The Economic Relationship between Mobile Apps and Customer Location Data

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Abstract

The rapid evolution of mobile technology has resulted in an exponential surge in the volume of data generated by various mobile devices. This study seeks to explore the economic correlation between mobile apps and customer location data in the United States, utilizing both exploratory and descriptive research methods, to identify patterns and correlations that can offer valuable insights for businesses. By examining the possible economic implications of mobile app usage and customer location data, this research aims to provide a new perspective for data-driven decision-making.

The study proposes recommendations for businesses to capitalize on this relationship. By applying advanced machine learning techniques and analyzing large datasets, businesses can gain a deeper understanding of customer preferences and behaviors. Furthermore, by utilizing customer location data, businesses can develop more personalized and effective marketing strategies, ultimately improving customer engagement and loyalty. This ongoing research provides a unique opportunity to explore the vast potential of mobile app and location data and to enhance our understanding of the relationship between technology and economics. Ultimately, the research aims to provide insights that can help businesses make more informed decisions, create greater value for their customers, and drive sustainable economic growth.

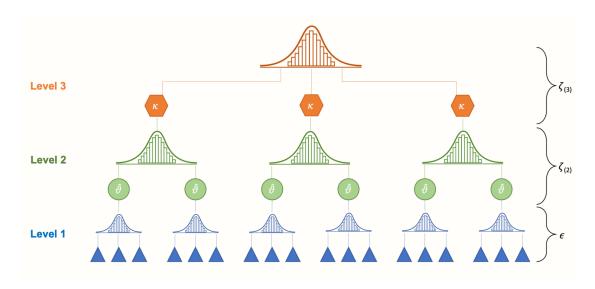
Econometric Analysis:

Economic models are simplified representations of complex economic phenomena. These models are developed by making assumptions and using mathematical equations to analyze and predict economic behavior. They assist in understanding how people, businesses, and governments make decisions and how these decisions impact the economy as a whole.

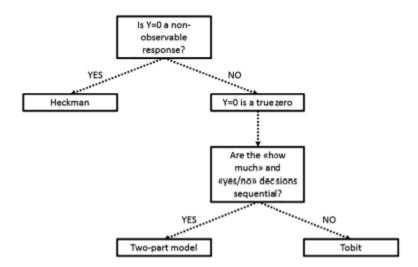
Various mathematical techniques such as calculus, linear algebra, and statistics are used to build economic models. These models are utilized to test hypotheses, analyze data, and make predictions about future economic behavior. They are also used to evaluate potential outcomes of different policies and identify potential risks and opportunities in the economy.

The implications of economic models are significant, as they help guide policy decisions at both micro and macroeconomic levels. By comprehending the impact of different factors on economic behavior, policymakers can make informed decisions about resource allocation, market regulation, and economic growth promotion. Economic models are also useful for businesses to make strategic decisions, such as pricing products or investing in research and development. In conclusion, economic models are a vital tool for understanding and managing the complexities of the modern economy.

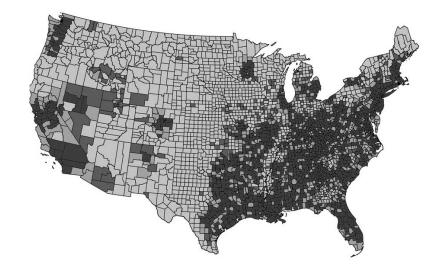
• **Multilevel regression model**: This model is useful for analyzing data that has a hierarchical structure, such as location data that is grouped by state, city, or neighborhood.



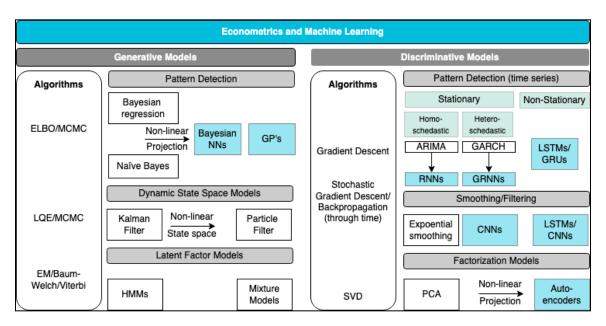
• **Tobit model**: This model is often used to analyze data that primarily do not follow any distribution and is censored data, e.g. Click Conversion Rate. The model can estimate the likelihood of a user visiting a location and the number of times they are likely to visit.



