

BUSINESS ANALYST & Customer Scoring Site Models

**Howard Botts, PhD
&
Brady Foust, PhD**

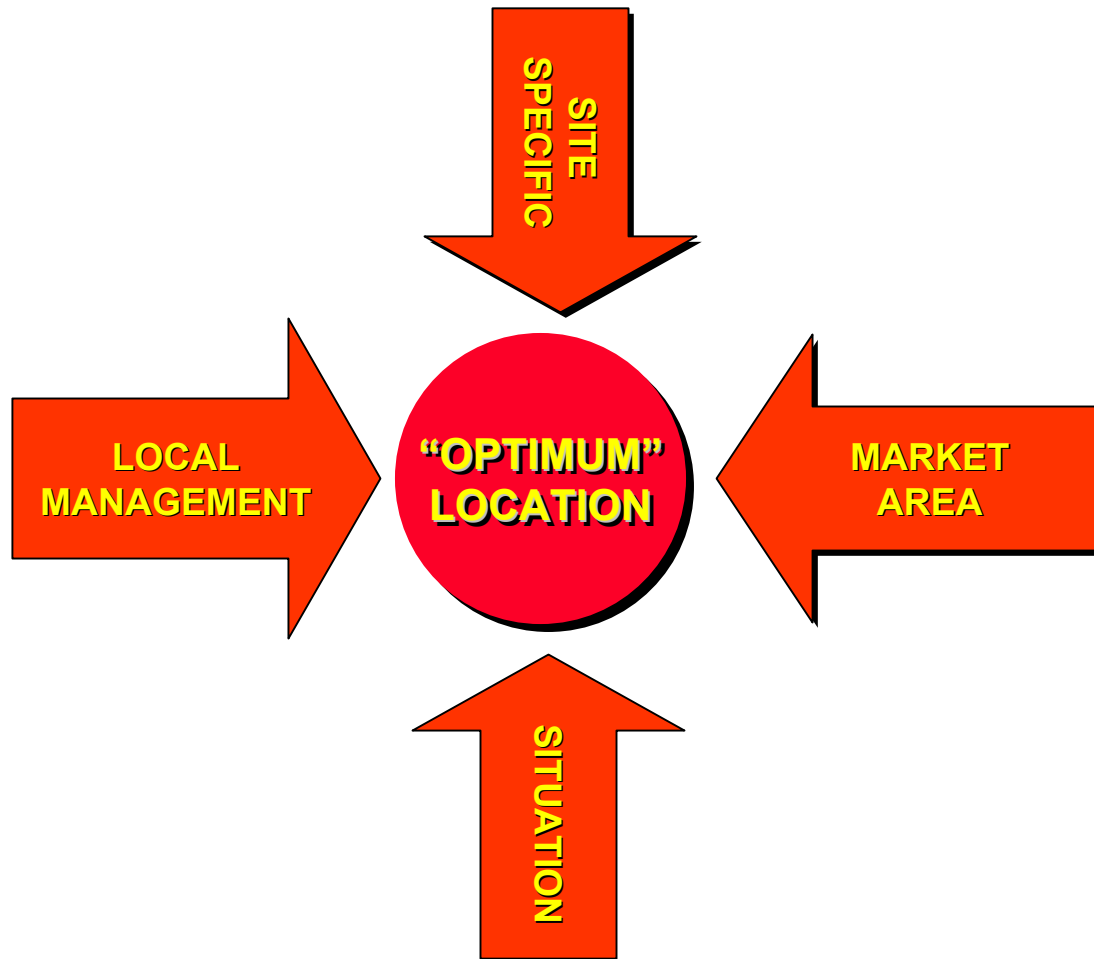
**Proxix Solutions, Inc
3202 Palm Harbor Blvd., Suite A
Palm Harbor, FL 34683
727-781-2662**

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Customer Scoring Model

- **Integrated with ESRI Business Analyst.**
- **Uses ArcGIS & Proxix technology.**
- **Depends on ESRI-BIS demographic data.**
- **Customer household files from AccuData America™.**

SITE SUCCESS FACTORS



SITE SPECIFIC FACTORS

Factors specific to the site itself.

- **Visibility.**
- **Accessibility.**
- **Access Barriers.**
- **Store Size/Gross Leasable Area (GLA).**
- **Appearance.**

SITUATION FACTORS

Site's location relative to the surrounding area.

- **Average Daily Traffic.**
- **Competitors.**
- **Physical Barriers.**
- **Socio-Economic Barriers.**
- **Ethnic Barriers.**
- **Traffic Generators .**

MARKET AREA FACTORS

Characteristics of the surrounding market area

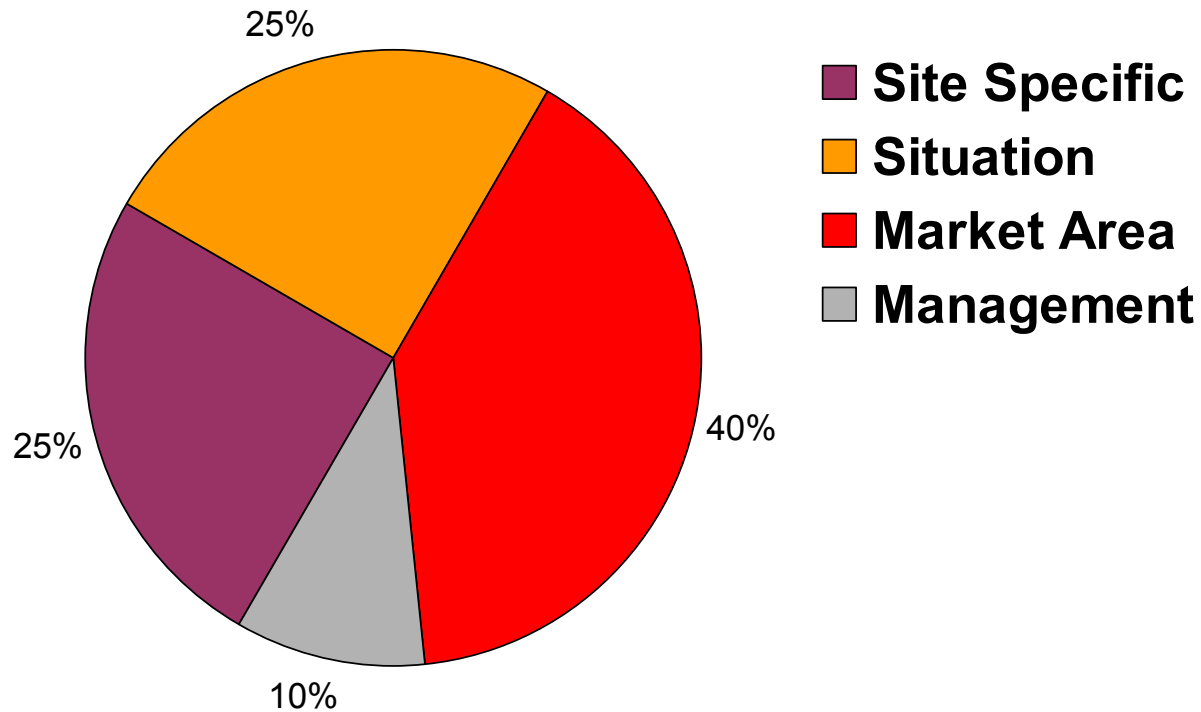
- **Total Population.**
- **Total Households.**
- **Income Factors.**
- **Age/Sex Structure.**
- **Race/Ethnicity.**
- **Family Structure.**

LOCAL MANAGEMENT FACTORS

Skills & experience of local managers.

