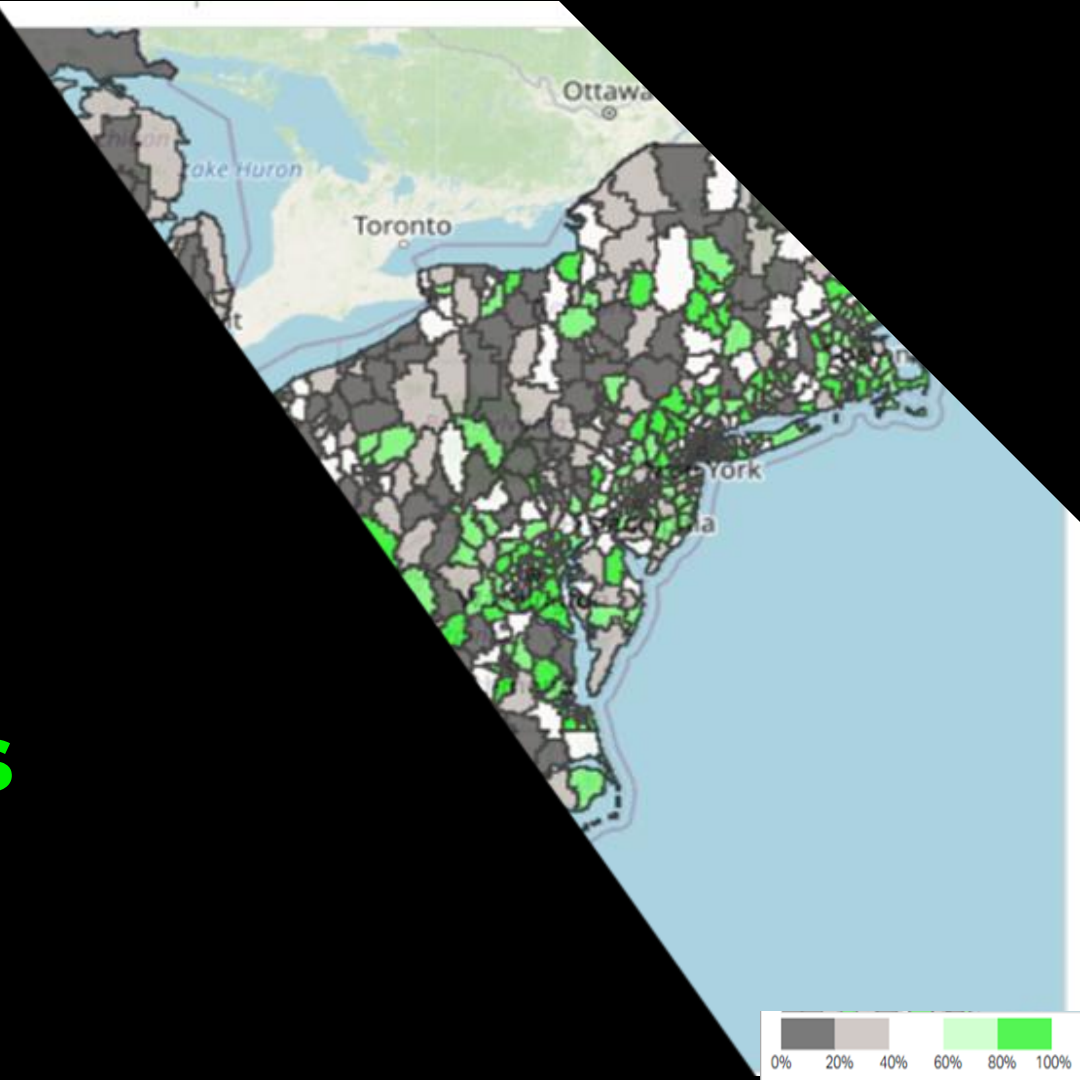




# Scaling local execution through Precision Areas





# Agenda

**Introductions**

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**Current challenges**

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**NielsenIQ Precision Areas**

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## **What if you could harness localized execution strategies at scale?**

### **Imagine the possibilities if you could...**

- Visually review your company's or brand's performance across the U.S. while highlighting areas of opportunity at local levels
- Reduce marketing expenses with a more targeted campaign radius
- Implement localized distribution tactics to minimize the risk of out-of-stocks
- Direct your sales teams to specific neighborhoods within their territory where you have distribution opportunities
- Not only diagnose opportunities, but prescribe solutions by arming your category management or insights teams with modeled recommendations for adjustments to pricing, promotions, distribution, or in-store activities

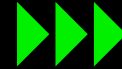


# Introducing NielsenIQ Precision Areas

Store-level data can be too narrow and too cumbersome to effectively mine for local growth opportunities, yet retail chain-level data doesn't offer the precision for tailored tactics that reflect local nuances.

