this as a backdrop, the first data to examine is what retailers *want to achieve **most*** during such chaotic times. As Figure 1 shows, the key to moving forward in an environment of instability is to make as much sense of market conditions – and to try and plan as best as possible (Figure 1).

Figure 1: The Goal: Making Sense In Chaotic Times



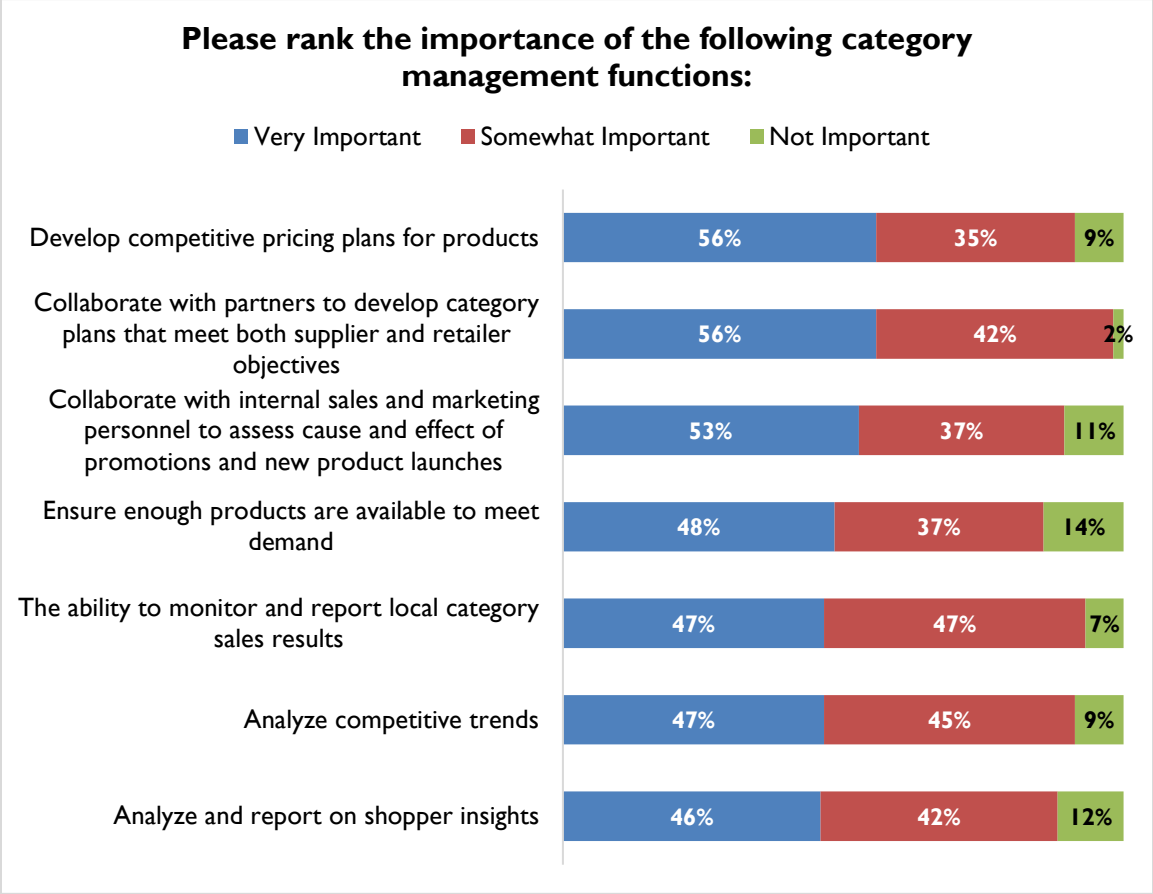
Source: RSR Research, September 2025

RSR has written extensively in the months leading up to this report about the difficulty of trying to plan during a time when *planning is made far more difficult than usual.* This data reflects no political bias; it is merely a factual account of the very real conditions in which retailers and their partners must operate. When combining the blue and red data sets above, the fact that 88% of respondents say that market research and planning is important to their ability to sustainably grow in the next 3 years speaks volumes. And the fact that *98% see customer analytics as a top way to drive that growth* further underscores our going-in assumption that retailers and CPGers see tremendous value in any/all means to help them make as much sense in the tumult as possible, *especially* with so much uncertainty on the horizon.

Amidst The Chaos, Real Opportunities To Improve Emerge

One of the top findings in this report arises in the second data point of Figure 2, below. When taken in aggregate, **98% of our respondents (both retailers AND CPG providers) see real value in collaborating across the divide to help one another develop better category plans.** In the past, each party viewed the other as a necessary evil at best, and an outright threat at worst. Today, the willingness to collaborate is becoming a critical success factor within the industry, particularly for the most forward-thinking. Clearly the notion that a rising tide lifts all boats is starting to take hold (Figure 2).

Figure 2: Retailers & CPG Agree: Price & Collaboration Rule



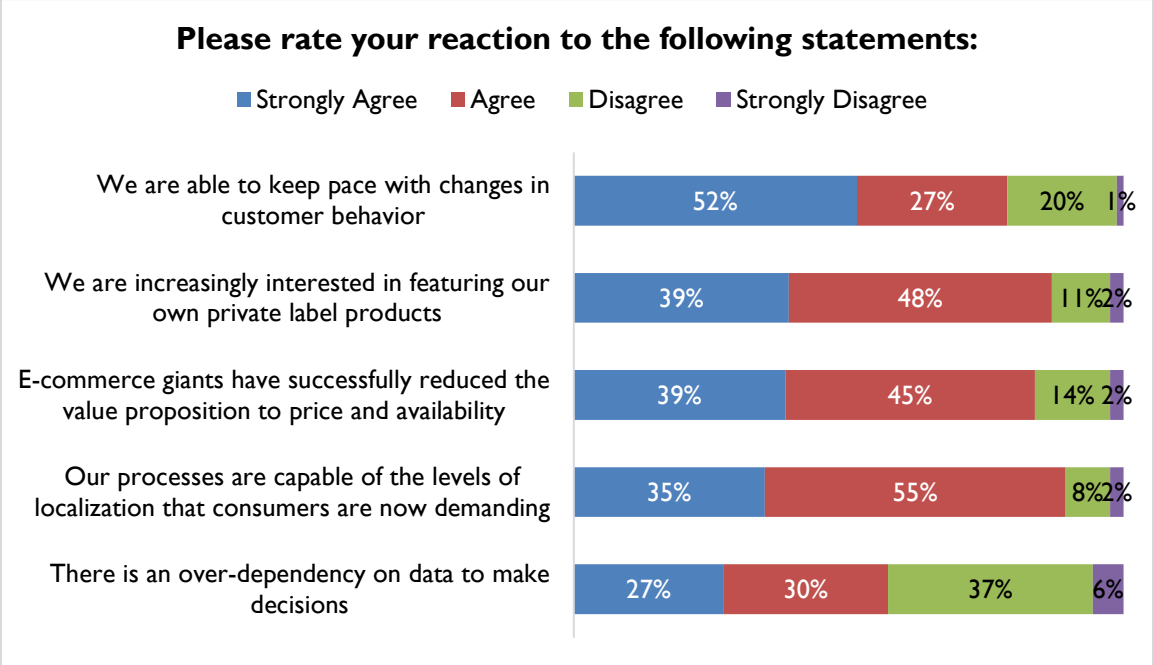
Source: RSR Research, September 2025

Behind The Scenes

This data only becomes more interesting when we ask what retailers and their partners want to understand most from new location-based signals – *and why*. As Figure 3 shows, the primary objective is to keep pace with changes in customer behavior – especially since customers react quickly to impending fluctuations in product price and availability. In an age when sense-and-respond is the very best most sellers can hope for (it is difficult to be driving consumer trends in normal times, let alone in times of tumult), this data makes perfect sense.

However, that topline finding becomes that much more compelling when paired with the second-most popular choice on offer: the increasing interest in featuring own-brand goods. Despite all the talk of collaboration between trading partners, retailers (who comprise nearly 60% of our survey base) are not subtle about what their objective is: to feature lower priced products to consumers that create better margins, more prominently (Figure 3).

Figure 3: Job 1: Understand The Customer (To Sell More Own-Brand Goods)



Source: RSR Research, September 2025

In fact, from last year's report (the first where we expanded our audience beyond retailers to also include CPG manufacturers), we noted that:

> At a high level, retailers and CPG providers *stop shy of pointing fingers*, but are distrustful of one another. In an era when information about how customers shop is gold, ***retailers worry that open sharing this data will simply allow CPG providers to "go around" them***, ***selling more products direct to consumers***. Conversely, CPG providers fret that retailers… ***would use this same information to go around them by using it to develop more and better private label product***s. As such, both parties are currently operating as frenemies; they agree to collaborate – but not *too* much. [1]

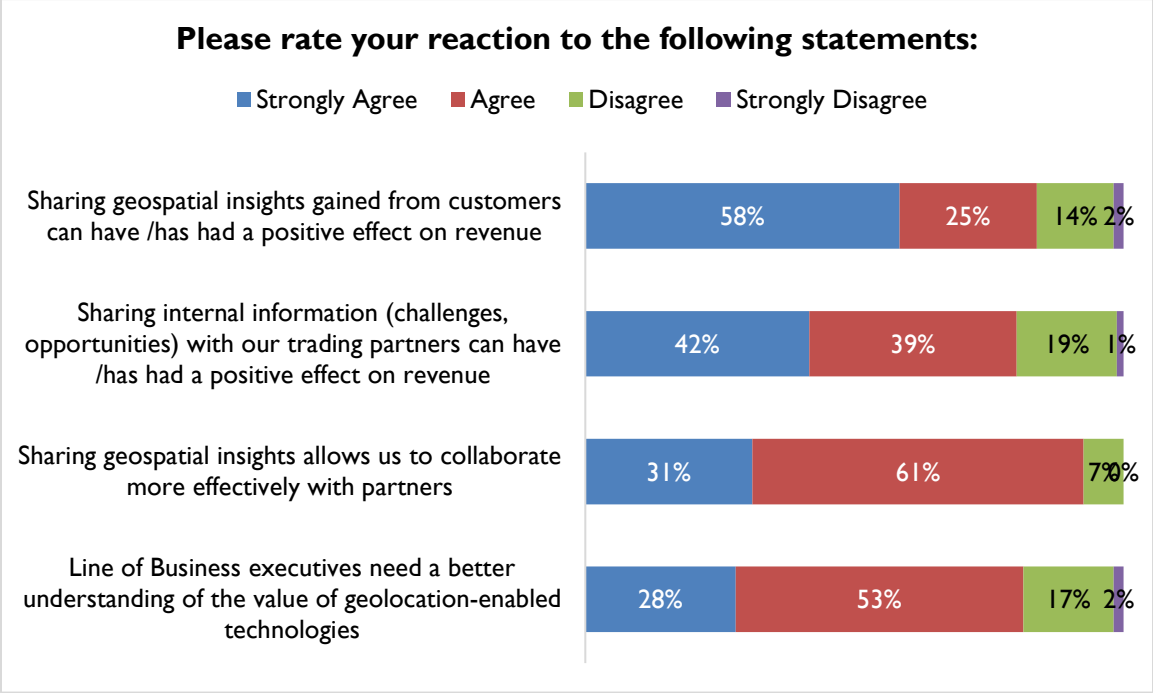
RSR expects that this mutual distrust will diminish with time. The best performers (examined in more detail in a moment) have a greater understanding of the value of collaboration. By collaborating more and by sharing insights gained about consumer shopping behaviors, retailers and manufacturers stand to provide a better overall experience to consumers. Better products, better stores, better promotions, better prices, better service – ***all are in play***. And at a time when consumers increasingly express dissatisfaction with both the products available to them AND the shopping experience to buy those products, any opportunity for improvement should be welcome: even at the risk of sharing (or ceding) some of that success to a partner. It's just good business.

Collaborate, Collaborate, Collaborate

This leads directly to our next line of inquiry, whereby our faction of retailers and CPGers were asked to codify their reaction to a series of direct and specific scenarios involving the sharing of location intelligence (Figure 4).

[1] **Retailers vs. Consumer Package Goods Companies: Worlds Apart?,** RSR Benchmark Report, September 2024

Figure 4: The Business Of Data Sharing



Source: RSR Research, September 2025

Quite simply, our respondents can see the upside: sharing location-based insights within their own organizations can (or already has had) a positive effect on revenue, as does sharing internal company objectives and tactics (58% and 42% strongly agree, respectively). That said, when adding "strongly agree" and "agree", the aggregate viewpoint is strongest when it comes to sharing geospatial insights with trading partners. To put it bluntly: retailers and CPGers ***know the power geolocation intelligence creates***. But while they may also know they should be sharing more with their trading partners than they are, neither side appears ready to let their guard down first.

