

Project #1 (Part 2) – Location Analytics

Site Evaluation and Target Marketing with Customer Data

In the ever-evolving landscape of business, understanding the dynamics of customer behavior and market potential is paramount. This report presents the outcomes of a comprehensive Target Marketing analysis, a critical step in this project. The objective was to leverage synthetic customer sales data with real addresses and store locations to simulate the application of real-world location-based insights.

The chosen focal points for this analysis are two Greco Pizza Store locations within the Halifax Regional Municipality (HRM), coupled with a synthetic customer dataset generated from civic addresses. It is essential to note that the data utilized in this study is synthetic, designed for educational purposes, and may not reflect the intricate nuances of a true market scenario. However, the emphasis lies in showcasing the application of location analytics tools to glean insights into potential customer distribution, market penetration, and areas for strategic growth.

Store 1 Customers

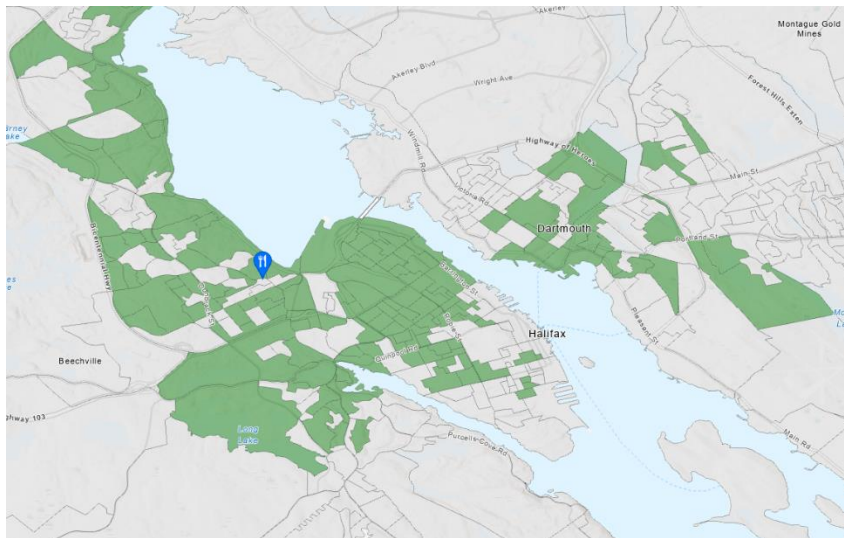


Figure 1: Store 1 Target (Core) Layer

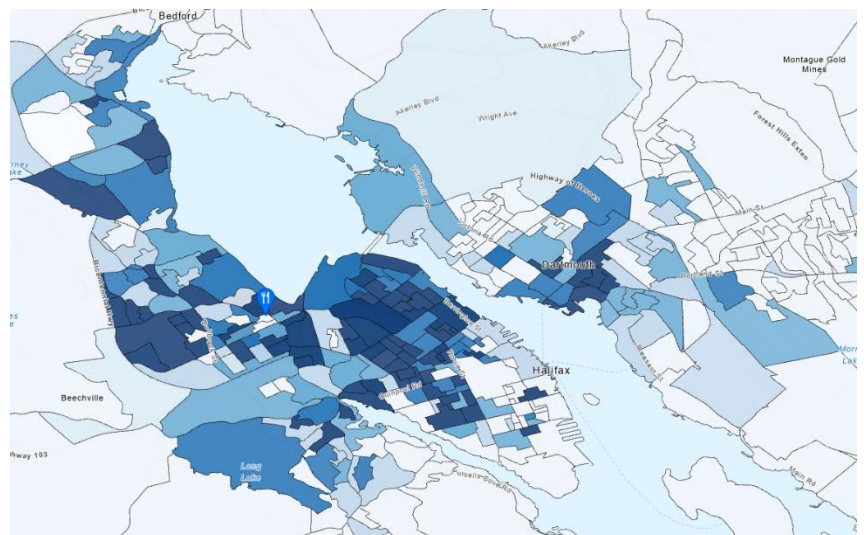


Figure 2: Store 1 Target Penetration Layer

Figure 1 shows us the polygons that Store 1's core customers can be found in around the HRM. Customers placed in the Core group are likely to be the most frequent shoppers at the store and can be relied upon to bring in the required money to pay the bills. Figure 2 shows us the Target Penetration polygons around HRM. This layer represents the density of the core customer group, with the higher densities being represented by the darker shades of blue. Interestingly, there is a noticeable lack of core group customers directly surrounding the store location. The denser areas of core group customers can be found in the North and West ends of the Halifax peninsula as well as in Clayton Park.