A first of its kind, NielsenIQ Precision Areas offer the sweet spot for local execution that drives local growth. Built on patented methodology, this solution links retail sales, demographic, and geospatial data to create 2,200 neighborhood-level areas across the country so manufacturers can finally assess market performance on a local level that can be scaled across the organization.

Using an interactive web application with pre-built visualizations and intuitive navigations, users across functions can quickly extract the relevant insights to drive impactful decisions. Whether it's navigating the impact of demographics or specific points of interest on performance, or overlaying sales territories to efficiently prioritize opportunities each team member can pursue, users can quickly pinpoint local risks and opportunities..



The **sweet spot** between broad market data and narrow store-level data



# Local execution for local growth

Sophisticated retailers and manufacturers recognize the next frontier of growth demands strategies that cater to local market dynamics, but even past solutions like store clusters were hard to maintain and lacked scalable activation.

Consider Chicago, which officially recognizes 77 neighborhoods across the city. The demographics are radically different across these neighborhoods with some more affluent areas than others, some Spanish-speaking or Polish-speaking communities, and some so densely populated there's a never-ending checkout queue because of the sheer volume each store accommodates.

To expect a "Chicago" strategy to work is inconceivable. The same price increases in one neighborhood could lead to a brand exodus in another neighborhood. English advertisements could fall flat in predominantly Spanish-speaking neighborhoods.

Now, extrapolate this beyond Chicago to the entire country and it can be an overwhelming task to execute localized strategies at scale.

Identifying local opportunities is just the first step. Implementing strategic actions closes the revenue opportunity. With modeled analytics underpinning NielsenIQ Precision Areas; dashboards, teams can zoom into areas of opportunity and identify which lever to pull among pricing, distribution, assortment, or in-store execution for maximum effect. Double-clicking into a precision area's demographic composites can add another useful layer of context for strategy execution.

Using modeled data, each opportunity is quantified for a quick assessment of which tactics will offer the biggest payoff to deliver a complete picture of what to do and where to do it.



NielsenIQ Precision Areas identifies local geographical areas with similar demographics so you can determine high value pockets of growth

**“ Small changes  
can compound  
to big outcomes**

## **From insights to outcomes**

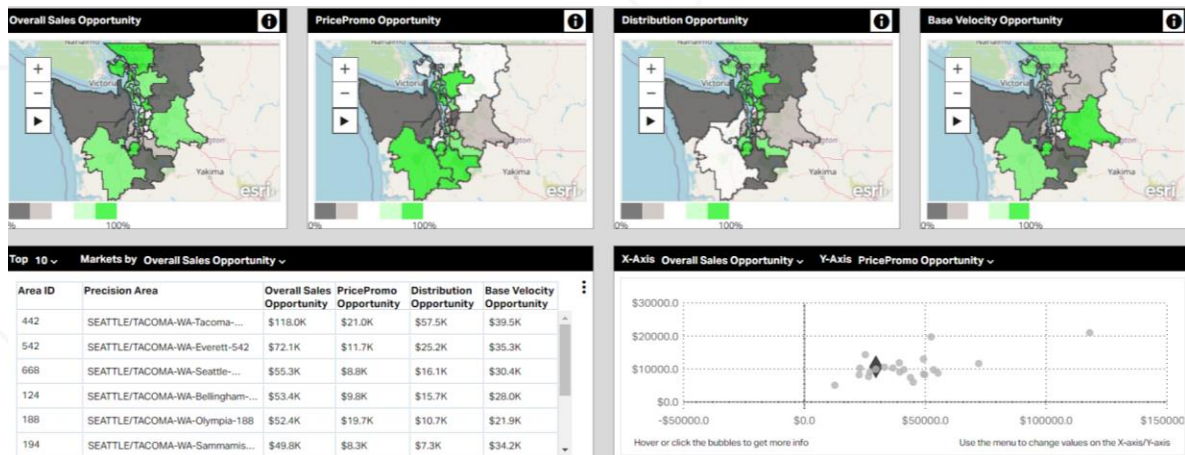
Optimizing local execution at scale is the most recent tool manufacturers are investing in to find pockets of high value growth opportunities. As inflation continues to challenge brands' pricing sensitivities and supply disruptions continue to complicate distribution, Precision Areas helps manufacturers optimize resources, prioritize opportunities, and scale local market share gains.

The following are three examples of how national manufacturers are using NielsenIQ Precision Areas to drive impactful local decisions.

# 1. Grow underdeveloped or declining local market share

A visual dashboard immediately illuminates the strength of a brand's market share across the 2,200 precision levels so CPG managers can visually assess areas of leading share and growth opportunities. Double-clicking into a selected area highlights a brand's performance against key competitors, and modeled analytic data quantifies the impact from different levers in each Precision Area.