It will be fascinating to see how this trend plays out throughout the full length of this report – particularly as it relates to the ways the best performers differ in their views and actions. We will explain the concept of Retail Winners now.

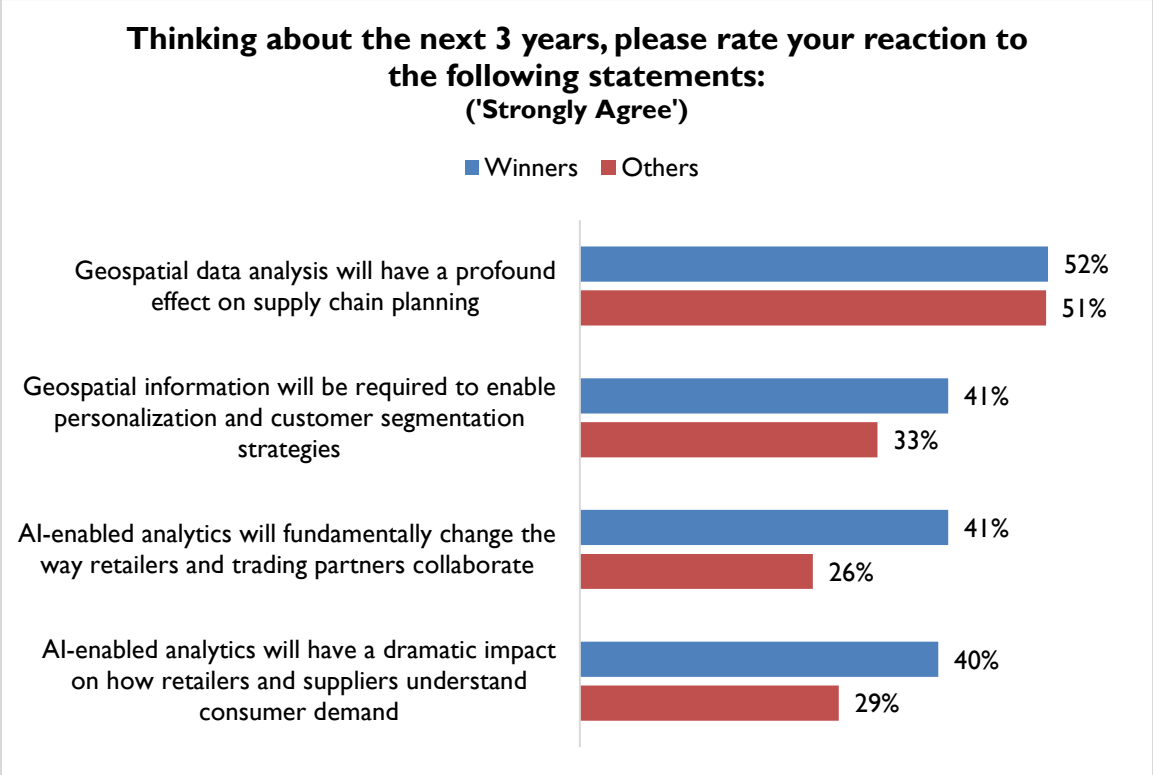
Retail Winners And Why They Win

In our benchmark reports, RSR quite frequently cites differences between retailer over-performers in year-over-year comparable sales and their competitors. We find that consistent sales performance is an outcome of a differentiating set of thought processes, strategies and tactics. We call sales over-performers "Retail Winners."

RSR's definition of these Winners is straightforward. Assuming industry average comparable store/channel sales growth of **5 percent**, we define those with sales above this hurdle as "*Winners*," those at this sales growth rate as "average," and those below this sales growth rate as "*laggards*" or "also-rans."

One trend that will emerge throughout this report is that Retail Winners don't just do things differently, they tend to do different things. They view challenges differently. They have a different world view. As it relates to geospatial intelligence, Figure 5 serves as a prime example:

Figure 5: All Agree: Geospatial Is The Way (Winners Just 'Get It' More)



Source: RSR Research, September 2025

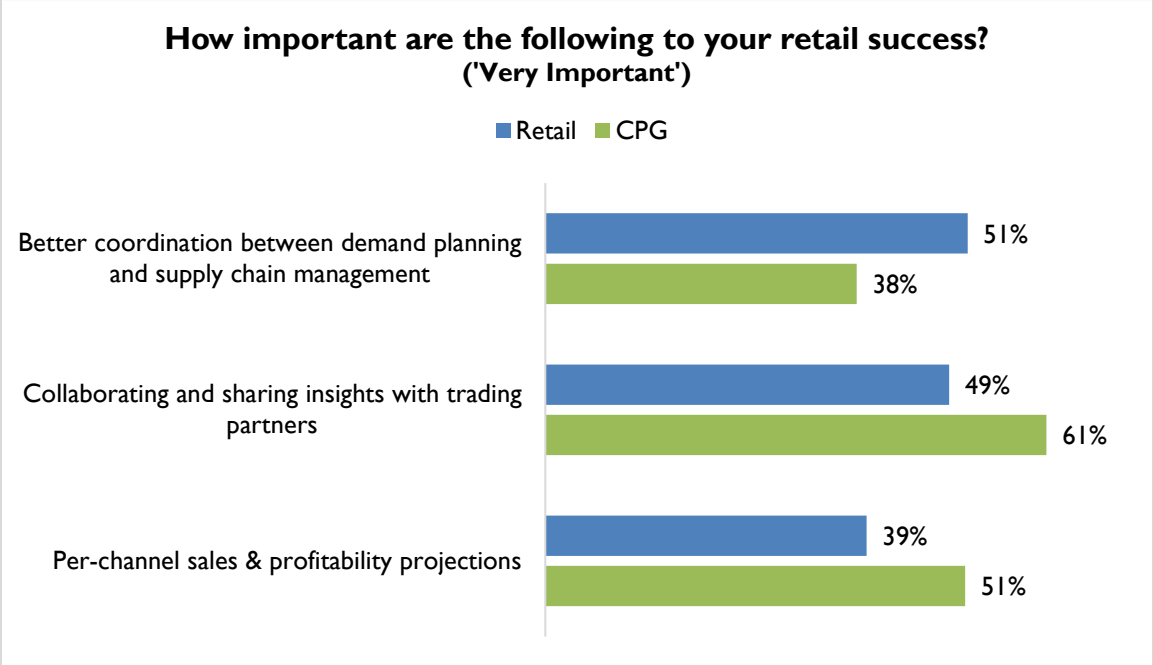
Most of our respondents agree – both Winners and no-winners alike – that geospatial data analysis is the way forward: it's effects on supply chain planning will be profound in the near-term future. However, Winners have a much clearer understanding of the details surrounding this new reality. More Winners than average and under-performers expect that location intelligence will dramatically affect personalization and customer segmentation strategies, how consumer demand is measured and effectively managed, and most of all – how AI-enabled analytics will fundamentally change the way they collaborate with their trading partners. And this is just within the next 36 months.

Change is on the way. The best performers just "get it" more.

He Said/She Said

Another way that we will examine differences throughout this report is by segment. As Figure 6 shows, retailers and CPG providers don't always view the world in lockstep.

Figure 6: Retailers Look To Stay Inside, CPG More Willing To Reach Out



Source: RSR Research, September 2025

Indeed, both have similar goals, but when asked what is most important to their continued success, retailers place an outsized importance on getting their demand planning and supply chain management teams in harmony. For all those who've spent real time in retail, this is a persistent and seemingly intractable challenge. CPG providers, by way of comparison, view this as less of an issue, and instead reveal that *they* are the ones driving the desire to share more insights with their retail partners. We first uncovered this trend in last year's report, and it continues today. As we'll soon see, retailers may have more experience and, as a result – sophistication – with converting location data gleaned from customers into actionable intelligence.

CPGers are much hungrier to share in the treasure that data provides with retailers. CPGers want ***in***. But a new technology-driven alternative is emerging. Location intelligence (and GIS specifically) offers a way for CPGers to get new insights without having access to retailers' demand data, through data enrichment and modeling. And that fact may change the balance of power in the relationship between trading partners in the future.

Methodology

RSR uses its own model, called The BOOT Methodology© to analyze Retail Industry issues. We build this model with our survey instruments. See Appendix A for a full explanation.

In our surveys, we continue to find the kinds of differences in thought processes, actions, and decisions cited above. The BOOT helps us better understand the behavioral and technological differences that drive sustainable sales improvements and successful execution of brand vision.

Survey Respondent Characteristics

RSR conducted an online survey from May-June of 2025 and received answers from 161 qualified retail respondents. Respondent demographics are as follows:

- **Industry**

Retail	56%
Consumer Product Goods Manufacturing	38%
Other	6%

- **2024 Revenue (US$ Equivalent)**

Less than $250 million	1%
$250 million - $499 million	19%
$500 million - $999 million	44%
$1Billion to $5 Billion	34%
Over $5 Billion	2%

- **Segment:**

Apparel, footwear and accessories	42%
Hard goods	18%
General merchandise	29%
Specialty	9%
Other	2%

- **Markets Served:**

USA	98%
Canada	16%
Central America	6%
South America	8%
UK	9%
Europe	6%
Middle East	2%

- **Year-Over-Year Sales Growth Rates** (assume average growth of 4.5%):

Average and worse than average (“Laggards”)	43%
Better than average (“Retail Winners”)	57%

Business Challenges

A Supply Chain Hangover

Regular readers of this benchmark series, which RSR launched in 2017, will know that one of our ongoing recommendations has been that retailers and their trading partners recognize *just how important* it is to bring as much agility to their supply network operations as possible. Our recommendations became imperatives with the emergence of the COVID-19 pandemic in 2020. Seemingly overnight, the inflexible nature of most brands' supply networks was exposed for all to see- most notably, by consumers.

Since that time, "agility" has been the talk of the industry, a reckoning for a decades-old operational model that was long overdue but required an abrupt and violent nudge to be taken seriously. The question is, what can be and has been done about it?

For now, the brittle nature of yesterday's supply chains lingers. In fact, it is the top external challenge that all our respondents face. They may talk a great game about agility, but these long-established practices of sourcing and transporting goods are far still too fragile – even for the best performers.

Figure 7: Difficult To Be Agile While Fragile



Source: RSR Research, September 2025

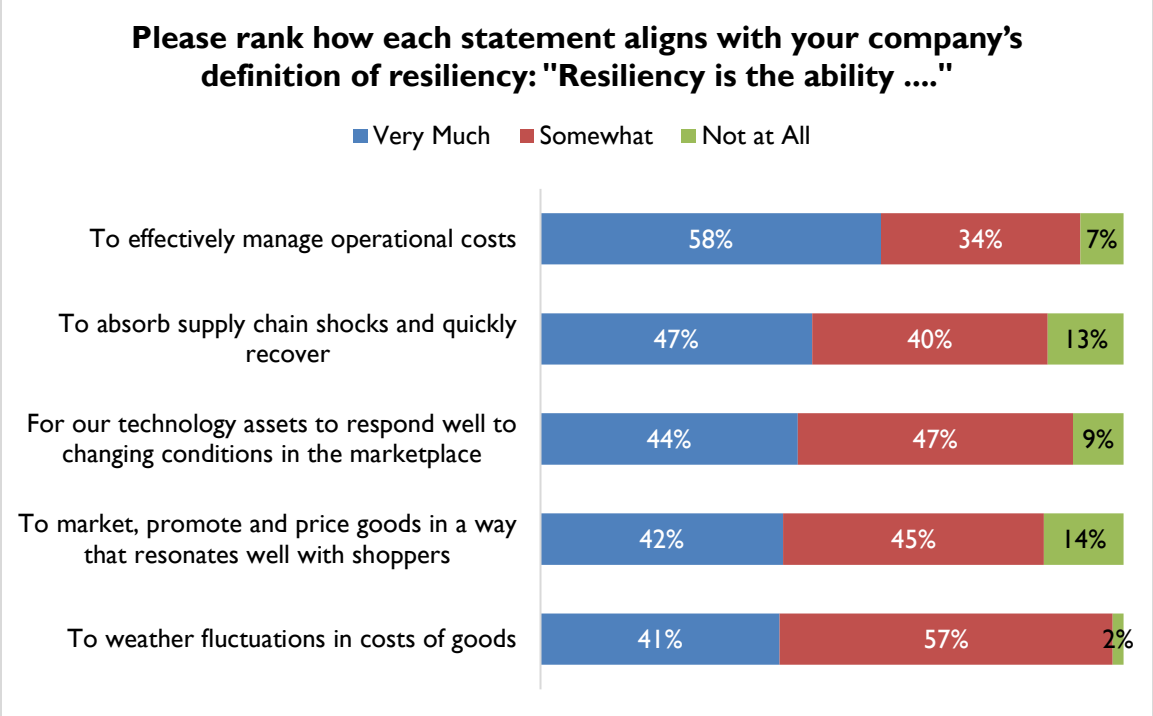
It is worth noting that the most interesting data point in Figure 7, above, may just be the third down: the belief that "*customer behavior is dynamic and unpredictable*". This is just one of the areas where

Winners are more in touch with reality: as many Winners cite this as a top external challenge as they do the inflexible nature of their supply chains. In fact, the two notions go hand in glove. It is *because* customer demand is more unpredictable that retailers and manufacturers need more agile supply chains, and vice versa. The cycle becomes endless: a more demanding customer requires a more nimble way to support their shopping preferences, and once those shoppers experience an improved product and/or experience, they will never again settle for less. The loop is real, and Winners understand it better.

