

# THE ROLE OF BIG DATA IN RETAIL LOCATION DECISION MAKING

DR. LAWRENCE JOSEPH

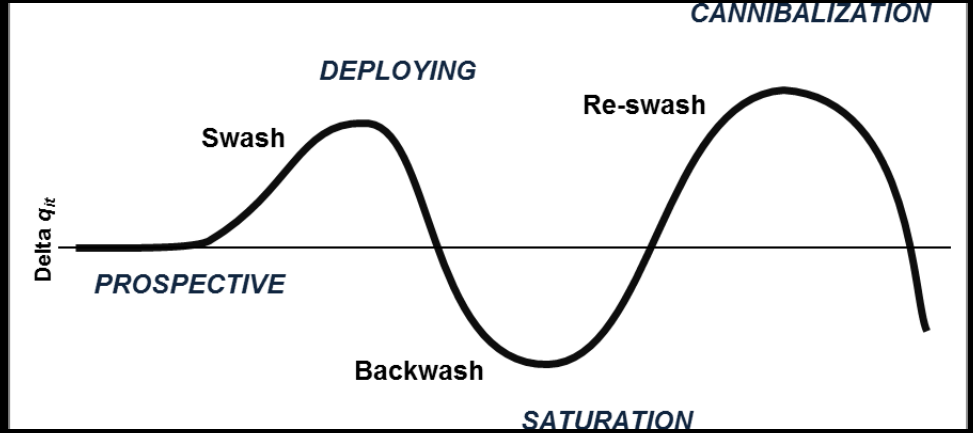
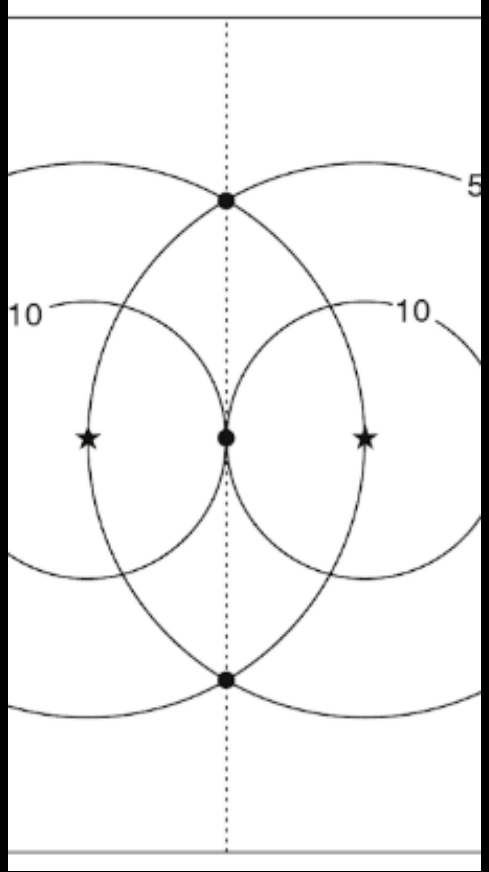
NOVEMBER 12, 2019



