Location Intelligence In Retail 2025: Motion In *Motion*

RSR Benchmark Report Findings
September 2025

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Research Overview

This report is the latest in a series of benchmarks that RSR has conducted since 2017. From earlier studies, we have learned that over-performing "Retail Winners" are already leveraging clean location data, advanced analytics, and AI to drive agility, personalization, and resilience - while laggards risk falling further behind.

***Retailers** and their **CPG** trading partners know that they must embrace location intelligence + collaboration to thrive in an ever-changing dynamic market.*

What progress are retailers and their trading partners making?

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Survey Respondent Characteristics

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

- Industry:

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

- By Performance:

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

- By Vertical:

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

- By Revenue (2024):

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

Key Learnings

- **The Strategic Value Of Data:** Shoppers create vast amounts of data daily; turning it into actionable insights that are essential for growth.

- **More Market Instability Drives Greater Demand for Analytics:**
  - 88% of retailers and CPG companies say market research and planning is critical for growth over the next 3 years.
  - 98% view customer analytics as a key driver of growth.

- **Location Intelligence Makes It Possible To Optimize Value Delivery:**
  - 92% say sharing location-based insights *within* their organizations has boosted revenue.
  - *Collaboration* across partners *could i*mprove products, promotions, prices, and service - but distrust limits data sharing.

- **Winners vs. Laggards:** Top performers ("Retail Winners") better understand how geospatial intelligence, personalization, segmentation, and AI analytics will reshape retail within 36 months.

- **Data Quality Issues:** The biggest inhibitor is **dirty data** - especially concerning for CPGs. Without trustworthy data, collaboration and agility break down.
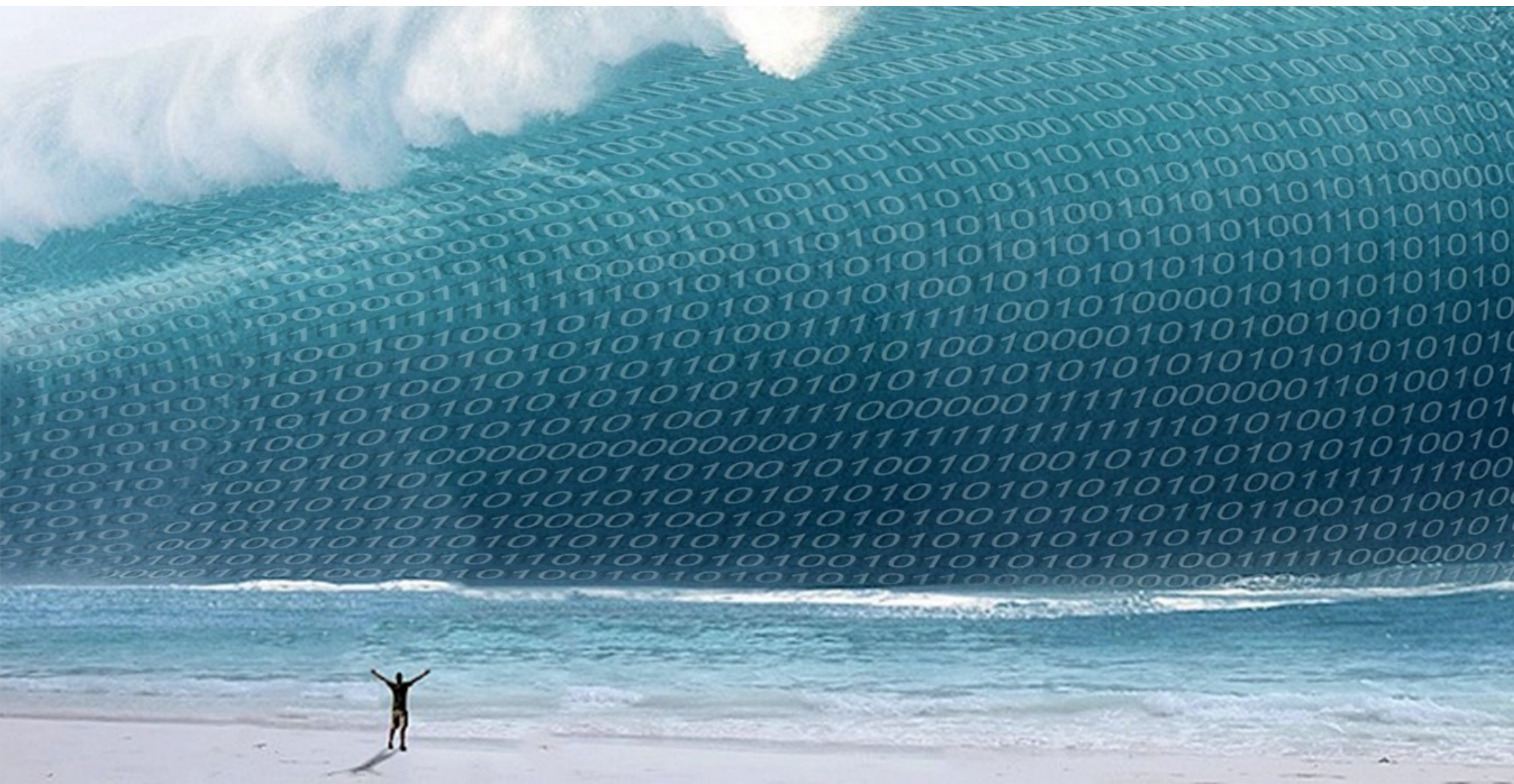
The Big Picture
Transforming A Tsunami Of Data Into Actionable Insights
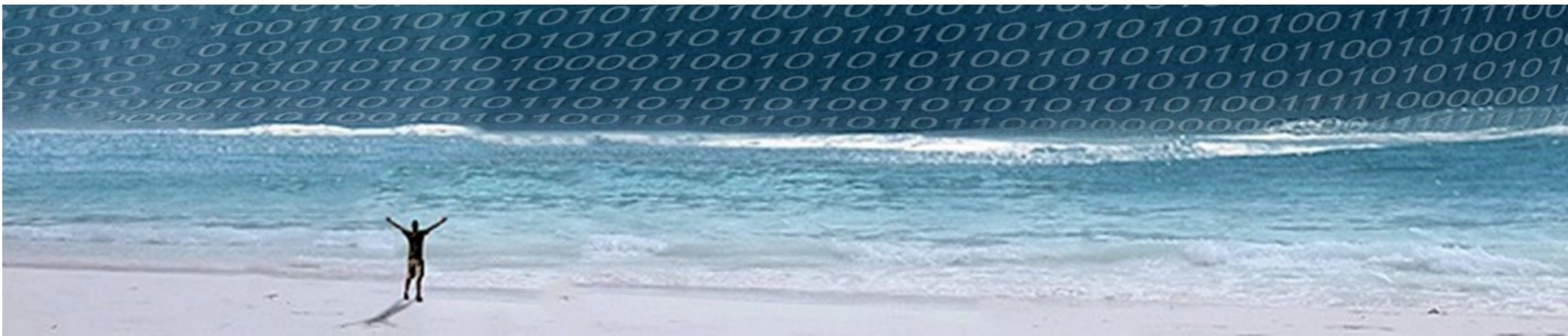
Location intelligence (and its synonyms "location awareness", "spatial data", "geospatial analysis", and "spatial awareness") is enabled by the explosion of geo-spatial data throughout industries and the new analytical tools available to draw insights from that data.

