

## **THEY ORDERED A LARGE GROWTH PLAN, PERFECTLY BAKED, WITH EVERYTHING ON IT. GEOVUE DELIVERED.**

### **SITUATION**

Despite enjoying market shares in the low 40s in its core New England markets, this regional QSR company had a problem—no plan for growth. Not wanting to plateau at its current size, 170 Papa Gino's restaurants and 200 D'Angelo Grilled Sandwiches restaurants, the board decided to launch a franchise business to complement corporate stores. Realizing it had two growth strategies, infill and new markets in New England and new market development outside its core region, the new franchise team knew it needed additional expertise to execute both strategies. Leadership wanted a perennial in-house capability—analysts, software and data, not a one shot consultant's analysis. Finally the team wanted analytic models it could customize without having to engage third-party model configuration services.

### **SOLUTION**

Papa Gino's selected geoVue because the vendor's approach—configurable application software, data services, and high-value professional services—best fit its vision for planning franchise development. geoVue started by interviewing customers of both brands, a store intercept study, to understand travel and day-part patronage patterns and gauge store trade areas. geoVue ranked all 400 markets east of the Mississippi, a boundary set by the Board, based on customer demographics and psychographics, competition, and local economics. For each of the highest ranked markets, after estimating each one's unit capacity, geoVue helped Papa Gino's decipher the optimal unit network and build-out sequence. With these market blueprints in hand, with geoVue's help, Papa Gino's assessed site specific characteristics—size, access, visibility, parking, seats, and the like—to refine trade area boundaries.

### **RESULTS**

geoVue's location optimization work was critical to setting Papa Gino's five-year franchise development strategy. It confirmed management's approach in established New England markets, but led to a change in development priorities outside New England. Management judgment had been to pursue a contiguous expansion program in concentric rings beyond New England. geoVue's ranking of market opportunities led to a triple-play development strategy of contiguous, leapfrog, and opportunistic market development. Beside giving management a clear set of development priorities, geoVue's location optimization also crystallized which New England markets to hold for corporate development and which to open for franchise. This streamlined discussions with franchisee candidates, cutting time to market by 40 percent. It also helped development become more proactive, a key to capturing market share and building brand equity in new markets.