

# Market Trade Area Analytics & Visualization

UNDERSTAND MARKET AREAS AROUND STORE/OFFICE LOCATIONS  
PREDICT TRADE AREAS FOR NEW LOCATIONS

## Trade Area Analysis, Development and Mapping

Trade area analysis and mapping describe the characteristics of the area around a store or network of stores. Without accurate trade area definitions, you cannot measure the key statistics that impact a store's performance.

Use trade area analysis to aid site selection and target marketing.

- Trade area analysis and mapping tell you:
- Where a store's customers are coming from
- How many customers you have in a trade area
- Where to look for for more customers

## Benefits of Trade Area Analysis

- Identify gaps or overlaps in the market coverage of your existing store network, and make corrections by opening, closing or moving stores
- Make better site selection decisions by using characteristics of existing trade areas to predict trade areas around potential locations
- Define a geographic area to analyze for market potential, market penetration, and competitive threats
- Become more efficient and effective at target marketing by reaching out only to those customers and prospects in a store's trade area
- Use as a key input into customer profiling

## Factors that Impact Trade Areas

Analyzing trade areas should be performed regularly to provide key metrics for improving sales and marketing performance.

Adding new stores to your network will cause the trade area of nearby stores to change. In a saturated market, or if stores are placed too close to one another, cannibalization can occur.

A change to product offerings will impact the trade area, as will shifts in population and demographics, the existence of competitors, changes to highways and roads, and the addition of other businesses that attract people to the area.

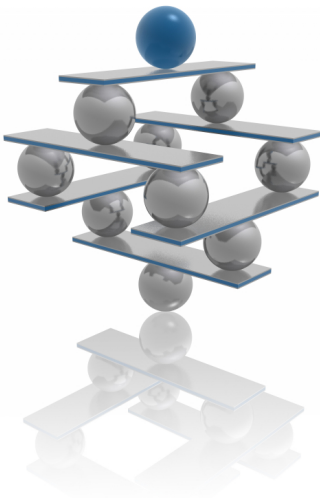
## Trade Area Analysis: What We Can Do for You

Trade area analysis is a primary analytic service performed by Scenario Systems. We have the people, experience, tools, and data required to perform sophisticated multi-site and multi-region trade area analyses.

We also provide applications, software, data, and training to help you develop "in-house" trade area analysis capability.

A trade area analysis typically includes:

- Mapping existing customers in relation to store locations
- Calculating distance/drive times from customers to store locations
- Determining all variables that define and impact your trade areas



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- Developing a model for predicting trade areas around new sites
- Using the results as an input into analyzing market potential or customer profiling or to help make decisions about site selection or targeted marketing

A top down approach starts with market and industry data. It takes a close look at a geographic market area and profiles the consumers and/or businesses to let you know their propensity to buy your products and services.

Scenario Systems has expertise in both these approaches to market sizing. We also have a wealth of data sources through partnerships with the best data providers in the industry. We can match the right data for market analysis to your business and market strategy.

### Cluster Analysis for Market Sizing

We often use lifestyle clustering systems to size consumer markets. Clustering systems operate under the premise that "birds of a feather flock together."

That means people with similar buying behaviors and demographic profiles tend to live close together. This helps you identify neighborhoods or markets where your potential is highest.

Cluster analysis identifies key segments in the population that are more likely to purchase your products than the average consumer

Knowing in which clusters people reside provides a reasonable means of

understanding and predicting how they will behave

Understanding which clusters are more likely than others to purchase allows better targeting

Clusters are tied to geography, allowing you to identify and prioritize neighborhoods, trade areas and markets.

### Access Market Opportunity

Market analysis services from Scenario Systems will provide the key intelligence you need to rank and prioritize markets. You will know:

- The top new geographic markets to target based on customer or revenue potential
- Which markets where you currently do business have untapped potential

Gaining this market understanding is essential to growing and expanding your business. But it isn't enough on its own.

### What Steps Are You Taking To Gain Market Share Where There Is Market Potential?

You need to act upon your new found market understanding by deploying sales and marketing resources effectively.

This is where Scenario Systems separates from other firms that might offer you analytic services. We can help you choose higher-performing store or business locations, align your sales force more productively, and acquire

prospect lists. All so you can tap into the market opportunity we've helped you identify.

### Market Potential Example

Let's say you sell reverse mortgages and your ideal customer is 65 years of age or older and owns a home valued at \$150,000 or higher.

Scenario Systems will then perform market potential analysis using market data, demographics and/or lifestyle clustering systems to find areas where high concentrations of your ideal customer live.

From there, it's ranking the potential markets and deploying resources by selecting locations of branches or performing targeted direct marketing.

### About Scenario Systems

Scenario Systems International is an international consulting company who focuses on helping large, complex organizations improve the way business runs.

We're Geospatial, ITIL® and CobiT® experts but more importantly we're still process improvement consultants. We understand the difference between general best practices and actually improving process and execution.

We focus intently on measurable gains in service quality, agility, accuracy, along with reductions in risk and costs. We work with clients to bridge the gap between theory and business reality -- delivering and proving the business value each step of the way.



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