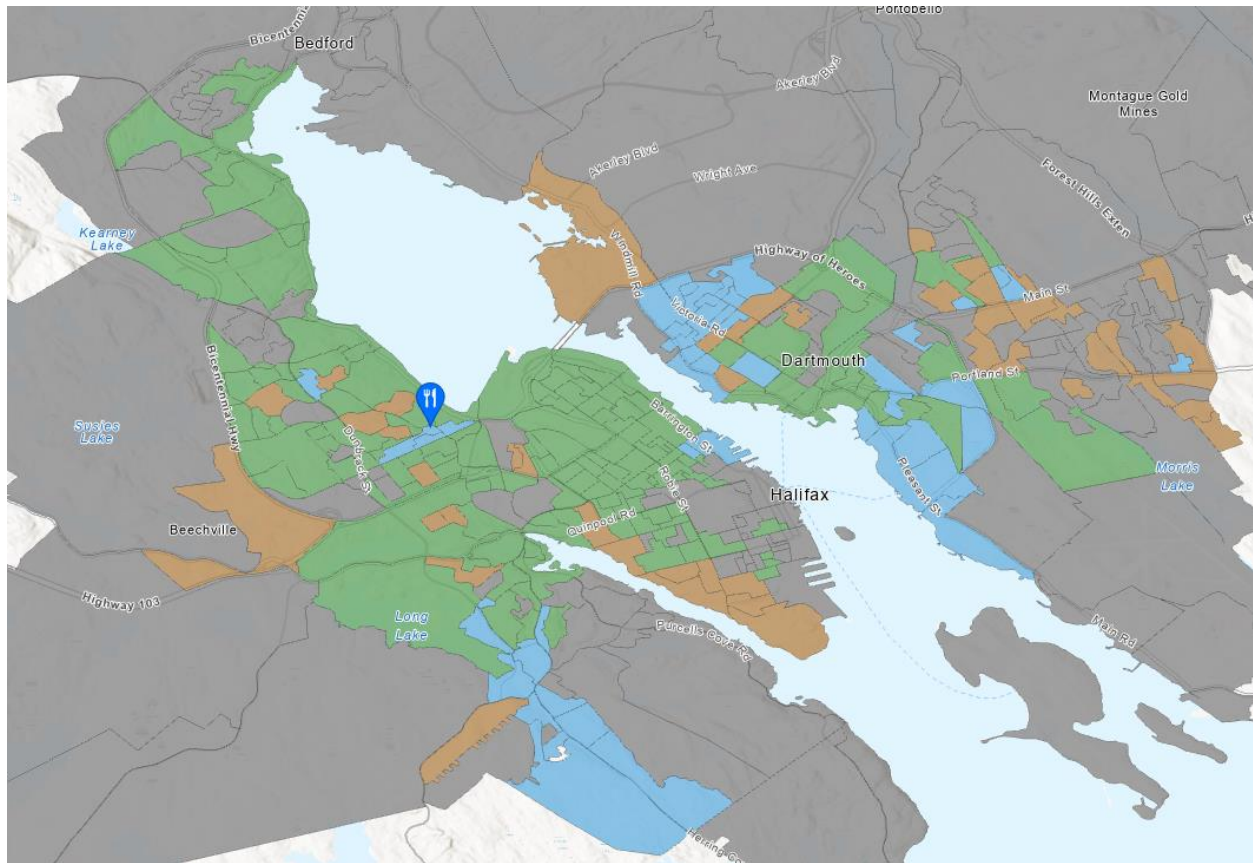


Figure 3: Store 1 Target Group Layer

In Figure 3, all four of the target groups can be seen. Only the green (Core) and blue (Developmental) groups interest us. From this map, it may be worth focusing marketing and growth opportunities in the areas surrounding the store, given that there are four Developmental polygons there. The other Developmental area of note is in the Spryfield area, in the South of the map. Both areas would be smart choices to focus on, given that the Halifax store's location is much more convenient when compared to the Dartmouth store's location.

To further expand on the idea of potential customer locations, and where future marketing and growth efforts should be focused, the Market Potential layer and Market Area & Gap Analysis layer can be analyzed.