The Value Of Resiliency

Building agility into operational processes is one thing. The fortitude required to carry out the company's ever-changing vision – resiliency – is something else entirely. Neither works without the other, and our respondents are keen to show which areas of the organization benefit from that resiliency most (Figure 8).

Figure 8: In Aggregate, Keep Costs Low – Then React To Change



Source: RSR Research, September 2025

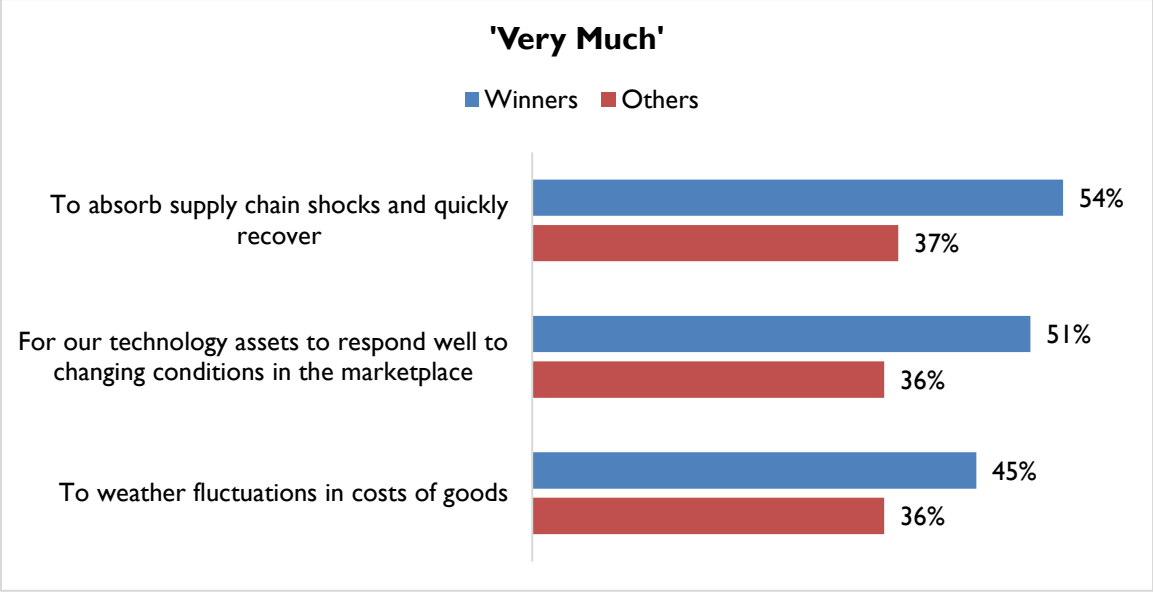
When taken in aggregate, our respondents are resolute: managing operational costs trumps all – as it should. Beyond that, their priorities slowly move down the line, from the ability to absorb supply chain shocks to making sure their technologies are up to the task – to marketing and pricing goods in a way that plays well with consumers.

Winners, of course, have a different view.

From The Winners' Circle

Consider the differences in how Winners view the current landscape (Figure 9).

Figure 9: Winners, Of Course, See Reality More Clearly



Source: RSR Research, September 2025

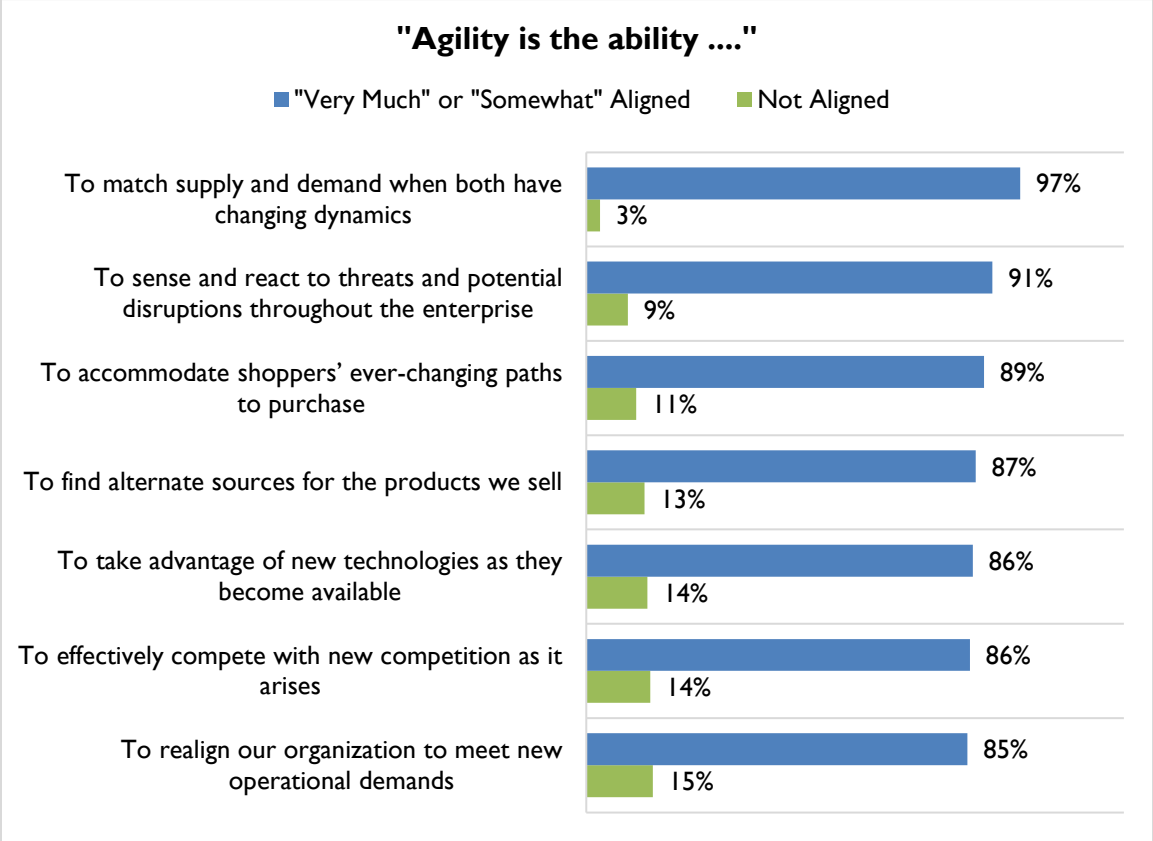
The best retail and CPG performers know that if they are to stand a fighting chance, there are three areas of their business that require greater resiliency *right now*:

1. Recognize that supply chain shocks are not a thing of the past. While the global pandemic was brutal on the industry, a great number of retailers and brands displayed tremendous flexibility in how they delivered on their promise to consumers. As we've already noted, that resiliency needs to be sustained, and not be viewed as a skill and thought process reserved solely for global pandemics. The ability to absorb shocks is only going to become more important with time.
2. Geolocation data and analytics can play a ***tremendous*** role in how well a brand can make – and stick to - the type of real time decisioning required to successfully navigate future shocks as they invariably arise. Consumers aren't getting any more predictable, to say nothing of global trade policies. The key isn't just in decision-makers' ability to respond to changes in market conditions – the tech stack is every bit as important.
3. Whatever may come of the global trade environment, the best performers know that fluctuations in the cost of delivering products to market are inevitable. The more they can build flexibility and strength (into both their policies AND their systems) to weather those shifts the better.

A Known Known

Before we leave the Business Challenges section of this report, it is worth noting one final key fact: retailers and CPGers are aware of how compelling the need for change is right now. They may not be exactly where they want to be, but they do know what needs doing. It is an important component to keep in mind, as it is a clear indicator that this is an industry poised for effective and meaningful change.

Figure 10: Meanwhile, Widespread Understanding Of The Need For Change



Source: RSR Research, September 2025

Now let's examine the Opportunities that new advances in location-intelligence can unlock.

Opportunities

Get The Price Right – *Then* Collaborate On Everything Else

Success in retail can be measured in many ways. Number of stores, geographic reach, annual revenue, NPS ("net promoter score"), loyalty program participation, carbon footprint – the list is as varied as the brands in the market. However, when asked what is most important to success, our respondents do not hesitate: get the price right (Figure 11). It's what ***they know*** customers care about most.

Figure 11: Collaboration Right Behind The-Always-Top Price & Promo



Source: RSR Research, September 2025

However, beyond getting price correct (and all the benefits that come from that, such as the ability to sell more product at the highest margin possible, the ability to keep customers happy, etc.) our respondents' next big goal is to collaborate and share insights with trading partners.

This opportunity is enabled by geospatial data analysis. Earlier, we discussed retailers' and CPG companies' recognition that they *should* be sharing more data they've been individually collecting about within the confines of their view into the customer, but also – their intrinsic caution about what sharing that data with a "frenemy" might bring about.

The data in Figure 11 reveals that when they are thinking purely about what would most help them be successful, that type of collaboration is king.

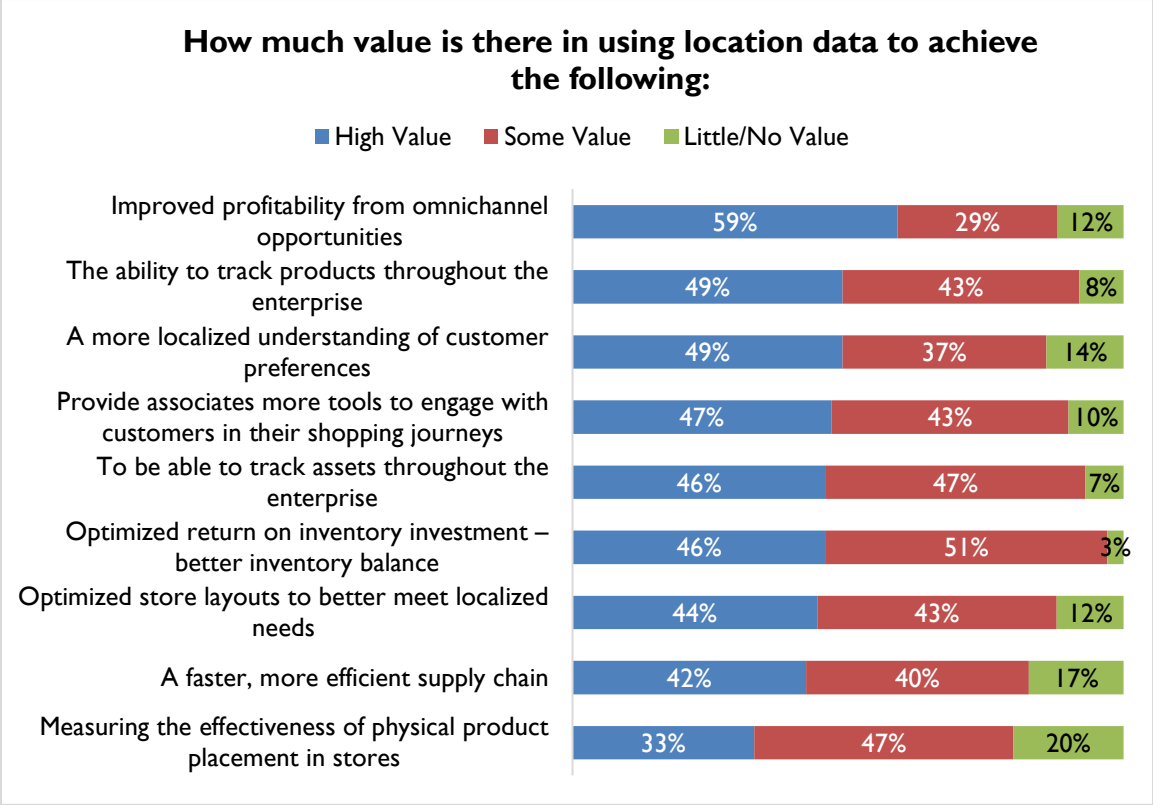
They simply need to stop overthinking the potential downside and get on with it.