- **Experience.**
- **Training.**
- **Management “Intangibles”.**

SITE SUCCESS FACTORS



Site Characteristics

STORE ID: Address: City: State: ZIP:

Visibility

Main 1 — Very good Good Average Poor Can't see

Main 2 — Very good Good Average Poor Can't see

Cross 1 — Very good Good Average Poor Can't see

Cross 2 — Very good Good Average Poor Can't see

Accessibility

Main 1 — Very good Good Average Poor Can't see

Main 2 — Very good Good Average Poor Can't see

Cross 1 — Very good Good Average Poor Can't see

Cross 2 — Very good Good Average Poor Can't see

Barrier Effect

Very high
 High
 Average
 Low
 Very low
 None

Signage

Very high
 High
 Average
 Low
 Very low
 None

Location Type

Urban Core
 Urban Freeway Off-Ramp
 Suburban Arterial
 Isolated Suburban
 Urban Edge Freeway
 Small Town Main Drag
 Small Town Edge
 Rural Freeway
 Mall

Site Type

Free-standing
 Shared

Drive Up?

Yes
 No

In/Out

Outbound
 Neither
 Inbound

Situation

Mid-Block
 Corner (T)
 Corner (Full)
 In Building
 Gas/Convenience

Driveup capacity:

Inside Order Stations:

Inside Seats:

Outside Seats:

Generators

Barriers, signage, location type

Site Characteristics

Generators						
<p>School/College</p> <p><input checked="" type="radio"/> 0</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 2</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 4</p> <p><input type="radio"/> 5</p> <p><input type="radio"/> 6</p> <p><input type="radio"/> 7</p> <p><input type="radio"/> 8</p> <p><input type="radio"/> 9</p>	<p>Hospital</p> <p><input checked="" type="radio"/> 0</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 2</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 4</p> <p><input type="radio"/> 5</p> <p><input type="radio"/> 6</p> <p><input type="radio"/> 7</p> <p><input type="radio"/> 8</p> <p><input type="radio"/> 9</p>	<p>Office Complex</p> <p><input type="radio"/> 0</p> <p><input checked="" type="radio"/> 1</p> <p><input type="radio"/> 2</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 4</p> <p><input type="radio"/> 5</p> <p><input type="radio"/> 6</p> <p><input type="radio"/> 7</p> <p><input type="radio"/> 8</p> <p><input type="radio"/> 9</p>	<p>Movie Theater</p> <p><input checked="" type="radio"/> 0</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 2</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 4</p> <p><input type="radio"/> 5</p> <p><input type="radio"/> 6</p> <p><input type="radio"/> 7</p> <p><input type="radio"/> 8</p> <p><input type="radio"/> 9</p>	<p>Mall/Shopping</p> <p><input checked="" type="radio"/> 0</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 2</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 4</p> <p><input type="radio"/> 5</p> <p><input type="radio"/> 6</p> <p><input type="radio"/> 7</p> <p><input type="radio"/> 8</p> <p><input type="radio"/> 9</p>	<p>Sports Com.</p> <p><input type="radio"/> 0</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 2</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 4</p> <p><input type="radio"/> 5</p> <p><input type="radio"/> 6</p> <p><input type="radio"/> 7</p> <p><input type="radio"/> 8</p> <p><input checked="" type="radio"/> 9</p>	<p>Other</p> <p><input type="radio"/> 0</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 2</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 4</p> <p><input type="radio"/> 5</p> <p><input type="radio"/> 6</p> <p><input type="radio"/> 7</p> <p><input type="radio"/> 8</p> <p><input checked="" type="radio"/> 9</p>
<p>1,500 Store Sq Ft:</p> <p>30,000 Pad Sq Ft:</p>						<p>Location Verified? <input type="checkbox"/> Yes</p>
<p>Appearance</p> <p><input checked="" type="radio"/> 4 High</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 2 Average</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 0 Poor</p>						<p>Cond-Nearby Bldgs</p> <p><input checked="" type="radio"/> 4 High</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 2 Average</p> <p><input type="radio"/> 1</p> <p><input type="radio"/> 0 Poor</p>
<p>Business Compatibility</p> <p><input type="radio"/> 4 High</p> <p><input type="radio"/> 3</p> <p><input type="radio"/> 2 Average</p> <p><input checked="" type="radio"/> 1</p> <p><input type="radio"/> 0 Poor</p>			<p>Store Type</p> <p><input checked="" type="radio"/> Inline w/drive thru</p> <p><input type="radio"/> Inline wo/drive thru</p> <p><input type="radio"/> Freestanding w/drive thru</p> <p><input type="radio"/> Freestanding wo/drive thru</p> <p><input type="radio"/> Co-Brand</p> <p><input type="radio"/> Other</p>		<p>Look_Feel</p> <p><input type="radio"/> Very Good</p> <p><input type="radio"/> Good</p> <p><input type="radio"/> Average</p> <p><input type="radio"/> Poor</p> <p><input type="radio"/> Very Poor</p> <p><input checked="" type="radio"/> What a Dump!</p>	
<p>Notes</p> <p>This location is a straight shot from the Ontario International Airport and is very near Ontario Mills.</p>						

GETTING HOUSEHOLD LEVEL CUSTOMER DATA

- **Data Warehouse**
- **Store Intercepts**
- **Register-to-win**
- **Web-based register-to-win**
- **Frequent-purchaser card**
- **Debit card**
- **All we need is a sample!**

Customer Scoring Model

- **Unique approach to site location.**
- **Combines:**
 - **Robust customer profiling**
 - **Purchase probability.**
- **Based on the lowest level of geography.**
 - **Individual household.**

