

Restaurant Optimization

Building better market planning & business
strategies to help you succeed





Achieving high growth targets, fulfilling long-term commitments to shareholders, expanding concepts into new markets. With so many challenges, how can restaurant executives optimize their network for maximum returns?

The answer is simple – location intelligence

When location information is taken to the next level, restaurant executives find the answers they need to make critical business decisions, helping them to confidently forecast sales and choose the best sites and markets. Armed with market optimization and site selection solutions from Pitney Bowes Business Insight, restaurant executives can avoid costly brick-and-mortar mistakes and secure the best locations for successful growth while staying ahead of the competition.

“Location intelligence will continue to drive the Johnny’s Lunch growth plan. Sometimes owners of just one or a few restaurants assume they can’t afford location intelligence—that it’s only a tool for the major chains, but our experience suggests other-wise. Small restaurant owners can use location intelligence to prevent mistakes that could cripple their franchising plans right from the start. The fact may be that they can’t afford not to invest in location intelligence.”

George Goulson, Chief Development Officer, **Johnny’s Lunch**

Proven market strategies from the industry leader

Real estate decision makers rely on the local market knowledge and expertise of our Predictive Analytics group, with roots that trace back to the inception of Thompson Associates in 1959. We have helped hundreds of restaurant chains large and small – including quick service, quick-casual, casual and full-service dining concepts – make more profitable market planning, optimization and site selection decisions. Pitney Bowes Business Insight is one of the oldest and largest predictive analytics research and consulting firms in the United States, specializing in retail, restaurant and real estate research and strategy. We pioneered ‘location intelligence,’ and while the names have changed over the years, our commitment to providing innovative research solutions and sophisticated site selection and sales forecasting models remains constant. Our success is built on accuracy and efficiency– using the latest analytical technology and data for timely, market-driven decisions.

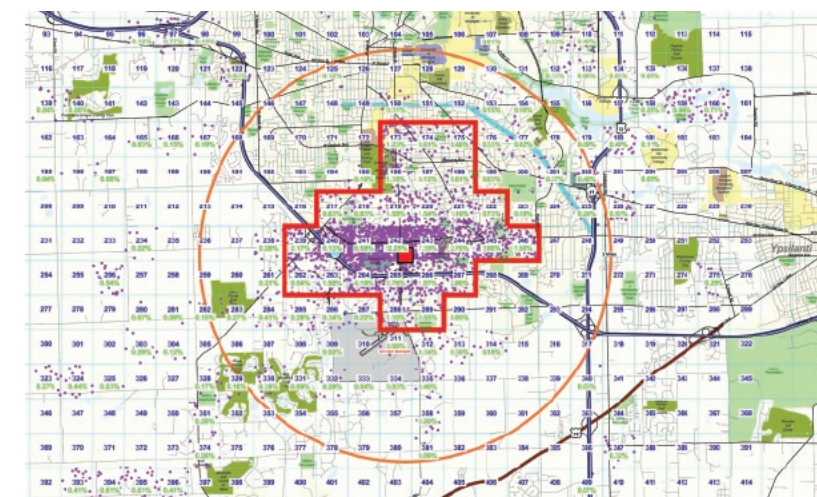
The Pitney Bowes Business Insight difference

Our Predictive Analytics team has developed and refined a superior methodology that is based on real-world experience; first-hand knowledge of markets gained by having analysts’ feet on the street and the local intelligence you can only get at the site. We call it “ground truth” market knowledge. With over 200 analysts around the world and thousands of market studies under our belts, we have the coverage and experience to assess major market opportunities worldwide. We have the global presence and experience to deliver.

Scalable, flexible deployment options

Supported by the industry’s leading location intelligence products, including data, software, and services, we deliver a full suite of tools for market understanding, visualization and reporting for businesses of all sizes. Flexible deployment via enterprise, web or desktop guarantees that real estate decision makers have access to market knowledge when and where they need it. We provide the broadest offering of geographic analysis, mapping and data products and we

can tailor a market planning solution that is scalable, affordable and appropriate for the lifecycle and stage of any restaurant brand.



Visualize your trade areas – locations, customers, competitors with powerful mapping tools from Pitney Bowes Business Insight. Analyze actual distribution of store sales to create real world trade areas, not just arbitrary rings.

Location intelligence delivers insight

By leveraging our advanced modeling techniques, operations, real estate and marketing executives can get specific answers to critical strategic questions:

