

Esri Data

The most accurate demographic data.

Three things every retailer should know about demographic data:

1. Your decisions are only as good as your data.

This is true whether we're talking about your proprietary sales data or demographic data. Your company invests significant resources to generate reliable, up-to-date sales data that drives decisions about inventory and ordering, store expansions or closures, and where to advertise.

Demographic data is the bedrock for many forecasts and analyses of your sales data. But is your demographic data reliable?

2. It's a myth that all demographic data is the same.

The census occurs only every 10 years and is the primary source for demographic data, which data vendors incorporate into their releases. Therefore, demographic data provided after a census year will all be about the same, regardless of vendor.

What about demographic data between census years?

For the intervening years, data vendors generate projections based on proprietary methodologies developed by their demographers and analysts. Accuracy depends on how projections are calculated.

3. Demographic data is just the beginning.

Demographic data is a powerful first cut at key information about consumers. Used alone, it falls short of generating true understanding and insight. When combined with data about consumer spending, behaviors, and attitudes, however, it's a powerful tool for setting the direction of your business.

Data providers, whether they source consumer data, generate it themselves, or a bit of both, overlay this data on their demographic projections. If their demographic projections are inaccurate, the consumer and purchasing behavior data they provide to you will be less accurate as well.



Inaccurate demographics can impact profitability.

Based on experience, a regional women's specialty clothing retailer knows that the success of a new location requires 40,000 households with women aged 18–49 within a 15-minute drive time.

The retailer located several potential sites that just meet the minimum target population criteria. Demographic projections that are off by as little as 10 percent could mean the difference between profitable and marginal performance.

With capital improvement costs to open a new store, and with lower revenue over the term of the lease, selecting a less-than-optimal site could cost from hundreds of thousands to millions of dollars.

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Be smart about sourcing demographic data.

You'll have more confidence in your decisions if you're using the most accurate data available. Your 5- and 10-year revenue forecasts, for instance, are based heavily on demographic projections generated by your data vendor. In essence, the accuracy of your critical business decisions depends on their expertise.

Ask your data vendor these questions:

- What methodology do you use for generating projections?
- How do you assess and test your methodology?
- Who generates the projections, and what are the experience and credentials of this team?
- Can you prove the accuracy of your projections?

Proof that Esri demographic data is the most accurate

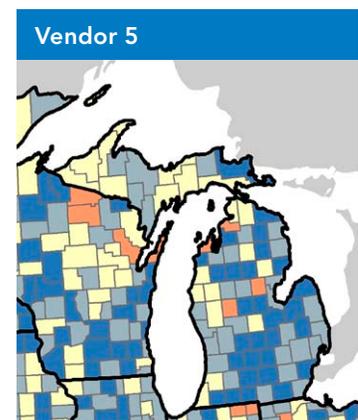
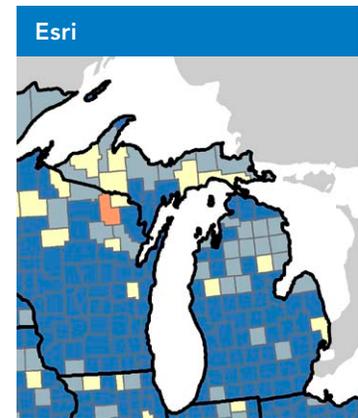
A blind study conducted by independent, credentialed demographers of the top five data vendors showed that Esri® demographic projections were by far the most accurate.

Demographers benchmarked each vendor's 2010 projections against data released by the US Census Bureau following the 2010 Census. The study revealed how accurately each vendor projected key demographics 10 years out from the last census, in this case 10-year projections based on Census 2000 data.

Esri Ranked First					
Geography	Vendor 1	Esri	Vendor 3	Vendor 4	Vendor 5
Total US	315.9	247.7	276.7	295.7	304.7
State	21.4	12.6	17.9	19.3	29.7
County	49.2	39.8	52.1	46.5	55.7
Census Tract	106.6	89.5	93.3	106	99.6
Block Group	138.7	105.8	113.4	123.9	119.7

The lowest score indicates the highest accuracy. Accuracy was assessed for population and households. Go to esri.com/accuracy to see the report.

Study confirms Esri data accuracy.



Absolute Percent Error



Accuracy of household data projections between Esri and vendor 5 varies greatly for the states of Michigan and Wisconsin. Using data from vendor 5, rated second most accurate in an independent study, would introduce measurable inaccuracies into market analyses. The margin of error inherent in projections and models would be reduced by using the more accurate Esri data.

See the report at esri.com/accuracy.