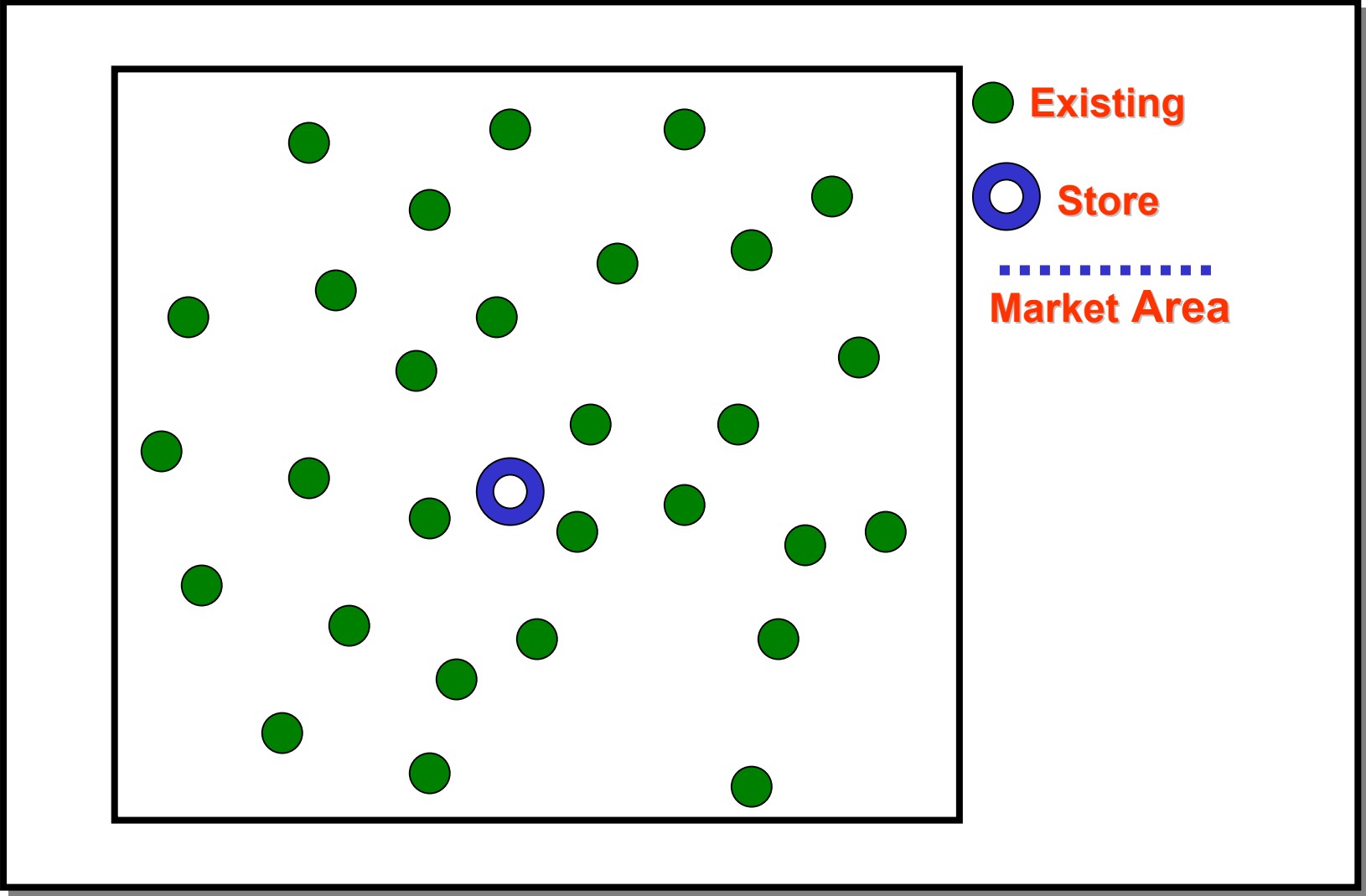
Customer Scoring Model

- **Household level of analysis provides:**
 - **A comprehensive and rigorous profile of existing customers.**
 - **Comparisons of actual vs. expected market areas and sales.**
 - **Instant sales forecast for any new location.**
 - **On-the-fly market area optimization and calibration.**

Customer Scoring Model

- **Existing customers geocoded.**
- **Provides locational information:**
 - **Distance to nearest store;**
 - **“Neighborhood” characteristics;**
 - **Weather and climate;**
 - **Regional “attitudes”.**
- **Data only available via GIS.**

