

SUCCESS STORY

▶▶▶ HELPING STORES TO EXPAND, INCREASE PROFITABILITY

PROBLEM

Retailers across the nation wanted better tools to determine the best locations to expand their franchises. Existing statistical demographic tools were not adequate to forecast the success or profitability of potential new stores.

SOLUTION

Applied Data Consultants, Inc. (ADC) developed a market analysis application to help store chains choose locations. This tool is used to create precise market demographic profiles and accurate sales forecasts for potential store locations.

Statistical modeling that uses several components: census data; competitor locations; customer locations; existing franchise locations; existing franchise sales data and other GIS data layers are used in customized models for each retailer. Actual sales data from existing stores with similar demographics are used to predict sales for a new site.

A market optimization routine allows retailers to model the optimal set of stores to fill out a market area while still protecting the sales of existing stores.

In addition, users can run their model on existing stores to determine which are underachieving in sales.

RESULTS

ADC's solution is now used to evaluate the profitability of current and potential store locations for more than ten nationwide clients, including Sears, Trek, Ace Hardware, J Crew, and others.

