



CASE STUDY

Restaurant Discovered Market Infill Opportunities Using Customer Analytics

In 2013, a leading restaurant retailer of better-for-you food and beverage offerings faced a challenge. As the company grew, it needed not only to expand beyond its traditional west coast markets, but also to maximize existing markets. The problem was that its leaders thought that the west coast market, California in particular, was at or near its saturation point.

Buxton expanded the client's remaining trade area universe in California from 27 to 191.

Buxton to help them determine if there were infill opportunities in California that met revenue thresholds while minimizing sales cannibalization.

The Solution

Buxton developed a sophisticated revenue forecasting/site selection model for the client that accounted for the main drivers of its business, including core customers, competition, and other factors. Based on the model, Buxton conducted a U.S. potential analysis to identify the number of trade areas that met the brand's development criteria.

"We thought we were basically done [in California]," noted the company's senior vice president of U.S. east operations. "We had only opened seven locations in the five years prior to 2012."

The company had been working with Buxton since 2010 and knew the types of answers that customer analytics could provide. Its leaders asked

CONCEPT:

Better-for-you food and beverages

OBJECTIVE:

Find additional sites in existing markets

RESULTS:

Learned that infill opportunities were 700% higher than originally thought

The Results

The U.S. potential analysis revealed surprising insights. Buxton identified 191 new trade areas in California that could support successful locations.

Before the analysis, the company's leaders thought that there were only 27 remaining trade areas that could successfully support new development, which meant that infill opportunities grew 700%.

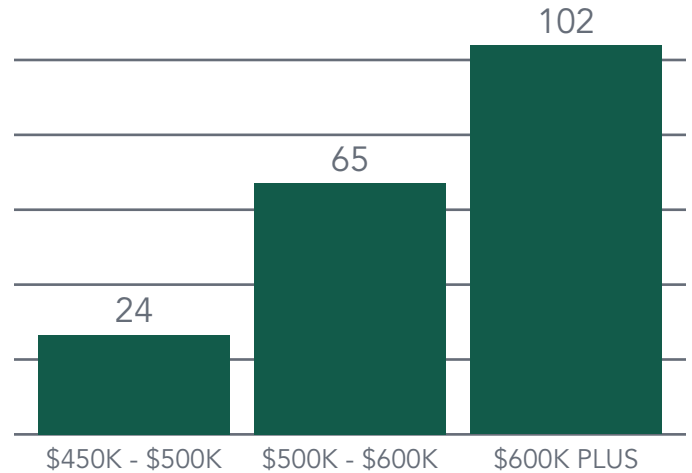
"We are on a growth trajectory that we hadn't thought about for a long time in California, which ultimately is going to help drive the company as a whole," remarked the client.

"It has been a huge opportunity for us as we look at the ability to grow the brand not only in California, but also across the country. The modeling and analytics that we went through with Buxton is the big reason we're able to do that."

**CLIENT SENIOR VICE PRESIDENT
OF U.S. EAST OPERATIONS**

Additionally, the revenue forecasts for each trade area helped the client decide what type of store format would be best suited for each location. By matching the store format to the revenue potential of the trade area, the company was able to reduce its average store investment by 35% from 2007 to 2014 and is working to reduce the average investment another 18% in 2015.

Number of Potential California Sites, by Revenue Forecast



The company accelerated its development in California and credited Buxton's analysis with helping to open successful new locations over the last two years. It formed development agreements to open 90 new stores including 15 California store openings in 2015.

"As we think about customer analytics and modeling, it has been a huge opportunity for us as we look at the ability to grow the brand not only in California, but also across the country," said the client. "The modeling and analytics that we went through with Buxton is the big reason we're able to do that."

To learn how Buxton can help you maximize your existing markets, contact us today.