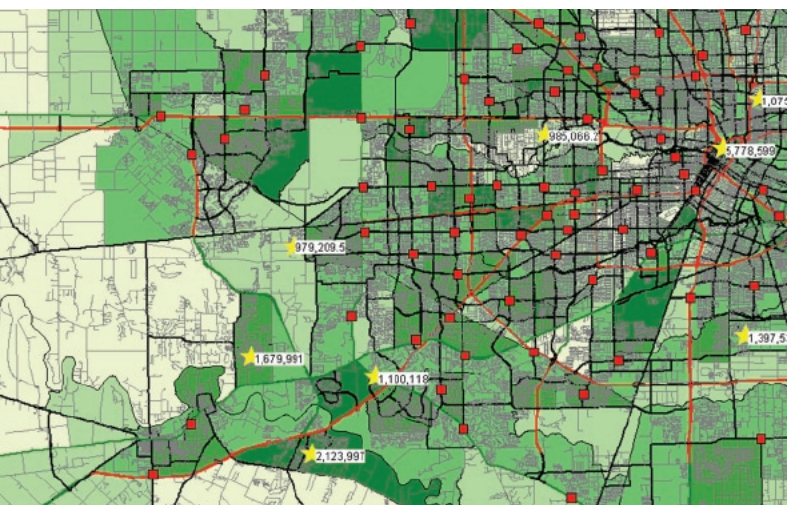
- Where are the best markets for expansion?
- What locations would be most profitable?
- How many locations can this market support?
- How would a restaurant perform at that site?
- Will the market support this restaurant concept?
- How will a new site impact existing units?
- How do I define defensible trade areas?

Armed with this information, you can rationalize significant capital expenditures, proactively secure the best sites before the competition and implement an optimal long-term location strategy for the brand. Grounded in fact and proven analytical methods, the resulting strategies allow you to move into a market with an unprecedented level of confidence – securing the most profitable sites for your restaurant concept while limiting your competitor’s options.



Solutions for businesses of all sizes

Whether you are a new restaurant chain looking to open those critical next few locations, or an established national brand searching for the most profitable opportunities for in-fill, redeployment or global expansion, we can help – providing the consultation, support and solutions you need to succeed. From high-end custom modeling to fundamental data and reporting tools, Pitney Bowes Business Insight can provide the location intelligence you need to mitigate investment risks and plan growth with confidence.



Pitney Bowes Business Insight solutions identify underserved areas and high-potential sites to optimize your network. Existing units are shown as red squares, green shading indicates in-fill demand surface the darker the green, the higher the market demand. Yellow stars denote the optimal locations for in-fill with labels indicating location sales forecast.

Powerful decision tools for market optimization

- Precision modeling for your most important decisions
- Scalable solutions for start-ups, regional or national chains
- Five decades of market planning and site selection expertise
- The experience of 'feet-on-the-street' local market knowledge
- Proven restaurant location strategies from the industry leader

“With the ground work completed to take our unique offering nationwide, we needed location intelligence to help guide our growth in a systematic manner—creating a strategic blueprint for expansion by prioritizing DMA’s and both the number and location of stores for our roll-out.”

Cameron W. Cummins, Vice President, Franchise Marketing and Recruiting, **Marco’s Pizza**

Market planning solutions

Answers:

Predictive analytics & custom modeling

Predictive analytics provide specific answers to core strategic questions when accuracy and precision matter most. Tailored to the brand’s unique competitive profile, our predictive analytics and custom models leverage our market knowledge, advanced analytic technologies, in-depth customer surveys and industry leading data to identify the most statistically significant variables affecting sales performance at any given location. These models provide better forecasts, better answers and smarter site decisions to help management quickly filter out the sites that do not meet their requirements. The bottom line is that real estate experts can identify and develop more of the highest caliber sites each year – boosting productivity and enhancing the chain’s competitive advantage. Models can be delivered as a “turn-key” software solution that you can use in-house, or our Predictive Analytics group can develop your model and apply it on your behalf, providing you with results.

Total optimization system

Pitney Bowes Business Insight offers the most thorough optimization model in the industry today. Others claim to do ‘optimization,’ but only we combine industry-leading research, data and expertise for the precision you need to make mission-critical real estate decisions. Our customized model provides a complete understanding of your customers and the factors influencing the chain’s success at any given