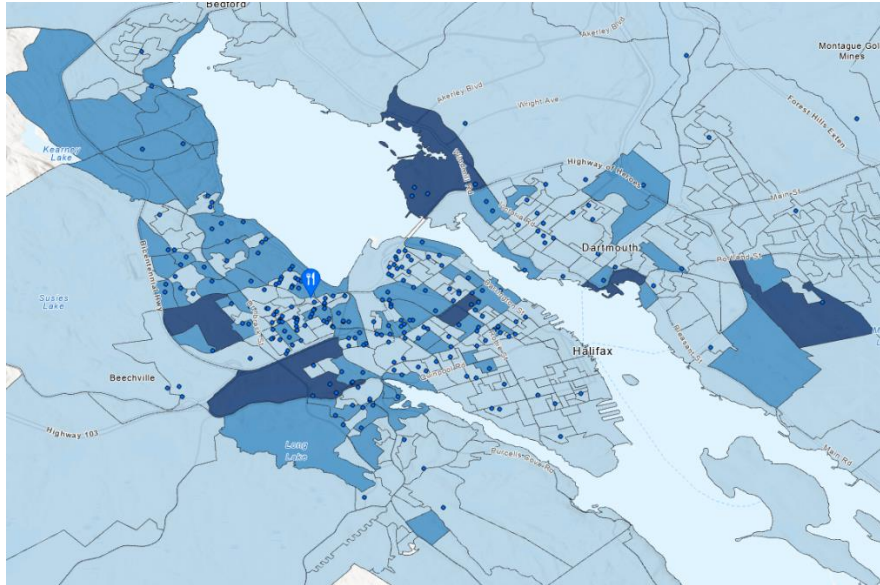


Figure 4: Store 1 Market Potential Layer

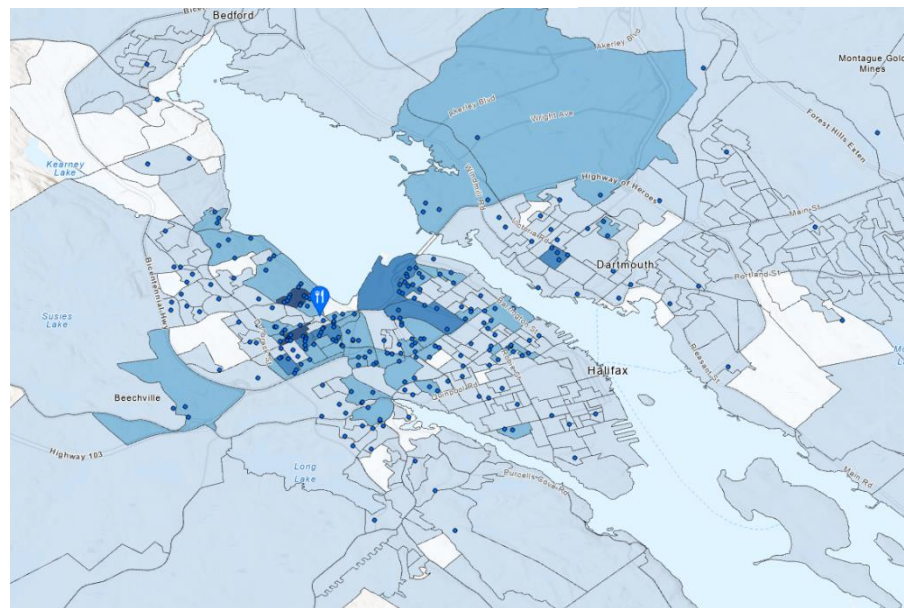


Figure 5: Store 1 Market Area & Gap Analysis Layer

The Market Potential layer shows us the areas that have the most untapped market potential. The darker shades of blue represent the areas with higher potential for growth. Areas of note include Clayton Park and the Hydrostone. There is also market potential in Burnside, however, it may be smarter not to pursue that market as the Dartmouth store is much closer to Burnside.

The Market Area and Gap Analysis layer shows us the gap between actual and potential customers. Darker shaded regions represent areas where the gap is substantial, which could indicate opportunities for improvement or strategic interventions.

Incidentally, the regions where the gap is significant are regions in close proximity to the store.

These two layers provide useful insight into where future marketing efforts may make a positive impact on increasing customer and sale numbers.

Using the Customer PRIZM Profile report, we can gain useful insights on what type of customers are actually shopping at the store 1 location in Halifax. The most prominent three lifestage groups that make up just under 85% of the customer base are Younger Singles & Couples, Older Families & Empty Nests, and Mature Singles & Couples. The most prominent three social groups that make up 75% of the customer base include Younger Urban Mix, Urban Older, and Urban Young Core. Finally, the three most prominent PRIZM segments that make up just under 50% of the customer base include Friends & Roomies, Savvy Seniors, and Juggling Acts. This deep dive into what kind of customers are shopping at this store location could help plan and put in motion marketing tactics to help improve customer and sale counts.

