

# BusinessSolutionNews

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GIS for Business Solutions

## Geography Matters to Coinstar

*GIS Provides Common Framework for Information Integration, Analysis, and Sharing*

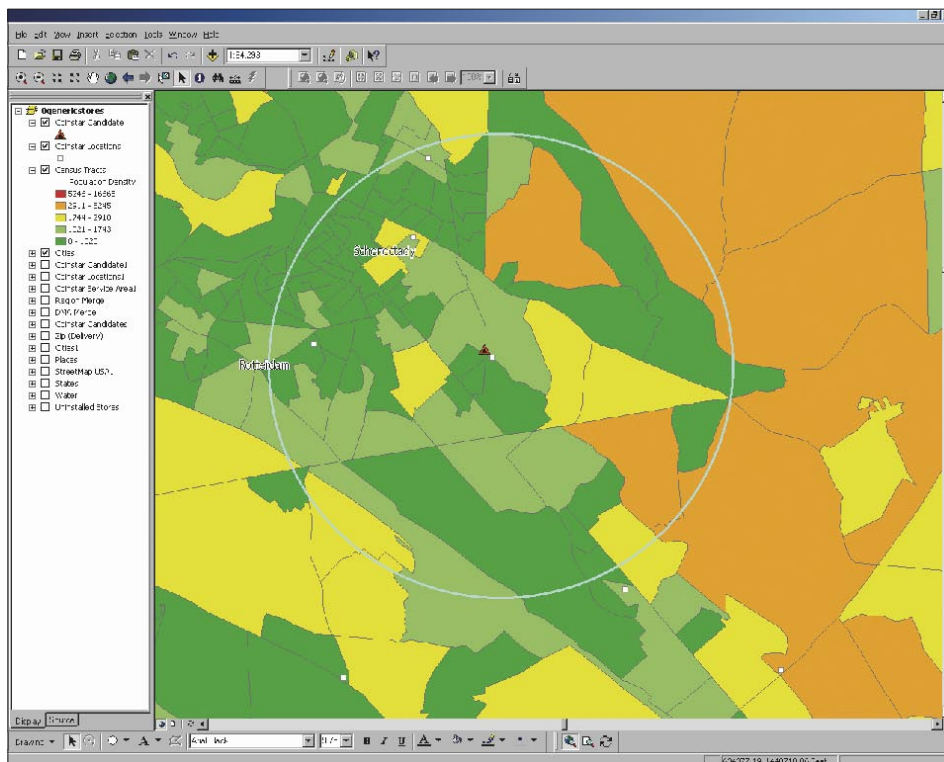


Who would have thought a lucrative, successful business could be forged from the pennies, nickels, dimes, and quarters lurking throughout the corners of most households, automobiles, and other locations? Well, that's exactly what Coinstar has done with its self-service coin counting machines located at 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. Based in Bellevue, Washington, Coinstar, Inc., today has a

network of more than 10,500 machines currently available to about 165 million consumers in 48 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.

As easy as it may seem, placing Coinstar machines at the right store location is extremely complex and is of vital importance: Maximizing the best location for meeting consumer needs is the difference between business success and failure. And as the Coinstar enterprise grows—

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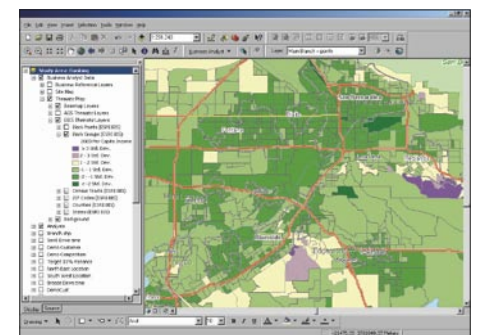
Current surroundings are important in determining the potential of a location.

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## ArcGIS Business Analyst Now Shipping

*Geographic Information System Analysis Tools and Data for Improved Business Decisions*



Thematic Map Analysis



ArcGIS Business Analyst combines ESRI's leading geographic information system (GIS) technology with extensive business, demographic, and consumer household data to assist users with mission critical business decisions such as analyzing trade area markets and competition, finding the ideal site for a

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## Geography Matters to Coinstar

from hundreds to thousands of locations—finding the best location to place a new machine and evaluating how that new location impacts the rest of the existing enterprise becomes an even more arduous task.

