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Resquared

CASE STUDY:

USING CONSUMER DEMAND + STORE VISIT DATA TO PREDICT CONSUMER BEHAVIOR

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AI-powered prospecting for the modern leasing team.

What is Resquared?

Search out database of 10 million local businesses to find the perfect fit for your use case.

Connect with local business owners by sending and scheduling outreach using our email prospecting tools.

Gain deeper insights into your sales with our outreach tracking and analytics.

Learn more

retailstat™

WHAT IS RETAILSTAT?

RetailStat is a one-stop provider of financial, credit, and locational intelligence

Make faster, data-driven decisions regarding extension of credit, retail site selection, acquisition strategies, underwriting, and more.

Stay ahead of the curve with in-depth data insights and expert guidance from our team of experts and analysts.

Get a detailed, 360-degree view with the most extensive locational datasets and analytics available, supported by industry experts.

LEARN MORE AT RETAILSTAT.COM

I. Introduction:
Retail's Digital Transformation

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> The collaboration between Resquared's consumer demand data and RetailStat's analytics is revolutionizing decision-making, offering retail teams the tools to stay ahead in the dynamic retail landscape and bridge the gap between digital and physical commerce.

Griffin Morris, CEO & Co-Founder Resquared

Resquared

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📍 2261 Market Street, #4160, San Francisco, CA 94114

INTRODUCTION ⌄

In recent years, the retail real estate industry has undergone a significant transformation due to the digital revolution and evolving consumer behavior. The pandemic blurred the lines between the digital and physical commerce worlds.

This shift has reshaped the brick-and-mortar landscape, forcing traditional retailers to adapt and modernize rapidly. Notably, leveraging data is now a cornerstone of every business, regardless of size or industry.

One company at the forefront of this transformation is **RetailStat**. RetailStat is a data analytics platform that provides key insights for retail decision-making. RetailStat empowers retail real estate teams to navigate the complex retail landscape, optimize their operations, and make data-driven decisions to maintain a competitive edge in the market.

Another key player in this landscape is **Resquared**, an AI-powered sales automation platform for companies that serve small businesses. Resquared provides retail real estate professionals data on every local business, localized data on consumer small business demand, optimized email and social outreach tools, and AI-powered playbooks for prospecting.

This case study illustrates the benefits of merging Resquared's Consumer Demand data with RetailStat's retail analytics. We demonstrate how this integration improves decision-making for retailers by leveraging consumer search data alongside conventional retail data. This innovative approach offers retailers a comprehensive market perspective, empowering them to make smarter choices in a dynamic retail environment.
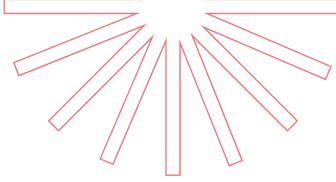
II. The Challenge:
What retail grapples with in 2023

The retail real estate industry is currently wrestling with the following challenges:

PREDICTING CONSUMER BEHAVIOR

Rapid changes in consumer preferences, influenced by factors such as technological advancements, socio-economic shifts, and global events, pose a challenge to accurately anticipating future consumer behavior.

For retail real estate teams, this unpredictability translates into a constant need to adapt store locations and formats. Decisions regarding where to open new stores or whether to close existing ones must be carefully aligned with these shifting consumer dynamics to ensure sustained profitability.

IDENTIFYING LOCATIONS FOR EXPANSION OR CONTRACTION:

Rapid changes in consumer preferences, influenced by factors such as technological advancements, socio-economic shifts, and global events, pose a challenge to accurately anticipating future consumer behavior. For retail real estate teams, this unpredictability translates into a constant need to adapt store locations and formats. Decisions regarding where to open new stores or whether to close existing ones must be carefully aligned with these shifting consumer dynamics to ensure sustained profitability.

Retail real estate teams are challenged with finding and securing suitable locations. This challenge involves understanding not only current market conditions but also predicting future trends and consumer movements to strategically position each store location for success.
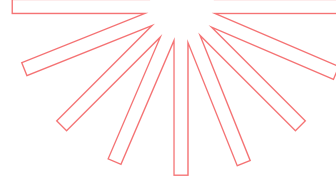
II. The Challenge:
## What retail grapples with in 2023

REACHING THE RIGHT AUDIENCE AT THE RIGHT TIME

Timely communication is essential for retailers to nurture leads and build lasting customer relationships. Achieving high open and reply rates in email and other forms of outreach is vital for success. Finding the right balance and staying attuned to rapidly changing online marketing trends is a constant challenge.

Retail marketing teams need to continually adapt their strategies to harness the power of digital advertising while maintaining a physical store presence. Effectively reaching the right audience at the right time is essential for generating leads and driving sales in a highly competitive market.

