

How To Use Location-Based Planning To Improve Media Precision And Personalization

Orient Media Planning Around Location To Elevate Media Effectiveness

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Target Media By Consumer Cohorts To Improve Effectiveness

Advertisers are navigating a perfect storm of converging challenges. They're being asked to justify ad spend more often — and with stricter scrutiny — while the media planning strategies they've long relied on have lost effectiveness thanks to increasingly fragmented and unpredictable consumer behavior. To maintain relevance and maximize return on ad spend (ROAS), advertisers must rethink how audience targeting informs their media strategies.

DAC commissioned Forrester Consulting to conduct a survey of 263 B2C media and advertising decision-makers in North America and Europe to evaluate how consumer cohort-based targeting — a strategy that targets consumers by pairing their precise locations (i.e., ZIP/postal codes) with need states, values, and behaviors — can lift media effectiveness.

Key Findings



Media planning is becoming increasingly challenging as consumer behavior grows less predictable and pressure mounts for marketing to deliver greater revenue impact.



The classic targeting approaches used for media planning are largely to blame — and lead to a lack of precision and personalization. The inability to use location-based targeting effectively is a key contributor.



Scaling consumer cohort-based targeting across media planning can help by leveraging location data to improve precision — maximizing paid media performance and building a stronger case for increased ad spend.

Fickle Consumers Make Reaching The Right Audience Increasingly Difficult

Customer understanding is the bedrock of effective marketing, yet the complexity of today's consumers makes it increasingly precarious. Over the past 12 months, most marketers we surveyed faced unpredictable purchasing patterns, fragmented consumption across channels and devices, and rapidly changing consumer values. Factors driving this behavior include price sensitivity, convenience, brand alignment, product fit and sentiment, and cultural or community influences. Compounding these are macroeconomic trends, such as diverging consumer cohorts, widening socioeconomic disparities, the growing role of data and AI, shifting trade policies, and increasing regional and cultural differences.¹ This complexity directly affects audience targeting strategies used for media planning: 34% of marketers in our survey said that consumer purchasing behavior changes are undermining the effectiveness of their current efforts.

Observed Changes In Consumer Behavior Over The Past 12 Months

Changing
purchasing
behavior



63%

More
fragmented



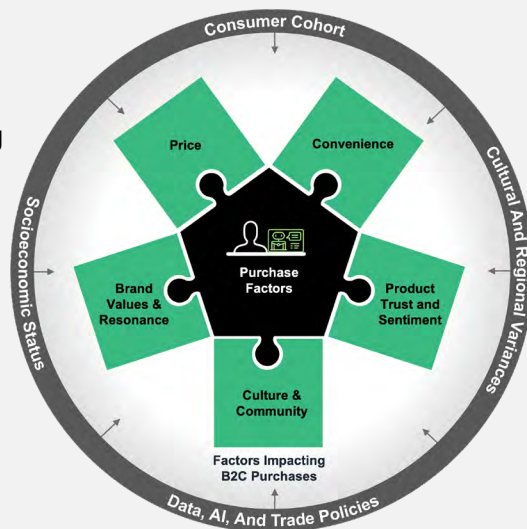
56%

Changing
values



51%

Factors Impacting Consumer Purchasing Behavior



Ad Spend Faces Heightened Scrutiny

Amid a continuously volatile economic and geopolitical environment, marketing budgets are tightening and the pressure to demonstrate return on investment is intensifying. As a result, marketers are increasingly expected to prove the efficiency and effectiveness of their ad spend. More than half of respondents to our survey reported growing demands to justify investments more frequently, improve targeting precision, comply with stricter measurement standards, and deliver higher revenue results.

Making things even tougher, 64% of US B2C marketing executives expect 2026 to be more volatile than 2025, with 52% expecting tighter budgets and 51% expecting further reductions in marketing head count.²

To alleviate these pressures, marketers need solutions that improve advertising effectiveness and efficiency to maximize impact while doing more with less.

Pressures Impacting Marketing Departments

More frequent need to justify marketing investments

67%

Demand for more efficient audience targeting

62%

Stricter measurement requirements

55%

Greater revenue goals

51%

Identifying new opportunities for incremental reach

44%

Demand for reduction of wasted ad spend

32%

More frequent meetings with the CFO/leadership

27%

Greater growth performance focus

24%

Maximizing Advertising Impact Requires More Effective Audience Targeting

Reaching the right person at the right time is more critical than ever. In fact, 60% of surveyed marketers acknowledged the need to reassess how they target and reach customers today.