# AGENDA

1. INTRODUCTION
2. CAREER JOURNEY
3. APPROACH AND EXAMPLES
4. LIVE DEMO
5. DISCUSSION





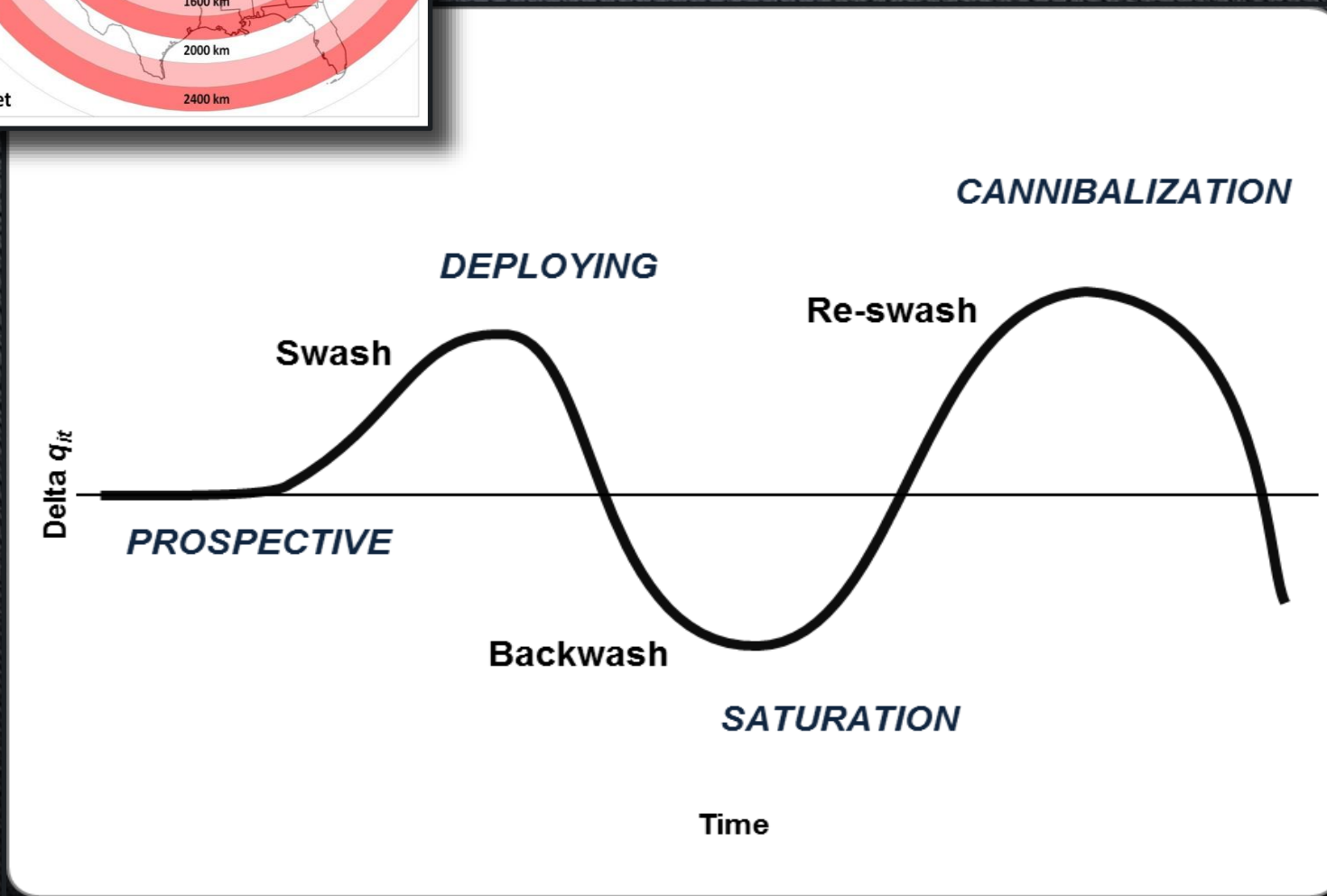
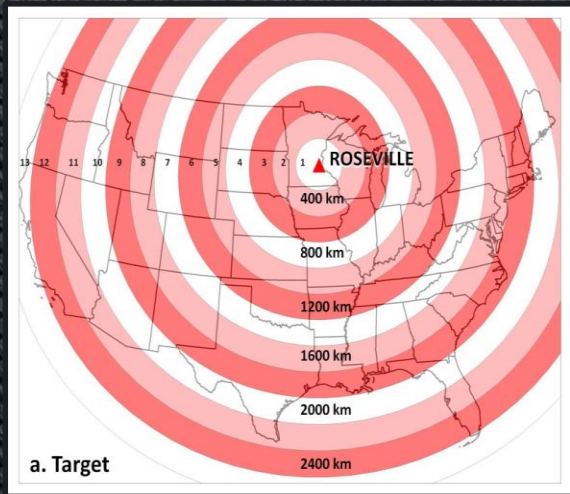
**Modeling Retail Chain  
Expansion and Maturity  
through Wave Analysis:  
Theory and Application to  
Walmart and Target**

*Lawrence Joseph, West Marine, Watsonville, CA, USA*

*Michael Kuby, School of Geographical Sciences and Urban Planning, Arizona State  
University, Tempe, AZ, USA*













IT BEGINS AND ENDS WITH....