CONCLUSION

In essence, these challenges create a high-stakes environment for retailers and their respective teams. Overcoming these hurdles hinges on their ability to access and leverage data effectively, including integrating location-based data, market analysis, and consumer behavior insights to make informed decisions. This integrated approach provides a competitive edge by facilitating more informed decision-making in the face of these formidable challenges.
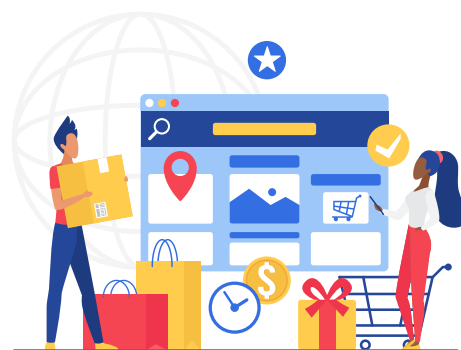
III. The Data
## Resquared's & Retailstat's Data

Resquared's Consumer Demand Data

Each day, consumers perform 1.6 billion Google searches to discover local businesses.

Leveraging advanced data engineering, Resquared taps into this vast source of real-time search queries from millions of users.

This data provides deep insights into consumer interests, intent, and preferences. It's highly granular — capturing specific keywords, trends, and geographical variations in search behavior.
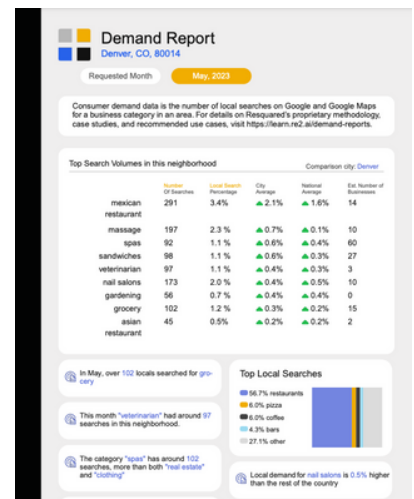

Example demand report

RetailStat's Store Visit Data

RetailStat's store visit data plays a pivotal role in measuring actual consumer behavior.

This dataset tracks physical visits to retail locations, offering a tangible gauge of consumer engagement with brick-and-mortar stores. It provides retailers with crucial information about foot traffic, visitor demographics, and store-specific visit patterns.

This data is helpful in assessing the effectiveness of retail strategies, store performance, and the impact of various marketing initiatives.
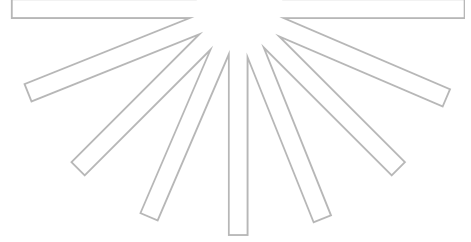
IV.
The Methodology

In this section, we delve into the methodology used to combine and analyze Resquared's consumer demand data and RetailStat's store visit datasets, highlighting the use of correlation analysis as a key tool in our study:

Combining and Analyzing Data Sources: To leverage the power of consumer demand data and RetailStat's store visit data, we first integrated these datasets, aligning them based on relevant geographical and population parameters. This integration resulted in the creation of a comprehensive dataset that combines online search behavior with real-world consumer actions.

For this study, we selected TJMaxx as an example of a common well-known chain that people would search for on Google by name (as opposed to just "clothing"). We also used Pet Store as a specific search category because it is a retail category that is likely to have localized differences in demand (as opposed to grocery stores, which are rather uniform based on population).

Correlation Analysis: Our choice of analysis method centered on correlation analysis, known for effectiveness in measuring the relationship between variables. Correlation values measure the strength and direction of association between two variables. In our context, correlation analysis helps us assess the extent to which online search data (predicting behavior) and store visit data (measuring outcomes) are interconnected.

Calculation and Interpretation of Correlation Values: We calculated correlation values between relevant variables from the two datasets. These values provide insights into how closely changes in online search patterns align with changes in physical store visits. A positive correlation indicates that as online search activity increases (e.g., for a specific product or location), there is a corresponding increase in-store visits. Conversely, a negative correlation suggests an inverse relationship. A correlation close to zero implies a weak or no relationship between the variables.