Coinstar turned to database technology for collating 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.

Several years ago Coinstar began to search for a solution that would better integrate information and allow easy access across the enterprise. After searching everywhere for a solution, Coinstar recognized how GIS could meet these needs, provide powerful mapping, and provide a technology platform for growth in the future. The company began to use GIS first via desktop software for basic, informative maps. Over time the use expanded to a myriad of GIS applications utilized throughout the organization.

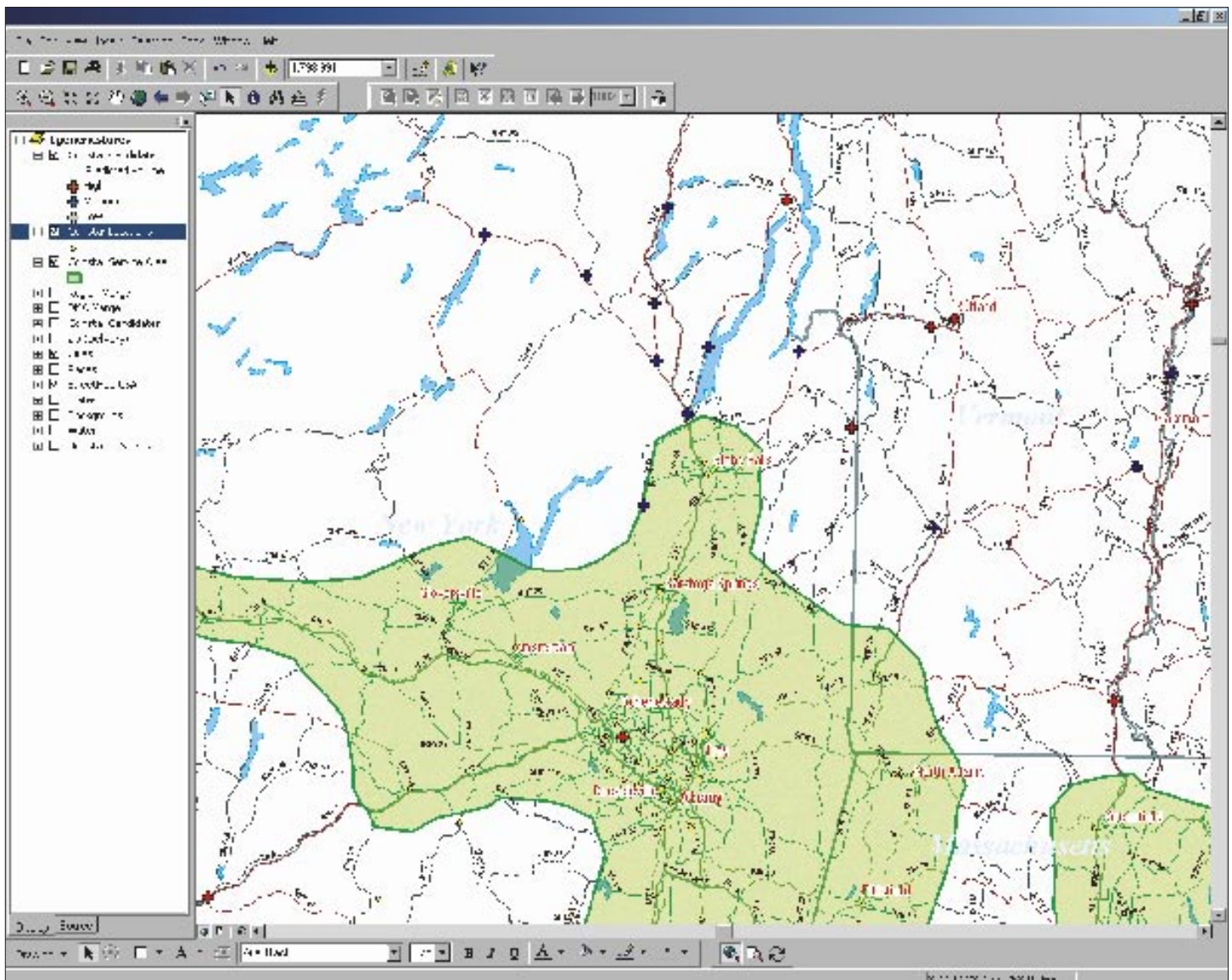
"Today we have a range of applications that have been applied to several different areas of the company," says Bill Gottlieb, Marketing Research & Metrics director at Coinstar. "GIS has proven itself over and over again as a technological tool for many facets

of our business. It's more than just computer mapping. It's real data integration, analysis, and visualization."