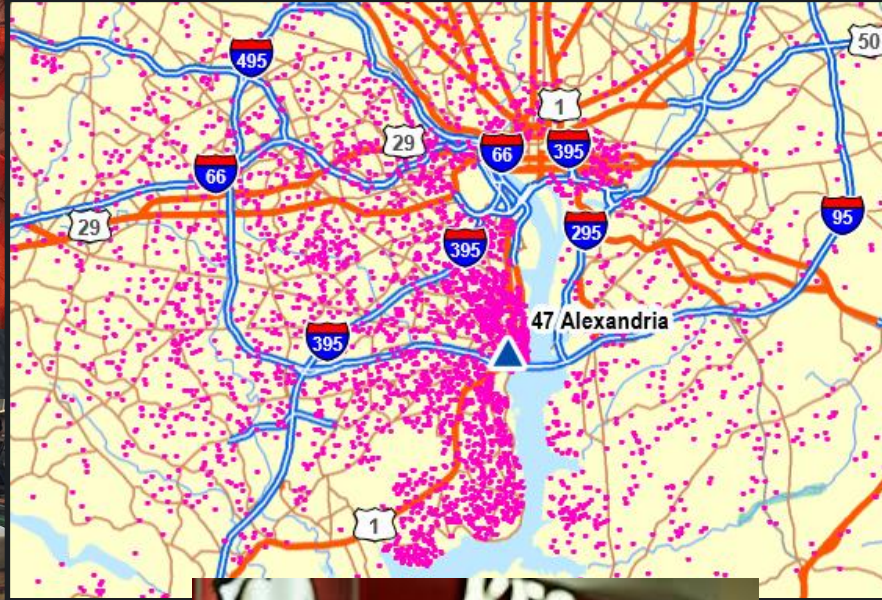


LOCATION  
LOCATION  
LOCATION





CUSTOMER  
CUSTOMER  
CUSTOMER





# LIFESTYLE SEGMENTS

## 1C Boomburbs



**Household**  
Married Couples



**Housing**  
Single Family

34.0

Median Age

\$113k

Median Income

**Households: 2,004,400**

4

**Prof/Mgmt**  
**College Degree**  
**White**

- Hold gym membership; own home equipment
- Have home mortgage
- Prioritize physical fitness
- Own, use latest devices
- Prefer SUVs, luxury cars, minivans



## 7A Up and Coming Families



**Household**  
Married Couples



**Housing**  
Single Family

31.4

Median Age

\$72k

Median Income

**Households: 2,901,200**

4

**Prof/Svcs**  
**College Degree**  
**White**

- Visit theme parks, zoos
- Hold student loans, mortgages
- Contract for home and landscaping services
- Go online to shop, bank, for entertainment
- Own late model compact car, SUV





# CUSTOMER & MEMBERSHIP UNDERSTANDING

## WHY IT MATTERS:

- DEVELOP A DEEP UNDERSTANDING OF CURRENT AND FUTURE CUSTOMERS
- ACCESS TO A LARGE CUSTOMER DATABASE, STORE FLEET AND LOYAL CUSTOMERS

## OPPORTUNITIES:

- PROFILE AND DEFINE CUSTOMER SEGMENTS TO ACQUIRE AND RETAIN
- ASSORTMENT – IDENTIFY ASSORTMENTS BASED ON CUSTOMER
- IDENTIFY CURRENT AND POTENTIAL NEW CUSTOMERS AT CURRENT SITES
- FLEET – EVALUATE SITES FOR EXPANSION, REDUCTION, CLOSURE
- CHANNEL – UNDERSTAND CUSTOMER PREFERENCES AND USAGE
- BEHAVIORS – KNOW HOW SERVICE LEVELS AND VISITORS BEHAVE IN STORE