Enhancing targeting effectiveness can help address the most common ad spend challenges marketers face, including the need to produce greater ROI, drive lower-funnel outcomes, and generate more immediate results. Reaching the right customer at the right time minimizes wasted ad spend, improves conversion rates, and bolsters and accelerates ROI.

Ad Spend Challenges

Ad spend needs to produce stronger ROI

63%

Ad spend needs to drive more lower-funnel metrics

57%

Ad spend needs to produce immediate ROI

55%

We're spending more at the bottom versus at the top of the funnel

51%

We lack sufficient creative for dynamic creative optimization

48%

We're facing ad spend cuts

45%

We're unable to test new channels and formats

31%

We're unable to invest in new adtech

27%

Audience Targeting Today Is Fraught

More than two-thirds of surveyed marketers face significant challenges with audience targeting strategies. Nearly half conceded that reaching the right customers is becoming increasingly difficult. A similar percentage revealed that identifying and executing an audience targeting plan is more complex than ever.

These findings highlight a critical gap: Current audience targeting approaches cannot meet the growing demands marketers face in justifying ad spend and reaching target audiences amid increasingly unpredictable and complex consumer behaviors.

Audience Targeting Challenges

Reaching customers is becoming increasingly difficult **46%**

Identifying and executing an audience targeting plan is more complex than ever **48%**

→ **69%** of respondents agree with at least one of these statements.



Marketers Have Not Found A Way To Use Location-Based Targeting Effectively

A major contributor to marketers' media planning struggles is their inability to use effective location-based targeting strategies. Most respondents to our survey admitted that they face significant challenges with the cost of scaling location-based targeting and their inability to prove its revenue impact.

As a result, current media plans that use location-based strategies are leading to deteriorating ROAS and advertisers' inability to demonstrate marketing's value to the broader business. These findings highlight the need to incorporate location-based targeting solutions that are more efficient and scalable.

Most Significant Localized Targeting Challenges

Localized targeting is too expensive to scale **57%**

We can't prove localized targeting's revenue impact **50%**

Localized targeting is too resource intensive **41%**

Most Significant Implications Of Localized Targeting Challenges

Deteriorating ROAS **63%**

Inability to prove marketing's value to the business **54%**

Missed opportunities to connect our products with new audiences **45%**

Marketers Fail To Execute On A Fundamental “W” — Where Their Customers Are Located

Considering the challenges associated with location-based targeting, it's unsurprising that many marketers are shifting their media planning strategies away from location. Those who continue to prioritize location-based strategies are concentrating on broader geographic areas — such as radiuses, designated market areas, or metropolitan statistical areas — rather than more granular ZIP or postal code-level targeting.

This shift highlights a critical issue: Location remains a fundamental component of any marketing strategy. The inability to operationalize granular location-based strategies puts marketers at a disadvantage, limiting their ability to improve advertising impact and hit ambitious performance goals.

Audience Targeting Strategies Prioritized Today

Behavioral targeting

57%

Demographic targeting

47%

Contextual targeting

42%

Lookalike
audience targeting

38%

Radius targeting

31%

Psychographic targeting

27%

DMA/greater metropolitan
area targeting

24%

ZIP/postal code targeting

21%

Consumer Cohort-Based Targeting Lifts Advertising Impact

Our survey explored marketers' perceptions of an audience targeting approach that segments a product or service's consumers into cohorts at the ZIP/postal code level based on shared need states, values, and behaviors. We refer to this as "consumer cohort-based targeting."

Surveyed marketers indicated that solutions enabling consumer cohort identification, sizing, and scaling would be transformative for improving targeting effectiveness. Additionally, leveraging these cohorts to customize user experiences, power precise marketing campaigns, inform creative development, guide media planning, and optimize ad spend would be valuable for improving marketing's impact.

Value Of Consumer Cohort Capabilities For Improving Targeting Effectiveness

(Showing "Valuable" and "Very valuable" responses)

