

Spatial Insights, Inc.

A Geographic Information Services Company

Trade Area Demographics

spatial interaction models

patronage probability analyses

trend surface mapping

trade area delineation

demographic profiling

market penetration studies

site selection

traffic counts

competitor locations

lifestyle clusters

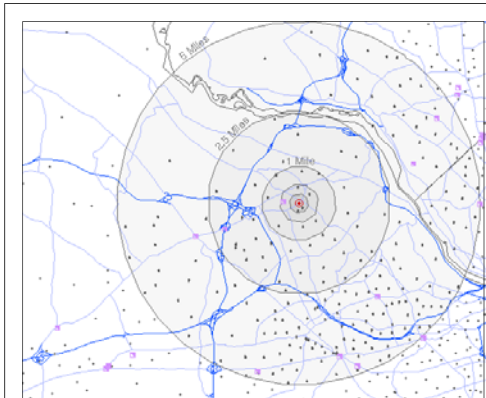
The Problem

Market research studies geared at determining market potential and site selection suitability routinely evaluate local demographics, competitor locations and logistical factors within the proposed trade area. Traditionally, trade areas are defined and evaluated using radial distance, or "ring", studies. This simplistic approach commonly results in the incorrect delineation of the trade area, causes errors of omission and commission, and can lead to incorrect market research and site selection decisions.

The Solution

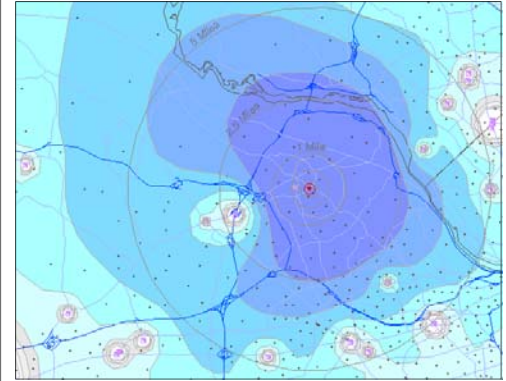
Spatial Insights uses a variety of sophisticated spatial analysis tools to more accurately define trade areas, leading to better, more reliable, market analysis and siting decisions than those based on simple radial distances.

Spatial Insights uses sophisticated spatial interaction and patronage probability (gravity-based) models to define and characterize trade areas. Using advanced trend surface modeling techniques, customer-based point-of-sale data can also be mapped and used to define and delineate the actual trade areas. Specific demographics and other geographically referenced data are then subset and classified according to the strength of the actual demand signature.



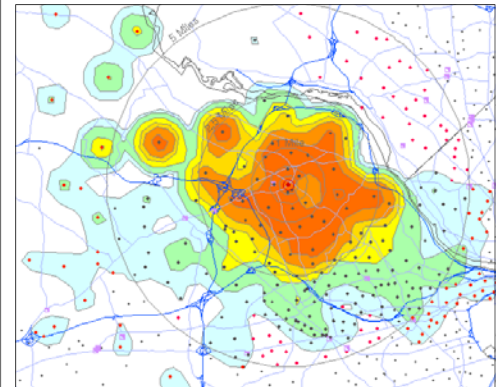
Traditional "ring"-zone trade area

Trade area studies based on demographic data defined using simple distance "rings" are commonly used for the assessment of market potential and site suitability. This traditional, simplistic, approach assumes that the demographics of potential patrons are radially distributed around the site.



Patronage Probability Map

Using sophisticated, gravity-based, spatial interaction models, trade areas can be defined on the basis of a location's theoretical attractiveness. In this map, shopping center gross leasable area was used as a measure of attraction. Darker colors represent those areas with a high probability of patronage.



Actual Trade Area Demographics

Spatial Insights uses advanced trend surface modeling to define actual trade areas based on geocoded customer point-of-sale data. The resulting map delineates the geographic extent and strength of the trade area. Points shown in red indicate those demographics which were incorrectly classified as falling within the stores' trade area using the traditional "ring" zone approach.

More about Spatial Insights

Spatial Insights is a geographic information services company dedicated to providing advanced spatial analysis services, data products, and customized mapping and GIS applications. Based in the Washington, DC area, the company is privately held and qualifies as a small business.