



2009 Methodology Statement: ESRI Data—Business Locations and Business Summary

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An ESRI White Paper

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ESRI extracts its business data from a comprehensive list of businesses licensed from *infoUSA*®. This business list contains data on more than 12 million U.S. businesses—including the business name, location, franchise code, industry classification code, the number of employees, and the sales volume—current as of January 2009.

Data Sources

In maintaining and adding to its business database, *infoUSA* references several sources including directory listings such as Yellow Pages and business white pages; annual reports; 10Ks and Securities and Exchange Commission (SEC) information; federal, state, and municipal government data; business magazines; newsletters and newspapers; and information from the U.S. Postal Service. To ensure accurate and complete information, *infoUSA* conducts annual telephone verifications with each business listed in the database.

ESRI provides reports and file extracts from the business database that include the number of businesses by industry classification and employment size or sales volume; total employment; and, when available, information about total sales. Included are both versions of industry classification—the former four-digit Standard Industrial Classification (SIC) system and the updated and expanded six-digit North American Industry Classification System (NAICS). In addition to the typical SIC and NAICS summary-level codes, the database also includes *infoUSA*'s proprietary six-digit SIC and eight-digit NAICS industry codes and a special industry code for select industries. These codes provide more detailed information such as the number of rooms in hotels or motels or the number of beds in hospitals and nursing homes. Sales volume data is reported for business locations.

In the January 2009 database, *infoUSA* supplied ESRI with an improved, more comprehensive business record extract. Previously, affiliated businesses that shared a common address and at least one other element (e.g., phone number, business name, contact name, or linkage to the same parent company) were removed to represent a single business per location. Now, all these businesses will be included. This change will increase the total number of records in the database by approximately 5 percent.

Business Locations

An address list of businesses is compiled by *infoUSA* from its sources and telephone verifications. These addresses are geocoded to assign latitude and longitude coordinates to the business site and to append a census geographic code. Most businesses are coded at the address level and assigned to a census block group. The quality of the local address system varies; address matching is better in urban areas that use street-level address systems than in rural areas. Overall, 88 percent of the businesses are geocoded at the address level; 99.7 percent are assigned to a census block group. Businesses that cannot be assigned to a block group are assigned to a census tract or county.

ESRI uses the geographic codes to report business data for summary areas such as states, counties, census tracts, and block groups. Aggregations by ZIP Codes are created from the business database. ZIP Codes from *infoUSA* may differ from the residential ZIP

Codes in the ESRI® demographic databases because *infoUSA* includes business-only ZIP Codes that are unique to a particular establishment and include no residential area. The coordinates of each business are used to assign it to a user-defined polygon.

For more information, visit www.esri.com/businessdata.

ESRI'S Data Development Team

Led by chief demographer Lynn Wombold, ESRI's data development team has a 30-year history of excellence in market intelligence. The combined expertise of the team's economists, statisticians, demographers, geographers, and analysts totals nearly a century of data and segmentation development experience. The team has crafted data methodologies, such as the demographic update, segmentation, the diversity index, and the Retail MarketPlace database, that are now industry benchmarks.



About ESRI

For four decades, ESRI has been helping people make better decisions through management and analysis of geographic information. Our culturally diverse staff work with our business partners and hundreds of thousands of people who use GIS to make a difference in our world.

A full-service GIS company, ESRI offers support for implementing GIS technology from the desktop to enterprise-wide servers, online services, and mobile devices. GIS solutions are flexible and customizable to meet the needs of all our users.

Our Focus

At ESRI, we focus on promoting the value of GIS and its applications throughout the world and pay close attention to our users' needs. Our software development and services respond to our customers with products that are easy to use, flexible, and integrated. Our technology is multidisciplinary, productive, and valuable to our users.

We have a strong commitment to educating our customers through ESRI's various training programs. ESRI is a socially conscious business and invests heavily in issues regarding education, conservation, sustainable development, and humanitarian affairs.

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