Every minute of every day, <u>shoppers</u> are creating enormous amounts of data about themselves, their habits, and their preferences. <u>Supply chains</u> can virtually "talk" to retailers, manufacturers, and shippers. Even individual <u>products</u> are capable of generating a broad range of data.

But none of that data becomes actionable if retailers and their partners can't turn the noise into actionable insights that affect operational decision making.

Market Uncertainty Underscores The Need For Actionable Insights From Analytics

2025 has been been extremely challenging for an industry that thrives on stability. Confusion permeates the market, brought on in large part by an environment of tariffs that vacillate in their scale and scope.

Retailers and CPGers both see tremendous value in infusing operational processes with insights from analytics to help them manage through the tumult as well as possible, especially with so much uncertainty on the horizon.

Please rate the importance of the following to drive sustainable growth in the next three years:

■ Very Important   ■ Somewhat Important   ■ Not Important

Category	Very Important	Somewhat Important	Not Important
Market research and planning	55%	33%	12%
Customer analytics	50%	48%	2%
The ability to adjust business plans based on rapid changes in local conditions	49%	40%	11%

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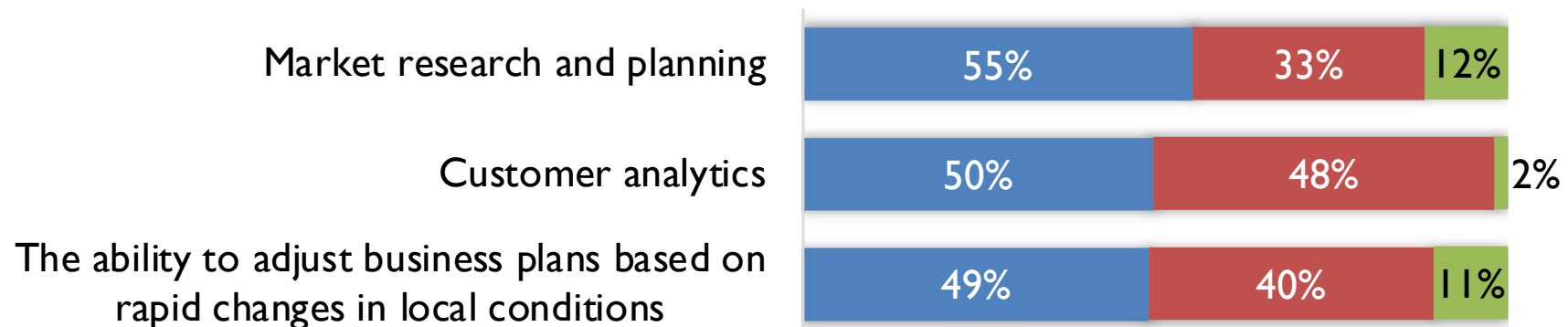
Actionable Insights Can Have A Big Impact
Retailer/Supplier Collaboration

Please rank the importance of the following category management functions:

■ Very Important ■ Somewhat Important ■ Not Important

Function	Very Important	Somewhat Important	Not Important
Develop competitive pricing plans for products	56%	35%	9%
Collaborate with partners to develop category plans that meet both supplier and retailer objectives ✓	*56%*	*42%*	2%
Collaborate with internal sales and marketing personnel to assess cause and effect of promotions and new product launches	53%	37%	11%
Ensure enough products are available to meet demand	48%	37%	14%
The ability to monitor and report local category sales results	47%	47%	7%
Analyze competitive trends	47%	45%	9%
Analyze and report on shopper insights	46%	42%	12%

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Why Now?

Because...
Trading Partners Aren't Confident About Meeting Rising Consumer Expectations!

"Strongly Agree"

■ Winners ■ Others

We are able to keep pace with changes in customer behavior
- Winners: 47%
- Others: 57%

Our processes are capable of the levels of localization that consumers are now demanding
- Winners: 42%
- Others: 26%

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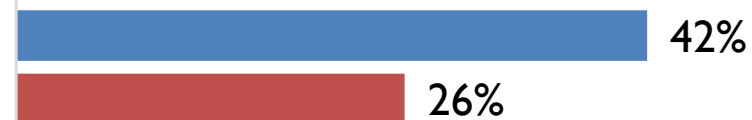
The Objective Is "Agility" And "Resiliency"

RSR defines *'**Resiliency**'* as *"the ability to respond quickly to supply chain interruptions and breakdowns". '**Agility**' is the ability to respond quickly to sudden shifts in demand.*

*Businesses want to be able to plan for 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**.*

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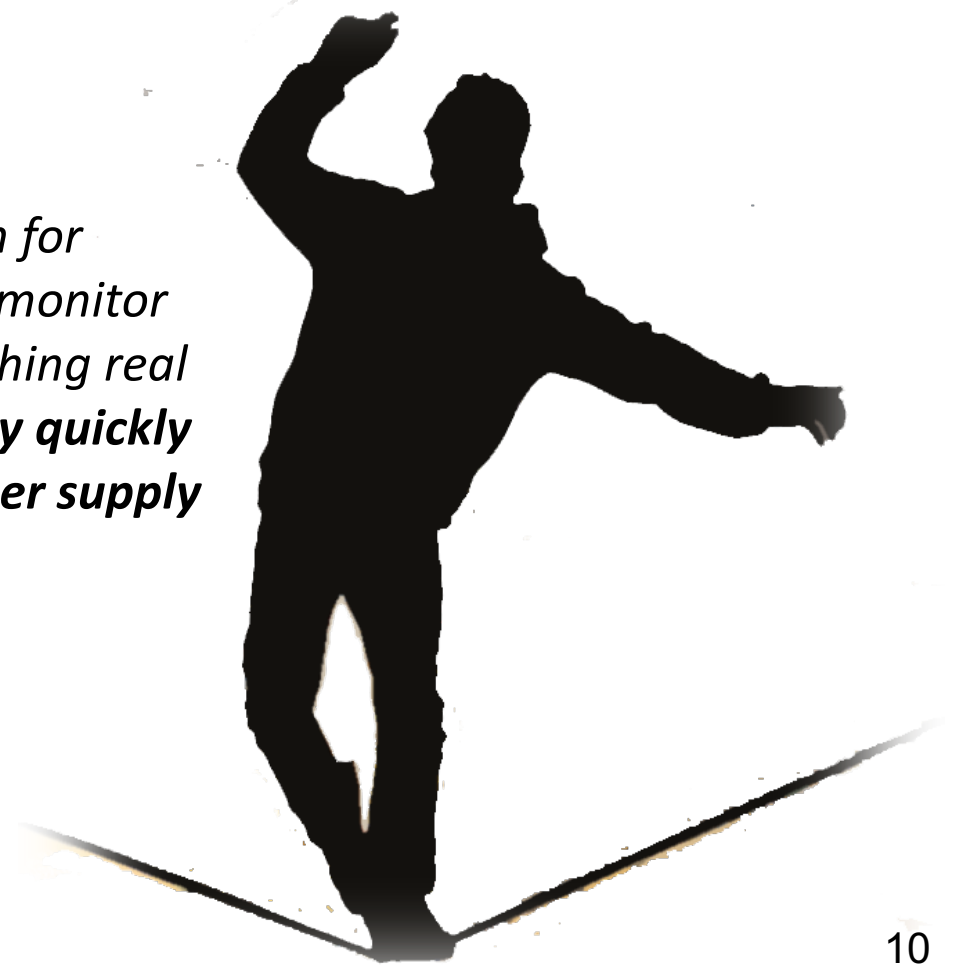
Old Concerns Yield To Necessity