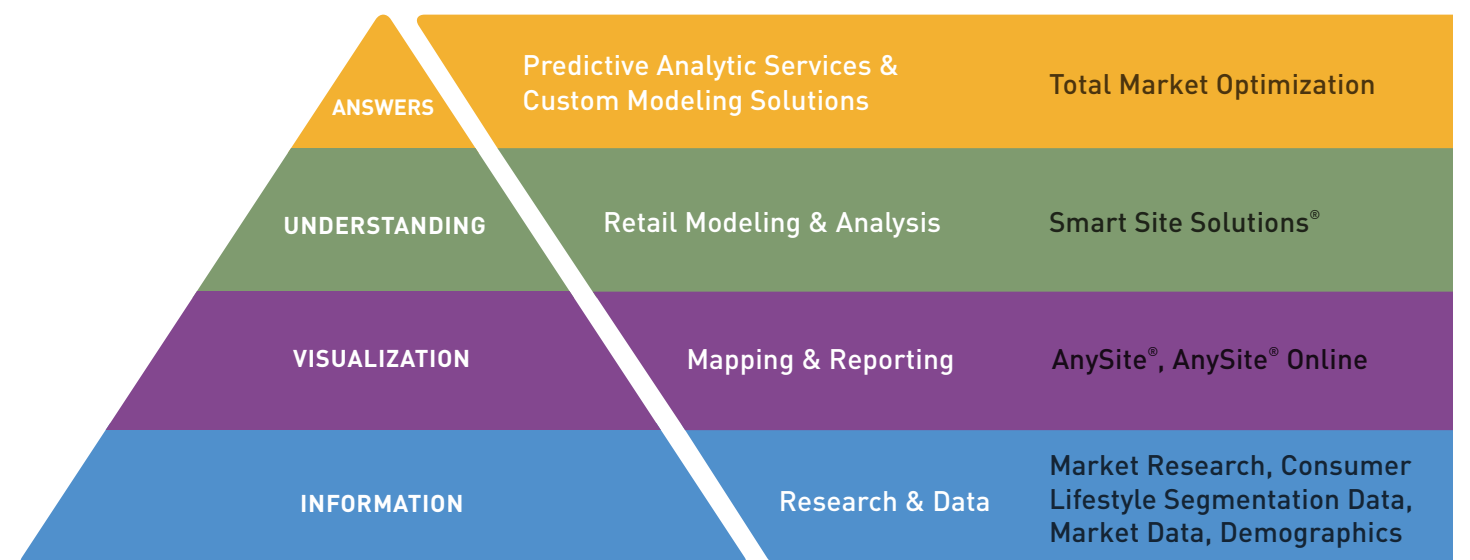
location. An in-depth analysis of your sales performance quantifies the impact of variables such as customer lifestyle and demographic characteristics, competitors, site characteristics, distance decay, market density and geography. Building on the foundation of this research and our proven methodology yields superior results – a powerful tool for performing “what if” analyses and evaluating site and market potential. You get the answers you need to plan optimal deployments for your network, with detailed and reliable sales forecasts.

Understanding:

Smart Site Solutions®

A powerful, yet affordable modeling solution that provides a prioritized market “blueprint” quantifying the maximum store build-out (number, placement and priority) for any given region. Smart Site Solutions represents over 45 years of market research expertise. The application is scalable and can utilize pre-defined customer segmentation profiles for various industry segments to create a customized modeling solution or incorporate client-specific custom research. The model analyzes factors such as trade area size and market density, as well as minimum distance required between units. The end-result is a sound strategic plan to direct the real estate activity.

Decision Support For Businesses Of All Sizes





Cannibalization Studies

Pitney Bowes Business Insight research and analysis provides the highest level of insight into consumer behavior and associated restaurant sales. As restaurants grow, the issue of sales transfer, or cannibalization, becomes increasingly important especially for franchised concepts. Our proven methodology incorporates on-the-street interviews to determine the true components of sales and from where they originate. The results can project cannibalization on existing units and produce objective, defensible third-party analysis of your market.

Visualization:

AnySite® (For Desktop)

Using AnySite desktop software, analysts can easily import proprietary or third party data to quickly perform sophisticated trade area analytics and generate presentation quality reports and maps. AnySite is the gold standard for site and market evaluation, with numerous features to increase productivity and analytic power:

- Useful pre-packaged reports (Summary, Location, Detail, Index)
- Flexible market study options define trade areas by ring, drive time, custom polygon or user-defined criteria
- Custom report creation tools with drag-and-drop functionality
- Seamless integration with proprietary data systems (RDBMS)
- Powerful visualization tools, including dot density and thematic mapping

AnySite is the deployment platform for our custom predictive analytics models, Smart Site Solutions, Data Vending and Segmentation solutions.

AnySite® Online

An economical, subscription-based tool, AnySite Online is used to quickly generate presentation quality site maps and reports with information such as demographics, traffic counts, drive times, consumer expenditure potential and aerial images.

Information:

Market Research Services

The Applied Research group of Pitney Bowes Business Insight provides an array of consulting services to meet our client's needs. Affordable, custom market research packages include customer mapping, sales transfer studies, field research, strategic deployment evaluation and franchisee site evaluation packages.

Data

We offer rich, reliable data to support real estate analytics and decision-making, including: PSYTE® Advantage segmentation demographics, consumer and retail sales potential, business points, retail and restaurant chain locations. Highlights of our newest data offerings include: GroundView powered by the Gadberry Group's Microbuild®. The high-growth market data, international demographics and segmentation data are used to create a unified customer profile for site location and market analytics across the globe.

The Gold Standard for Restaurant Real Estate Decisions

Our Predictive Analytics group traces its roots back to market research pioneer, Thompson Associates, with more than 45 years of experience serving the needs of the restaurant industry. We are the gold standard for market planning, site selection and network optimization.

“ Pitney Bowes Business Insight services allow us to better understand, from a market and site location specific perspective, what our guests enjoy about IHOP and what they'd like to see from us in the future. Location intelligence technology also facilitates more effective evaluation of franchise sites, helping to ensure that corporate objectives for the number of locations and performance are met. Pitney Bowes Business Insight location intelligence provides a critical component to our overall development program.”

Rick Celio, VP Franchise and Development, IHOP

Contact us to learn more about our consulting services and decision support tools. Call 1.800.327.8627 today to find the answers or visit www.mapinfo.com/solutions/industries/restaurant or www.pbbusinessinsight.com

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