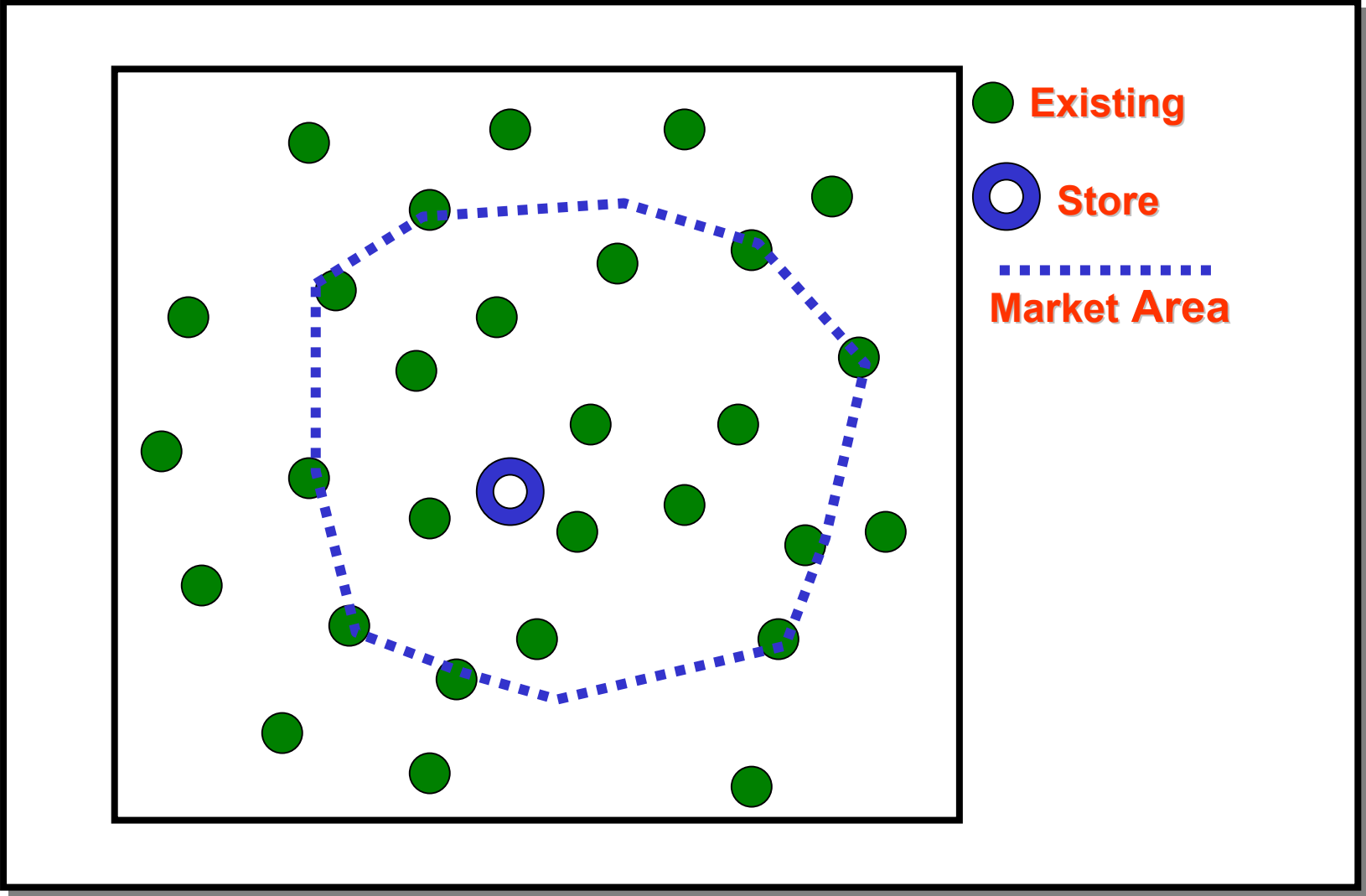
Existing Customers



Customer Scoring Model

- **Primary Market Area (PMA) generated around each store.**
- **Percent of customers or sales.**
- **True measure of:**
 - **Size of market area.**
 - **Shape of market area.**

Existing Customers



Customer Scoring Model

- **Existing customers matched against AccuData™ database**
- **More than 170 million households.**
- **Appends key demographic, socio-economic, and “lifestyle” information to each record.**

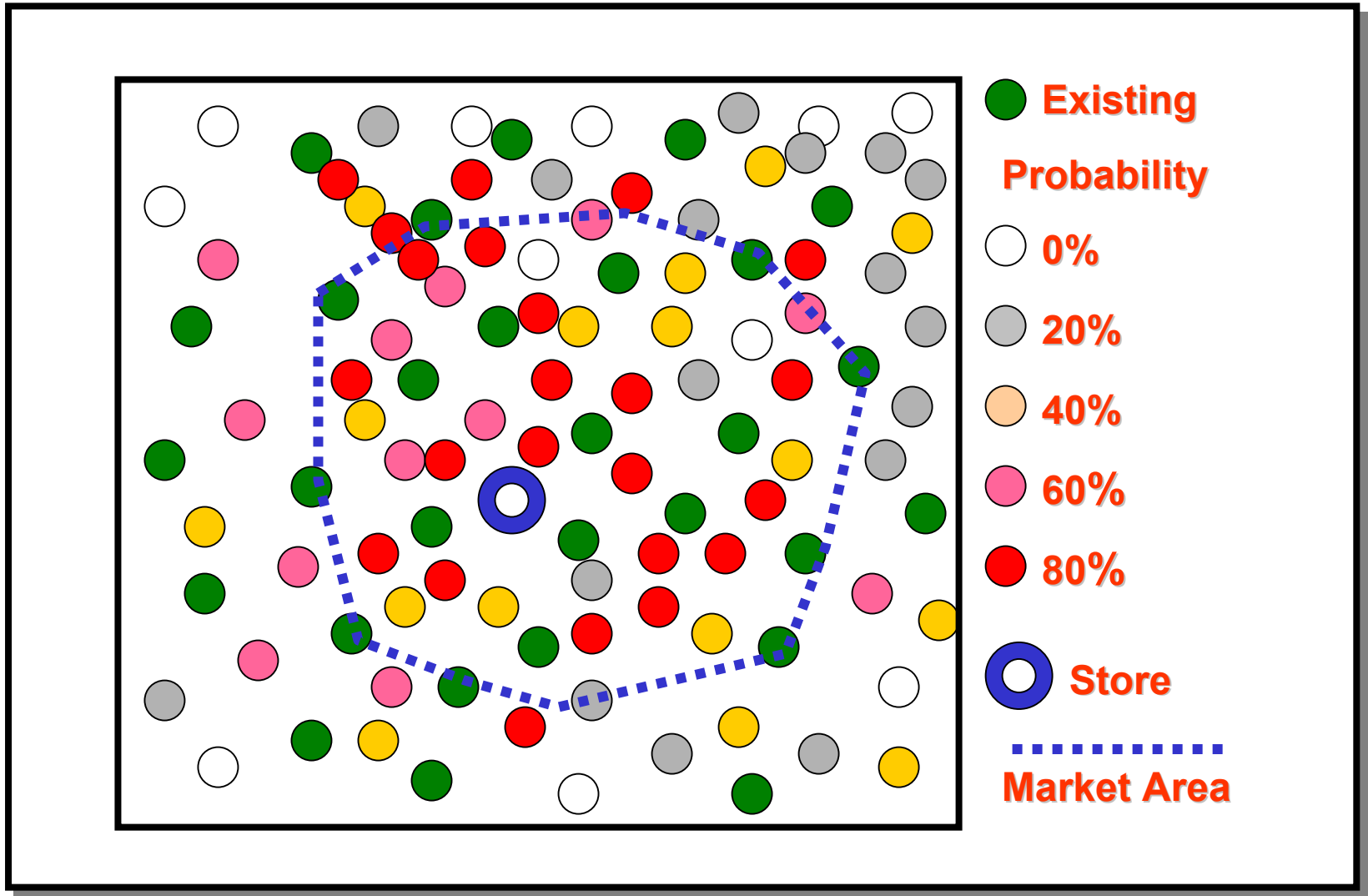
Customer Scoring Model

- **Missing data appended to each customer record using latest demographic estimates at the block group level.**
- **Existing customers segmented and analyzed.**
 - **SPSS analytic tools.**
 - **Creates accurate predictive profiles.**

Customer Scoring Model

- **Profiles matched to non-customer households.**
- **Each household is assigned a “probability of purchase”.**
- **Based on:**
 - **Demographics.**
 - **Geographics (location/distance to existing stores, etc.).**