(Especially For CPGers)

How important are the following to your retail success?
('Very Important')

■ Retail ■ CPG

Better coordination between demand planning and supply chain management
- Retail: 51%
- CPG: 38%

Collaborating and sharing insights with trading partners
- Retail: 49%
- CPG: 61%

Per-channel sales & profitability projections
- Retail: 39%
- CPG: 51%

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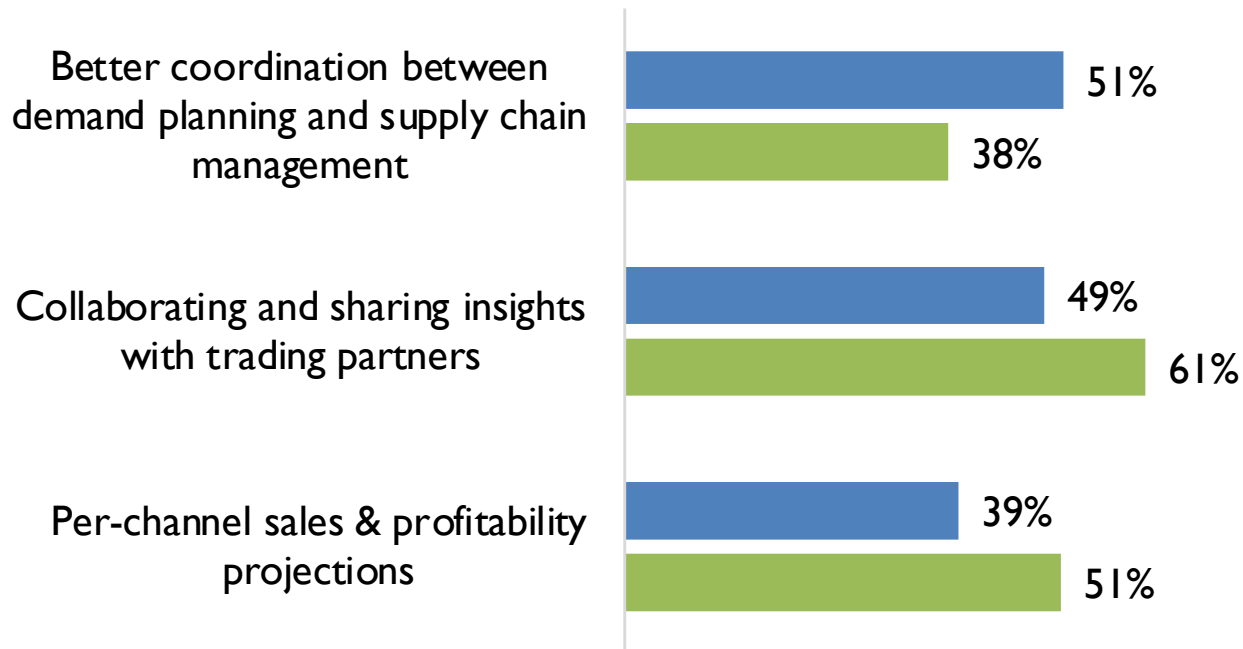
The Value Proposition Is Compelling...

Please rate your reaction to the following statements:

■ Strongly Agree   ■ Agree   ■ Disagree   ■ Strongly Disagree

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree
Sharing geospatial insights gained from customers can have /has had a positive effect on revenue	58%	25%	14%	2%
Sharing internal information (challenges, opportunities) with our trading partners can have /has had a positive effect on revenue	42%	39%	19%	1%
Sharing geospatial insights allows us to collaborate more effectively with partners	31%	61%	7%	0%
Line of Business executives need a better understanding of the value of geolocation-enabled technologies	28%	53%	17%	2%

Retailers and CPGers know the power geolocation intelligence creates... and appear to be overcoming their historical unwillingness to share data.

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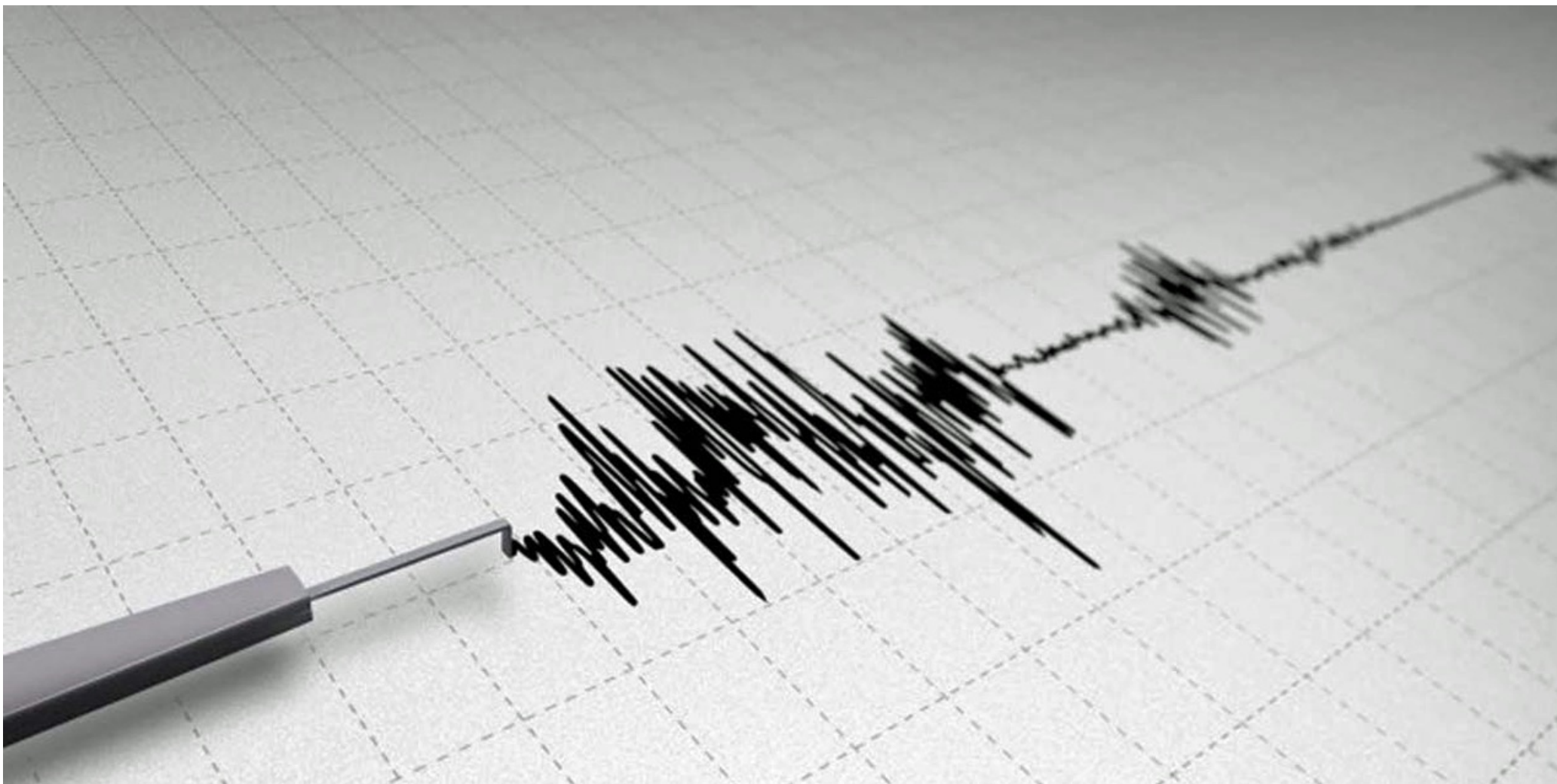
Business Challenges

