Chapter 9
Managing Sales Territories

GIS Tutorial for Marketing

Marketing scenario

Northwest’s Best:
• A new wine distributor specializing in products of Washington and Oregon vineyards
• Has secured exclusive distribution rights for Portland, Oregon metropolitan area
• Will serve liquor stores and restaurants in the area with a three-person sales force
• Must design sales territories that balance workload, sales potential, and driving efficiency
• Must implement routing system for sales calls
Learning objectives

To manage NWB’s sales territory system in Portland, you will learn how to use ArcGIS to:

• Symbolize wine purchasing patterns and business prospect characteristics on a map
• Select prospects and assign them to territories
• Evaluate alternative territory systems with summary tables and visual analysis
• Create a map to communicate territory characteristics and support recommendations
• Use network functionality to determine the optimal driving route for sales calls

Exercise 9.1: Explore purchasing patterns and sales outlets

In this exercise you will:

• Load and explore a basemap of Portland, Oregon, depicting the number of households in its census tracts
• Display prospective customer stores by location and store type
• Explore average household restaurant and liquor store purchases by census tract
• Calculate estimates of wine purchases by household for Portland’s census tracts
Exercise 9.2: Assign prospective customers to sales territories

In this exercise you will:

- Add a territory attribute to each feature in the Prospects layer
- Select groups of prospects based on their geographic location
- Assign prospects to territories
Select prospects and assign them to territories

Prospects by territory
Exercise 9.3: Display and assess two territory systems

In this exercise you will:

• Use group layers to organize two territory system alternatives
• Display alternative territory systems on a map of prospects and area highways
• Use summary tables to assess the balance of prospects and sales potential in each system
• Use the map to visually assess the driving efficiency of the territories
Exercise 9.4: Recommend a territory system

In this exercise you will:

• Decide which territory system you will recommend to Northwest’s Best
• Design a map layout depicting the system and its characteristics

Compare territory systems
Recommended sales territory system

Exercise 9.5: Determine optimal route for sales calls

In this exercise you will:

- Identify the ten prospects with the highest sales potential in the Northeast territory
- Use the ArcGIS Network Analyst extension to determine the best driving route for sales calls on these prospects
- Create a map of the optimal route
- Create driving directions for use in following this route
Determine default and optimal routes with Network Analyst

Default route

Optimal route

Print driving directions

Route map

First segment
Additional applications

As NWB grows, its territory management and optimization functions will become much more complex. GIS tools can contribute to these functions in several ways, including:

- The addition of sales, time management, and drive time data to manage and optimize established territories
- The integration of data from enterprise sales management and/or customer relationship management systems
- The extensive datasets and analytical tools of the ArcGIS Business Analyst extension
- Integration of customer relationship management data that allows sales managers to prioritize accounts and schedule appointments
- Integration with internal personnel and inventory records that allows dispatchers to match technicians and necessary parts with customer service calls
- Wireless mobile systems that allow sales managers and representatives to reconfigure routes and calls in real time

Additional applications

- Ink Tech, a Florida-based specialty ink firm, used GIS tools to realign its sales territories in the Chicago area
- Western Exterminator, a pest control firm based in California, optimized service technician territories and identified sales opportunities with a GIS application
- Mapping Analytics is a consulting firm in this field and also offers ProAlign, an ArcGIS extension that builds specialized territory management tools on top of the ArcGIS framework
- Morey’s Seafood International, which distributes seafood to customers across the United States, uses GIS routing tools to manage delivery schedules
- Sears Holding Corporation, parent company of the large retailer, manages over 14 million service calls annually with GIS routing tools
- The United States Postal Service uses routing tools in delivery and route design applications