

CASE STUDY

Contours

“MAPINFO PROFESSIONAL HAS GIVEN US A LOT MORE CREDIBILITY WITH FRANCHISEES, AND ALLOWED US TO DELIVER A LEVEL PLAYING FIELD. IT’S VERY IMPORTANT TO MAINTAIN THAT EQUALITY ACROSS THE BOARD WHEN YOU’RE DEALING WITH FRANCHISEES.”

David Hundt, Director and CEO Contours Australia

CONTOURS MAPS OUT
FRANCHISE TERRITORIES WITH
MAPINFO PROFESSIONAL



Challenge

Australian women’s fitness chain Contours needed a way to accurately map territories for its fast-growing base of franchisees. After implementing MapInfo Professional, the market’s most comprehensive location intelligence solution, it has significantly improved the quality and accountability of its site selection processes for franchisees .

Solution

Contours implemented a tailored system comprising MapInfo Professional and boundary and demographic data from CDATEA 2001. Through the use of location intelligence, including demographics, drive time and trade area analysis, Contours discovered which locations reach the most customers, divert business from competitors and tap into new markets.

SUMMARY

Fitness For Women On The Go

Contours is the leading women’s fitness franchise in Australia, with more than 90 franchisees secured and 50 Contours studios already opened. Since the concept launched in Australia in July 2004, Contours has quickly become Australia’s fastest growing and largest fitness enterprise. The Australian operation is part of a global success story, with more than 500 franchisees operating studios in 23 countries. Contours opens a new studio every two days somewhere in the world.

Taking The Guesswork Out Of Site And Territory Selection

Deciding where to locate a new business is one of the most important investment decisions to be made. No matter how great the concept, selecting the wrong location can mean the difference between success and failure. When that business is also a franchise, the stakes are even higher. For Contours, that means defining territories that create a level playing field for each franchisee, based on a maximum ratio of one studio per 25,000 head of population.

Contours needs to be able to pinpoint site locations and territory boundaries that will give franchisees a large enough population base to optimise their investment and protect it from cannibalisation by any neighbouring studios.

When Contours started offering franchises in Australia, it initially took a less than scientific approach to identifying territories, as David Hundt, Director and CEO of Contours Australia, explained.

“We had a very inexact process of picking up a street directory and thinking ‘that looks like so many thousand people,’” he said. “Trying to get the right area involved a lot of guesswork and not much science. Fortunately the first territories we mapped ourselves were in regional areas so the franchise area covered the whole local population anyway.”

When it came to the challenge of mapping a territory for a potential franchisee at Penrith in Sydney’s heavily populated and sprawling western suburbs, it was time to take a different approach.

“After our fourth studio opening we realised the territories were such an integral part of the business from a franchisee point of view, it was critical we had them mapped as accurately as possible,” Hundt said.

“The issue for us is credibility from the franchisees. It’s their livelihood. We have to be able to justify and quantify the locations. We have to get it right.”

Pitney Bowes Business Insight (PBBI) offered Contours a solution for location-based intelligence that would help deliver more accurate pinpointing of sites and territories for franchisees.



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A Comprehensive Location Intelligence Platform

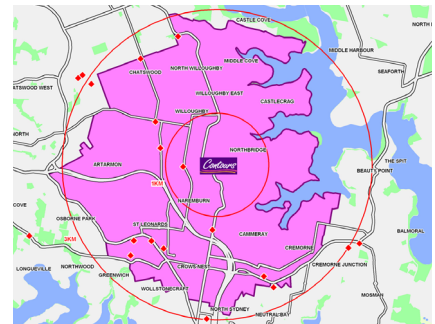
Contours implemented a tailored system comprising MapInfo Professional and boundary and demographic data from CDATA 2001.

“We looked at various options but MapInfo Professional was the most sophisticated package linked to the Census data - and that was a key component,” Hundt said.

MapInfo Professional gives Contours the ability to create a snapshot area profile at the push of a button, showing the geographical boundaries within which the franchisee’s optimal target population resides, for informed site selection and evaluation. By using intelligence including demographics, drive time and trade area analysis, Contours can also discover which locations will reach the most customers, divert business from competitors or tap into new markets.

“The site we choose is critical. We have to consider a lot of factors like available foot traffic and other information, but we primarily use MapInfo Professional for mapping the actual territory,” Hundt said. “Having MapInfo Professional allows us to work with the franchisee to find the most appropriate site. We can assure them we have a very scientific approach to territories and we can quantify it. Once they have bought a franchise we use MapInfo Professional to create a map that outlines the territory for them - and that’s what we all sign off on.”

Contours also uses PBBI solutions for sales territory management, which enables them to accurately optimise the layout of territories based on any number of criteria, such as sales, driving distance, customers served, lead distribution and workload.



Contours Northbridge trade area map.

More Effective Site Evaluation

The solution developed by PBBI enables Contours to conduct more effective evaluation of potential sites and territories in a cost-effective and easy-to-use manner.

“It is so easy to use, it’s fantastic. You can pinpoint a site and map around it with the click of a button. It used to take us two hours per site, now it’s down to around 10 minutes,” Hundt explained.

Delivering Equality And Accountability For Franchisees

Since using PBBI technology, Contours have seen an enormous improvement in the decision making process of site selection. “We can easily identify and prioritise the optimal sites for expansion, maximise market share and per-unit performance simultaneously, mitigate cannibalisation between stores, and identify and improve under-performing stores.” said Hundt. The intelligence it provides is a critical component to Contours overall development program. “We now have the capability to make sure we get it right, MapInfo Professional has given us a lot more credibility with franchisees and is very important to maintain equality across the board when dealing with franchisees.” Hundt states.

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