Market Volatility Drives The Need For Resiliency & Agility

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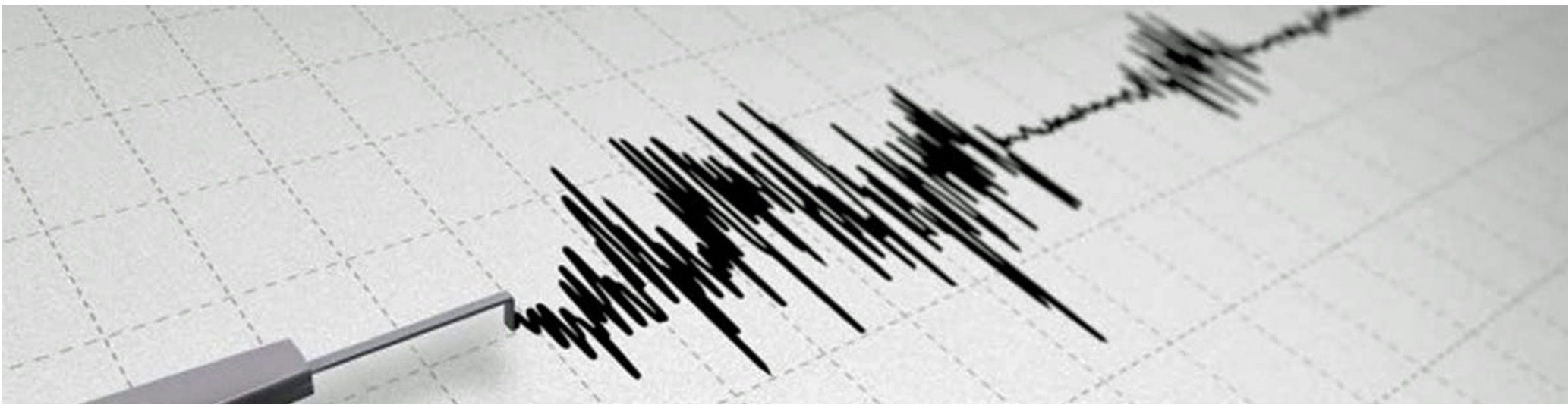
Summary Of Key Business Challenges:

- Fragile supply chains and volatile trade conditions

- Dynamic and unpredictable consumer behavior

- Pressure to build **agility** (fast response)
  and **resilience** (sustained adaptability)

Both Retailers & CPG Companies Worry About Supply Issues; Winners Stay Focused On Consumer Behaviors

What are the TOP THREE (3) Business Challenges as it relates to agility and resilience?

■ Winners   ■ Others

Challenge	Winners	Others
Supply chains are increasingly fragile	40%	40%
The international trade environment is highly volatile	33%	39%
Customer behavior is dynamic and unpredictable	40%	27%
Adverse weather events can interrupt supply	34%	31%
The cost of bringing goods to market fluctuates wildly	29%	34%

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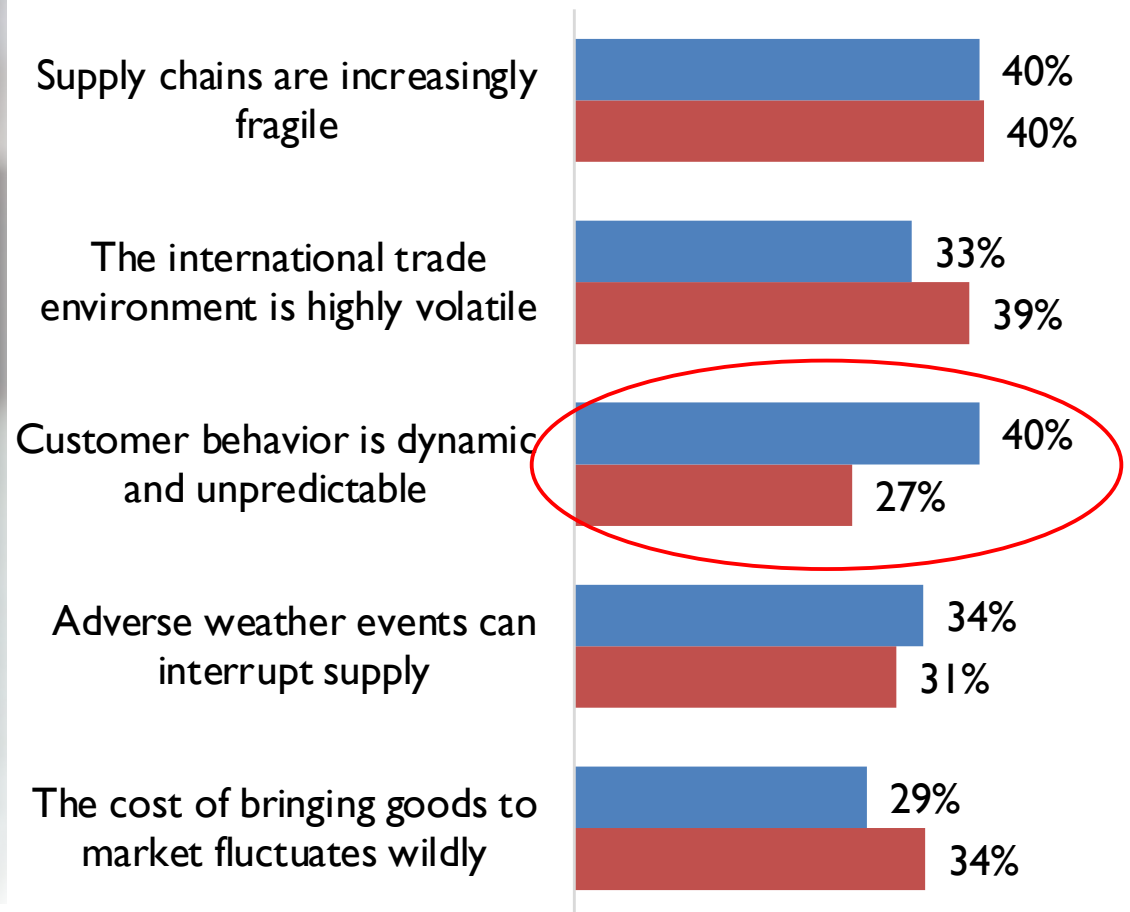
More Winners See Supply Chain 'Resiliency' As A Strategic Objective

