



FOOTPRINT ANALYSIS: WHY IT'S GOOD TO LOOK BEFORE YOU STEP...

The obvious reason would be so that you don't stand in anything unpleasant - and in a business sense, this is equally important. Developing a clever real estate strategy could be a key driver for growth in the current economy, but you don't want to land with a 'lemon'.

With real estate agents glossing over only the finer points, how can you know if that perfect new location is going to be a winner for you? Don't wait until you've spent the money to find out - look to your data!

RETAIL FOOTPRINT ANALYSIS USES DATA TO PROVIDE ANSWERS TO QUESTIONS LIKE:

- How many stores can this market support?
- How would a store perform in that location?
- Which of my stores are underperforming and why?
- Where are my most profitable customers?
- Where are the gaps in my market?
- What are my best opportunities for growth?

Footprint analysis looks at the geographic footprint of your stores, or outlets, to determine accurate catchment areas and provide sound strategic direction to underpin expansion. Retailers can explore their primary and secondary trading areas and identify what proportion of their customers come from out of town.

Information is fused with advanced modelling techniques and can be used to assess potential new sites for stores, projecting likely turnover in that region and whether cannibalisation from other branches, or stores, is likely. This is especially important in a franchise situation where owners are territorial and want to know the impacts a new branch will have on their customer base and trading.

BENEFITS OF LOOKING BEFORE YOU STEP...

"Datamine provide answers to help us make better, more informed decisions. Personally, I like to have all the facts and, through our work with Datamine over many years, we have seen things that have led us to making different decisions than we would if we'd just gone with our 'gut feeling'. Datamine provide us with evidence of what is actually happening in our business. This can be different to what we might believe and, at the end of the day, helps us to be more effective." - Tim Holt, Beiersdorf, formerly Foodstuffs Auckland

AND IT'S NOT JUST FOR STORE LOCATIONS!

This same logic can be applied to assessing the competitive landscape and its impacts too - as the following case study illustrates...

A large retailer was made aware of a competitor store opening soon and wanted to assess the impact that this would have on the sales and market share of two of their stores, nearest the competitor's new site.

Datamine used the store transactional information and Business Insight data to explore transactions with a group of identified competitors in the retailers category. From this, it was possible to derive the two store's catchment areas and market share compared to competitors. Using modelling techniques, Datamine was also able to predict the likely catchment of the new, competitor store.

With these data points combined, Datamine was able to determine, for our retailer, the likely impact of the competitor store opening, including what current customer spend is most 'at risk', how their catchment areas might change and what the impact is likely to be on their current market share.

This project gave the retailer a detailed understanding of their current catchment for those stores, which is now helping them to guide strategy and local store marketing initiatives. They are now able to deploy effective and informed 'defensive trading' activities in the market, increase media activity towards at risk, high value areas and run in-store promotions and events.

Additionally, the analysis will act as a reliable benchmark to assess future changes to the trading area, as competitive pressures increase.

IF THE SHOE DOESN'T FIT, DON'T WEAR IT

Briscoe Group Limited was presented with an opportunity to open a new store in Matamata. Being a data driven and forward thinking company, Briscoes approached Datamine in order to gain a better understanding of what impact this would have on sales and other stores nearby.

Datamine used their exclusive Business Insight data source to understand more about homeware spend in the region and assess potential spend should Briscoes open a Matamata store. By looking at the catchment areas of the surrounding Briscoes Hamilton, Te Rapa, Tauranga, Rotorua and Cambridge stores, Datamine could detail any potential cannibalisation of customers with the advent of the new store.

Datamine was able to present Briscoes with an accurate gauge on the market size and potential (in actual projected sales dollars) for a future Matamata store given competitors already in the area and typical market share patterns.

Cannibalisation was quantified and this assessment ranked a Matamata store at the lower end of the total group in terms of likely sales. As such, this has meant a Matamata store is unlikely to reach the group's internal requirements and following the analysis, Briscoes have decided not to proceed with expansion in this location.

"Datamine were able to determine the total homeware sales available in the catchment area and forecast what level of sales we could expect given the competitors already in the area and market share patterns."

"Through doing this project with Datamine, we found that the new store would have been unlikely to reach our internal requirements, so we have decided not to pursue the opportunity."

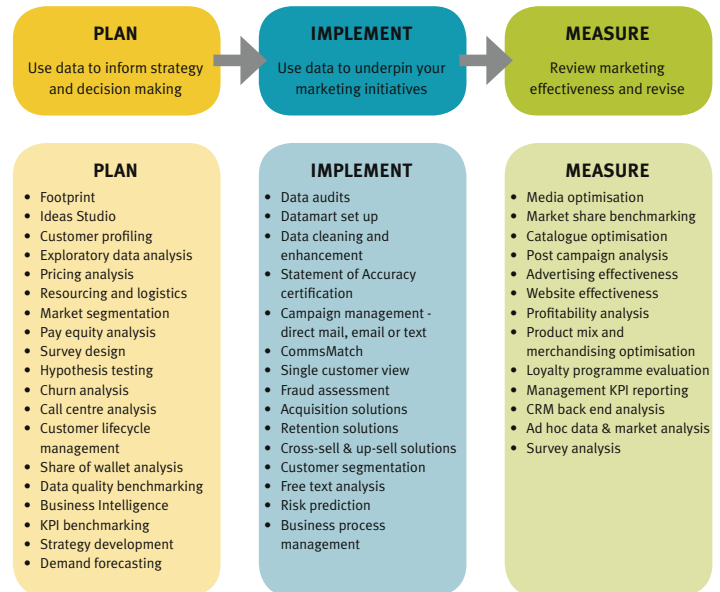
"Not only were Datamine easy to work with and providers of an excellent quality of service, they also helped us to avoid launching a store which would have, at best, been marginal."

- Peter Burilin, Chief Operating Officer, Briscoe Group Limited.

OUR SERVICES

As well as footprint analysis, Datamine offer a vast range of other services to help companies remove the guesswork from their business decisions.

Data is the lynchpin of successful decision-making, providing the evidence you need to drive your business forward with surety.



Datamine also have access to an exclusive data source in the form of Business Insight. Leveraging this data is enabling us to provide further insight to our clients, and helping them to answer questions that traditionally would have been too difficult to understand.

If you would like to optimise your footprint, or discuss any of our other offerings, call a Dataminer...

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