A New Turn Of An Old Trope

The phrase "location, location, location" still applies in retail (where a retailer decides to set up shop is still a very big deal). After all, the fundamental objective of retailer/CPG collaboration is to bring supply (products) and demand (consumers) together in the most efficient and effective way possible. That objective has an inherent location-awareness aspect to it.

However, when we combine "high value" and "some value" in the chart below, we can see that our retail and CPG respondents have clearly locked on to using location data for ***a lot more*** than just deciding what to sell and where to sell it. Figure 12 is perhaps one of the most telling graphics we've had since RSR began to study the use cases that drive *location intelligence* several years ago. This is not a tech in search of a purpose: retailers and CPG providers want to use location data and analytics to improve virtually every aspect of their business, from the ability to track products throughout their lifespan (92%) to the ability to improve their overall inventory return on investment (fully 98%). The value that our respondents assign is compelling.

Figure 12: Location Data Holds THE Key

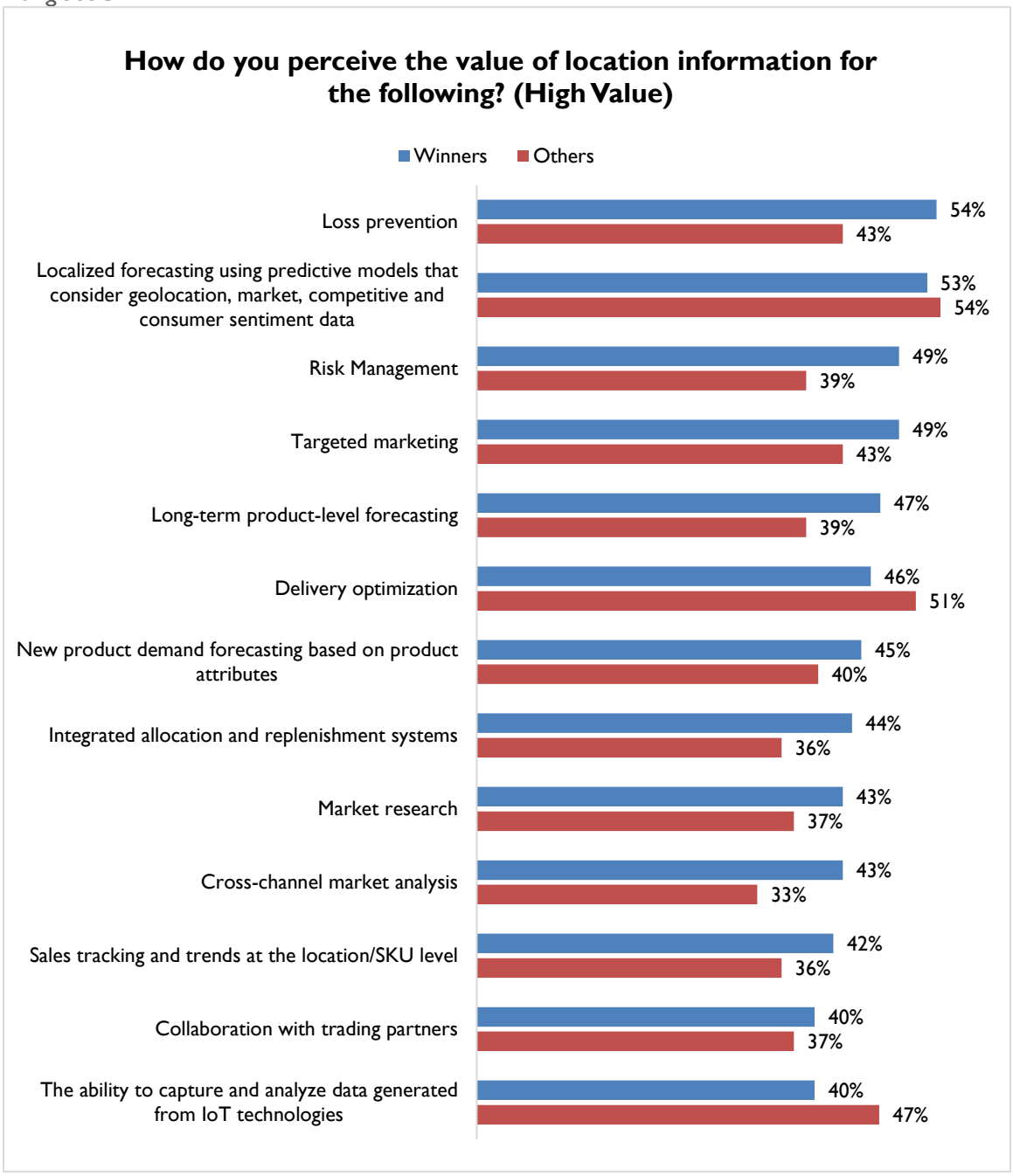


Source: RSR Research, September 2025

The LP Play

When queried about additional and specific use-cases where spatial data may provide value, Winners, per usual, have some valuable differences of opinion to share. Figure 13 shows how retail and CPG Winners see the long play here.

Figure 13: Winners See Opportunities For Risk Mitigation – And To Be More Targeted



Source: RSR Research, September 2025

Winners have a far greater understanding of how valuable location intelligence can be when combatting theft – whether from rogue perpetrators, organized crime syndicates, or most

commonly: from employees within the organization itself. This knowledge goes hand in hand with their heightened perceived value in using location-based signals for risk mitigation purposes.

Also noteworthy are some of the other areas where the best performers see outsized opportunity: they believe location intelligence can help them forecast better for products with longer-term cycles. They think geospatial data can help them market and promote in smarter, and more personalized ways. And perhaps most importantly, they believe location intelligence and help them understand more about how customers shop across channels – long heralded as the brass ring of customer engagement. Today, few retailers can tell much about a customer's digital behavior when they are in the store – much less where or why they behaved as they did. Our Winners see this new generation of tools as a way to crack that code.

Now let's see what stands in their way.

Organizational Inhibitors

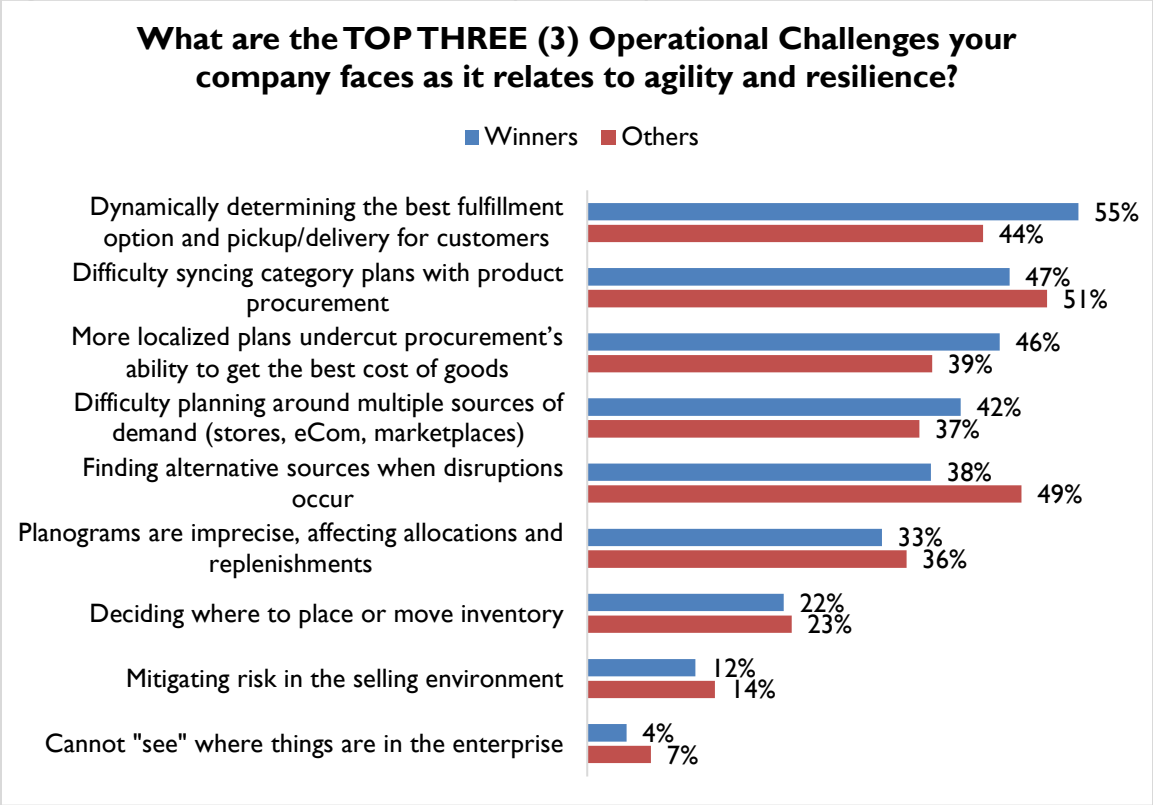
When Challenges Become Inhibitors

RSR's studies distinguish between *business* challenges (i.e. pressures from outside the theoretical four walls of an enterprise), and *operational* challenges (process and organizational issues that usually have workarounds). Sometimes, operational challenges become so great that they prevent an enterprise from moving forward – those are what we call *organizational inhibitors*.

We're already seen in this study that location intelligence is seen as an enabler for a host of capabilities (Figure 13, above). But insights generated from geo-location data can also uncover other operational challenges needing to be addressed (Figure 14). Since this study included responses from both retailers and CPGers, we'd expect to see some differences in how they rate the operational challenges related to resilience and agility that improved location intelligence could help to address. Yet, there is a surprising concurrence: **retailers and their trading partners see the same issues**.

Tops on that list is to improve the ability to dynamically find the best fulfillment option for customer orders. There are many factors that can determine the best inventory location to fulfill an order from: when it's needed, whether to pull from store stock, or from a fulfillment center, the cost to ship, etc. While an even majority (50%) of all retailers in this survey rate this issue as the top operational challenge, even more Winners than others are focused on it. As we've seen in most of our benchmarks, there is no efficiency too minor for Winners to care about – every penny counts.

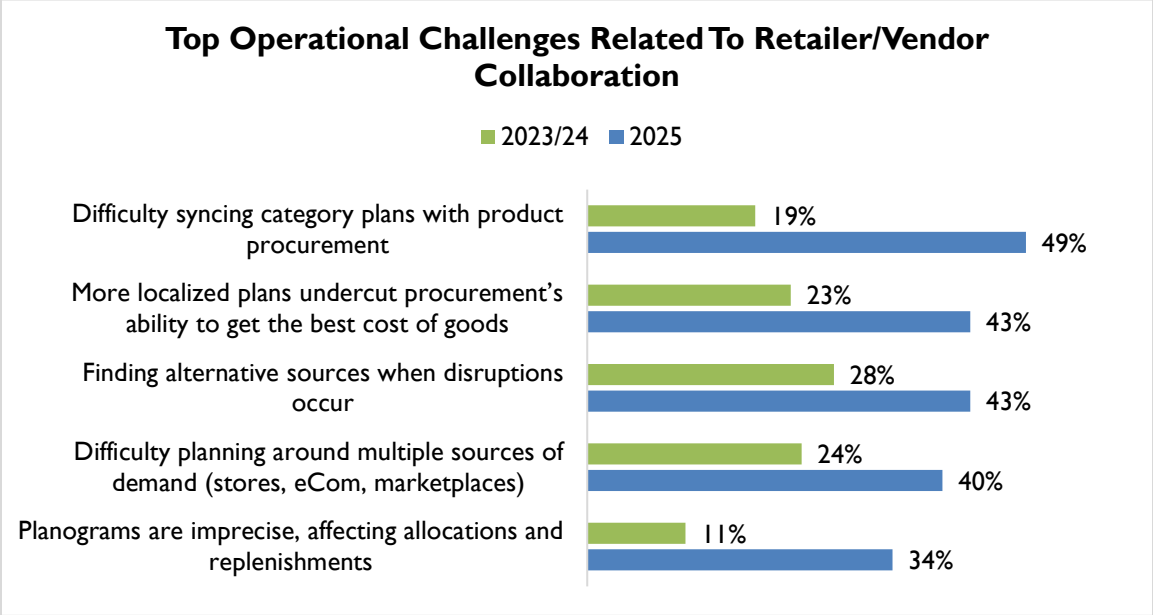
Figure 14: Awareness Leads To Responsibility



Source: RSR Research, September 2025

Beyond that challenge however, our respondents are concerned about issues related to the state of collaboration between merchants, supply chain managers, and trading partners. What is extraordinary about these concerns is that they are growing in urgency, not diminishing. When we looked at how retailers and CPGers rate operational challenges related to getting products to the marketplace, responses over the past three years clearly show that what might have been manageable issues in the past are quickly becoming true inhibitors now (Figure 15).