fourth quarter

third quarter

second quarter

first quarter
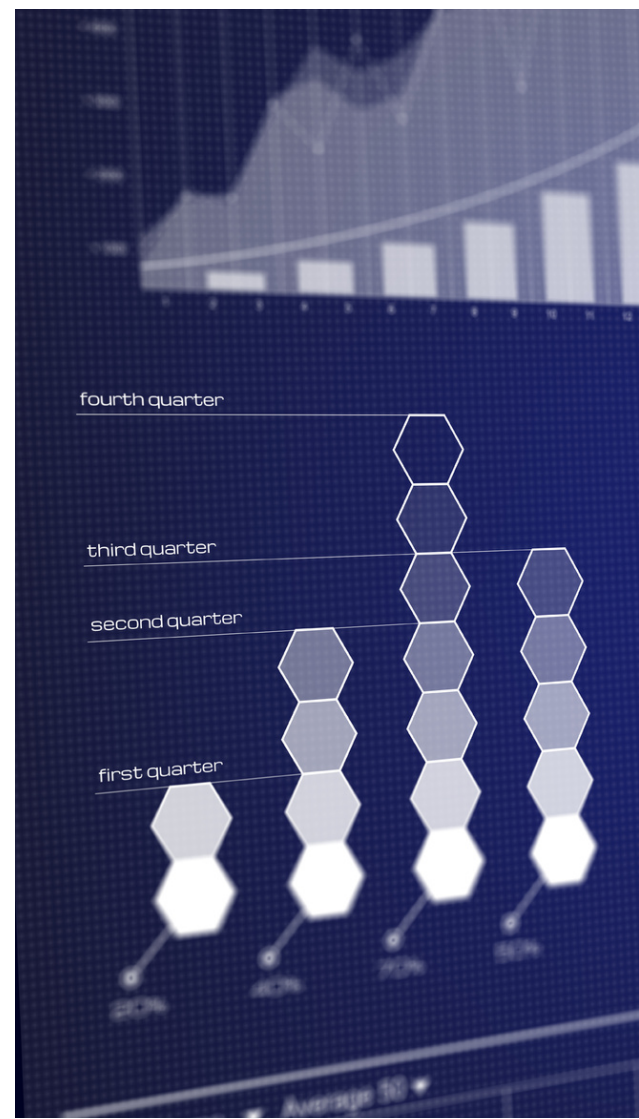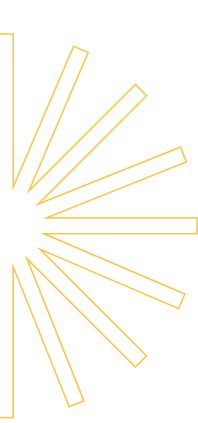
V.
Correlation Findings

Correlation Results for TJMaxx:

- **Clothing**: There is a strong positive correlation of 0.794 between Google searches related to "clothing" and store visits to TJMaxx. Similarly, there is a high correlation of 0.816 between these searches and unique visitors to the store.
- **Fashion**: Google searches related to "fashion" exhibit a robust correlation of 0.774 with store visits and 0.797 with unique visitors at TJMaxx.
- **Men's Clothing**: The correlation between Google searches for "men's clothing" and visits to TJMaxx is 0.799, and for unique visitors, it is 0.818.
- **Women's Clothing**: Searches for "women's clothing" demonstrate a notably strong correlation of 0.802 with store visits and 0.822 with unique visitors to TJMaxx.

Correlation Results for Pet Care:

- **Pet Store**: Google searches for "pet store" display a substantial correlation of 0.765 with visits to pet care establishments. The correlation with unique visitors is also strong at 0.768.
- **Veterinarian**: Searches related to "veterinarian" reveal a high correlation of 0.801 with store visits in the pet care industry, and 0.804 with unique visitors.

In the next section, we will explore the reasons why these correlations are not 100%, emphasizing the potential untapped demand represented by the gap and its significance for businesses.

Using Consumer Demand Data for Predicting Retail Trends:

The strong positive correlations between consumer demand data and store visits/unique visitors, as exemplified by TJMaxx and Pet Care, demonstrate the potential for retailers and landlords to use online search trends as predictive indicators of future foot traffic.

By monitoring these trends, retail real estate teams can proactively anticipate shifts in consumer behavior and adjust their strategies accordingly. This approach allows them to optimize their real estate investments by aligning locations, formats, and marketing efforts with evolving consumer preferences.

Real-World Scenarios for RetailStat Clients:

RetailStat clients can leverage the insights derived from the robust correlations observed in the case of TJMaxx and Pet Care to guide their clients' decision-making processes.

For instance, in a real-world scenario, RetailStat clients could recommend site selections for a new clothing store by analyzing consumer demand data related to "men's clothing" and "women's clothing." By identifying areas with high search activity and a strong correlation to store visits, they increase the likelihood of success for their clients.

Closing the Gap for Better Targeting:

Understanding the 'gap' between online searches and physical visits, as evident in the less-than-100% correlation, is crucial for RetailStat's clients.

By recognizing this gap, businesses can refine their marketing and customer engagement strategies to bridge it effectively. RetailStat can advise clients on tailored marketing campaigns aimed at converting online researchers into in-store shoppers, thereby maximizing the potential of untapped demand, and enhancing the return on their real estate investments.