How does each statement aligns with your company's definition of resiliency: "Resiliency is the ability …. "

('Very Much')

■ Winners ■ Others

Statement	Winners	Others
To absorb supply chain shocks and quickly recover	54%	37%
For our technology assets to respond well to changing conditions in the marketplace	51%	36%
To weather fluctuations in costs of goods	45%	36%

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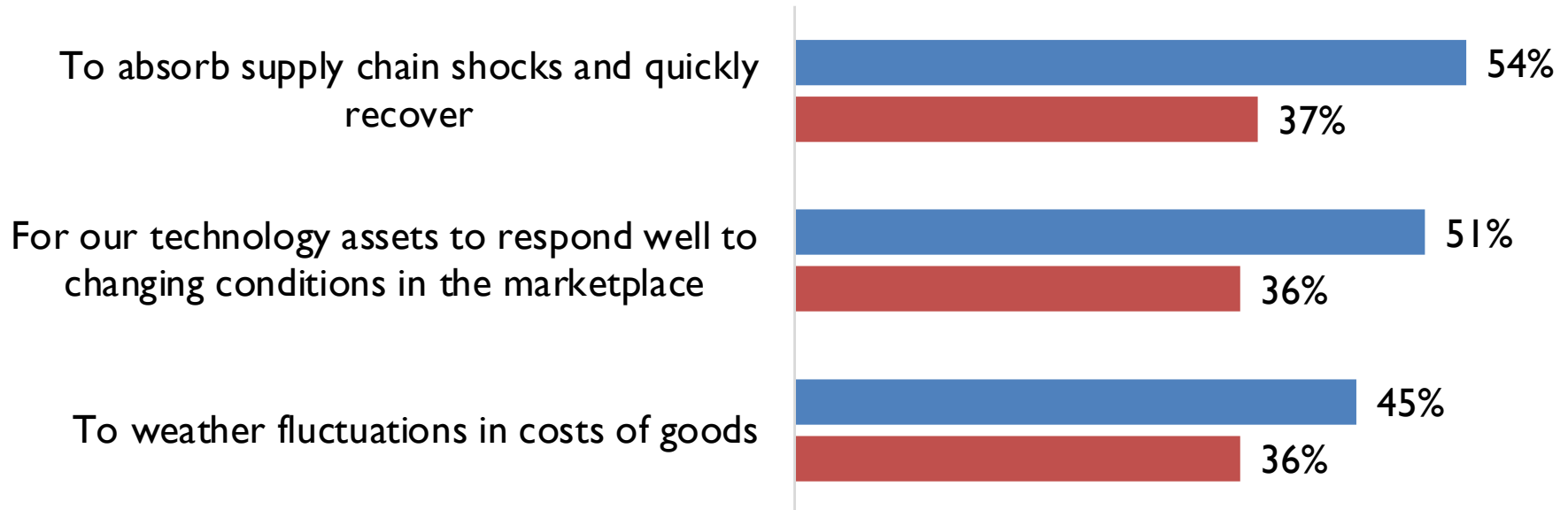
The Quest For 'Agility': Retailers & CPGers Seek Tighter Alignment Between Real Demand & Supply

"Agility is the ability ....

■ Very Much　　■ Somewhat　　■ Not at All

	Very Much	Somewhat	Not at All
To find alternate sources for the products we sell	50%	37%	13%
To take advantage of new technologies as they become available	48%	38%	14%
To accommodate shoppers' ever-changing paths to purchase	48%	40%	11%
To match supply and demand when both have changing dynamics	48%	49%	3%
To effectively compete with new competition as it arises	47%	39%	14%
To sense and react to threats and potential disruptions throughout the enterprise	44%	47%	9%
To realign our organization to meet new operational demands	40%	45%	15%

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Opportunities

Coordination, Collaboration, & Tech

Summary Of Opportunities

- **Pricing First:** Getting price right remains the #1 success factor; **collaboration** with partners ranks just behind.

- **Location Data Value:** Nearly all respondents see high value in using **geospatial insights** for:
  - Inventory optimization
  - Risk management & loss prevention
  - Targeted marketing
  - Delivery optimization & forecasting

  Winners *view location intelligence as essential for risk mitigation, cross-channel behavior analysis, and loss prevention*

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Get Prices Right... Then, Collaborate On Almost Everything Else

How important are the following to your retail success?

■ Very Important   ■ Somewhat Important   ■ Little or No Importance

	Very Important	Somewhat Important	Little or No Importance
Optimization technologies for price, promotions and/or markdowns	55%	35%	11%
Collaborating and sharing insights with trading partners	53%	37%	10%
Localized space planning/optimization	49%	44%	7%
Retail forecasting (demand forecasting, forecasting for replenishment, etc.)	47%	38%	16%
Better coordination between demand planning and supply chain management	46%	41%	13%
Customer analytics as a key input in merchandise planning	45%	37%	18%
Tools and processes for collaborative planning	44%	43%	12%
Per-channel sales & profitability projections	43%	42%	14%
The ability to run simulations based on model forecasts (for price, promotions, assortment, etc)	43%	45%	11%
Dynamic pricing as a real-time response to demand and supply conditions	43%	35%	22%
Localized assortments	37%	58%	5%
Protecting assets & people	35%	58%	7%

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"*Location, Location, Location*" Has A Whole New Meaning

How much value is there in using location data to achieve the following:

Legend: ■ High Value ■ Some Value ■ Little/No Value

Category	High Value	Some Value	Little/No Value
Improved profitability from omnichannel opportunities	59%	29%	12%
The ability to track products throughout the enterprise	49%	43%	8%
A more localized understanding of customer preferences	49%	37%	14%
Provide associates more tools to engage with customers in their shopping journeys	47%	43%	10%
To be able to track assets throughout the enterprise	46%	47%	7%
Optimized return on inventory investment – better inventory balance	46%	51%	3%
Optimized store layouts to better meet localized needs	44%	43%	12%
A faster, more efficient supply chain	42%	40%	17%
Measuring the effectiveness of physical product placement in stores	33%	47%	20%

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Often Ignored – But As Important As Improving Agility & Resiliency…