• **Spatial econometric models**: These models are used to analyze spatial data and account for spatial dependence or autocorrelation in the data. They can be useful for analyzing patterns of mobile app usage and location data across different geographic areas.



Machine learning models: These models use algorithms to learn patterns in the data & make
predictions or classifications. They can be used for a wide range of analyses, including predicting
user behavior based on location data and identifying clusters of users with similar app usage
patterns.



Methodology and Implementation

There are several steps in the methodology that is suggested for this investigation. The first step will be to extract pertinent information about consumer location data and mobile app activity in the United States from the USF's on premise research cluster. After that, this data will be cleaned to assure its precision and consistency. The data will then be processed and analyzed to find patterns and correlations that can offer business insights using exploratory and descriptive research methodologies.

Using the statistical software program Stata, econometric models will be created and run to better investigate the economic relationship between mobile apps and client location data. The data will also be subjected to advanced machine learning algorithms to get a greater understanding of client preferences and habits, which will guide the development of customized and efficient.

Data Extraction

The primary data source is the mobile app usage data collected from various mobile service providers across the United States. The data is stored in an unstructured nested Javascript Object Notation (json) format, and is located in an on-premise cloud. The data set includes information on mobile app usage of users from across the United States, and the study focuses on analyzing app usage data for customers across the USA.

The data set includes multiple levels of data, below are the details:

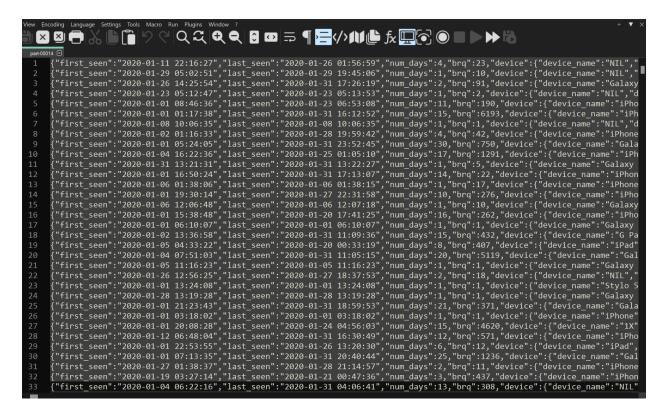
- Customer Level:

- **Day part**: Part of the day the observation was recorded
- Geohash: String value that represents the exact location of a customer
- **Zip**: Zip Value of customer's location
- **City**: City where the customer's residence is
- **State**: State where the customer's residence is
- **Country**: Country where the customer's residence is

- Device Level:

- **Asn**: Application name which the customer has on his/her phone
- Asn exhchage: The exchange which was used to download the application from
- **Device name**: Model name of the mobile device
- **Manufacturer**: Mobile model manufacturing company
- **Sha1 did**: Identifier assigned by the owner of data
- **Year released**: Year when the mobile device was released

Below is a sample snippet of the JSON data sourced from Professor's Directory on Terminal:



To ingest and process the data, we will be using Linux on MobaXterm. We will first automate the data processing script for a single JSON dataset, which will then be used to process the other datasets as well. This will ensure that the data is consistent and accurate, and ready for further analysis using exploratory and descriptive research methods.

Data Loading

The JSON files are compressed using the .gz extension, requiring us to extract them before accessing the data. Once we have decompressed the files, we can save them to a directory where they can be easily loaded into our Python script.

Due to the size of the JSON files under consideration, it is necessary to carefully manage the memory resources required for processing. As such, a line-by-line reading approach has been adopted in order to store the data in a JSON object in Python.

To accomplish this, the 'pd_json' method along with list comprehension has been utilized, which allows for the sequential loading of each line of the JSON file, converting it to a Python object. These individual JSON objects are then appended to a list, facilitating further processing in the Python script.

This method is highly efficient as it avoids the need to load the entire file into memory at once, thereby mitigating the risk of time-consuming and resource-intensive operations. Instead, data processing is performed one line at a time, rendering it possible to work with large datasets without encountering memory-related constraints.

Data Cleaning

Within our dataset, we have identified two distinct types of mobile devices: Android and IOS. After conducting an initial analysis, it became evident that Android devices were more prevalent than IOS devices. As a result, we have opted to focus solely on those users who possess an Android device.

By narrowing our focus in this way, we aim to streamline our data analysis and provide more accurate insights into the usage patterns and behaviors of Android users. This approach will help ensure that our research is both targeted and effective, while minimizing the potential for data bias or confusion that could arise from analyzing both Android and IOS users together.

