



Real Estate Is More Than Just Site Selection

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As retailers look to make better use of intelligence on consumer demand and competitive threats in location analysis, several intriguing options are now available to compete with incumbent site selection technology leaders such as **Claritas**, **ESRI**, and **MapInfo** (now owned by **Pitney Bowes**).

What sets these vendors apart is the ability to help real estate and operation executives not only deal with opening new locations, but also optimize the entire network of stores by providing intelligence and automation for new store openings, market planning and portfolio decisions (including site selection and remodels), asset management, and lease administration.

Here are a few vendors that have caught our attention:

Accruent

Accruent boasts expansive functionality to help retailers manage real estate through the full lifecycle. The platform includes project management for new store openings, asset management, market planning, and lease administration. Accruent also partners with MapInfo for network and clustering functionality used to identify optimal site locations in various markets.

Recognizing the complexity and nuances associated with terms in leases, the software vendor has a large team of offshore resources to help retailers migrate from paper-based contracts to an electronic format.

The company's latest release, Accruent 7, features visualization to increase usability, and a business intelligence engine from **Business Objects** to better analyze business performance.

BearingPoint, ESRI, and SAS

ESRI has been one of the leaders in geographic information systems (GIS) for years, but combining its mapping technology with **SAS's** business intelligence and **BearingPoint's** consulting acumen brings a new level of consumer-centric market planning to the table.

Called Marketing Planning and Portfolio Optimization (MPPO), the product and service is designed to help real estate executives better predict performance by providing insights into market conditions.

This is a smart move by ESRI; the mapping space is becoming increasingly commoditized by companies like **Google**. For BearingPoint, it positions the consulting firm to take advantage of the increased spending in services (a move that **KSA** is also making by bringing its real estate process experience to the forefront of the go-to-market strategy). And, the partnership is a logical extension for SAS based on its business intelligence and consumer-centric merchandising heritage.

Buxton

A services company by nature, **Buxton** aggregates data from more than 250 data sources to deliver customer analytics for decisions related to real estate, marketing, and merchandising.

While 60% of its revenue is from real estate services, the company is positioned to provide demand intelligence—based on transaction, demographic, geographic, and other purchased data sources—throughout the organization.

Retailers not wanting to implement packaged software can enlist Buxton to build a custom model which it will maintain and deliver analysis and reports upon request.

GeoVue

The software vendor's location intelligence platform encompasses a few distinct factors, including simultaneous evaluation of the network, road network calculation, and ongoing calibration of models.

Rather than conducting a linear decision process, in which the system determines the best location, the second best location, and so on, the engine maximizes revenue from all current and existing stores in the network. This allows a retailer to make decisions based on a holistic perspective instead of in isolation. Road network

calculation determines each site's relative convenience to all points of demand within the market, keeping in mind the actual route a consumer will need to travel. And ongoing calibration allows retailers to adjust models based on market conditions, which is aimed to improve the accuracy of the market plan.

Clients site scalability and responsiveness as benefits, saying it lets them react to certain trends in a timely manner.

Prediction Analytics

Prediction Analytics, a lower profile company recently purchased by **Experian**, has interesting potential. When Prediction Analytics' real estate selection technology and experience is eventually combined with Experian's data on demographics, customer spending patterns, marketing, and economic forecasts, it presents a compelling option for retailers. Expect this offering, which will leverage deep consumer intelligence from Experian's vast data sources, to manifest in Europe before expanding into the U.S. market.

Conclusion

Retailers traditionally use outside experts to help assess expansion. A combination of commercial brokers and site evaluation consultants pore over detailed maps and demographic data to determine the best new locations.

However, growing competition, changing consumer behavior, and new store formats require retailers to look at new sources of insight to help make not only streamline new store planning and execution, but also store portfolio decisions that include remodels, closures, or relocation. Look to technology providers with deep analytics, ease of use, and integration capability.