

Retail location analytics solution enables accurate site selection for grocery outlets

Tetrad and NAVTEQ aid Kroger in maximizing corporate investments by accurately mapping areas of high population growth.

The Challenge

The Kroger Company, headquartered in Cincinnati, Ohio, is one of the nation's largest grocery retailers, with fiscal 2010 sales of \$82.2 billion. The Kroger Co. spans many states and has deployed stores with a variety of different formats that include grocery and multi-department stores, convenience stores, and mall jewelry stores. The retail grocery store business is highly competitive, and properly locating these stores is critical to achieving Kroger's consumer purchasing and loyalty goals. At Kroger, management must approve capital expenditures for new store locations to ensure that these locations will maximize corporate investments.

The map data and content used in site selection must be extremely precise due to the careful planning that goes into the process of selecting a new grocery store location. Kroger's corporate development research department provides sales projection data, including supporting maps, to top management for consideration when deciding whether capital expenditure approval should be granted for new store projects. Previously at Kroger, maps that were used to model areas of high population growth did not represent the true realities of such growth and proved to be inadequate.

The Solution

To address these geospatial challenges, Kroger collaborated with Tetrad to enhance their desktop mapping capabilities with MapInfo Professional from Pitney Bowes Business Insights and NAVTEQ map data for the United States. The NAVTEQ® Map provided a more reliable base layer due to NAVTEQ's network of over 1,100 geographic analysts tasked with driving the roads to collect and verify data. Kroger was then able to layer additional datasets, such as population distribution, existing competition, and planned competition, on top of the NAVTEQ street layer. The final solution enabled Kroger to make more informed site selection decisions that could better satisfy their corporate goals.

The Benefits

The process of store site location must include accurate and current map data sets because the credibility of a retail analytics solution depends on geospatial integrity. Kroger is now able to make more accurate assessments with maps that show comprehensive residential roads and feeder arteries to support indicated trade area. The absence of these roads in the map raises questions that cast doubt on the sales projection.

Kroger's new solution with NAVTEQ map data eliminates the considerable credibility issues caused by previous data sets that omitted many existing streets. The solution now allows Kroger to accurately select new locations for grocery retail outlets in high population growth areas.



THE CHALLENGE

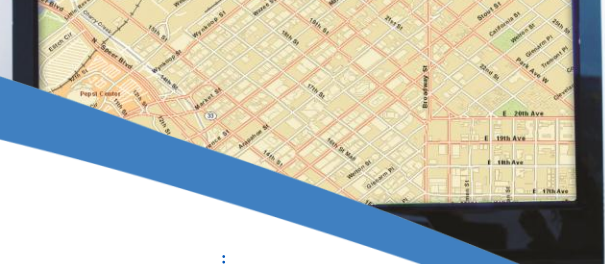
- ⦿ Properly locate new grocery retail stores to maximize corporate investment and meet consumer purchasing and loyalty goals
- ⦿ Ensure that site selection is based on accurate map data that represents ground truth

THE SOLUTION

- ⦿ NAVTEQ map data for the United States in conjunction with MapInfo Professional from Pitney Bowes Business Insights

THE BENEFITS

- ⦿ Inclusion of arterial, residential, and feeder roads to support trade areas and lend credibility to sales projections
- ⦿ Accurate selection of new locations for grocery retail outlets in high population growth areas





CASE STUDY



About Kroger

The Kroger Co. Headquartered in Cincinnati, Ohio, Kroger (NYSE:KR) is one of the nation's largest grocery retailers, with fiscal 2010 sales of \$82.2 billion.

The Kroger Co. spans many states with store formats that include grocery and multi-department stores, convenience stores and mall jewelry stores. We operate under nearly two dozen banners, all of which share the same belief in building strong local ties and brand loyalty with our customers.

About Tetrad

Since 1967, Tetrad Computer Applications Inc. has been developing marketing, engineering and management applications software for the desktop and the Internet.

Our development of PCensus software for Demographic and Mapping Analysis has provided tools to thousands of users over a spectrum of clients ranging from fast-food franchises to law enforcement.

Tetrad's numerous strategic relationships provide our clients with an extensive array of demographic & consumer data, marketing segmentation analysis and software for location analysis, site selection and customer targeting. We are committed to helping your organization make better decisions.

About NAVTEQ

NAVTEQ is the leading global provider of location content in the form of maps, traffic and places data that enables navigation, location-based services and mobile advertising around the world. NAVTEQ supplies precise, comprehensive location content to power automotive navigation systems, portable and wireless devices, Internet-based mapping applications and government and business solutions. The Chicago-based company was founded in 1985 and has approximately 5,600 employees located in 213 offices in 50 countries.