## From Desktop to the Enterprise

Coinstar went through an extensive evaluation process before selecting ESRI software. 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 performed to get a firsthand understanding of the separate technologies. When the process was complete, Coinstar selected ESRI software because of its scalability, flexibility, open standards, and more.

Today the company uses ArcGIS Desktop



GIS plays a role in determining the serviceability of potential Coinstar locations.



and the ArcGIS Spatial Analyst and ArcView Network Analyst extensions. The hardware platform consists of Dell Optiplex GX240 P4-2 GHz and Dell Optiplex GX110 PIII-866 MHz using a Windows 2000 operating system. The company uses SQL Server for its RDBMS with Microsoft Access software. In addition, the company uses ESRI BIS Portfolio software with ESRI BIS data.

### GIS Business Applications

GIS is used for a vast array of business applications. Prior to GIS, maps were not used across the enterprise for these many different applications. What few maps were used were hand drawn on paper and contained handwritten notes and annotations. The maps could not be shared throughout the enterprise, and updating maps with new information was time-consuming and often inaccurate.

Coinstar today maintains two GIS staff members who perform analyses for several departments across the enterprise including marketing research and analysis, retail account development (sales), coin services, field operations, installations, and finance. Using GIS, Coinstar links separate databases from these various departments that manage data sets for stores, customers, market demographics, and more.

Marketers, for instance, use ArcGIS Desktop and ESRI BIS Portfolio and demographic data from ESRI Business Information Solutions 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 them 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.

There is a host of logistical planning applications better served through fact-based maps. Using ArcGIS Desktop and ArcView 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 generated with ArcGIS

Desktop software overlaid with service center maps. Technicians gain a better understanding of where new machines are located within the proximity of service centers.

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

Perhaps the most profound use of ArcGIS Desktop 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 new location. Sales, marketing, service, and other professionals come together to share and discuss the many data sets and variables for evaluating a potential new client: Does the area contain demographic characteristics similar to successful sites? Is it within a service technician location, or does a new location need to be added? How will a new site impact routing of coin pickups? Will the new site 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.

"We've seen a number of benefits including more informed planning and decision making, optimized allocation of resources, and improved performance," says Gottlieb. "There are a few reasons for this beyond the technology. You really need to approach implementation in a phased manner. And you need to communicate within and outside your company to get ideas on how others could use or are using GIS technology."

For more information, contact Bill Gottlieb, Marketing Research & Metrics director, Coinstar, Inc. (tel.: 425-943-8255; e-mail: BGottlieb@coinstar.com).

## Trade Shows

Visit ESRI at the following trade shows, and talk to the industry experts.

### Retail

#### Location Technology and Business Intelligence Executive Symposium

May 10–11, 2004  
Philadelphia, PA

#### International Council of Shopping Centers (ICSC 2004 Trade Expo)

May 23–26, 2004  
Las Vegas, NV  
Booths # 229–332

#### Direct Marketing Association (DMA 2004)

October 17–19, 2004  
New Orleans, LA  
Booth # 2007

#### National Retail Federation (NRF 2005)

January 16–19, 2005  
New York, NY  
Booth # 1355

### Banking and Insurance

#### Credit Union Executives Society (CUES Expo 2004)

April 3–5, 2004  
New Orleans, LA  
Booths # 239, 241

#### Risk and Insurance Management Society (RIMS 2004)

April 18–22, 2004  
San Diego, CA  
Booth # 329

#### ACORD/LOMA Insurance Systems Forum

May 23–25, 2004  
Las Vegas, NV

#### Credit Union Executives Society (CUES Showcase 2004)

June 20–23, 2004  
Paradise Island, Bahamas

#### Chartered Property Casualty Underwriters (CPCU 2004)

October 23–26, 2004  
Los Angeles, CA

#### Bank Administration Institutes Retail Delivery Conference (BAI 2004)

November 16–19, 2004  
Las Vegas, NV

### ESRI Events

#### 2004 ESRI International User Conference

August 9–13, 2004  
San Diego, CA