Profiled Customers



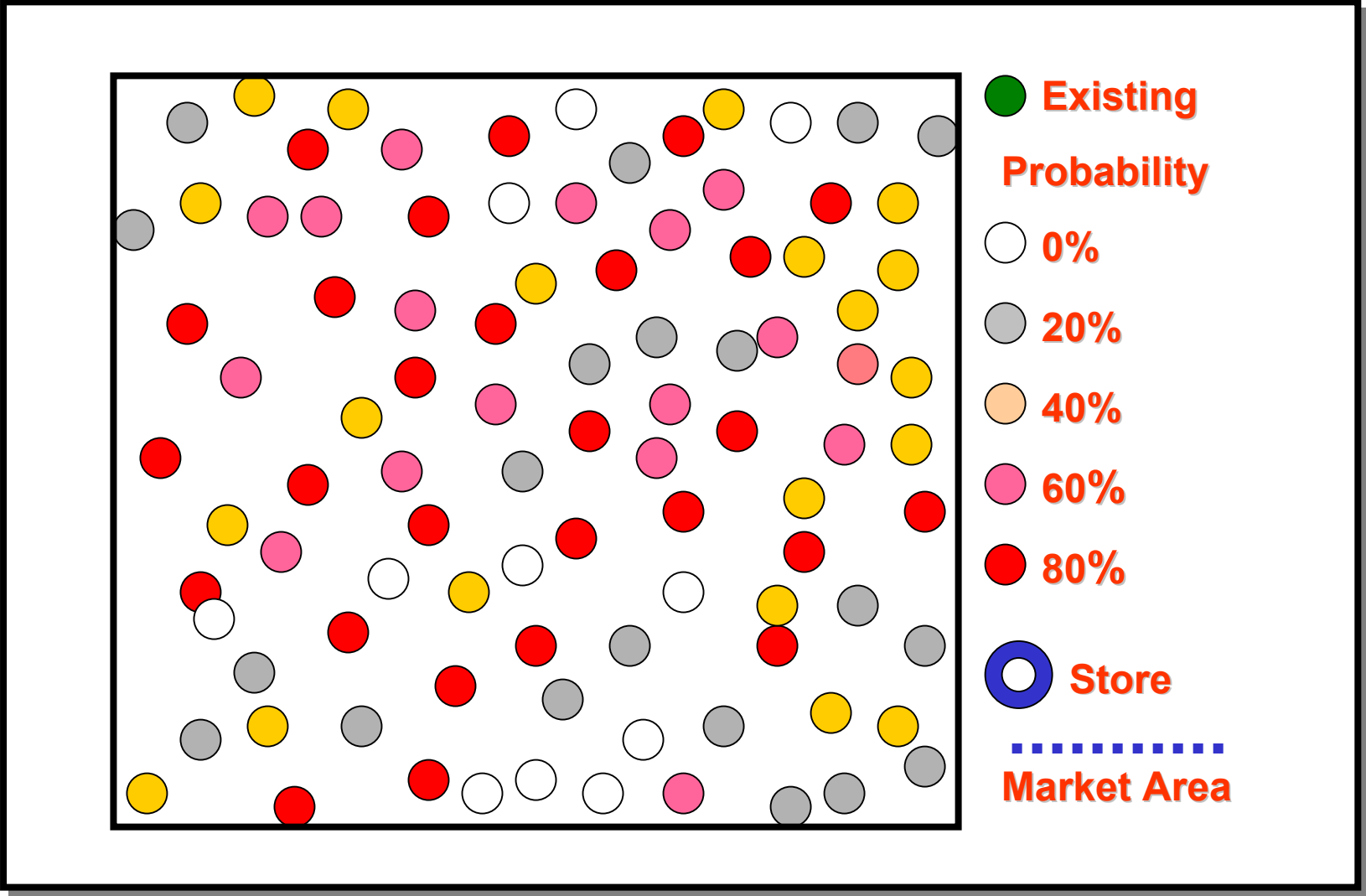
Customer Scoring Model

- **Total household points for block groups adjusted to meet census projections**
- **Sum of points for any geography will match census population and household numbers.**

Customer Scoring Model

- **All households given probability to purchase score.**
- **Distance to store not used beyond a cutoff distance.**
- **Probabilities rescored for proposed locations.**

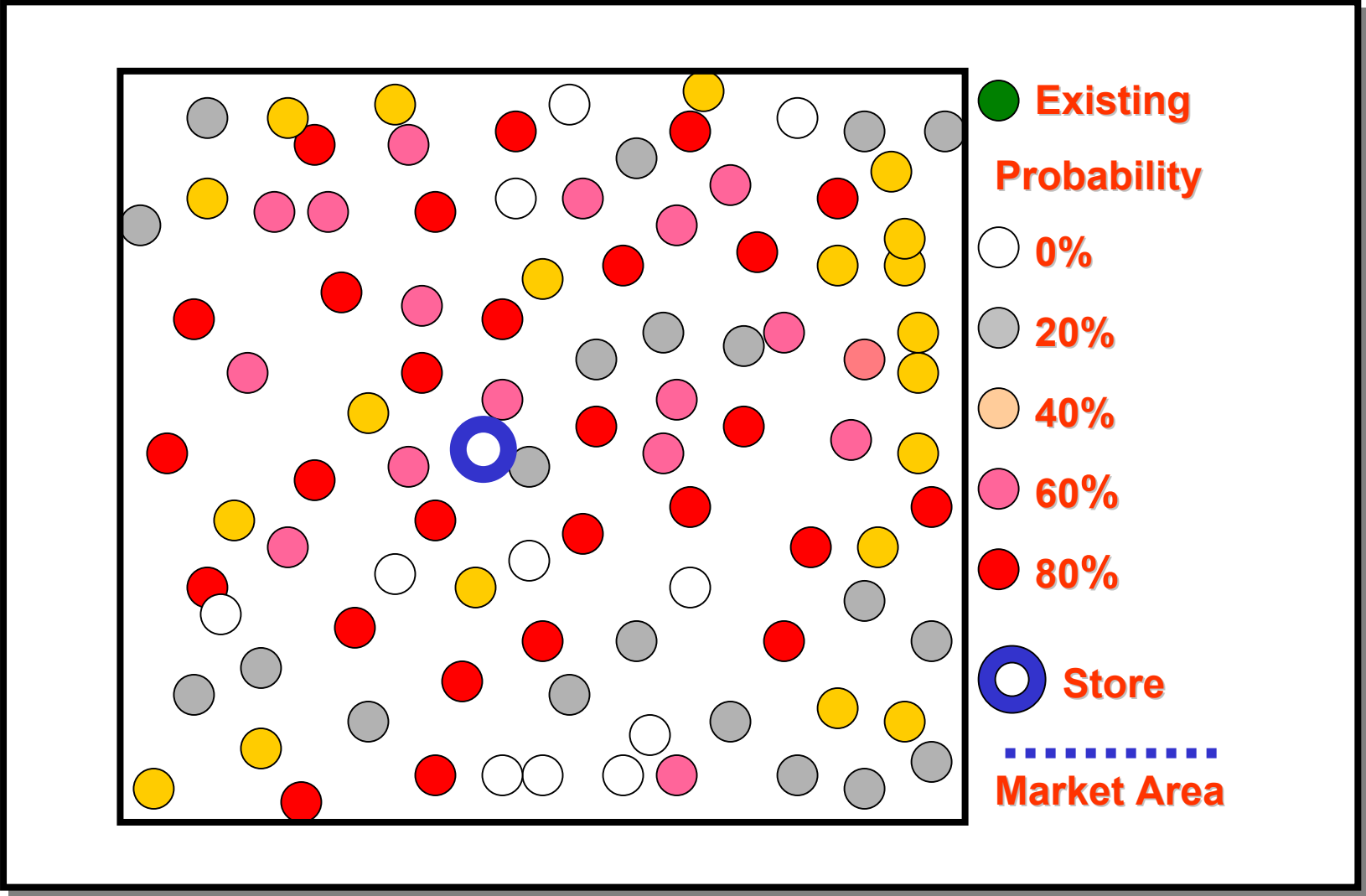
New Market



Customer Scoring Model

- **Distance-to-store values automatically updated for any proposed location.**
- **Probability-of-purchase modified within a specified distance.**
- **System aggregates predicted sales for any polygon (ring, drive-time, etc.) for the new site.**