Figure 15: Heightened Concerns



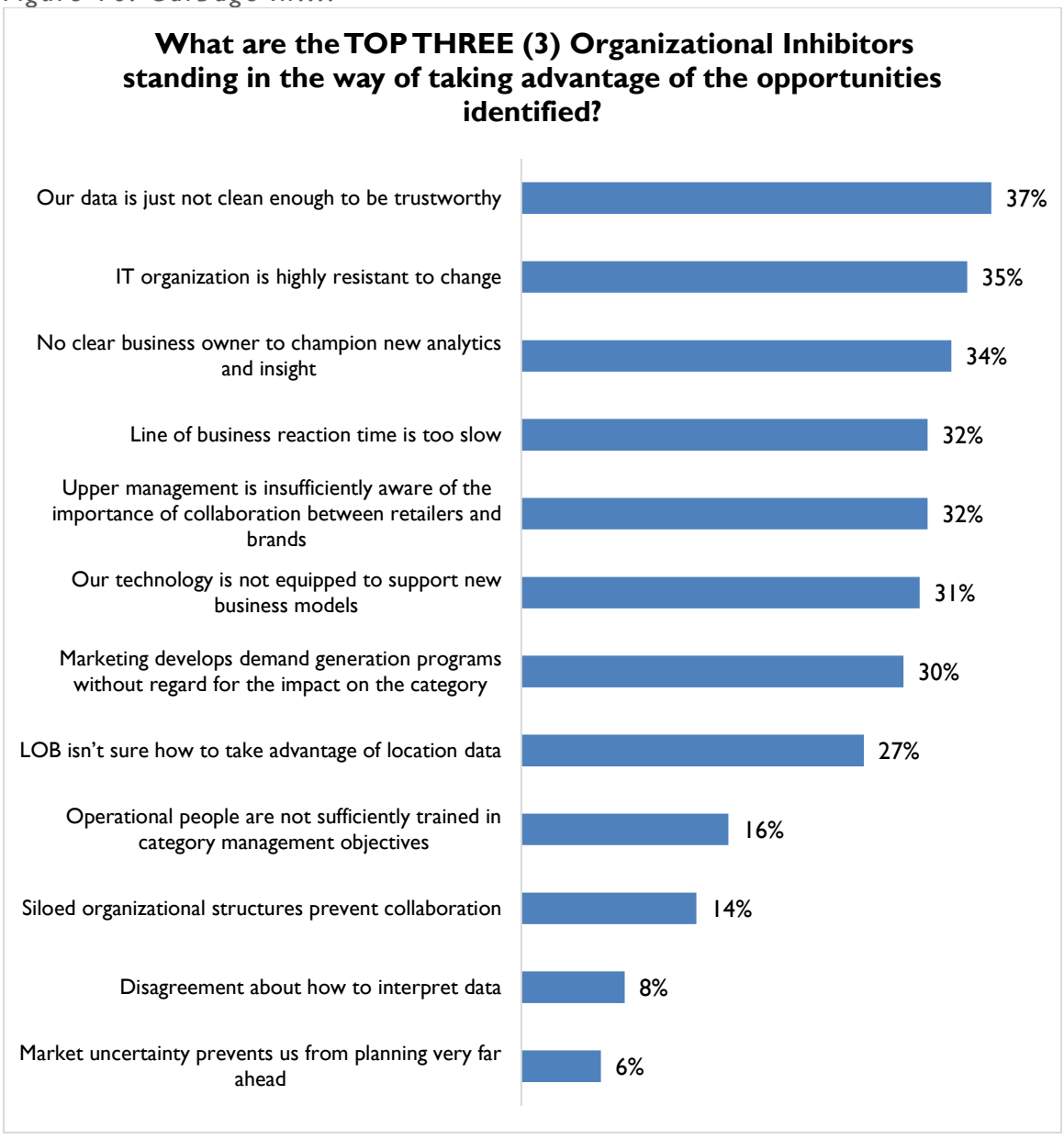
Source: RSR Research, September 2025

The question posed by these surprisingly heightened concerns is "why?". The answer to that is found in consumer facing companies' need to react much more quicky to supply chain disruptions and sudden shifts in demand. This is the underlying challenge that has triggered so much interest in achieving new levels or agility and resilience. Both retailers and CPG companies know that they are part of a value delivery ecosystem, and one cannot survive without the other's cooperation.

Dirty Data Gets In The Way Of Improved Collaboration

With so much focus on getting supply and demand cycles in better synchronization with each other, we asked our respondents to identify the reasons that the challenges don't get addressed. The top inhibitor identified is "dirty data" (Figure 16). That's a technology issue that theoretically could be solved with improvements to the transactional systems that manage that data. But the concern isn't uniformly held. In fact, CPGers are far more concerned than retailers are about the quality of the data comping from their operational systems (43% compared to 29%). Whether that is a judgement on the relative state of trading partners' operational systems is another matter – but CPGers are focused on it as an inhibitor to improving collaboration to better synchronize supply with demand.

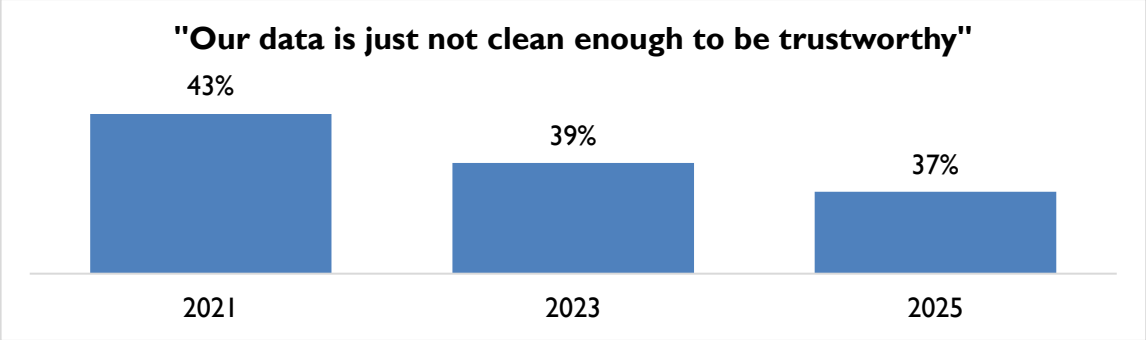
Figure 16: Garbage In….



Source: RSR Research, September 2025

The problem with "dirty" operational data isn't new but it is persistent. Over the past several years, RSR survey respondents have consistently rated it a top-three inhibitor to an improving collaboration between trading partners (Figure 17).

Figure 17: Whittling Away



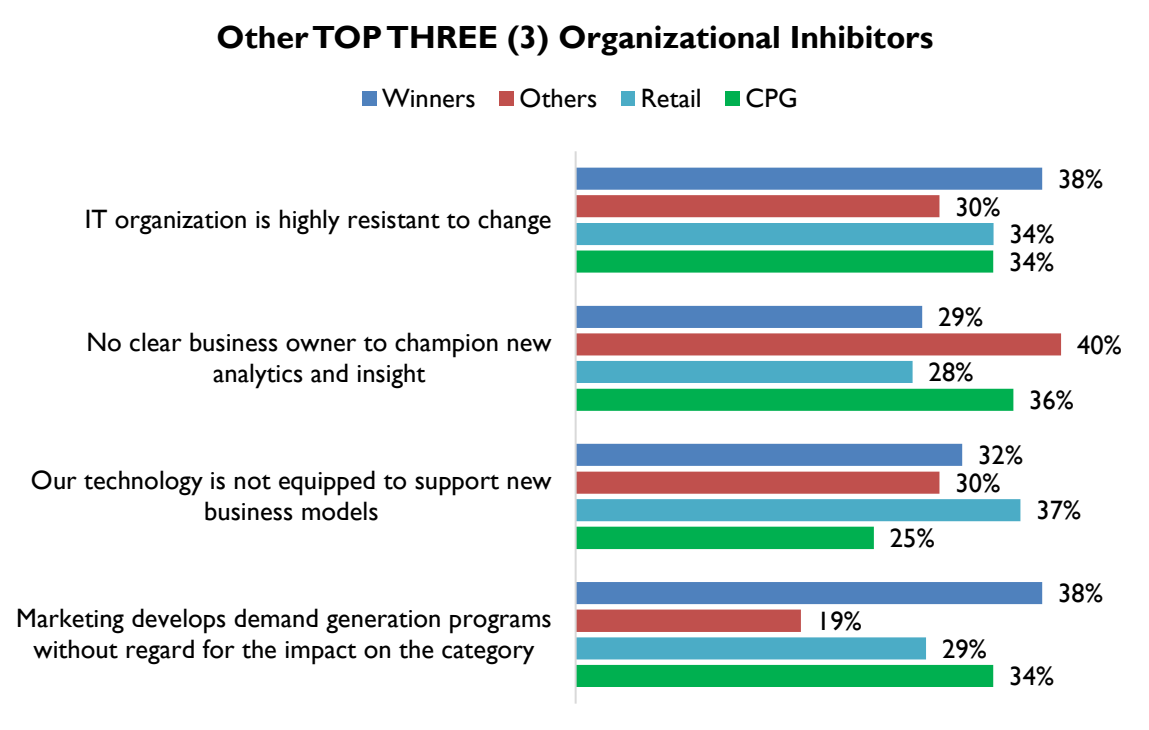
Source: RSR Research, September 2025

The fact that it's taken companies several years to reduce (but not eliminate) the problem gives some indication of how hard it is to either improve or replace core systems. Retailers and CPGers may have deferred investment in new or updated core systems, and it stands in the way of progress now.

That's Not All!

Other top inhibitors have more to do with management than with technology. "Resistance to change" and "lack of clear ownership" are perennial concerns for the industries that RSR studies, and they show up as top inhibitors here as well (Figure 18).

Figure 18: Whittling Away



Source: RSR Research, September 2025

One inhibitor – "technology" - is a consistent choice regardless of how we examine responses to our survey, whether we ask about the IT organization itself or the systems that they manage. Geo-spatial data was not much of a consideration in most legacy transactional systems simply because

it was not available. But now, especially with the growing importance of IoT ("internet of things") data and the real time visibility in both the supply chain and selling environments that IoT enables, retailers feel especially impacted by those legacy systems.

