

Case Study Decathlon

Network Planner

January 2012

APPLYING BUYING FLOW METHODOLOGY TO DECIDE OBJECTIVELY UPON NEW TARGET LOCATIONS FOR EXPANSION

About

Decathlon Belgium is part of the Decathlon group. The Decathlon group generated € 7.4 billion turnover with 872 shops in 2013.

Challenge

Decathlon Belgium has large expansion plans for the coming years. With the ambition to **double its physical presence by 2018**, they were looking for a permanent solution that was able to help them assess the revenue potential of each possible location quick but profound. Estimating the revenues and impact of a new shop as accurately as possible is one of the most important elements in the decision making process for them.

Approach

In order to be able to formulate an answer to their challenge, we have built a **predictive buying flow model** for sporting goods. Therefore, a careful **consumer behavior analysis** based upon real geographical sales information was performed in order to get to know their current customers. A **market potential assessment** per zipcode defines growth opportunities per zipcode. An analysis of the critical factors for a shops' success unveils specific market dynamics. So we found that very specific **enviroment** requests need to be met in order to attract customers. All of this combined, the model can accurately predict a customer's behavior when it comes down to buying sporting goods.

"RetailSonar saves us a lot of time by automating complex calculations. It's easy to use and there's no need for training. The outputs are exactly what we need to simplify the decision-making process and remove doubts from stakeholders. We love it because it reduces the risk of making bad decisions, at a fraction of the cost of opening a store in a wrong location, or picking a wrong location size. You simply cannot beat a little well-planned research before opening a new store."

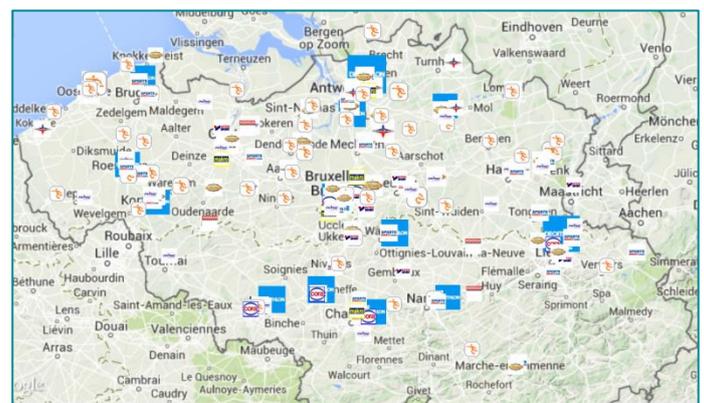
Cedric Buchet – Expansie Manager Decathlon

Results

Decathlon required a permanent solution that was easy and quick in its analyses. We therefore integrated the model into a **webbased software "RetailSonar Network Planner"** that is 24/7 at their disposition.

The predictive buying flow model was able to predict the revenues of the existing shops with a **91% degree of accuracy** starting from all individual customers' perspectives & situations.

Since 2011, **6 shops were opened** with the help of RetailSonar's analyses. The software's results (revenu potential, trade areas, cannibalisation rates,...) were carefully investigated before taking a decision.



More information:
T: +32 (0)9 / 241 56 35
www.retailsonar.com
info@geointelligence.be

Client contact:
cedric.buchet@decathlon.com



RetailSonar
by Geo Intelligence