

# Coinstar

## GIS Improves Marketing, Logistics, and Sales

### Problem

Innovative private company needed to optimize location of equipment to meet customer requirements

### Goals

- Select the best locations for new machines.
- Ensure ability to meet needs of business as it grows.
- Integrate information and allow easy access across the enterprise.

### Results

- Marketing representatives can now carry out site performance modeling.
- Company can more quickly and accurately plan and route pickups.
- Sales staff can more easily target new customers.
- Backup documents can be created to show why certain locations should be pinpointed for new sales efforts.
- GIS can provide a common point of reference during meetings where stakeholders evaluate the merits of potential locations.

*"GIS has proven itself over and over again as a technological tool for many facets of our business. "It's more than just computer mapping. It's real data integration, analysis, and visualization."*

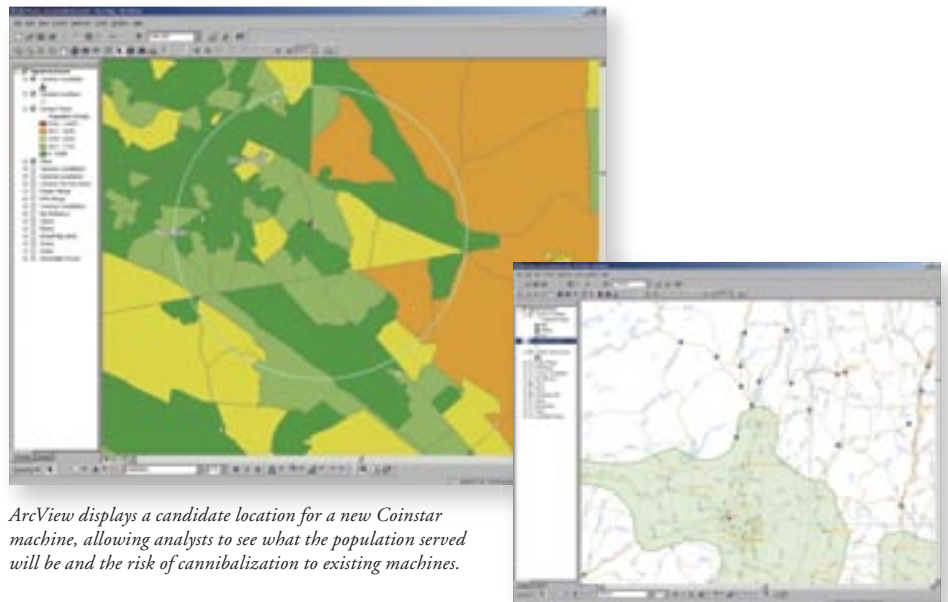
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**ESRI**

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Who would have thought a company could create a lucrative business based on the loose change most Americans have lurking in their pockets, households, and purses? Coinstar, Inc., based in Bellevue, Washington, is the innovative company that has done just that. Coinstar has placed self-service coin-counting machines in the front entrances of supermarkets nationwide. The Coinstar machines count a person's accumulated coins and dispense a voucher that can be exchanged in the store for cash or groceries. The company has a network of more than 12,500 machines currently available to approximately 165 million consumers in 50 states and the District of Columbia as well as Canada and the United Kingdom. Coinstar's record profits and growth demonstrate the company's success and innovation.



*ArcView displays a candidate location for a new Coinstar machine, allowing analysts to see what the population served will be and the risk of cannibalization to existing machines.*

### The Challenge

As easy as it may seem, placing Coinstar machines at the right store location is extremely complex and of vital importance. Maximizing the best location for meeting consumer needs is the difference between business success and failure. And as the Coinstar enterprise grew—from hundreds to thousands of Coinstar machines—finding the best location to place a new machine and evaluating how that new location may impact the rest of the existing enterprise became an even more arduous task.

Coinstar turned to database technology to collate reams of information that continually swelled with each new store. These databases were used to answer a number of questions regarding new store site-selection questions. But the company still did not have an effective means for separate department officials—from marketing to operations to sales—to integrate, share, and leverage each other's data and work experience knowledge.

After searching for a solution that would better integrate information and allow easy access across the enterprise, Coinstar recognized that geographic information system (GIS) could meet these needs, provide powerful mapping, and provide a platform for future growth.

To learn more about ArcGIS, visit [www.esri.com/arcgis](http://www.esri.com/arcgis).

## ESRI Software Used

ArcView  
ArcGIS Network Analyst

## Other Software Used

Microsoft SQL Server  
Microsoft Access

## Data Used

ESRI Portfolio

## Hardware Used

Dell OptiPlex GX240 P4, 2 GHz  
Dell OptiPlex GX110

## The Solution

"We've seen a number of benefits including more informed planning and decision making, optimized allocation of resources, and improved performance," says John Chestnut, GIS analyst. Coinstar went through an extensive evaluation process in its search of a GIS solution. Different software packages were evaluated by non-GIS personnel in a number of departments to assess software ease of use, learning curve, ODBC compatibility, network access, cost, and other factors. Interviews with existing database users were also conducted to get a firsthand understanding of the separate technologies. When the process was complete, Coinstar selected ESRI® software because of its scalability, flexibility, and open standards. Coinstar chose a platform of ESRI ArcView and ArcGIS® Network Analyst.

GIS is used for a variety of business applications. It is maintained by one GIS staff member who performs analyses for several departments across the enterprise including marketing research and analysis, retail account development, coin services, field operations, installations, and finance. Using GIS, Coinstar links separate databases from these various departments that manage datasets for stores, customers, market demographics, and more.

Marketers, for example, use ArcView and ESRI's Portfolio software package which combines the most current ESRI data with Allocate data compression software to seamlessly integrate and run reports, make maps, build customer profiles, and perform other marketing applications from a desktop PC. This solution allows Coinstar to carry out site-performance modeling and develop a performance predictor for various grocery store sites across the United States. This helps ensure consistent, high-level performance for existing sites. It also helps Coinstar understand what variables make up existing market areas and where potential new markets exist. Thus, marketers know exactly where to carry out specific marketing campaigns such as direct mail.

Logistical planning applications are also better served through mapping software. Using ArcView and ArcGIS Network Analyst, the company can more quickly and accurately plan and route coin pickups. In addition, service technicians can better deploy resources for installing new machines using site-location maps overlaid with service center maps. Technicians gain a better understanding of where new machines are located within the proximity of service centers.

Sales staff members can use demographic and customer-driven maps from ArcView software to target new customers as well as show other Coinstar staff members why certain locations should be pinpointed for new sales efforts. These maps can also be used to show potential clients why it makes sense to add a Coinstar machine to their store.

## Results

Perhaps the most profound use of GIS data and maps is one of the most basic: providing a common point of reference in the form of a map during meetings where various stakeholders evaluate the merits of a potential location. Sales, marketing, service, and other professionals come together to share and discuss the many datasets and variables for evaluating a potential client: Does the area contain demographic characteristics similar to successful sites? Is it within a technician service area, or does a new location need to be added? How will the new site impact routing of coin pickups? Will it impact sales of an existing site? The GIS map provides many layers of pertinent data overlaid and used as a reference point for communication. Separate departments have a common framework for collaboration.

### For More Information



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