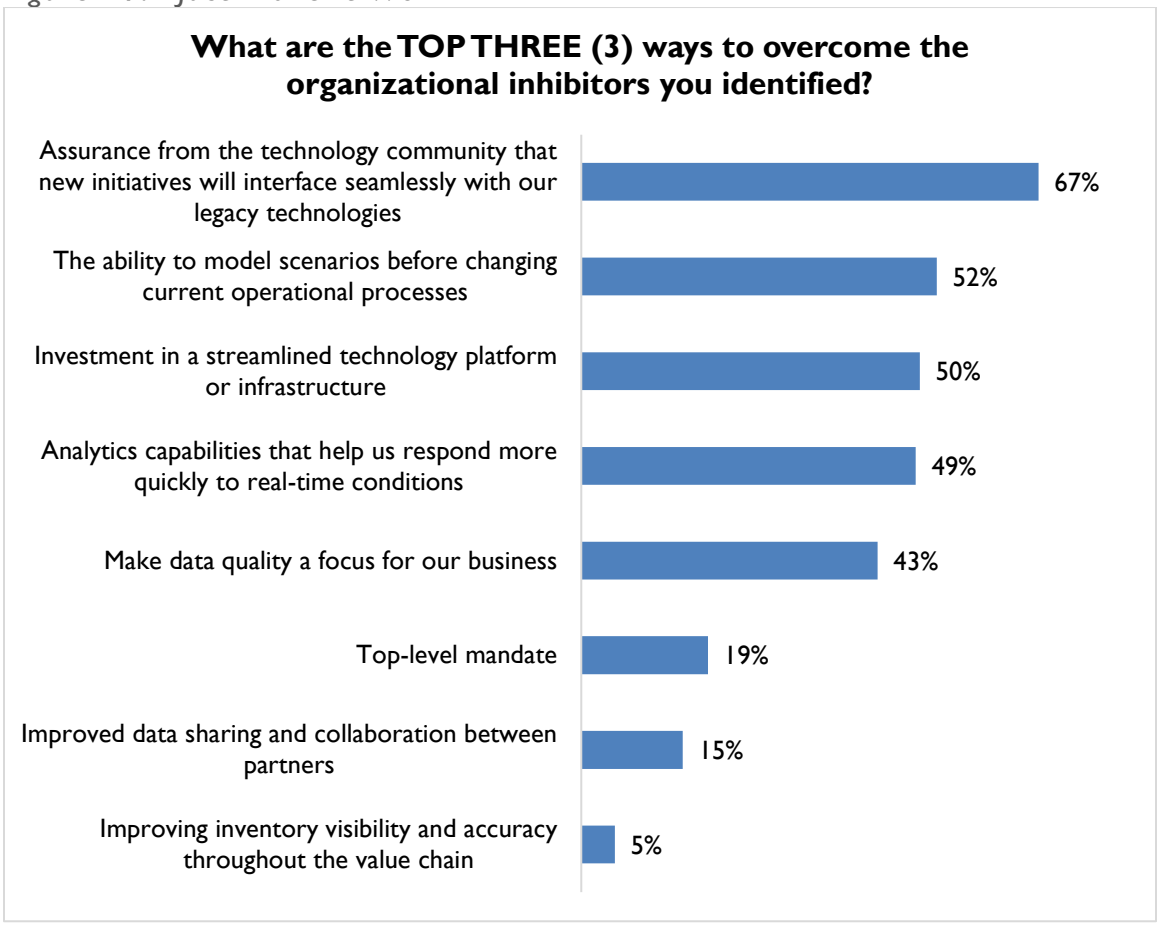
Another standout inhibitor – especially for over-performing Retail Winners – is that aggressive marketing planners don't consult with supply chain operators and suppliers before executing demand generation programs. This clearly stands in the way of more successful collaboration; while marketing planners may feel that it's easier to ask for forgiveness than permission, it creates unnecessary organizational friction.

Magical Thinking

Earlier in this report, we noted that our survey respondents hedged their bets somewhat when it comes to Line-of-Business leadership understanding the value of geo-location enabled technologies (Figure 4). In fact, only 28% of this study's respondents "strongly agreed" that this is important (another 53% "agreed"). That tepid response is reflected in how retailers and CPGers rate the importance of "top level mandate" (Figure 18). In fact, that doesn't appear to be important at all.

Instead, respondents are counting on the technology to sell itself to the organization.

Figure 19: "Just Make It Work"



Source: RSR Research, September 2025

In other words, companies “just want it to work”. But that’s “magical” thinking in our opinion. No matter how elegant and state-of-the-art a technology solution is, it requires real executive and organizational commitment to produce useful results. Leadership *must* be actively involved, providing support, resources, and guidance.

It isn’t all bad news, however: 43% of this study’s respondents rate making data quality a focus as important. But without strong executive commitment, it won’t happen.

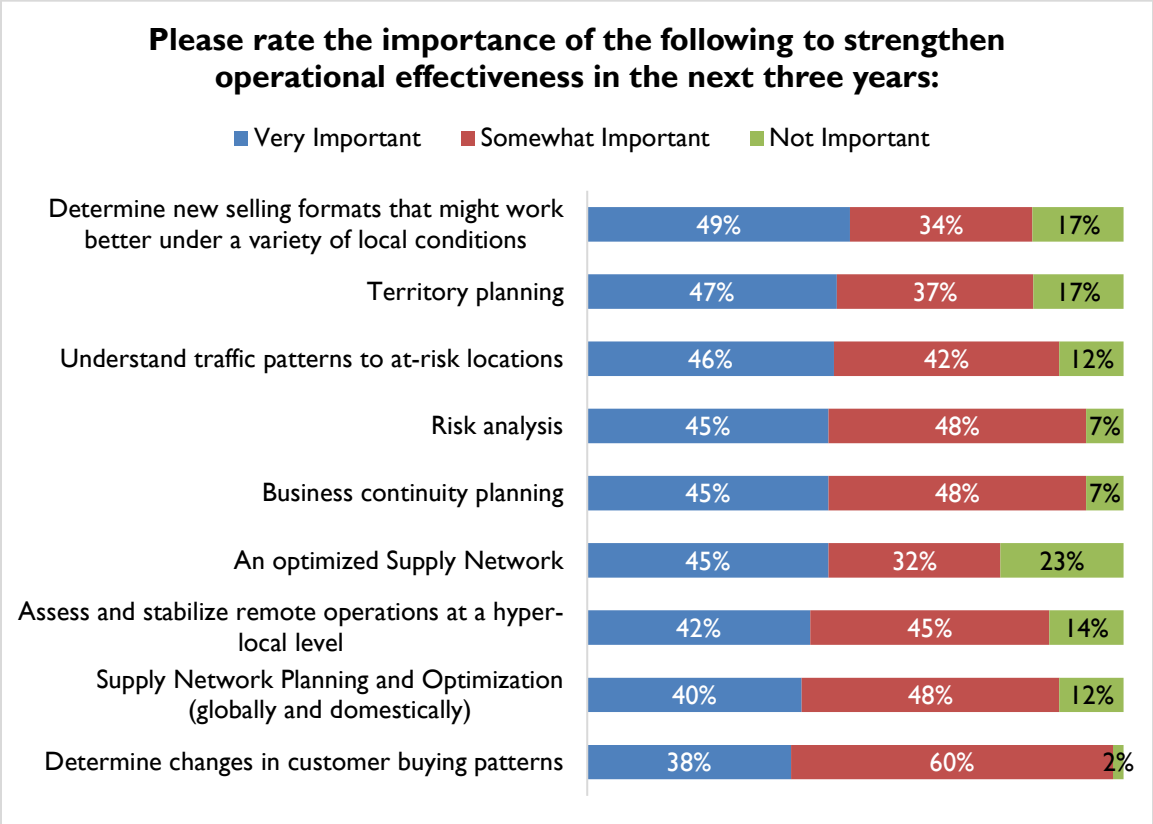
Technology Enablers

Location, Location, Location

One of the most pervasive mantras in the retail industry is that there are three rules to success: *location, location*, and *location*. Although the industry is no longer purely a physical network of warehouses, distribution centers, and selling locations, the physical location of a property remains one of the most crucial factors in determining success.

When we asked survey respondents to rate the importance for the next three years of analyses for which location data is a key factor, three of the top-five most important all are *specifically about location*, and the other two use geo-spatial insights as a key factor.

Figure 20: The Value Of Location Intelligence



Source: RSR Research, September 2025

There are a few interesting differences within these results that deserve a mention:

- When we combine "very important" and "somewhat important", "***determining changes in customer buying patterns*" goes to the top of the list of important capabilities**. This is true for both retailers (97%) and CPGers (100%). Even Winners and non-winners agree – this capability has a outsized potential to improve operational effectiveness.
- Average and under-performing companies are much more interested in using insights derived from geo-location data them to determine "new selling formats that might work" (61% compared to 40% of Winners). That explanation for that difference is self-evident: Winners are happier with their selling formats.

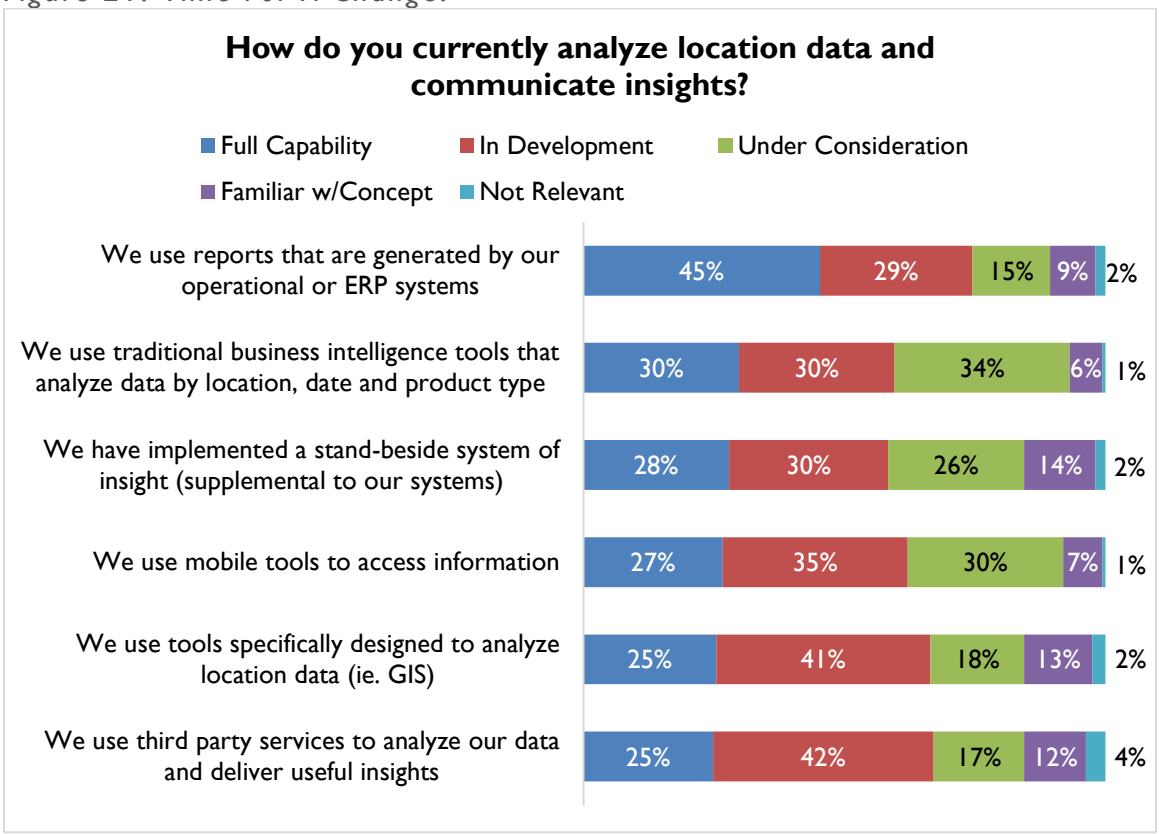
- More Winners are interested in using geo-spatial insights to develop better business continuity plans than non-Winners are (52% vs. 36%). Over-performers know that "hope isn't a strategy" and therefore take business continuity more seriously.
- More retailers want to use location information to optimize supply networks than CGPers do (50% vs. 39%). In the ecosystem that puts products into the hands of consumers, the retailer is responsible for the last phase of the journey and given the narrow margins that they must work with, merchants know that operational excellence is not merely a nice-to-have, but a mandate.

Where Do Insights Come From Today?

While both retailers and their trading partners are optimistic about how location intelligence will be used in three years, we also saw earlier in this report that "dirty data" is the top inhibitor to making that happen, as it has been for several years (Figures 16 & 17). We argued that "*retailers and CPGers may have deferred investment in new or updated core systems, and it stands in the way of progress now.*"

Figure 21 highlights the nature of that challenge. Forty-five percent of the subjects of this study report that they are currently using reports generated by their ERPs or other operational systems to deliver the insights listed in Figure 20. But 41% of those surveyed are developing capabilities using tools specifically designed to analyze location data, and 42% are starting to use 3rd party services. Interestingly, CPGers favor those approaches more than retailers do (any discussion of retailers' "not invented here" bias is beyond the scope of this study, but other RSR analyses have noted it in the past).

Figure 21: Time For A Change?



Source: RSR Research, September 2025

What we can net out from these responses is that development or adoption of analytical capabilities for geo-spatial is still relatively new to both retailers and CPGers, but even companies that are currently getting some insights from their operational systems want more.