We have sub-selected the data from our dataset by filtering for users with an Android operating system.

This has resulted in the creation of a new list, referred to as device_list, which contains all the relevant user details for those who own an Android device.

In order to draw meaningful econometric comparisons between mobile device ownership and travel destinations, we must further refine our data analysis. Specifically, we are now focusing on extracting three key categories of information: Location Details, Device Details, and Application Details. These three dataframes has one primary key which is common and is later used to join the dataframes.

By honing in on these specific data points, we can gain a more nuanced understanding of how mobile devices are utilized in the context of travel and the various applications that are being employed. This will enable us to draw more robust econometric conclusions and provide greater insights into the relationship between mobile device usage and travel destinations.

Location Details:

As each user in our dataset has visited multiple locations, this information is nested on the second level of our JSON file. To extract the relevant location and device details from each record of the JSON object, we have created a custom function

To apply this function to the entire dataset, we need to read each line of the JSON file and extract the necessary key-value pairs. This can be achieved through the use of a for loop, which iterates through each line of the JSON file and applies the function to each record and stores the extracted value to a blank list.

Once the location and device details are stored in device_loation list, we start creating a dataframe which will have columns related to locations e.g. Zip, Geohash, etc and device, e.g. Platform, Model Name, etc.

During our analysis, we identified a number of geohashes within our dataset that had been masked, which we ultimately dropped from our analysis to ensure the accuracy and quality of our results.

Furthermore, we also observed instances where the values for certain data points were either NIL or blank. As these records provided no useful information for our analysis, we made the decision to drop them from our dataset as well.

```
In [7]: | 1 location_data.info()
           <class 'pandas.core.frame.DataFrame'>
           Int64Index: 23556 entries, 2 to 1701
           Data columns (total 29 columns):
                                      Non-Null Count Dtype
            # Column
            0 country
                                       23556 non-null
                                                      obiect
               state
                                       23556 non-null
                                                      object
              city
                                       23556 non-null object
                                       23556 non-null
               zip
                                      23556 non-null
                                                      object
               geohash
                                       23556 non-null
                                                      object
               day_part
                                       23556 non-null
                                                      object
               first_seen
                                       23556 non-null
                                                      object
              last_seen
                                       23556 non-null
                                                      obiect
                                       23556 non-null
               brq
                                                      int64
            10 accuracy
                                       23556 non-null
            11 connection_types
                                       23556 non-null
                                                      object
                                       23556 non-null
            12 num_days
                                                      int64
            13 device.device_name
                                       23556 non-null
            14 device.device_model
                                       23556 non-null
                                                      object
            15 device.hwv
                                       23556 non-null
                                                      obiect
            16 device.device_vendor
                                       23556 non-null
                                                      object
            17 device.device_category
                                      23556 non-null
            18 device.manufacturer
                                       23556 non-null
                                                      object
            19 device.year_released
                                      23556 non-null object
            20 device.platform
                                       23556 non-null
            21 device.major_os
                                       23556 non-null
                                                      object
                                       23556 non-null object
            22 device.md5 dpid
            23 device.sha1_dpid
                                       23556 non-null
                                                      object
            24 device.md5_did
                                       23556 non-null
            25 device.sha1_did
                                      23556 non-null object
            26 device.ifa
                                       23556 non-null object
            27 device.user agent
                                       23556 non-null
                                      23556 non-null object
            28 user id
           dtypes: float64(1), int64(2), object(26)
           memory usage: 5.4+ MB
```

As part of our broader analysis, we sought to gain a deeper understanding of the economic value of the locations extracted from our dataset. To accomplish this, we obtained an additional dataframe from Zillow, leveraging their extensive research data to analyze the zip values associated with each of the locations in our dataset.

By merging this data with our existing dataset, we were able to gain a more complete understanding of the economic implications of mobile device usage in the context of travel patterns. This approach enabled us to draw more comprehensive and impactful conclusions from our analysis, providing greater insights into the underlying dynamics at play in this complex and rapidly-evolving space.

Zillow Home Value Index (ZHVI): A measure of the typical home value and market changes across a given region and housing type. It reflects the typical value for homes in the 35th to 65th percentile range. Available as a smoothed, seasonally adjusted measure and as a raw measure.

In order to further refine our research and focus on the most relevant data points, we made the decision to analyze only those users who had traveled to at least 5 different locations. By setting this threshold, we were able to filter out users with minimal travel activity, allowing us to concentrate our analysis on individuals who had engaged in more substantial travel experiences.