Customizing user
experience by
consumer cohorts



78%

Identifying
consumer cohorts



70%

Sizing and creating
new addressable
audiences by
consumer cohorts



64%

Powering precise
marketing
campaigns using
consumer cohorts



63%

Developing
creative by
consumer cohorts



61%

Scaling the use of
consumer cohorts



54%

Developing media
plans by consumer
cohorts



52%

Allocating
ad spend by
consumer cohorts



40%

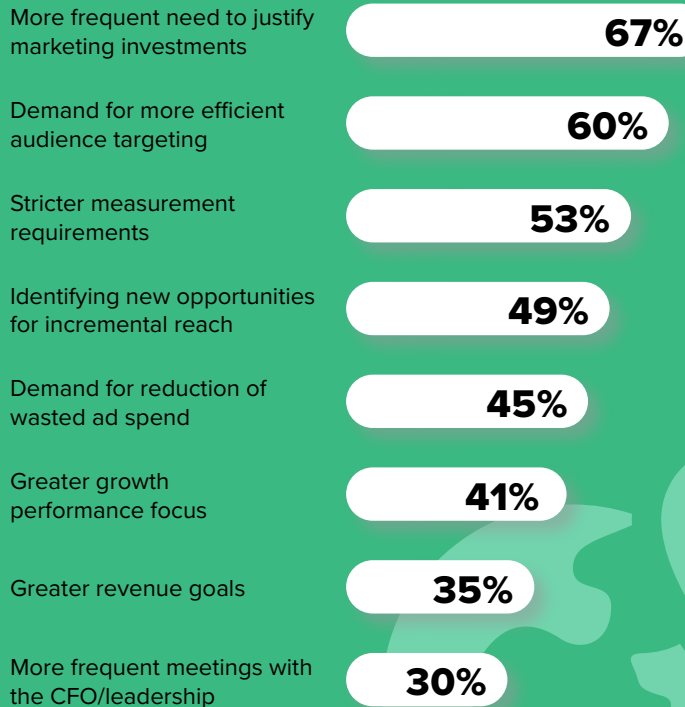
Consumer Cohort-Based Targeting Helps Alleviate Significant Pressures On Advertisers

Targeting audiences based on consumer cohorts helps alleviate the top three pressures advertisers face today: a more frequent need to justify ad spend, demand for more efficient audience targeting, and stricter measurement requirements.

By refining classic location-based strategies with more precise ZIP/postal code location data, consumer behaviors, and values, consumer cohort-based targeting powers effective consumer activation. It also solves the challenges associated with location-based targeting such as deteriorating ROAS and the inability to demonstrate marketing's value. Consumer cohort-based targeting gives marketers a precise, efficient, and scalable location-based solution.

The Impact Of Consumer Cohort-Based Targeting On Relieving Marketing Pressures

(Showing "Significant impact" and "Transformational impact" responses)



Conclusion

A significant opportunity exists to leverage consumer cohorts to improve media effectiveness and lift ROAS. To realize this potential, our research yielded several important conclusions:

- Deep, distinctive customer understanding is foundational to efficient, effective advertising but is much easier said than done. Understanding consumer cohorts, defined by shared need states, values, and behaviors at the ZIP/postal code level, is key.
- Consumer cohort-based targeting puts audiences in the context of macro- and microeconomics. Planning and targeting at this level delivers compelling personalization and high ROAS.
- Understanding customer context at a granular ZIP/postal code level and applying it across media planning, buying, measurement, and optimization helps advertisers outperform benchmarks, engage fickle consumers, and justify ad spend.

Endnotes

¹ Source: [The Future Of Commerce \(US\)](#), Forrester Research, Inc., April 10, 2025.

² Source: [Predictions 2026: B2C Marketing](#), Forrester Research, Inc., October 21, 2025.



Resources

Related Forrester Research:

[Predictions 2026: B2C Marketing](#), Forrester Research, Inc.,
October 21, 2025

[Predictions 2026: Consumers](#), Forrester Research, Inc.,
October 21, 2025

[The Future Of Commerce \(Europe-5\)](#), Forrester Research,
Inc., July 30, 2025

[The Future Of Commerce \(US\)](#), Forrester Research, Inc.,
April 10, 2025

Related Blogs/Webinars

Audrey Chee-Read, [Predictions 2026: Consumers Find Connection In Unexpected Places](#), Forrester Blogs

Project Team:

[Ben Anderson](#),
Market Impact Consultant

Contributing Research:

Forrester's [B2C Marketing](#) research group

Methodology

This Opportunity Snapshot was commissioned by DAC. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 263 B2C media/advertising decision-makers. The custom survey was completed in October 2025.

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Demographics

GEOGRAPHY	
United States	21%
United Kingdom	21%
Canada	20%
France	13%
Germany	13%
Spain	13%

INDUSTRY	
Automotive/ aftermarket services	20%
E-commerce	20%
Financial services/ banking	20%
Retail	20%
Home services	20%

TITLE	
C-level	16%
VP	32%
Director	52%

COMPANY SIZE	
500 to 999 employees	29%
1,000 to 4,999 employees	39%
5,000 to 19,999 employees	24%
20,000 or more employees	8%

A photograph of three people in an office setting. A woman on the left with long brown hair and glasses is smiling and holding a tablet. A woman in the center with curly dark hair and glasses is also smiling. A man on the right with a beard and glasses is pointing at the tablet. The background is slightly blurred, showing office shelves. The entire image has a dark teal overlay.

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