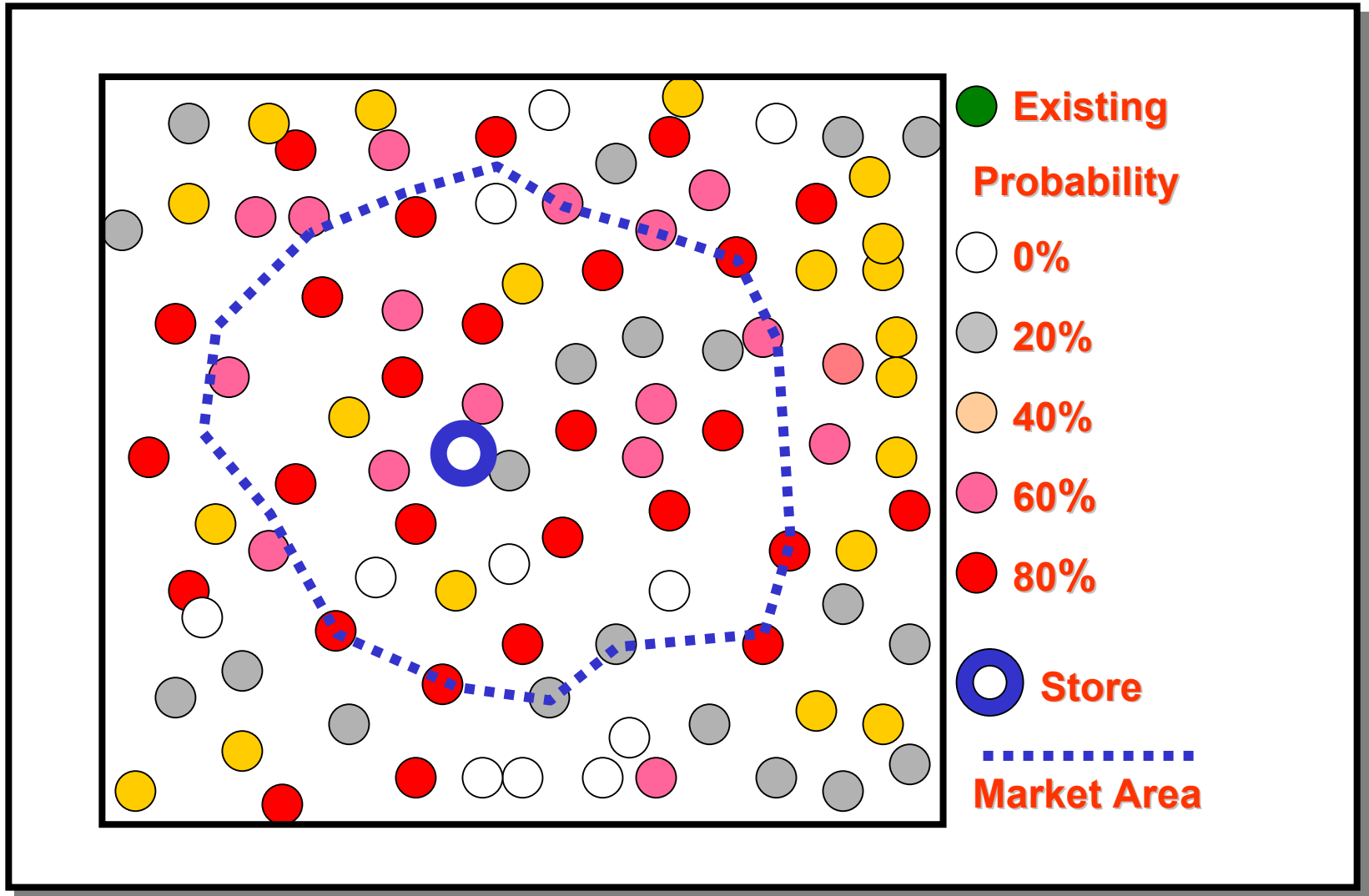
New Store



Customer Scoring Model

- **System generates probable market areas around any proposed site.**
- **Based on existing market areas as determined by customer locations.**