Application Data:

We have developed a new function that works similar to extract_location() and can extract information about the applications on a user's phone. This data is nested on the second level of our JSON file and may vary between different users.

As we analyzed our data, we discovered that certain Application Bundle IDs were either empty or contained the value "NIL". Since these records did not contribute any valuable information to our analysis, we made the decision to remove them from our dataset.

Additionally, we set a criteria to only include users in our analysis who have a minimum of 5 applications installed on their phone.

We carried out the previously mentioned steps and as a result, we were able to extract three separate dataframes from each file. The first dataframe contained location data, the second contained application data, and the third contained device data. These dataframes were generated after dropping records with empty or "NIL" Application Bundle IDs and including only users who had at least 5 applications installed on their phone.

Median House Values:

In order to assess the economic impact of housing prices, we computed the median housing price for each state and then categorized each location as either "Low" or "High" based on this median value.

```
In [30]: N  # Calculate the median price for each state
    state_median_price=all_files.drop_duplicates(['state', 'zip','price']).groupby(['state'])['price'].median().to_dict()

# Define the price category function
def price_category(price, state):
    if state not in state_median_price:
        return 0

# state_median = state_median_price[state]
    if price <= state_median:
        return "Low"
else:
        return "High"

# Apply price category function to create 'price_category' column
    all_files['price_category_V1'] = all_files.apply(lambda row: price_category(row['price'], row['state']), axis=1)</pre>
```

This block of code calculates the median price of each state from the given data, and stores the result in a dictionary called state median price.

It then defines a function called price_category which takes two arguments, price and state. This function determines whether the given price is "Low" or "High" based on the median price of the state. If the state is not present in the state median price dictionary, the function returns 0.

Finally, the apply method is used to apply the price_category function to each row of the all_files dataframe and create a new column called price_category_V1 which stores the price category (i.e. "Low" "High") of each row based on the median price of the corresponding state.

```
<class 'pandas.core.frame.DataFrame'</pre>
Int64Index: 7765 entries, 168 to 22959
Data columns (total 31 columns):
     Column
                                     Non-Null Count
                                                          Dtype
                                      7765 non-null
    country
                                                           object
     state
city
                                     7765 non-null
7765 non-null
                                                           object
object
      dma
                                      7765 non-null
                                                           object
                                     7765 non-null
7765 non-null
     zip
geohash
                                                           object
      day_part
first_seen
                                      7765 non-null
                                                           object
                                     7765 non-null
7765 non-null
      last_seen
                                                           object
                                      7765 non-null
                                                           object
                                     7765 non-null
7765 non-null
 11 connection types
                                                           object
 12 num_days
13 device.device_name
                                                          object
object
                                      7765 non-null
                                      7765 non-null
     device.device_model
                                      7765 non-null
                                                           object
     device.hwv
device.device_vendor
                                      7765 non-null
7765 non-null
                                                           object
object
 15
 17 device.device category
                                      7765 non-null
                                                           object
     device.manufacturer
                                      7765 non-null
7765 non-null
                                                          object
object
      device.year_released
     device.platform
                                      7765 non-null
                                                           object
     device.md5_dpid
                                      7765 non-null
                                                           object
                                     7765 non-null
7765 non-null
7765 non-null
23 device.shal_dpid
24 device.md5_did
                                                          object
object
     device.sha1_did
                                                           object
     device.ifa
device.user_agent
                                      7765 non-null
                                      7765 non-null
 28 user id
                                      7765 non-null
                                                           object
                                     7765 non-null
7765 non-null
 29 price
30 price_category_V1 7:
dtypes: float64(2), object(29)
memory usage: 1.9+ MB
                                                          object
```

Conclusion & Future Work:

While our research has provided valuable insights into the relationship between mobile applications and customer location data, there are several areas for future exploration and investigation. One important avenue for further research is the development of more sophisticated analytical models and tools, which can enable more nuanced and granular analysis of the relationship between mobile applications and customer behavior.

Another area of future work is the expansion of the dataset to include a wider range of geographies and demographics, in order to identify regional or demographic variations in mobile app usage and travel patterns. This could include exploring the relationship between mobile application usage and other economic variables, such as income or employment status, as well as cultural or social factors that may influence consumer behavior.

Additionally, further research is needed to address the potential ethical implications of collecting and analyzing location data, particularly in the context of privacy and data security concerns. This could include exploring alternative data collection and anonymization techniques, as well as evaluating the effectiveness of existing regulations and policies in protecting consumer privacy.