'High Value' Applications For Location Intelligence

■ Winners ■ Others

Loss prevention
- Winners: 54%
- Others: 43%

Risk Management
- Winners: 49%
- Others: 39%
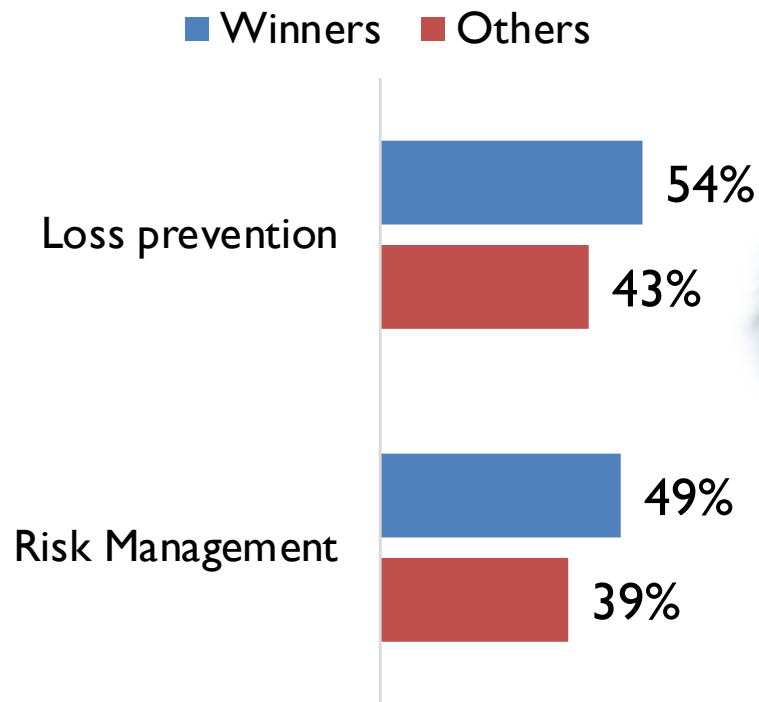
Winners have a greater understanding of how valuable location intelligence can be when combatting theft. This knowledge goes hand in hand with the heightened perceived value in using location-based signals for risk mitigation purposes.

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Organizational Inhibitors

What Stands In The Way
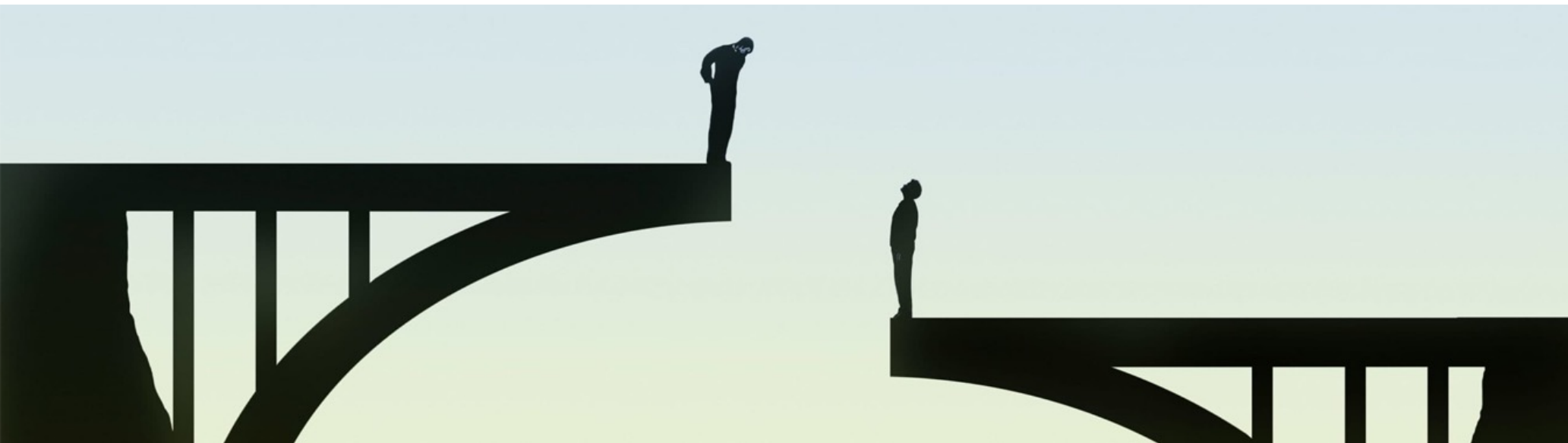
Key Inhibitors To Addressing Challenges & Opportunities

- Dirty data and outdated transactional systems
- Lack of clear leadership ownership for analytics
- Resistance to change and siloed structures

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Heightened Concerns

Looking at how retailers and CPGers rate operational challenges related to getting products to the marketplace YoY, it is clear that what might have been manageable issues in the past are quickly becoming true inhibitors now.

Top Operational Challenges Related To Retailer/Vendor Collaboration

■ 2023/24   ■ 2025

Challenge	2023/24	2025
Difficulty syncing category plans with product procurement	19%	49%
More localized plans undercut procurement's ability to get the best cost of goods	23%	43%
Finding alternative sources when disruptions occur	28%	43%
Difficulty planning around multiple sources of demand (stores, eCom, marketplaces)	24%	40%
Planograms are imprecise, affecting allocations and replenishments	11%	34%

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Stumbling Blocks: A Trifecta Of Dirty Data, Old Tech, & Organizational Issues

What are the TOP THREE (3) Organizational Inhibitors standing in the way of taking advantage of the opportunities identified?

Inhibitor	Percentage
Our data is just not clean enough to be trustworthy	37%
IT organization is highly resistant to change	35%
No clear business owner to champion new analytics and insight	34%
Line of business reaction time is too slow	32%
Upper management is insufficiently aware of the importance of collaboration between retailers and brands	32%
Our technology is not equipped to support new business models	31%

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Companies Have Been Steadily Working To Clean Up 'Dirty Data'

"Our data is just not clean enough to be trustworthy"