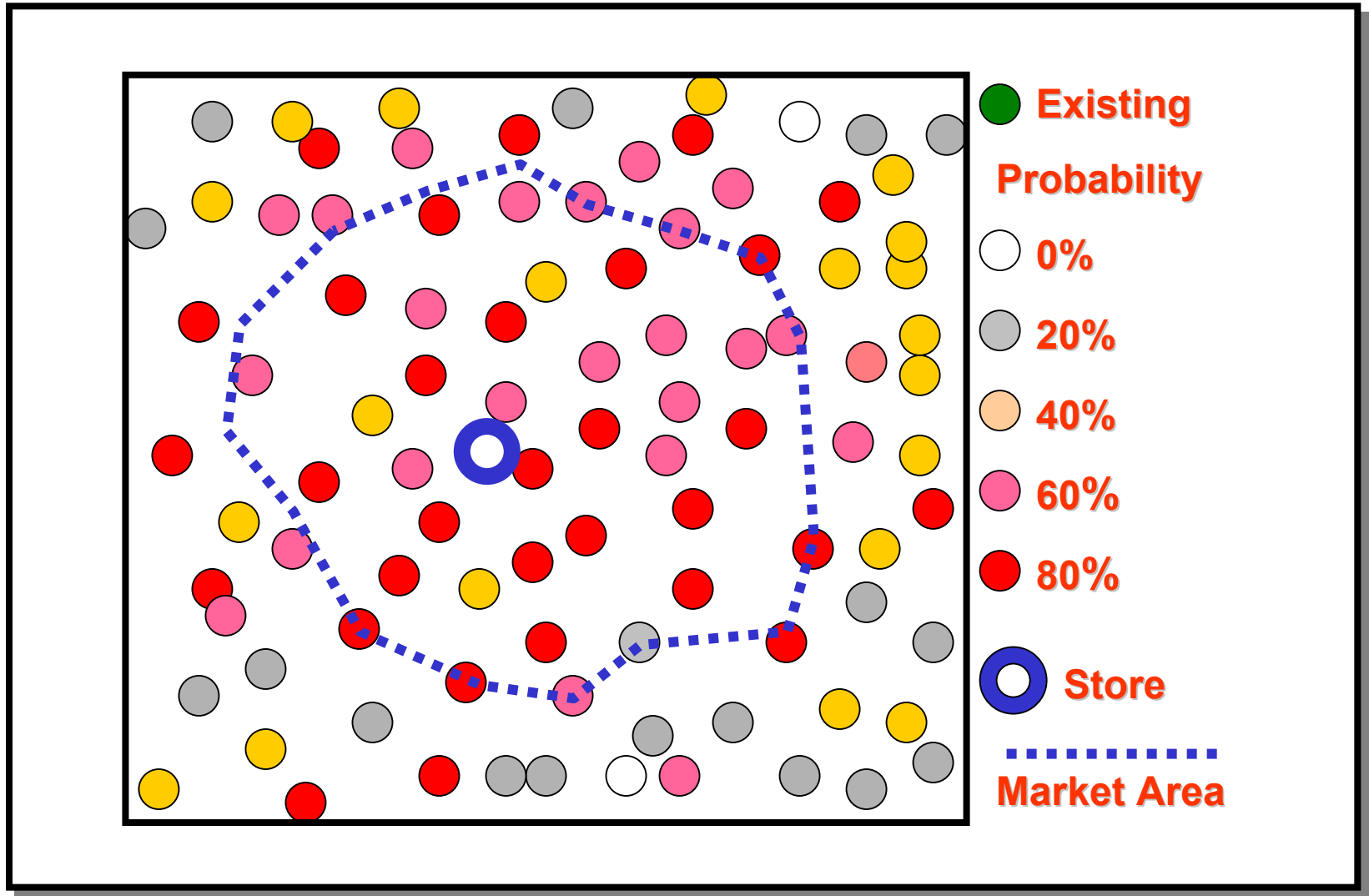
Probable Market Area



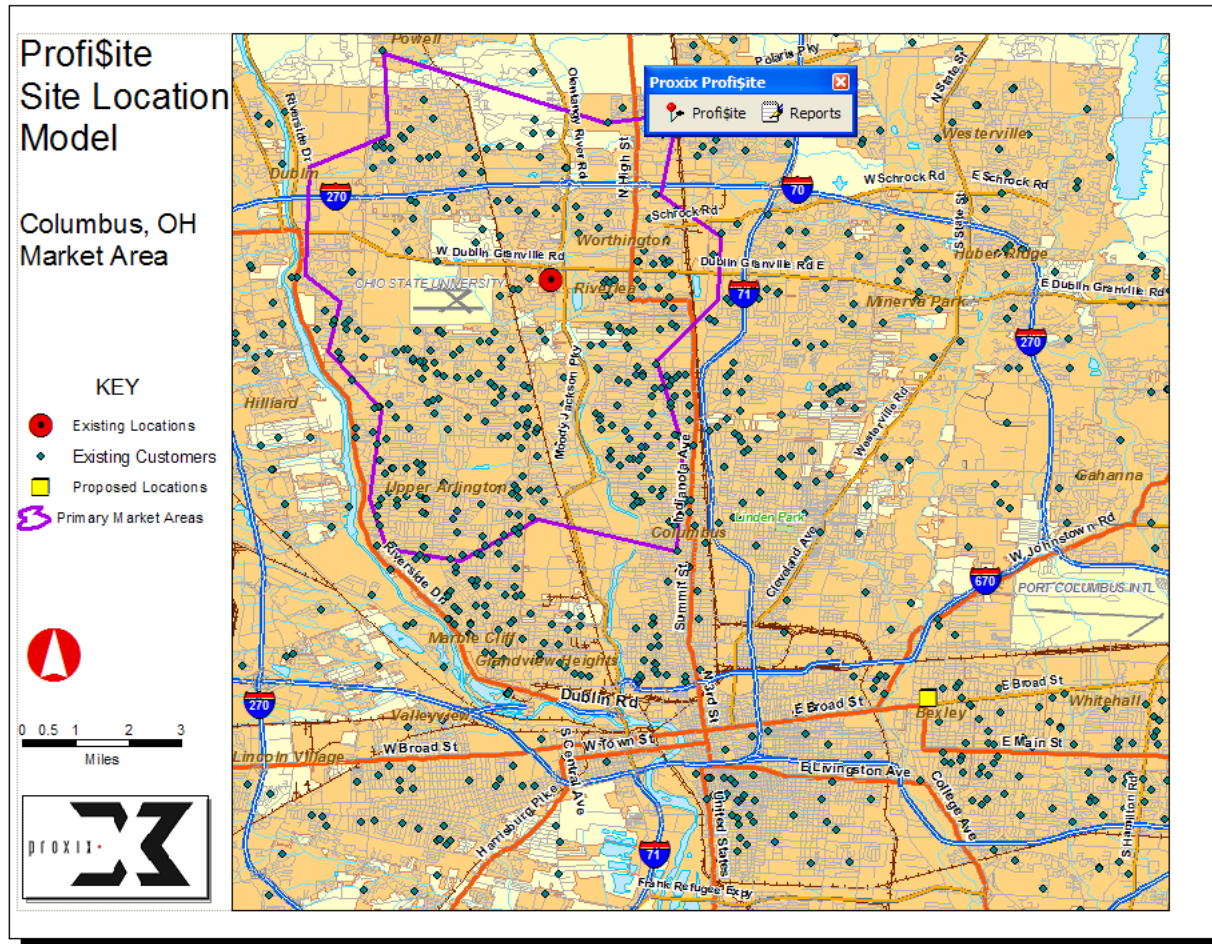
Customer Scoring Model

- **Specialized marketing and advertising lists automatically generated for any new site based on geography and customer profiles.**

Estimated Sales Probability

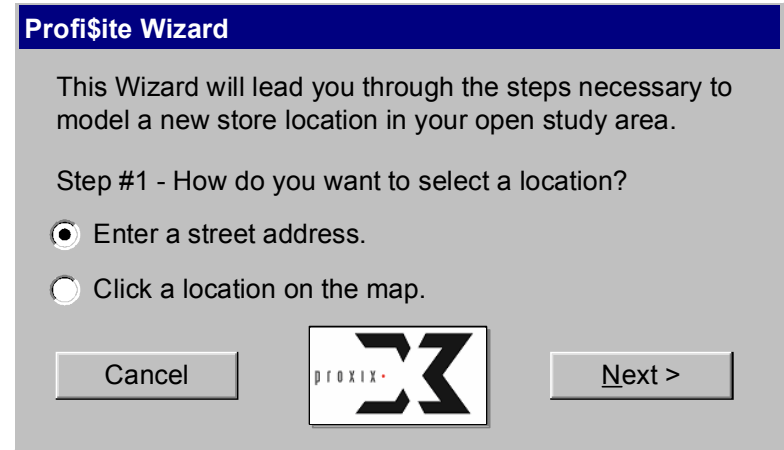


Customer Scoring Model



Customer Scoring Model Integration into Business Analyst

- **The user to select a proposed location in two ways:**
- **Entering a street address;**
- **Clicking a location on a map.**
- **Entering an address will zoom the user directly to that location.**
- **User will have to pan/zoom to a specific location in order to use the second option.**




Profi\$ite Wizard

This Wizard will lead you through the steps necessary to model a new store location in your open study area.