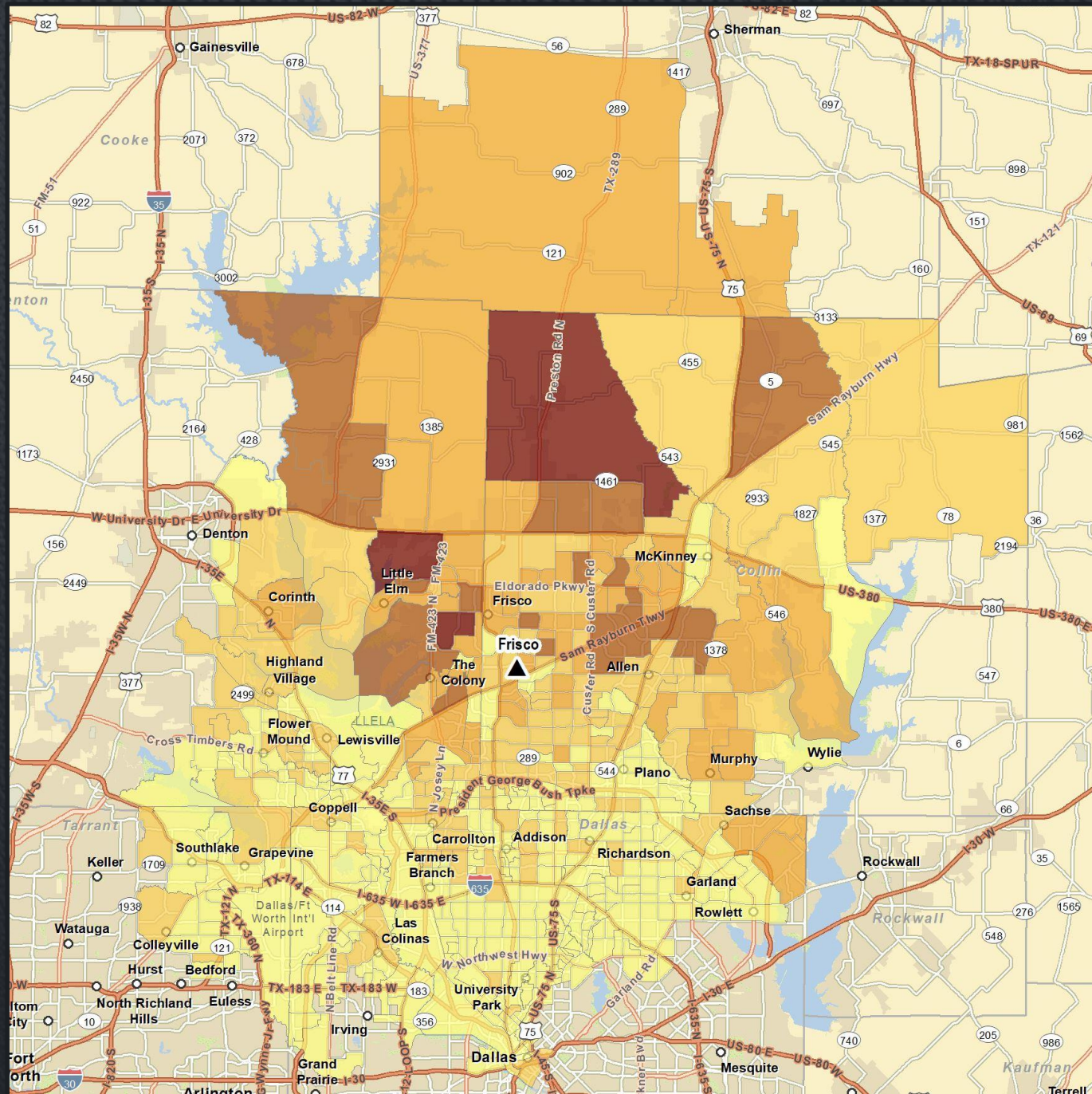
# THE 4P'S OF RETAIL

**CUSTOMERS** - WHO ARE THEY AND **WHY** SHOULD THEY CARE?

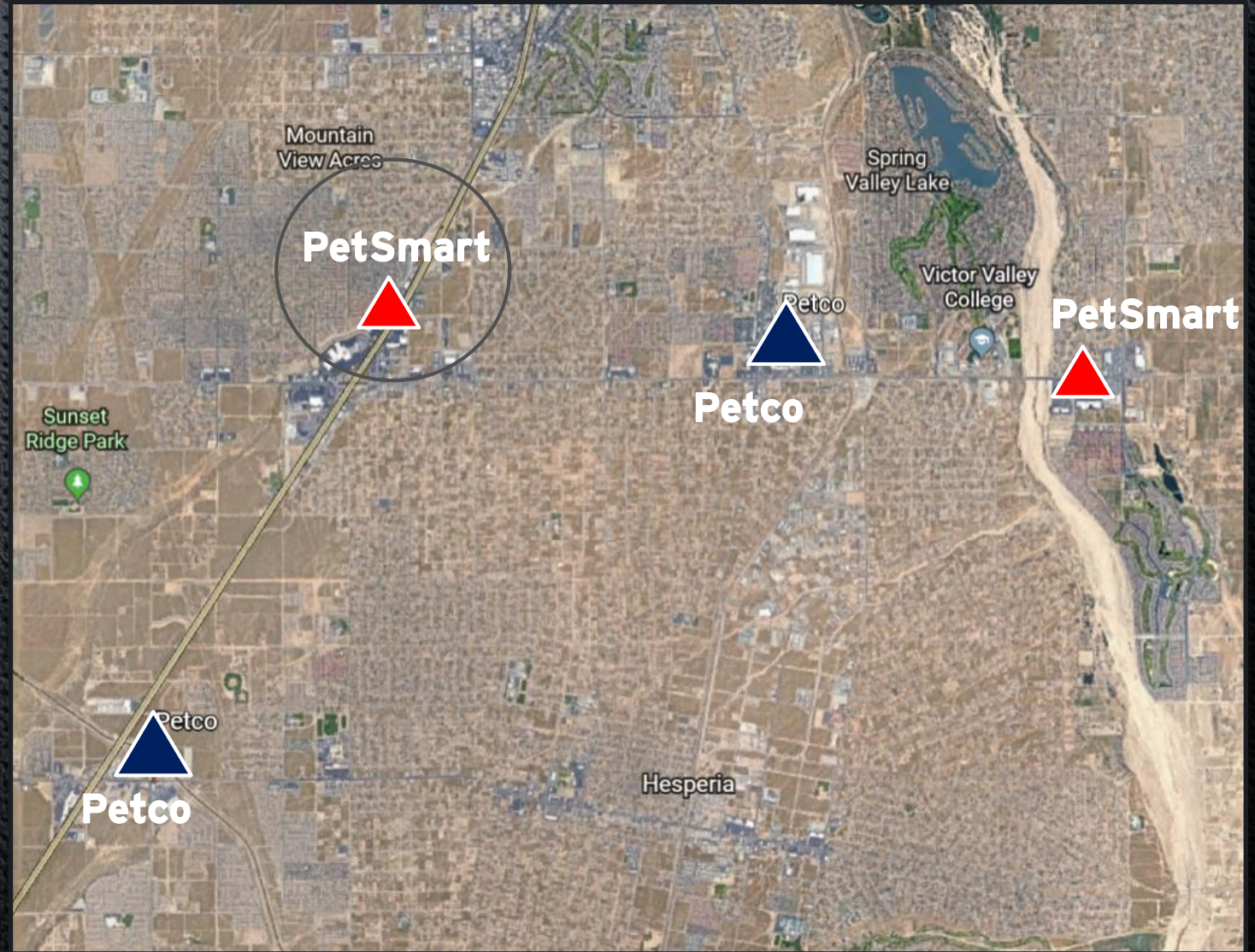
- **PEOPLE** - DO YOUR TEAMS DELIVER MEMORABLE EXPERIENCES?
- **PRODUCTS** - IS THE ASSORTMENT, DEPTH AND PRICES RIGHT?
- **PRESENTATION** - IS THE 4-WALL CUSTOMER JOURNEY AMAZING?
- **PLACE** - ARE YOU WHERE YOU NEED TO BE? (CHANNELS AND LOC)