In the dashboard below focused on the Seattle/Tacoma metro area, a national manufacturer quickly identified a distribution or assortment gap in the Tacoma area. A correction could drive an additional \$50K in annual sales. Extrapolating that opportunity across 2,200 Precision Areas could amount to \$90-\$110 million in growth, numbers every executive can support.

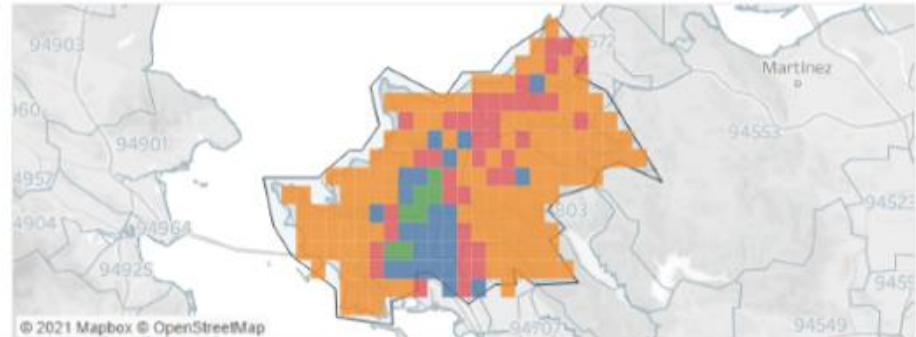
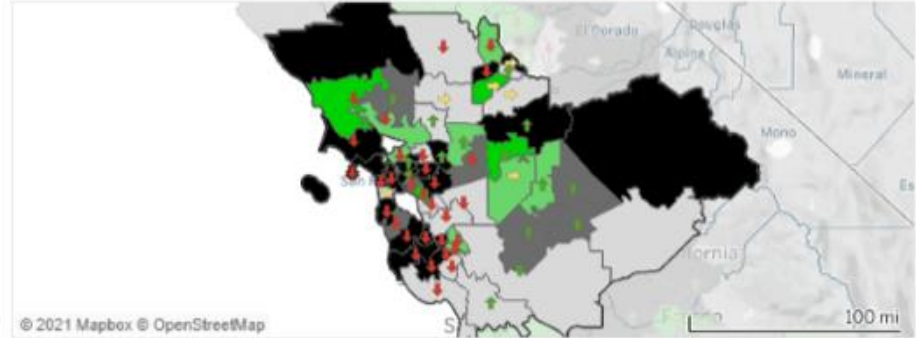


Overlaying performance changes also illuminates that two areas have high share but suffer from declining sales. Running additional promotional support to offset some of the recent price increases could halt the declining sales trend before it grows even worse.

## 2. Refine digital marketing campaigns

Digital campaigns can be helpful in targeting prospective customers but casting too wide of a net often diminishes the ROI of marketing activities. Using a more precise combination of sales performance and demographic data helped one manufacturer refine their target from 200 locations to 35 precision areas. The budget savings offered the option of investing more heavily in their highly targeted areas or repurposing that budget for secondary campaigns.

The company used a combination of metrics from their Precision Areas data to revise their digital marketing plan. They first quantified and ranked their sales opportunity to evaluate if the expected ROI for certain areas was realistic based on the market size. Comparing competitive brand performance across key performance indicators helped refine the value proposition of their marketing message. Next, an analysis of demographic information ensured the target audience matched their core customer base. Zooming into the most densely populated areas could have further informed the strategy with secondary marketing tactics like outdoor advertisements to complement the digital campaign.