43%

39%

37%

2021   **2023**   **2025**

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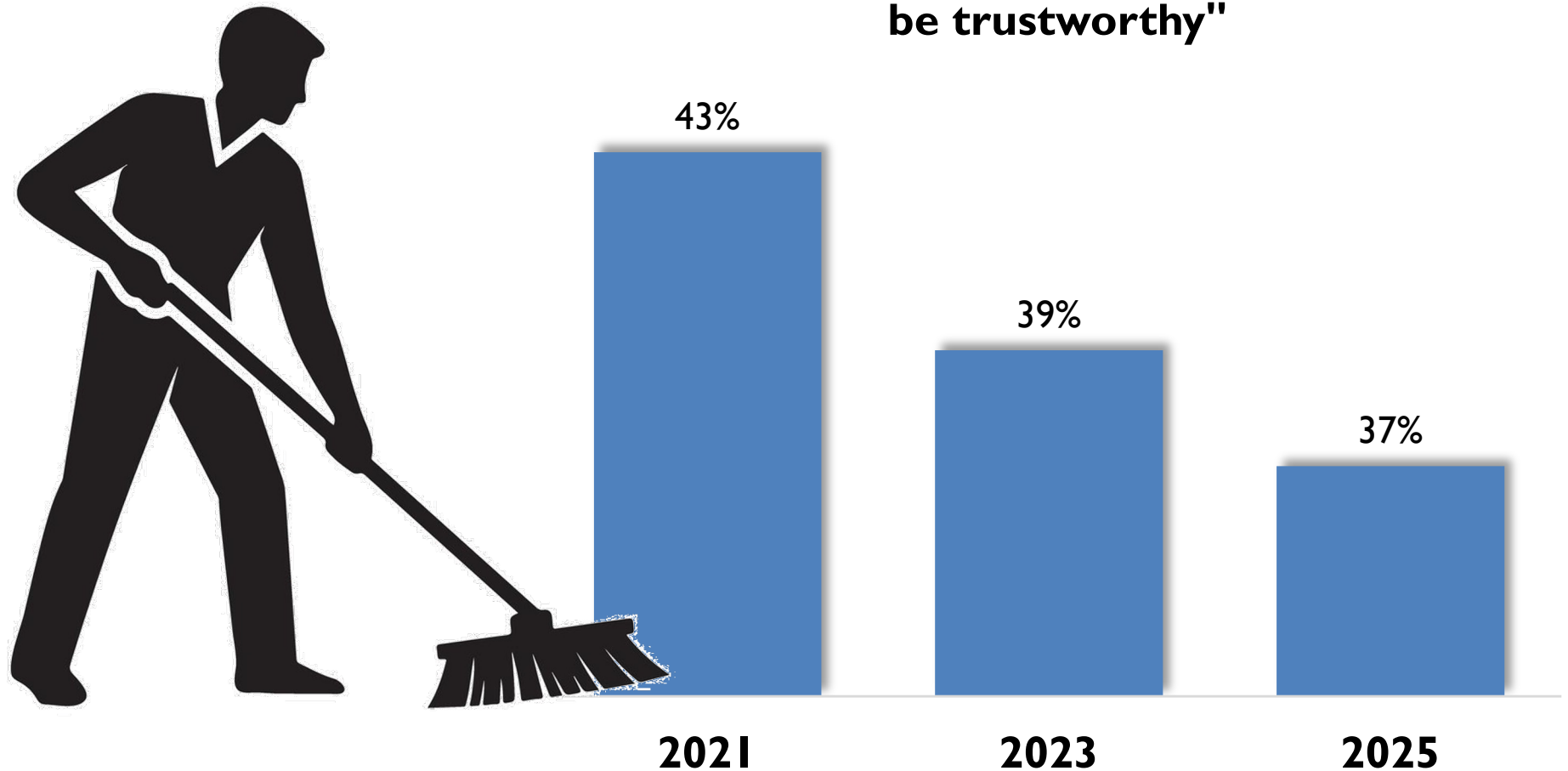
Getting Past Inhibitors: A Little "Magical Thinking"- Followed By Pragmatic Action Items

What are the TOP THREE (3) ways to overcome the organizational inhibitors you identified?

Assurance from the technology community that new initiatives will interface seamlessly with our legacy technologies	67%
The ability to model scenarios before changing current operational processes	52%
Investment in a streamlined technology platform or infrastructure	50%
Analytics capabilities that help us respond more quickly to real-time conditions	49%
Make data quality a focus for our business	43%

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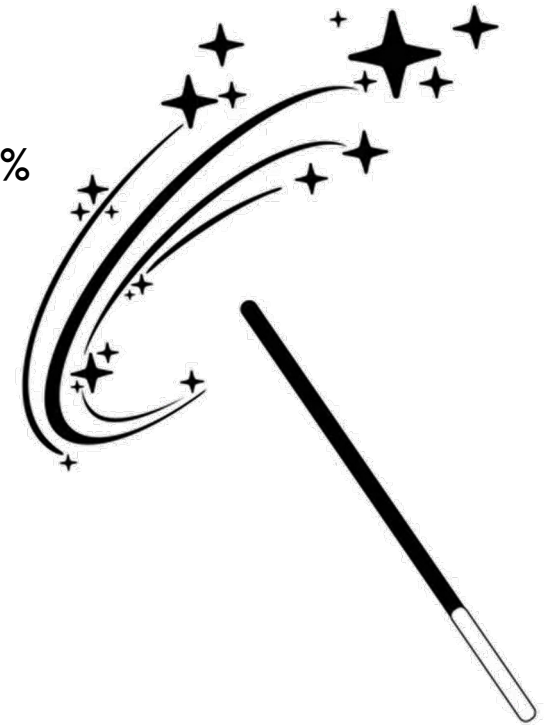
Technology Enablers

Location, Location, Location

Summary Of Technology Enablers

- Location intelligence (GIS, IoT, AI/ML) enables:
    - Optimized supply networks
    - Store-level/SKU-level planning
    - Dynamic pricing and localized assortments

- Companies want real-time visibility and predictive modeling, but adoption lags behind the perceived importance.

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Location Intelligence Is Fast Becoming A Key Factor In Corporate Planning

Please rate the importance of the following to strengthen operational effectiveness in the next three years:

Legend: ■ Very Important ■ Somewhat Important ■ Not Important

	Very Important	Somewhat Important	Not Important
Determine new selling formats that might work better under a variety of local conditions	49%	34%	17%
Territory planning	47%	37%	17%
Understand traffic patterns to at-risk locations	46%	42%	12%
Risk analysis	45%	48%	7%
Business continuity planning	45%	48%	7%
An optimized Supply Network	45%	32%	23%
Assess and stabilize remote operations at a hyper-local level	42%	45%	14%
Supply Network Planning and Optimization (globally and domestically)	40%	48%	12%
Determine changes in customer buying patterns	38%	60%	2%

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Deferred Investments In New Or Updated Core Systems Stand In The Way Of Progress Now

How do you currently analyze location data and communicate insights?

Legend:
- ■ Full Capability
- ■ In Development
- ■ Under Consideration
- ■ Familiar w/Concept
- ■ Not Relevant

Question	Full Capability	In Development	Under Consideration	Familiar w/Concept	Not Relevant
We use reports that are generated by our operational or ERP systems	45%	29%	15%	9%	2%
We use traditional business intelligence tools that analyze data by location, date and product type	30%	30%	34%	6%	1%
We have implemented a stand-beside system of insight (supplemental to our systems)	28%	30%	26%	14%	2%
We use mobile tools to access information	27%	35%	30%	7%	1%
We use tools specifically designed to analyze location data (ie. GIS)	25%	41%	18%	13%	2%
We use third party services to analyze our data and deliver useful insights	25%	42%	17%	12%	4%

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Retailers & CPG Companies Are Planning Investment In Similar Areas

What is the current status of the following analyses enabled by location data at your company? (Top-5 High Value)

■ High Value   ■ Retail Planned Investments   ■ CPG Planned Investmenets

Category	High Value	Retail Planned Investments	CPG Planned Investmenets
Localized forecasting using predictive models that consider geolocation, market, competitive and consumer sentiment data	53%	44%	48%
Loss prevention	49%	56%	56%
Delivery optimization	48%	68%	66%
Targeted marketing	47%	63%	61%
Risk Management	45%	63%	59%

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In The Supply Chain: Seeking Resiliency

As it relates to the supply chain, how important are the following to your company's resilience and agility?