By continuing to explore these and other related topics, we can build upon the insights gained from this research and continue to uncover new and valuable information about the relationship between mobile applications and customer location data.

References:

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- [2] Rabinovich, E., House, L., & Bell, B. (2015). Using mobile apps to capture location data: An empirical study and practical implications. Journal of Interactive Marketing, 31, 50-61.
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- [6] Fagan, M. (2020). Location-based marketing: Unlocking the potential of GPS technology. Journal of Digital & Social Media Marketing, 8(4), 387-399.

Appendix I

Python Code:

```
# Importing the necessary libraries for our script
import json
import pandas as pd
import numpy as np
# Loading our file
file name = part-xxxx
# Taking the input file
data = [json.loads(line) for line in open(file name, 'r', encoding = 'utf-8')]
# Selecting only ANDROID Devices
device_list = []
for users in range(len(data)):
   device = {}
   if data[users]['device']['platform'] == 'ANDROID':
                   device list.append(data[users])
# Creating a function to extract location details
device locations = []
def extract_values(list_of_dicts, key1, key2):
   for d in list_of_dicts:
       new dict = {}
       if key1 in d:
            new dict[key1] = d[key1]
        if key2 in d:
           new_dict[key2] = d[key2]
        if bool (new dict):
            device locations.append(new dict)
# Extracting the location data along with device details
extract_values(device_list, 'location', 'device')
# Converting above extracted file to Dataframe in order to merge with Zip Level
Housing Prices
```

```
normalised location level1 = pd.json normalize(device locations)
# JSON to DF
normalised location level1['user id'] = normalised location level1['device.sha1 dpid']
# Setting User ID
location toRows = normalised location level1.explode('location')
# Exploding locations
expanded location = location toRows['location'].apply(pd.Series)
# Expanding locations
location data = pd.concat([expanded location, location toRows.drop(['location'], axis
= 1)], axis = 1)  # Merging with original data
location data = location data[location data['zip'] != '']
location data = location data[location data['zip'] != 'NIL']
location data = location data[location data['geohash'] != '7zzzzzzzz']
# Dropping masked locations
location_data.info()
zip price = pd.read excel('Zip Level Price.xlsx')
# Reading Zillow Data
zip price.rename(columns = {'Zip' : 'zip', 2021:'price'}, inplace = True)
# Renaming the columns
zip price['zip'] = zip price['zip'].astype('int64')
# In order to merge two data, we need both the columns to have same datatype
location data = location data[location data['zip'].str.len() >= 5]
location_data['zip'] = location_data['zip'].astype('int64')
location with price = pd.merge(location data, zip price, on = 'zip')
# Merging location with House Prices
location with price = location with price.dropna(subset = ['price'])
# Dropping locations with house prices as NULL
# User traveled to at least 10 unique locations
# n = int(input('How many locations? : '))
counts = location with price.groupby('user id')['zip'].nunique()
valid user ids = counts[counts >= n].index
atleast n locations =
location with price[location with price['user id'].isin(valid user ids)]
atleast n locations.info()
try:
   atleast n locations = atleast n locations[['user id', 'country', 'state', 'city',
'dma', 'zip', 'county', 'geohash',
```

```
'price', 'device.device name',
'device.device model', 'device.hwv', 'device.device vendor',
                                                'device.device category',
'device.manufacturer', 'device.year released',
                                                'device.platform', 'device.major os',
'device.md5 dpid',
                                               'device.shal dpid', 'device.md5 did',
'device.shal_did', 'device.ifa',
                                               'device.user agent']]
except KeyError:
   pass # or you can print a message here
# Creating a function to extract application used by users
device app = []
def extract_app_values(list_of_dicts, key1, key2):
    for d in list of dicts:
       new dict = {}
       if key1 in d:
            new dict[key1] = d[key1]
        if key2 in d:
            new dict[key2] = d[key2]
        if bool(new dict):
            device app.append(new dict)
# Extracting application and device data
extract app values(device list, 'asn exchange', 'device')
# Converting the json file to dataset (csv)
normalised app level1 = pd.json normalize(device app)
normalised app level1['user id'] = normalised app level1['device.sha1 dpid']
app data =
normalised app level1[normalised app level1['user id'].isin(atleast n locations['user
app toRows = app data.explode('asn exchange')
expanded apps = app toRows['asn exchange'].apply(pd.Series)
device apps = pd.concat([expanded apps, app data.drop(['asn exchange'], axis = 1)],
axis = 1)
device apps cleaned = device apps[device apps['bundle'] != '']
# Dropping blank bundles
device apps cleaned = device apps cleaned[device apps cleaned['bundle'] != 'NIL']
device apps cleaned = device apps cleaned[device apps cleaned['device.device name'] !=
'NIL']
# Subsetting based on minimum n apps
```

```
# n = int(input('How many apps? : '))
n = 5
counts = device apps cleaned.groupby('user id')['asn'].nunique()
valid user ids = counts[counts >= n].index
atleast n apps =
device apps cleaned[device apps cleaned['user id'].isin(valid user ids)]
# Preparing device dataset
device data = atleast n apps[['device.device name', 'device.device model',
       'device.hwv', 'device.device vendor', 'device.device category',
       'device.manufacturer', 'device.year released', 'device.platform',
       'device.major os', 'device.md5 dpid', 'device.shal dpid',
       'device.md5 did', 'device.shal did', 'device.ifa', 'device.user agent']]
device data cleaned = device data.drop duplicates()
device data cleaned
atleast n apps n locations =
atleast n locations[atleast n locations['user id'].isin(atleast n apps['user id'])]
atleast n apps n locations['user id'].nunique()
atleast n apps.to csv(file name + ' ' + 'Atleast 5 apps.csv')
atleast_n_apps_n_locations.to_csv(file_name + '_' +
'Atleast 5 applications 5 locations.csv')
device data cleaned.to csv(file name + ' ' + 'Device data.csv')
all locations df = pd.DataFrame(columns = atleast n apps n locations.columns)
all locations df = pd.concat([atleast n apps n locations, all locations df], axis = 0)
all locations df.to csv('all locations.csv')
all locations df.info()
all files = all locations df
# Calculate the median price for each state
state median price=all files.drop duplicates(['state',
'zip','price']).groupby(['state'])['price'].median().to dict()
# Define the price category function
def price category(price, state):
   if state not in state median price:
       return 0
    state median = state median price[state]
```

```
if price <= state median:</pre>
       return "Low"
   else:
       return "High"
# Apply price category function to create 'price category' column
all_files['price_category_V1'] = all_files.apply(lambda row:
price category(row['price'], row['state']), axis=1)
# Only keep the states with multiple zip (i.e., more than one)
temp = all files.drop duplicates(['state', 'zip','price'])
temp = temp[['state','city','zip','price','price category V1']].sort values('state') #
sort by state name
# Count number of unique zips in each state
zip count statewise =
temp['state'].value counts().rename axis('state').reset index(name = 'counts')
# States that have at least more than one zip (in this case at least three)
states tobe retained = zip count statewise.loc[(zip count statewise['counts'] >=
3)]['state']
states tobe retained
# Final data of all files with filtered states
all_files = all_files.loc[all_files['state'].isin(list(states_tobe_retained))]
all_files.to_csv("location_with_housing_price_category.csv")
# Extracting records with locations and device details
all files.info()
```