Step #1 - How do you want to select a location?

Enter a street address.

Click a location on the map.

Cancel  Next >

Customer Scoring Model

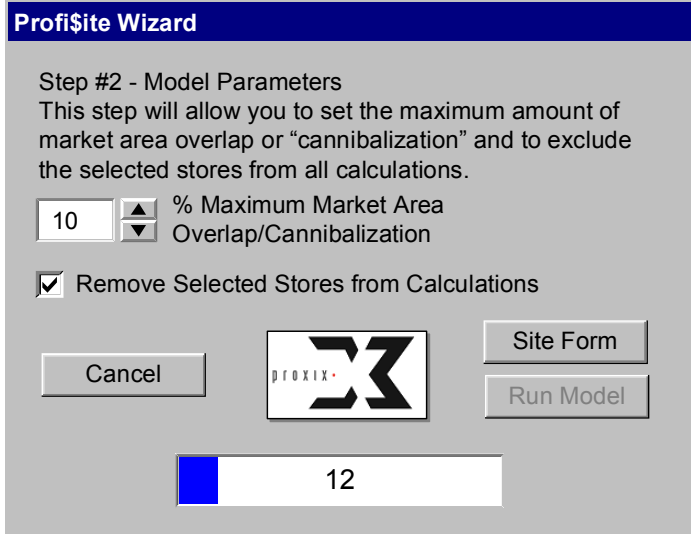
- **Address option activates this form allowing the user to enter an address.**
- **System will zoom to the entered address.**
- **User can adjust the proposed location if necessary and update the database with the correct location.**



The screenshot shows a software window titled "Profi\$ite Wizard" with a dark blue header. Below the header, the text "Enter a Street Address" is displayed. The form contains several input fields: a large text box labeled "Address", a smaller text box labeled "City", a dropdown menu labeled "State", and a text box labeled "ZIP". At the bottom of the form, there are three buttons: "Cancel" on the left, the ProxiX logo in the center, and "Next >" on the right.

Customer Scoring Model

- User must then establish the model parameters.
- Specify the maximum amount of market area overlay (competing existing locations).
- The user can remove existing stores from the model parameters.
- Useful for modeling relocation operations.
- Step also requires the user to enter data into a Site Data Form.
- “Run Model” button is disabled until the Site Data Form is completed.




Profi\$ite Wizard

Step #2 - Model Parameters
This step will allow you to set the maximum amount of market area overlap or “cannibalization” and to exclude the selected stores from all calculations.

10 % Maximum Market Area
Overlap/Cannibalization

Remove Selected Stores from Calculations

Cancel  Site Form

Run Model

12

Customer Scoring Model


Profi\$ite Wizard

Results

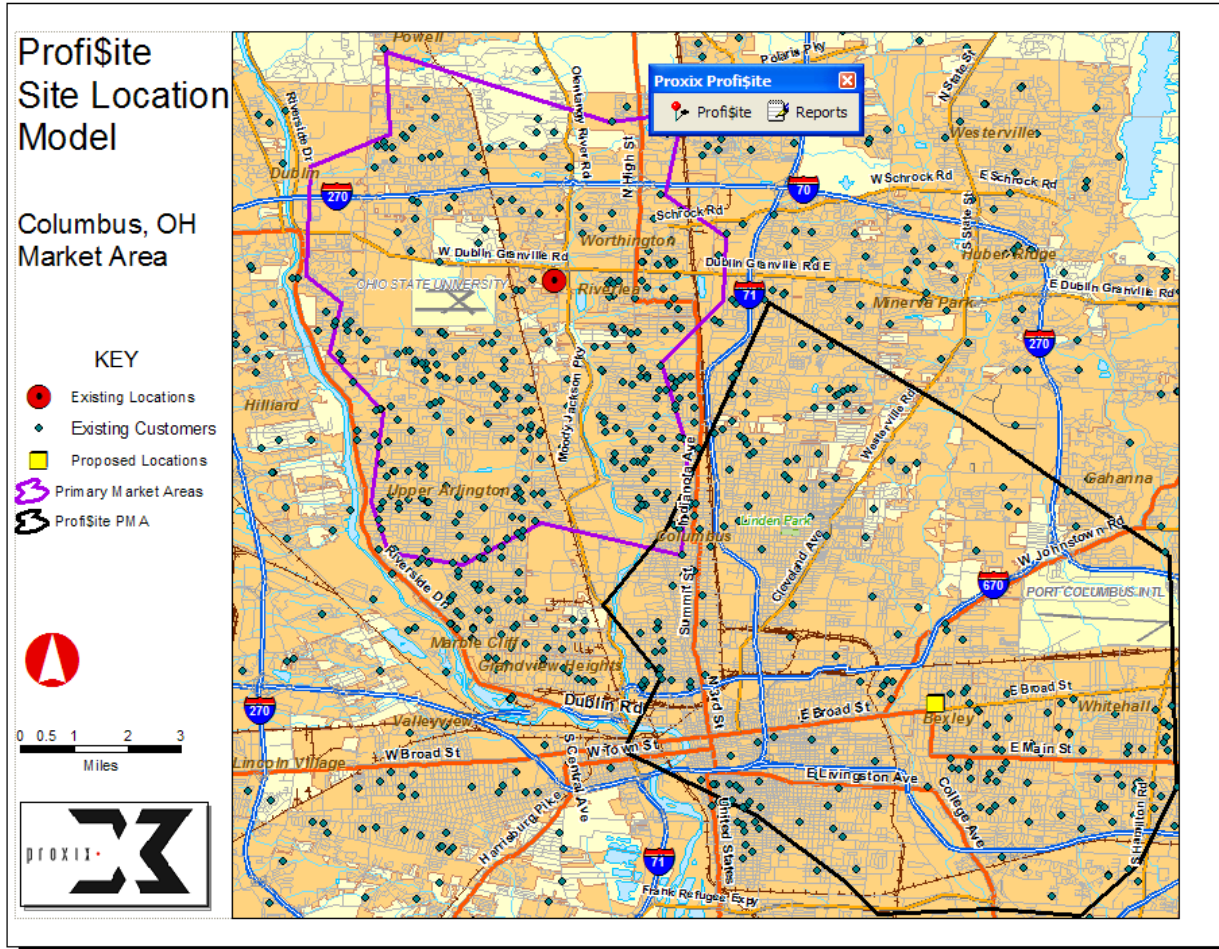
Estimated Sales

+ -

Total Cannibalization (%)



Customer Scoring Model




Customer Scoring Model

Profi\$ite Wizard

Results

<input type="text" value="\$98,656"/>	Estimated Sales
<input type="text" value="\$107,536"/>	<input type="text" value="\$88,897"/>
<input type="text" value="12%"/>	Total Cannibalization (%)



QUESTIONS?