The Value Of Agility In The Supply Chain

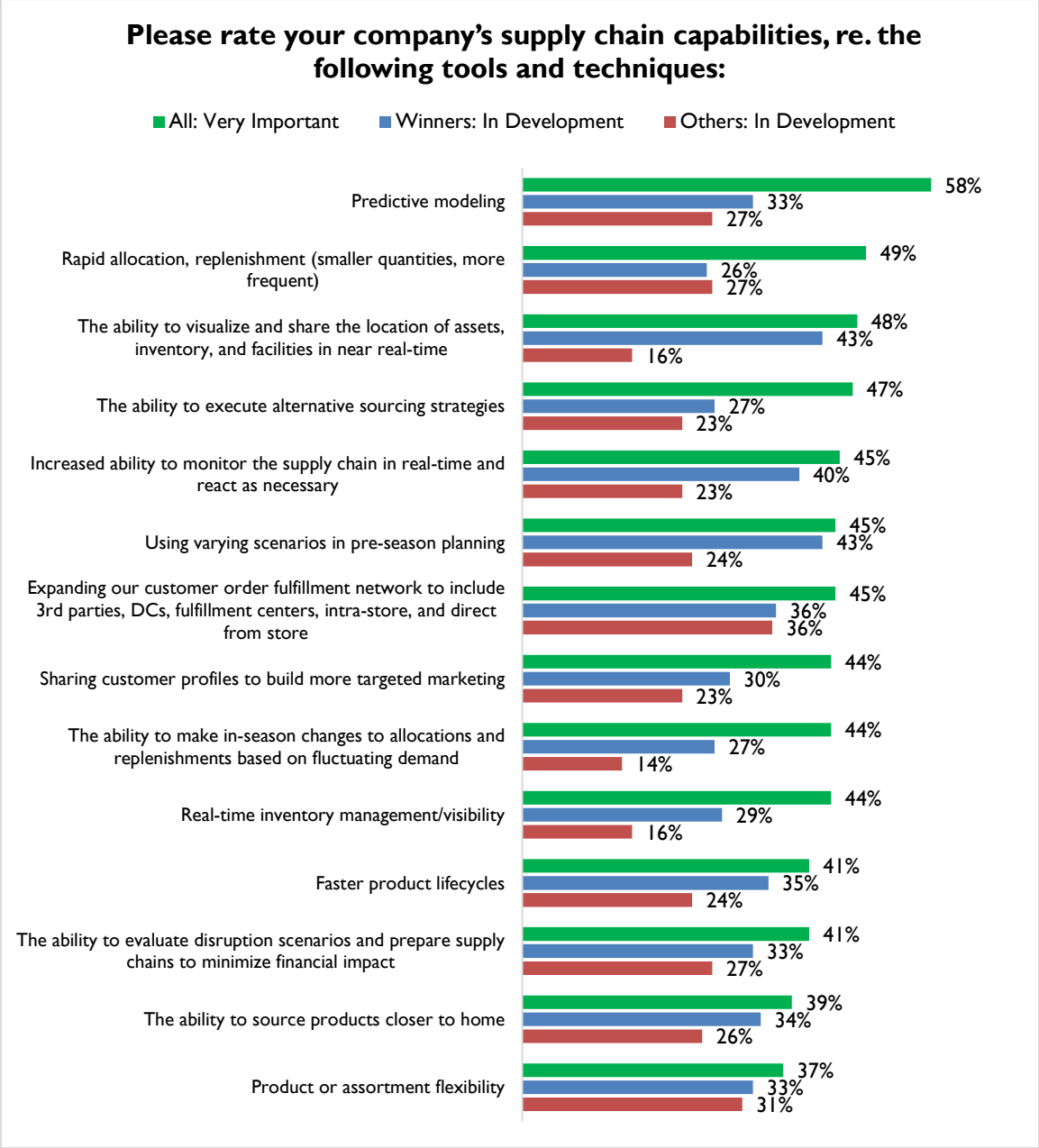
Retailers and their trading partners are moving away from planning assortments by clusters or store models (grouping stores with similar characteristics and applying a similar plan to each group) and moving towards planning by individual store/SKU. This effort is in the service of two strategic objectives:

- First, to realize the maximum return on their inventory investments by putting inventory where it is most likely to sell through at full price.
- Secondly, consumers are increasingly impatient with wading through big assortments that aren't relevant to their lifestyle needs. RSR has written extensively about this objective. In fact, in 2023 we surveyed over 1200 U.S. shoppers, and 68% agreed with the statement, "*When I shop in a store, I want to get in and out as soon as possible*". Time and money starved shoppers want relevance, and in most shopping journeys today, savvy shoppers begin making their selections in the digital domain. When they go to the store, they want to finish the shopping journey and not have to start all over.

The good news is that while such a change vastly complicates operational processes, new data and technologies are capable of making highly granular recommendations very quickly, allowing merchants to manage their supply chains *by exception.* Location intelligence plays a huge part in making that possible, as does the new generation of analytical capabilities powered by AI/ML.

Earlier, we saw that an "optimized supply network" is at least "somewhat important" to CPGers and retailers alike (Figure 20). When we look inside that topic, it's clear that businesses want to be able to model alternative supply chain scenarios, to monitor the supply chain in something approaching real time, and to be positioned to react very quickly when there are sudden changes in either supply or demand (Figure 22). This is what the "agility & resilience" agenda is all about.

Figure 22: The Agile Supply Chain



Source: RSR Research, September 2025

But while the perceived need is strong, capabilities lag for every capability that we asked about. In only two cases did more than 1/3 of CPGers report having "full capability" ("*The ability to evaluate disruption scenarios and prepare supply chains to minimize financial impact*" and "*predictive modeling*"). And for retailers, only one choice was ranked "full capability" by 1/3 or our respondents ("*Product or assortment flexibility*").

Perhaps oddest of all is the fact that while "predictive modeling" was rated the most important capability, it lags behind in development. This is especially concerning given the fact that redictive modeling makes other capabilities ("*using varying scenarios in pre-season planning", "the ability to*

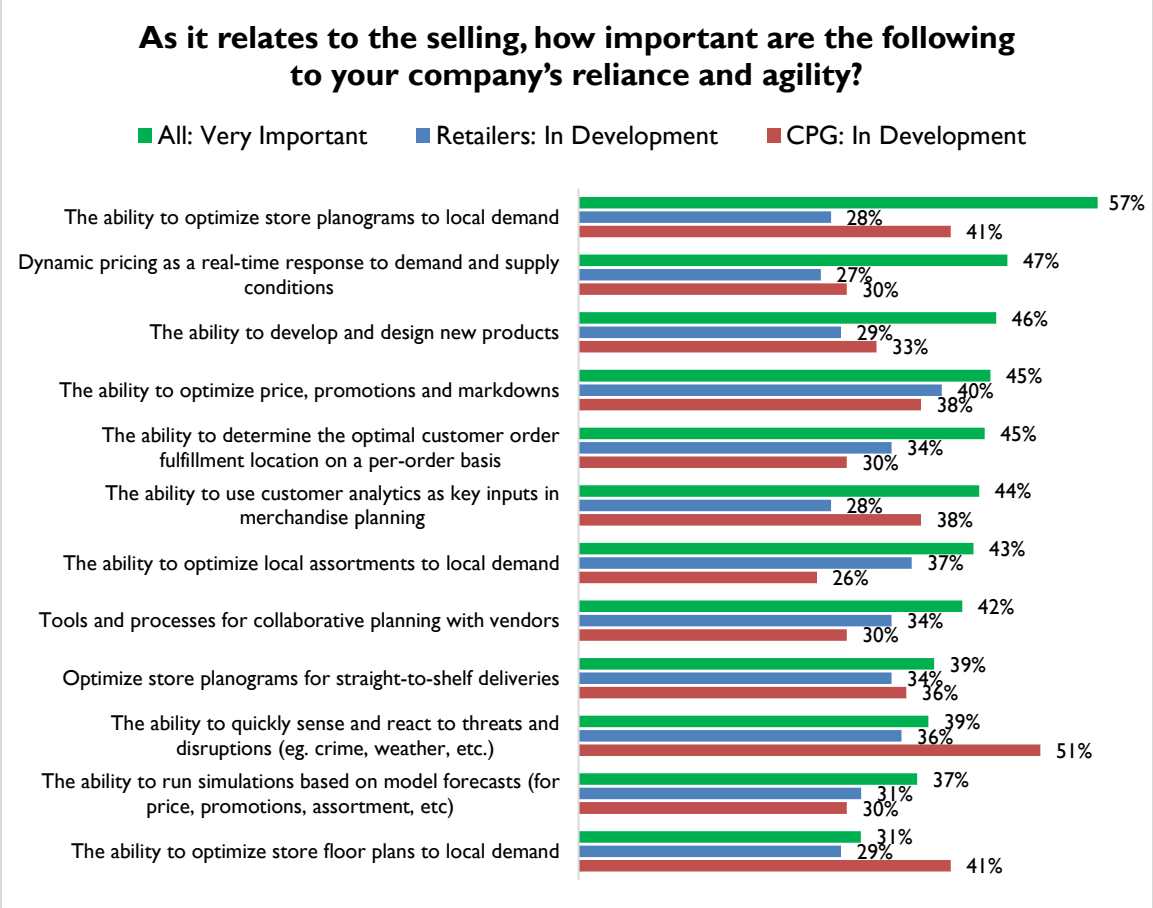
execute alternative sourcing strategies", "the ability to evaluate disruption scenarios") easier to achieve.

Businesses are investing to improve both planning and execution in the supply chain. And in almost every case, more over-performing Winners are investing now to realize the value that these capabilities promise.

The Value Of Agility In The Selling Environment

Just as we saw for the buying (supply chain) side of the ecosystem, practitioners rate the ability to plan and execute on the selling (customer-facing) side at a local level to be "very important".

Figure 23: Localization = Relevance



Source: RSR Research, September 2025

Retailers and their partners have made more progress here than in the supply chain, with two notable exceptions: *optimizing store planograms to local dem*and, and *dynamic pricing in response to supply and demand conditions*. Both capabilities are in service of the strategic objective to realize the maximum return on inventory investments.

Localized planograms are notoriously difficult to achieve, given the idiosyncrasies of store layouts from one location to another, the difficulty in mapping product shelf placements consistently, and local favorites that are not managed by centralized merchandising but still make their way to the shelf.

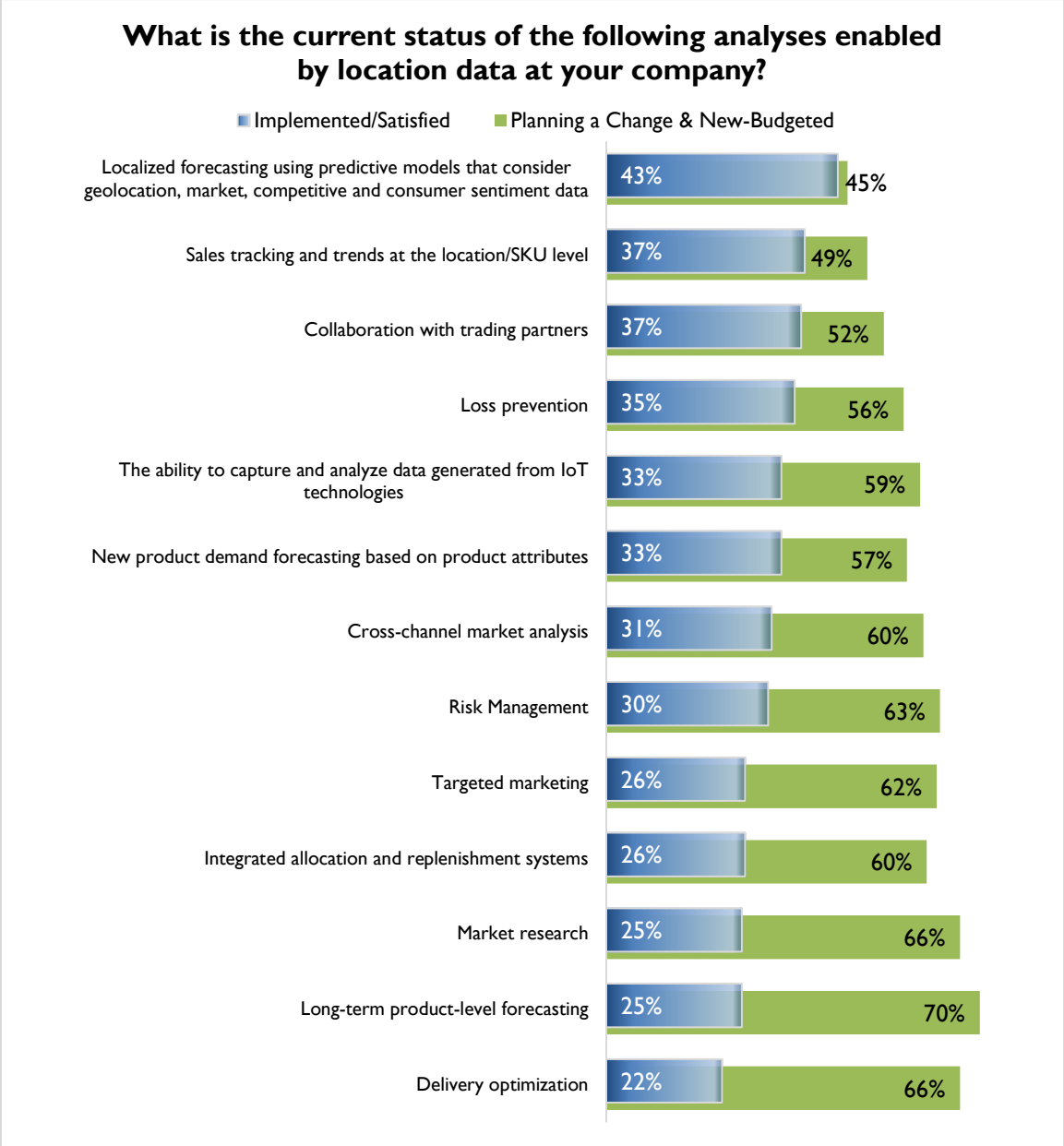
Dynamic pricing has long been a pipedream for electronic shelf label (ESL) providers because ESLs solve the operational challenge of physically having to hang new shelf labels or signage on products affected by price changes. But the world is finally catching up to ESL technology and pricing applications. Some sources suggest around 30% of major retail chains have integrated them, others indicate a larger percentage of retailers are planning installations[2]. Geo-spatial data and analysis is critical to their success.