Appendix II

All the files are stored in an on premise cloud infrastructure which is USF's own research cluster. An individual needs to raise a request via his/her supervisor. Once approved, the user will get the credentials to access the storage via Linux environment only. MobaXterm is used in our case.

Link to raise a request: https://wiki.rc.usf.edu/index.php/Main Page

Once the user has access to the storage, below steps are needed to be followed to fetch the data:

- 1) Install MobaXterm from https://mobaxterm.mobatek.net/.
- 2) Follow the steps mentioned on this <u>link</u> to understand how to access the cluster.
- 3) Once the user gets access, the user should use the below details to connect to SSH via MobaXterm:
 - Your USF NetID and Password
 - Hostname: circe.rc.usf.edu
 - SSH Port: 22 (This is the default)
- 4) Once the above steps are followed the user will have his/her own environment (local), where miniconda, python, and required packages need to be installed. Please see below:
 - Miniconda bash Miniconda3-latest-Linux-x86 64.sh
 - Packages pip install pandas | pip install numpy
- 5) The big data resides in Professor Dutta's directory, use the below path to access the needed files from professor's directory:

/rcfs/workprojects/dutta/ad-data/.

Appendix III

```
# Get the name of the Python script to run python_script="App-Location-Zip.py"
```

Loop over the file names in the range part-00022 to part-00069 for file_name in \$(seq -f "part-%05g" {start} {end}) do

Print a message indicating which file is being processed echo "Processing file: \$file_name"

Run the Python script with the current file name as an argument python "\$python_script" "\$file_name"

Done