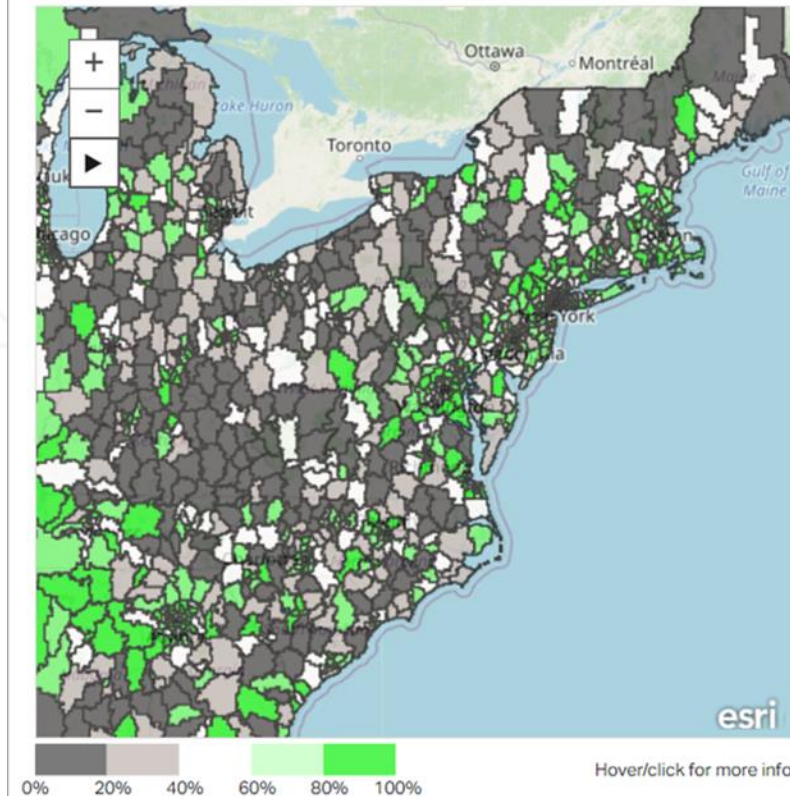




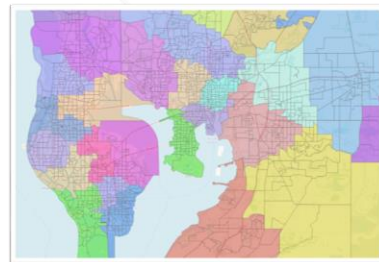
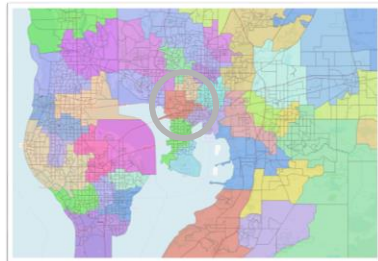
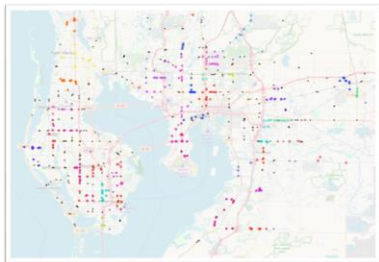
### 3. Control distribution allocation

As persistent supply challenges continue to plague manufacturers, inventory control and order fulfillment remain strained and require constant evaluation and modifications. Add the growing movement in online shopping, with 86% of shoppers now qualifying as omnichannel shoppers, and the logistics for inventory control are a nightmare to manage. Unfortunately, it's also a mission-critical part of CPG business since shoppers can't buy your product if it's unavailable.

If there isn't enough inventory to keep all shelves fully stocked or completely fulfill all orders, strategically managing distribution allocation on local levels can at least ensure the best sales opportunities are fully stocked. An assessment of sales performance and velocity can assist in enterprise decisions around order fulfillment. Overlaying retailer distribution warehouses or integrating internal shipment data can assist with tough decisions on inventory allocation and even shine light on opportunities to tailor distribution models in local areas.



# NielsenIQ Precision Areas methodology



1

Maximum breakdown of a country into precision areas based on geospatial data and retail landscape

2

Align precision areas boundaries with the smallest geographical unit of country Census Bureau published demographic data

3

Overlay precision areas with available retail data and dissolve non-releasable precision areas to closest neighbors

▶▶▶ **Result**

The most detailed country split in precision areas, where each area is linked with retail sales data, demographic data and geospatial data



# In-depth understanding of sales performance



## Focus your execution

Local level visibility allows you to target impactful geographies and demographics.

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## Understand your competition

See how you compare—at a neighborhood level—to your competitors.

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## Quantify your opportunity

Prioritize areas of investment based on the dollar size of the opportunity.



# Package options to build up and upgrade your core offering

## Core offering

Identify and **quantify local opportunities**

**Layer demographics, geographies and points of interest\*** onto your sales data

Navigate an **interactive application with built-in maps**

Access insights through **pre-built visualizations**

**Extract insights** from a Flat file deliverable\* (*2 years of back data by default*)

## Add-ons to the core offering

### Enriched offering

Integrate with 3<sup>rd</sup> party data sources  
*(unlimited)*

Incorporate data from RMS & other analytical tools text here

### Precision Areas consumerization

Understand local customer patterns through Consumer Segmentation Scoring

### Precision Grids product

Break your data down further into 1x1km areas



## About NielsenIQ

Arthur C. Nielsen, who founded Nielsen in 1923, is the original name in consumer intelligence. After decades of helping companies look to the future, we are setting the foundation for our future by becoming NielsenIQ. We continue to be the undisputed industry leaders as evidenced by our experience and unmatched integrity. As we move forward, we are focused on providing the best retail and consumer data platform, enabling better innovation, faster delivery, and bolder decision-making. We are unwavering in our commitment to these ideals and passionate about helping clients achieve success. For more information, visit: [niq.com](https://www.niq.com)