■ Very Important   ■ In Development

	Very Important	In Development
Predictive modeling	58%	34%
Rapid allocation, replenishment (smaller quantities, more frequent)	49%	27%
The ability to visualize and share the location of assets, inventory, and facilities in near real-…	48%	42%
The ability to execute alternative sourcing strategies	47%	32%
Increased ability to monitor the supply chain in real-time and react as necessary	45%	37%
Using varying scenarios in pre-season planning	45%	39%
Expanding our customer order fulfillment network to include 3rd parties, DCs, fulfillment…	45%	29%
Sharing customer profiles to build more targeted marketing	44%	35%
The ability to make in-season changes to allocations and replenishments based on fluctuating…	44%	33%
Real-time inventory management/visibility	44%	30%
Faster product lifecycles	41%	34%
The ability to evaluate disruption scenarios and prepare supply chains to minimize financial…	41%	34%
The ability to source products closer to home	39%	35%
Product or assortment flexibility	37%	32%

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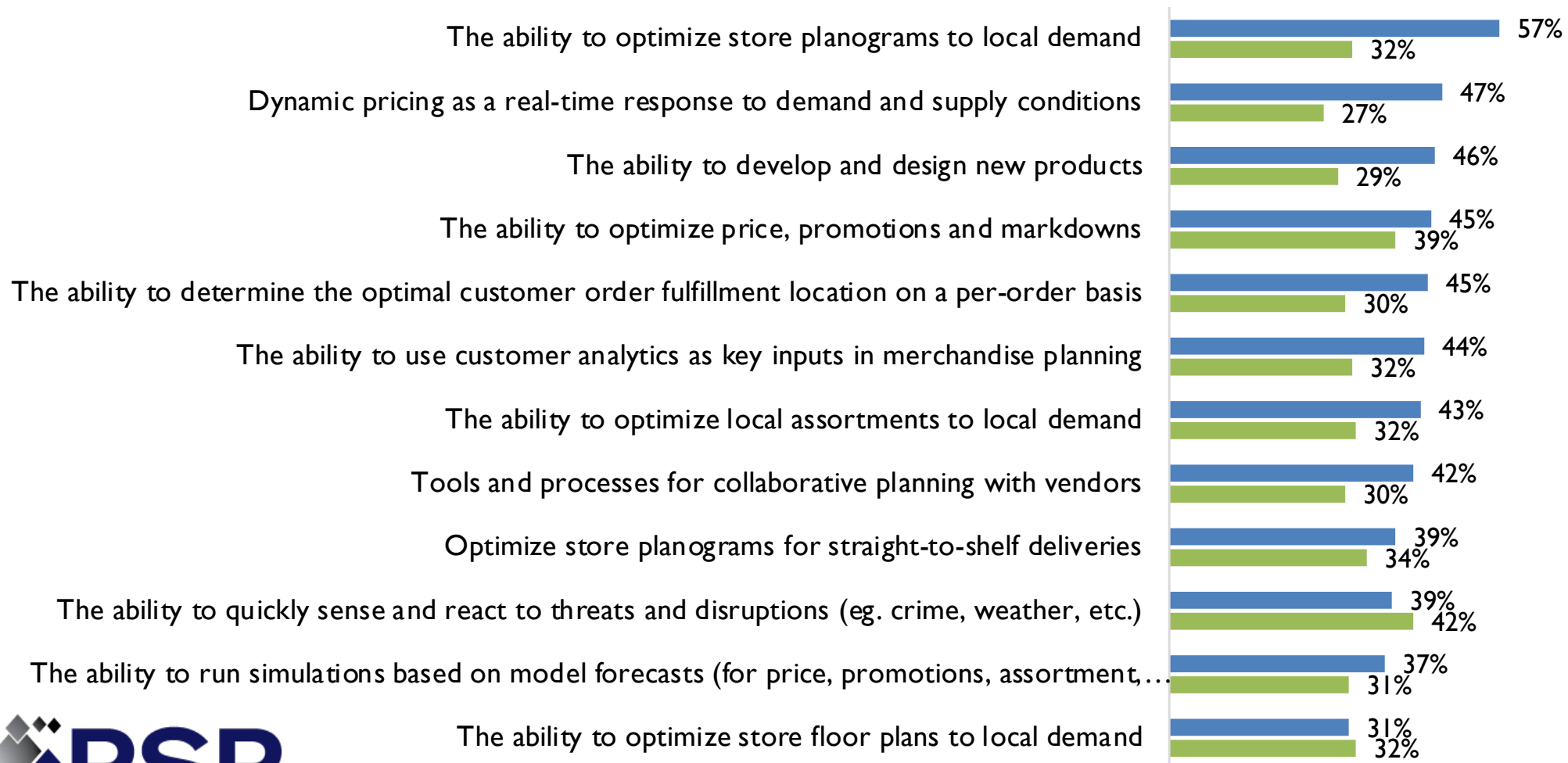
In The Selling Environment: Seeking Agility

As it relates to the selling environment (Store, eCommerce, Direct-to-consumer), how important are the following to your company's resiliency and agility?

■ Very Important ■ In Development

	Very Important	In Development
The ability to optimize store planograms to local demand	57%	32%
Dynamic pricing as a real-time response to demand and supply conditions	47%	27%
The ability to develop and design new products	46%	29%
The ability to optimize price, promotions and markdowns	45%	39%
The ability to determine the optimal customer order fulfillment location on a per-order basis	45%	30%
The ability to use customer analytics as key inputs in merchandise planning	44%	32%
The ability to optimize local assortments to local demand	43%	32%
Tools and processes for collaborative planning with vendors	42%	30%
Optimize store planograms for straight-to-shelf deliveries	39%	34%
The ability to quickly sense and react to threats and disruptions (eg. crime, weather, etc.)	39%	42%
The ability to run simulations based on model forecasts (for price, promotions, assortment,…)	37%	31%
The ability to optimize store floor plans to local demand	31%	32%

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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.

Both Retailers and their CPG partners now know that it is in their best interests to collaborate better than they have done in the past.

RSR's Recommendations

- **Know Your Customer** – invest in analytics for relevance.

- **Get Local** – use geospatial data for pricing, risk management, and forecasting.

- **See Inside the Supply Chain** – build real-time visibility to absorb shocks.

- **Benchmark Your Company** – measure resilience capabilities.

- **Upgrade Beyond Transactional Systems** – invest in analytics platforms for geospatial and unstructured data.

- **Appoint a Champion** – leadership commitment is essential for progress.

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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Location Intelligence In 2025:
Motion *In Motion*

Benchmark Report

Brian Kilcourse and Steve Rowen, Managing Partners

September 2025

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