Where the Rubber Meets The Road

In the final analysis, what companies are spending to achieve the gains promised by systems that use location data to improve both planning and execution, is the most important question. Figure 24 highlights both retail and CPG companies' big plans.

[2] Grand View Research, 2023

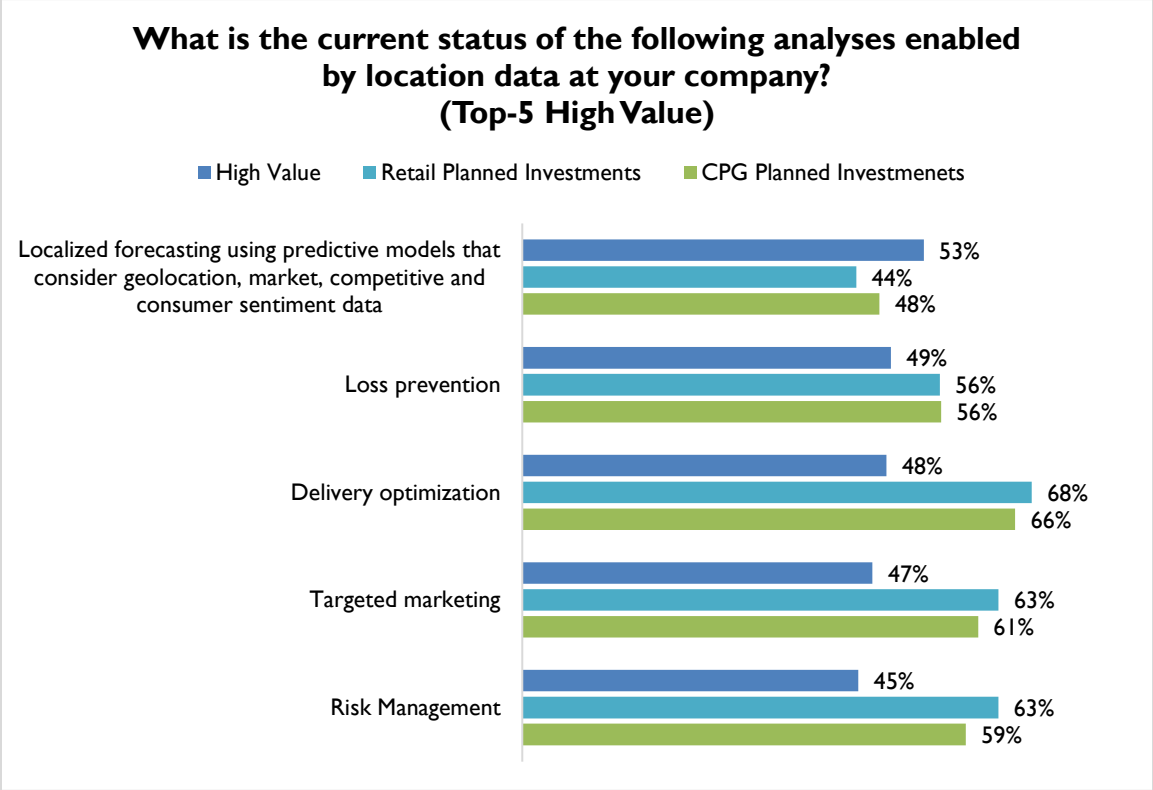
Figure 24: Big Plans



Source: RSR Research, September 2025

What is fascinating about these results is that retailers and CPGers are in remarkable agreement about their spending plans. In Figure 25, we look at the top-five most highly valued analyses to be enabled by location data:

Figure 25: Concurrence



Source: RSR Research, September 2025

These spending priorities reflect both retailers' and CPGers' desire to first address in-season challenges that affect profitability. Tops (as we've seen throughout this report) is improving predictive modeling. Of the next four top-valued capabilities, three are related maximizing profitability (*loss prevention, delivery optimization*, and *risk management*). And finally, companies are very cl/ear that they want to optimize sales generating marketing spends by targeting shoppers at the best time and place for products and services.

What It All Means

Ultimately, both retailers and their trading partners want the same thing: ***to better match supply and demand when both have dynamically changing conditions***. That means managing products to the SKU/location level – and location intelligence is a key capability to plan, and then execute, tactics that will enable that level of granularity. Retailers and CPGers both acknowledge that they must achieve new levels of collaboration to make that happen, and the means sharing what they know about supply and demand with each other. But that's a cultural change for both.

Finally, as relates to the technology: merchants in the past planned at the aggregate level because that's what systems would let them do. But systems today can examine huge datasets of unstructured non-transaction data and delivering insights back to the operational processes that could use them to make better decisions- at the local level. That is why so many companies are planning to invest. The need and the promise have caught up with each other.

BOOTstrap Recommendations

The title of RSR's 2024 benchmark on the state of location intelligence in the consumer products retail space was "**Retailers vs. Consumer Package Goods Companies: Worlds Apart?**", perhaps reinforcing the traditional "them vs. us" status quo. The fact is that consumer products manufacturers and retailers are two sides of the same system that (when it works well) effectively balances supply and demand in ways that are satisfying to consumers and profitable for the businesses that serve them.

While there is a certain amount of blurring around the edges of both enterprises (CPG companies do engage in direct-to-consumer selling, and retailers do sell their own private label equivalents of name-brand products), neither side can survive without the other. As a result, while neither party may be willing to completely let down its guard when it comes to sharing insights that would help their counterpart plan and execute more effectively, both sides now know that it is in their best interests to collaborate better than they have done in the past.

In today's world, collaboration is driven by data that enables both sides of the supply/demand continuum to respond very quickly to sudden changes in either supply or demand. And that's where location intelligence comes in: every single analysis listed in Figure 24 of this report is enabled by GIS data. Over-performing Winners in both retail and CPG know it – and they are forging ahead, intent on creating even more distance between themselves and their would-be competition. With that in mind, we offer these recommendations based on Winners' behaviors:

Know Your Customer

RSR has said this in dozens of ways: in today's world, consumers have choices, and they *will* take advantage of them. For consumers, it's all about relevance: it's not about what you want to sell them, but what, when, and where they want to buy. Not surprisingly then, the top analysis needed to drive sustainable growth is **customer analytics**. When we asked both retailers and CPGers to rate the importance of "*customer analytics as a key input in merchandise planning*", a surprising 16% of retailers and 19% of CPGers said that they had "little or no importance". The companies that are represented by those responses need to think about what business they want to be in.

Get Local

Both retailers and their trading partners have the same objective, to put merchandise in the places where it is most likely to sell at prices and quantities that the market will support. The trading partners agree that sharing **geo-location data is vital to more effective collaboration**. To what purpose? Figure 13 highlights the opportunities: *loss prevention, localized forecasting, risk management, targeted marketing, long-term product-level forecasting, delivery optimization, etc*. The list is long.

See Inside The Supply Chain

Of all the challenges that vex both retailers and CPGers, the top headache driving so much interest in agility and resilience is that "*supply chains are increasingly fragile*". Companies are looking for ways to absorb supply chain shocks in real time and recover quickly – but that takes real time visibility. More Winners in this study rate this capability highly than average and under-performers do (54% vs. 37%). **We think that capability is absolutely vital (it's what concepts like Internet-of-Things and "digital transformation" are all about) – and geo-location data is a key data element to exposing changes in the supply chain that can impact supply chain performance.**

Benchmark Your Own Company

Figure 10 in this report lists several capabilities that define what resiliency is (*the ability to match supply and demand when both have changing behaviors, to sense and react to threats…,* etc.). We suggest that companies use this list to assess their own ability to measure the company's ability to absorb unexpected changes and disruptions.

Understand That Operational/Transactional Systems Aren't Enough

Legacy systems were built to handle transactions: orders, shipments, receipts, sales, returns. They were not built to analyze and report non-transactional data like geo-location data, especially not in real time. Retailers and CPGers alike need to **look at new analytical systems that can generate new insights from new data** – including geo-spatial data.

Recognize That It Takes A Champion

In one of the more startling findings in this study, we learned that for a big percentage of both retailers and CPGers (and especially average and under-performers), there is "*no clear business owner to champion new analytics and insights*" (Figure 18), and only 19% of all respondents believe a "*top-level mandate*" is important to overcome organization resistance. We disagree – **strong leadership is essential here**. With so many potential benefits to be had better insights and improved collaboration between trading partners, it is tantamount to malfeasance to fail to act.

Appendix A: The BOOT Methodology©

The BOOT Methodology© is designed to reveal and prioritize the following:

- **Business Challenges** – Retailers of all shapes and sizes face significant **external** challenges. These issues provide a business context for the subject being discussed and drive decision-making across the enterprise.
- **Opportunities** – Every challenge brings with it a set of opportunities, or ways to change and overcome that challenge. **The ways retailers turn business challenges into opportunities often define the difference between Winners and "also-rans."** Within the BOOT, we can also identify opportunities missed – and describe leading edge models we believe drive success.
- **Organizational Inhibitors** – Even as enterprises find opportunities to overcome their external challenges, they may find **internal** organizational inhibitors that keep them from executing on their vision. Opportunities can be found to overcome these inhibitors as well. Winning Retailers understand their organizational inhibitors and find creative, effective ways to overcome them.
- **Technology Enablers** – If a company can overcome its organizational inhibitors it can use technology as an enabler to take advantage of the opportunities it identifies. Retail Winners are most adept at judiciously and effectively using these enablers, often far earlier than their peers.

A graphical depiction of the BOOT Methodology© follows:



Appendix B: About Our Sponsor



Esri provides the world's most powerful mapping and spatial analytics software. Our product, ArcGIS applies The Science of Where to connect everyone, everywhere through a common visual language. It combines mapping and analytics to reveal deeper insight into data. For Retailers ArcGiS extends the key capabilities retailers need to understand why things happen where they do. Every transaction in retail happens in a specific place for a reason. Using ArcGIS, leading retailers find hidden insights in their data, enabling them to understand their customers and their enterprise.

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Appendix C: About RSR Research



Retail Systems Research ("RSR") is the only research company run by retailers for the retail industry. RSR provides insight into business and technology challenges facing the extended retail industry, providing thought leadership and advice on navigating these challenges for specific companies and the industry at large. We do this by:

- **Identifying information** that helps retailers and their trading partners to build more efficient and profitable businesses;
- **Identifying industry issues** that solutions providers must address to be relevant in the extended retail industry;
- **Providing insight and analysis** about a broad spectrum of issues and trends in the Extended Retail Industry.

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