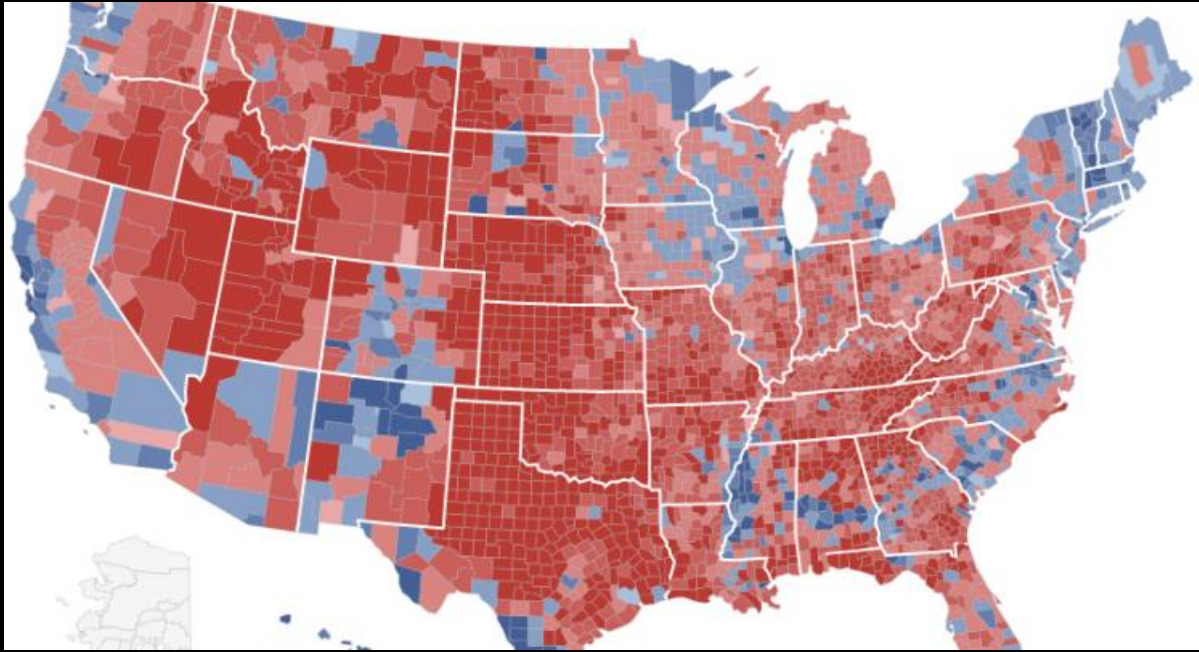
# RETAIL MARKET ANALYSIS









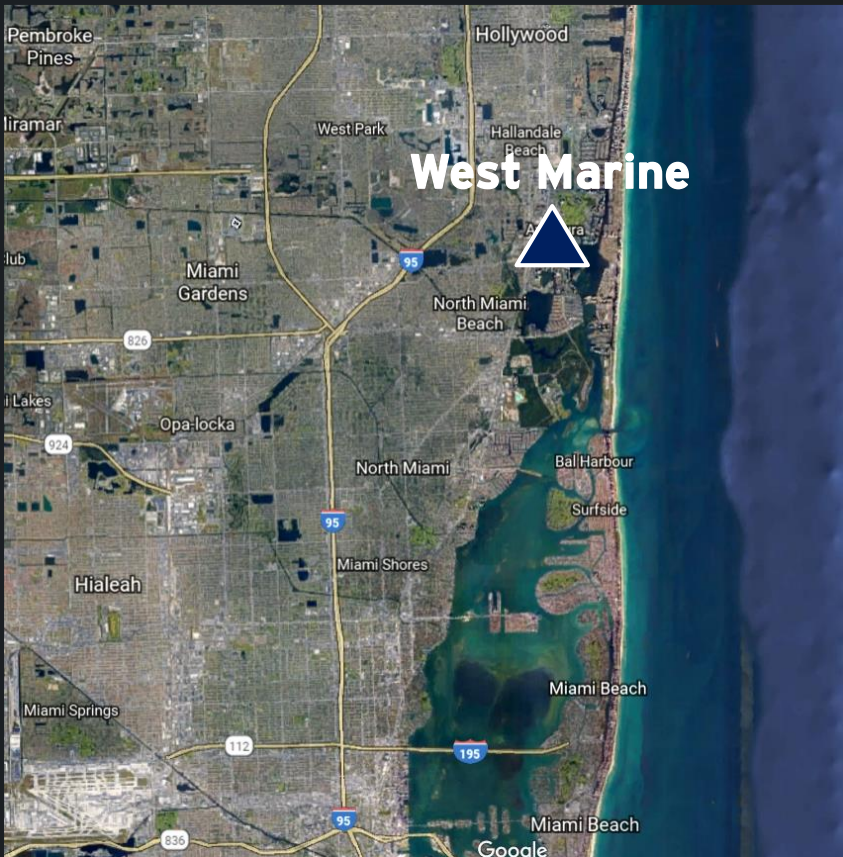




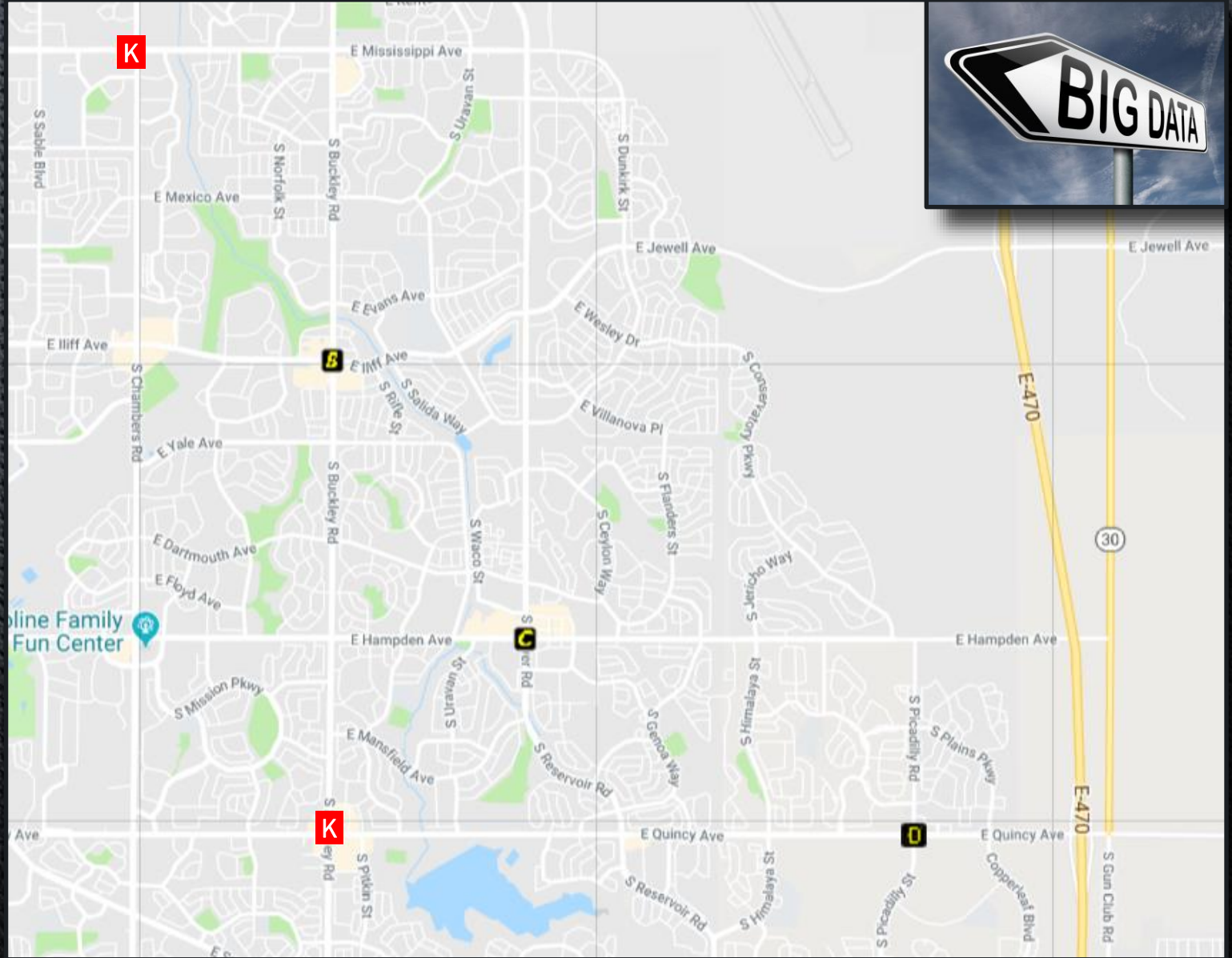
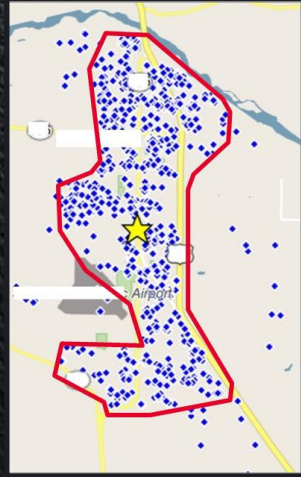
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# LOCATIONAL INTELLIGENCE

## WHY IT MATTERS:

- LIKELY THE LARGEST CAPITAL INVESTMENTS INVOLVE REAL ESTATE
- LONG TERM FINANCIAL IMPACTS
- MAKE IT EASY FOR CUSTOMERS TO FIND YOU
- GROW MARKET'S PROFITABILITY

## WHAT CAN BE ACHIEVED:

- DEVELOP A MULTI-YEAR GROWTH MODEL
- DECISION MAKING FOR CURRENT FLEET
- DEFINE PRO FORMA AND HURDLES FOR NEW AND FUTURE INVESTMENTS
- RESTRUCTURING TO IMPROVE POOR PERFORMING SITES
- TEST NEW SITE STRATEGIES
- DEFUSE SPATIAL THINKING THROUGHOUT THE BUSINESS