Store 2 Customers

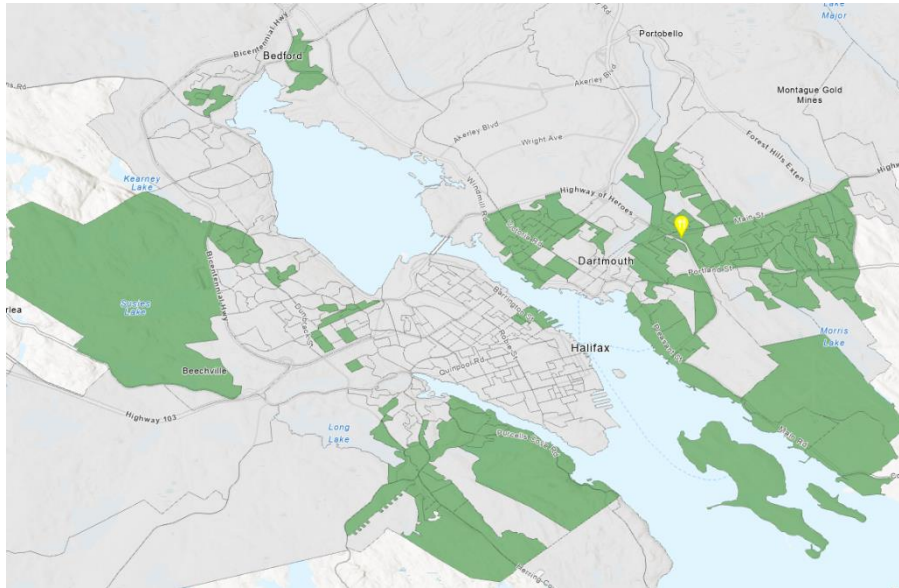


Figure 6: Store 2 Target (Core) Layer

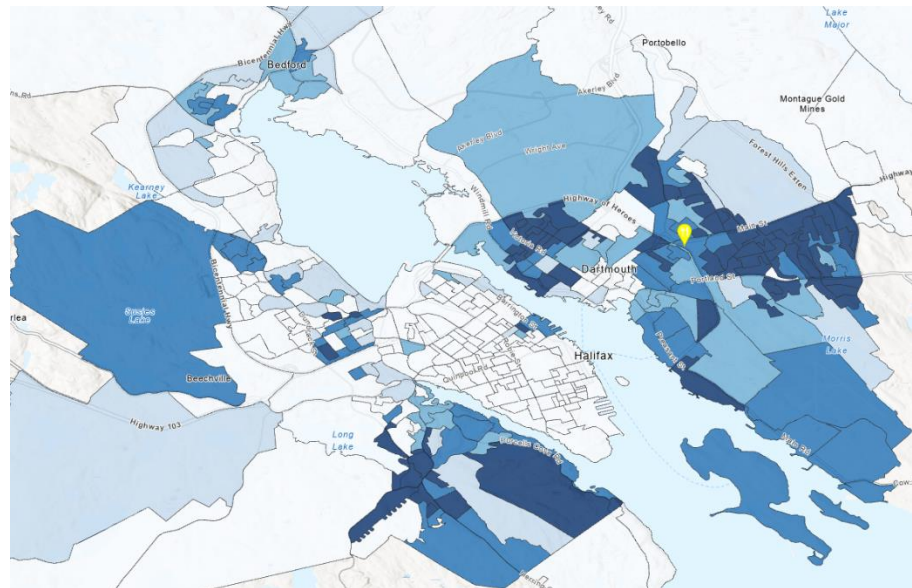


Figure 7: Store 2 Target Penetration Layer

Unlike store 1, store 2 is mostly surrounded by core group customers. There is also a significant lack of core group customers on the Halifax peninsula, with most of the core group customers finding themselves in Dartmouth, Cole Harbour, Burnside, Shearwater, and Eastern Passage. Also, quite noteworthy, there is a small cluster of core group customers closely surrounding the store 1 location, where they had a noticeable gap of core group customers. The denser areas shown in the Target Penetration layer can be mostly found in Cole Harbour and Burnside.

