



CASE STUDY

Increasing Retail Sales by 150 Percent with GIS Data and Analysis

Challenge

With field sales being the core of MarketSource's business, location is extremely important. The company needed to gather data and produce coverage models to ensure that sales representatives were deployed to the top markets for the client. A senior GIS analyst at MarketSource explained, "Operationally, we need to know where things are, how far apart they are, and how efficiently we can get our reps from one place to another, maximizing retail store time."

In addition, MarketSource needed accurate data to understand the proper workload for each field rep to efficiently distribute work among staff.

A MarketSource client also requested help in determining the best locations to use finite resources, so the team needed specific data to make appropriate recommendations. MarketSource wanted to generate a list of recommended markets the client needed to penetrate first to bolster sales. This list would help determine where to send sales representatives. According to the senior GIS analyst, "We are not advising [the client] that they should sell their product line A but not product line B. We are saying, 'Product A will sell better in these stores than others [based on our analysis].'"

Solution

After researching comparable business intelligence solutions, MarketSource selected ArcGIS Business Analyst because it provides location-based intelligence for planning, site selection, and market segmentation. Business Analyst gives MarketSource the ability to combine demographic, lifestyle, and spending data with map-based analytics to produce accurate reports and dynamic presentations. MarketSource uses Business Analyst to aid in coverage modeling, a vital part of its work, to determine where to send sales representatives.

For example, a client has 4,000 retail stores. MarketSource uses Business Analyst to access and analyze data that helps determine which stores field reps should focus on to get the most value for the client.

"We use ArcGIS Business Analyst a lot [to accomplish this]. We use trade zones and enrich them with all of the data . . . to then run analysis and see what factors are actually affecting the sales or what impact our store visits are making on the sales," explained the senior GIS analyst. "From there, we can find the areas with the most opportunity and where we should be spending the most time."

One MarketSource client was selling units of its product in a major national big-box retailer. The MarketSource team used Business Analyst to conduct correlations against various demographic features and understand sales trends. Based on sales figures, the team reallocated sales rep visits to places most likely to sell the units.

MarketSource and Business Analyst

User

A Senior GIS Analyst, MarketSource

Challenge

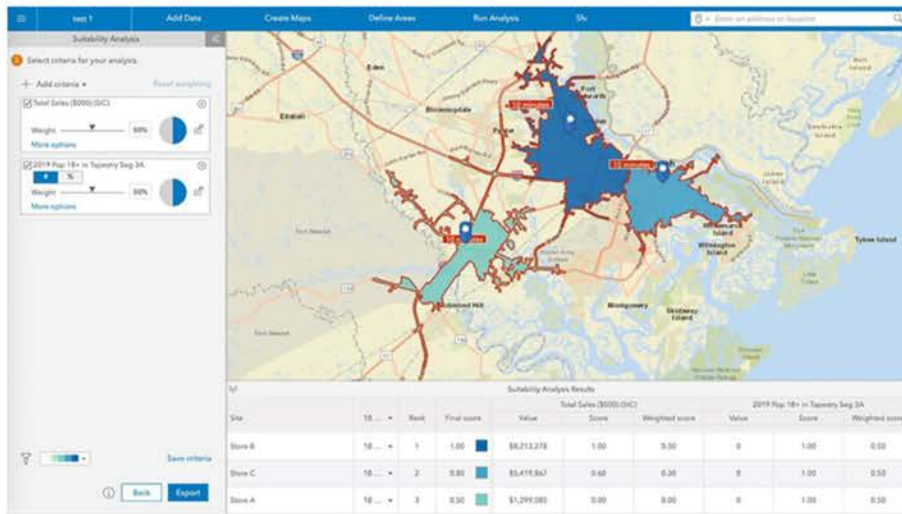
Ensure that sales representatives are deployed to the top markets for the client based on where things are, how far apart they are, and how efficiently we can get our reps from one place to another.

Solution

[ArcGIS Business Analyst](#)

Results

MarketSource is able to produce accurate market recommendations for clients, which in turn increase sales and efficiency—saving valuable time and money.



Blended scorecards, produced with insights from Business Analyst, also help MarketSource achieve clients' business goals. Insights include data about consumer behavior, market potential, and basic demographics, which can then be combined with data supplied by the client. MarketSource conducted a study on mobile handset sales that included demographic information data from Business Analyst that could impact sales.

The MarketSource team used sales data from the past 12 years and ran a regression analysis to develop a model. According to the senior GIS analyst, "It was 12 variables that best explained mobile handset sales—and the greatest influencers—and we frequently use that in order to guide clients where to go."

The senior GIS analyst explained that the team acquires a list of retailers a client wants to focus on, then inputs those stores into a Business Analyst Desktop map and draws trade zones around them. Staff enrich the trade zones with variables selected for scoring the stores. Instead of comparing 5 or 10 locations at once, Business Analyst enables them to compare thousands.

Using scorecards on retail stores also helps determine ideal hiring locations for sales representatives. The senior GIS analyst creates optimized zones within Business Analyst, which allows the analyst to make recommendations on where to hire field reps to optimize coverage of US cities and territories.

Using ArcGIS Business Analyst, MarketSource creates and presents data analysis to clients, or potential clients, in a spreadsheet with pivot tables, a map, or an interactive map that may feature infographics or other helpful visualizations.

Results

The data and insights MarketSource gleaned from ArcGIS Business Analyst allow the team to produce accurate market recommendations for clients, which in turn increase sales and efficiency—saving valuable time and money. For example, the client who sold products through a big-box retailer implemented MarketSource's suggested changes and increased sales by 150 percent—a customer lifetime value of \$42 million.

The scorecards, created with data and analysis from Business Analyst, allow the MarketSource team to provide specific market recommendations to clients. For example, the team can suggest prime markets for clients' items, increasing the likelihood of profitability.

Additionally, such market recommendations allow MarketSource to determine where to hire and send field representatives. After determining the best markets, MarketSource draws territories within each market. It pulls store lists for corollary tasks such as uploading schedules to the workforce management system or managing field rep territories.

The production of coverage models with Business Analyst has increased efficiency for MarketSource. According to the senior GIS analyst, making coverage models was a tedious task, but the use of Business Analyst data makes the selection of sites/markets more scientific than arbitrary.

"We don't have a lot that we've ever been able to automate to save time in that way. The time that we save is getting to a quality answer more quickly," explained the senior GIS analyst. "Rather than saying, 'Well, that store is likely better than this store because it's in a better area,' we can quantify that. We no longer have to manually get on a map in order to guess at those."

She added, "We have a defensible way of calculating and analyzing what we do so that we don't have to reinvent or tweak each time. It's like magic."



"Traditionally, creating coverage models was a very manual task for us, looking at where the best stores are going to be. But when you attach ArcGIS Business Analyst data to it, it becomes much more of a science when selecting locations."

Senior GIS Analyst
MarketSource