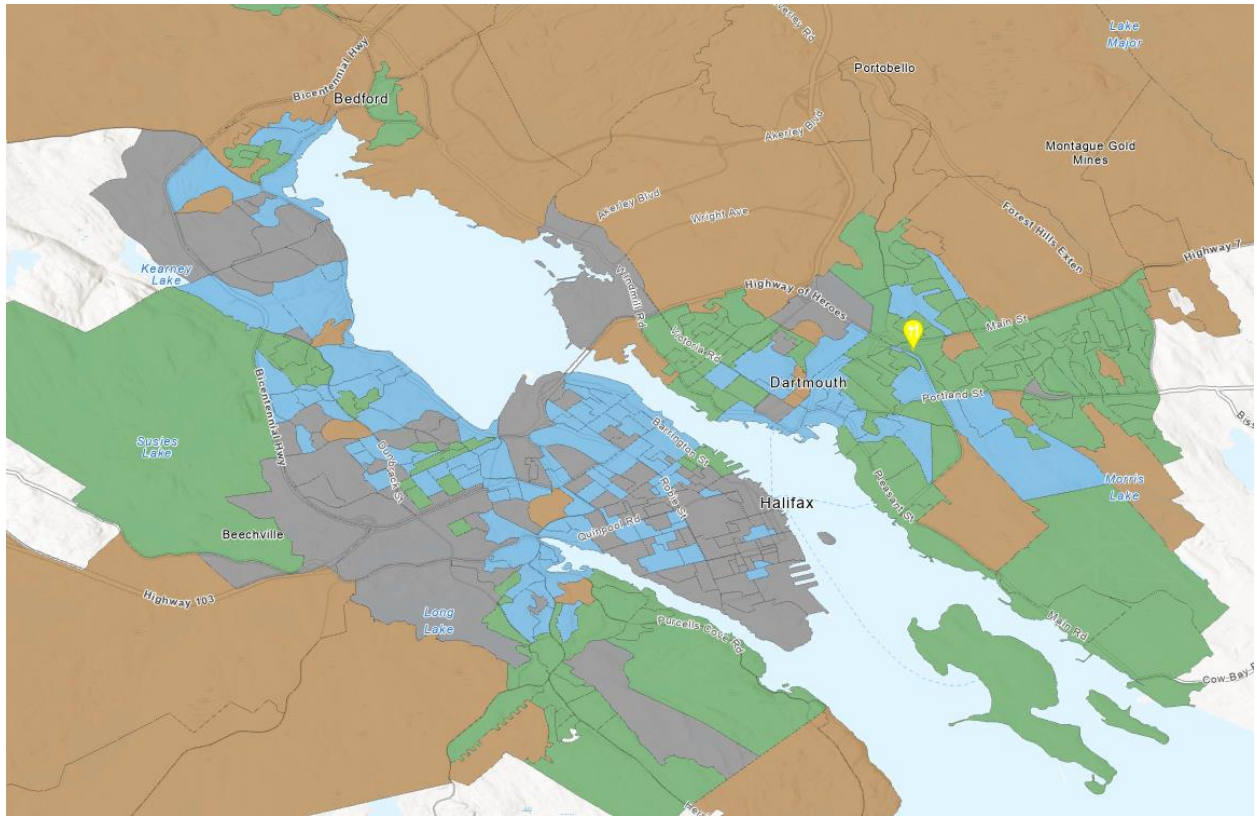


Figure 8: Store 2 Target Group Layer

Just like with store 1, Figure 8 shows us all four of the target customer groups for the store. We are once again only interested in the green (Core) and blue (Developmental) groups. There is a noticeable amount of increased Developmental polygons with the Dartmouth store locations. Locations of note that may be worth investing marketing time and effort into are the areas on the Dartmouth side as well as locations near the bridges. The polygons on the Dartmouth side are a no brainer to focus on. The locations near the bridge also make sense because potential customers may view the Dartmouth location as a bigger convenience than the location in Halifax, given that that location is just off the peninsula.

Once more, to further expand on the idea of potential customer locations, and where future marketing and growth efforts should be focused, the Market Potential layer and Market Area & Gap Analysis layer can be analyzed.



The Market Potential layer shows us the areas that have the most untapped market potential. In store 2's case, the darker shaded regions are around Shearwater and the South end of the Halifax peninsula. It would make a lot of sense to target both areas, as anyone in Shearwater would much prefer a Dartmouth Location over a Halifax location. As for the South end of the peninsula, their travel distance is close to the same for both store locations, so many potential customers may prefer the commute to the Dartmouth location depending on where they work, traffic patterns around dinner time, etc.

The Market Area and Gap Analysis layer shows us the gap between actual and potential customers. There are many darker shaded regions for store 2 when compared to store 1. This tells us that the Dartmouth location could have a much bigger customer base than currently exists.

These two layers provide useful insight into where future marketing efforts may make a positive impact on increasing customer and sale numbers.

Once again, using the Customer PRIZM Profile report, we can gain useful insights on what type of customers are actually shopping at the store 2 location in Dartmouth. The three most prominent lifestage groups that make up 85% of the customer base are Older Families & Empty Nests, Younger Singles & Couples, and Middle-Aged Families. The three most prominent social groups that make up about 55% of the customer base include Younger Urban Mix, Urban Older, and Middle-Class Suburbia. Finally, the three most prominent PRIZM segments that make up 32% of the customer base include Just Getting By, Boomer Bliss, and Stressed in Suburbia. This deep dive into what kind of customers are shopping at this store location could help plan and put in motion marketing tactics to help improve customer and sale counts.

Although difficult to create meaningful insights given that all the customer data is synthetic, this report gives a general blueprint on how one would go about analyzing customer data using the ArcGIS Pro Targeting Marketing wizard.