

Potential vs Potential

Interpretation & Calculations

OVERVIEW

The Potential vs. Potential report lets you analyze two profiles to help you rank and identify detail-level geographies within your analysis area for potential engagement/usage of the profile behaviors. The analysis is based on the concept that you can plot each geography's market potential index scores on a four-quadrant grid with each quadrant representing the likelihood of households in a geography to engage in both of the behaviors, as follows:

- Hi/Hi - The propensity to engage in the first profile's behavior is high (greater than 100), and the propensity to engage in the second profile's behavior is also high. Households or individuals in these detail-level geographies would be most likely of all your detail-level geographies to engage in both profiles' behaviors.
- Hi/Lo - The propensity to engage in the first profile's behavior is high, but the propensity to engage in the second profile's behavior is low (less than 100). Although households or individuals in these detail-level geographies would be likely to engage in your first profile's behavior, they would be unlikely to engage in your second profile's behavior.
- Lo/Hi - The propensity to engage in the first profile's behavior is low, but the propensity to engage in the second profile's behavior is high. Households or individuals in these detail-level geographies would be unlikely to engage in your first profile's behavior, they would be likely to engage in your second profile's behavior.
- Lo/Lo - The propensity to engage in the first profile's behavior is low, and the propensity to engage in the second profile's behavior is also low. Households or individuals in these detail-level geographies would be the least likely of all to engage in either profiles' behaviors.

BUSINESS ISSUES IT CAN SOLVE FOR:

- Identify opportunities for cross-selling a product or service.
- Identify profile behaviors, such as media preference, that can be used to reach potential users of another product or service.
- Identify analysis areas that have high market potential for both products and services.
- Compare usage patterns for two products in one or more analysis areas.

WHAT QUESTIONS CAN IT ANSWER/WHY IS IT IMPORTANT?

- What product marketing strategy should I deploy in an area?
- Where is the opportunity to increase market penetration?
- What two products or services should I consider for cross-sell?

SAMPLE REPORT OUTPUT

Potential Vs Potential															
Strategy	Analysis Area Code	Analysis Area Name	Animal Planet (H)						Bookstores:Stores shopped/used services past 12 months Any bookstore (A)						
			Base Count	Base % Comp	Estimated Users	% Comp	Users/100 HHs	Market Potential Index	Base Count	Base % Comp	Estimated Users	% Comp	Users/100 HHs	Market Potential Index	
High/High	13057	Cherokee County	[A] 91,468	[B] 4.11%	[C] 39,441	[D] 4.36%	[E] 43.1	[F] 120	91,468	4.11%	26,641	4.73%	29.1	126	
High/Low	13063	Clayton County	102,446	4.61%	40,719	4.50%	39.7	110	102,446	4.61%	22,115	3.92%	21.6	93	
Low/High	13297	Walton county	33,195	1.49%	10,513	1.16%	31.7	88	33,195	1.49%	8,742	1.55%	26.3	114	
Low/Low	13255	Spalding County	24,355	1.09%	5,564	0.61%	22.8	63	24,355	1.09%	4,572	0.88%	18.8	88	

- A. Base Count: The number of households in the selected geography. Ex) There are 91,468 households in Cherokee County.
- B. Base % Comp: The percentage of households in the selected geography compared to the total number of households in the base analysis area. Ex) Cherokee County makes up 4.11% of the households in the Atlanta CBSA.
- C. Estimated Users: The total number of households/adults in the selected geography that fit the profile behavior. Note that if this is an adult profile, which is designated by '(A)' in the profile name, this will be the estimated number of adults; otherwise, it is the estimated number of households. Ex) There are an estimated 39,441 adults in Cherokee County who have visited a theme park.
- D. % Comp: The percentage of estimated users in the selected geography compared to the total number of estimated users in the base analysis area. Ex) 4.36% of adults who have visited a theme park in the Atlanta CBSA are located in Cherokee County.
- E. Users/100 HHs: The proportion of households/adults that have the profile behavior compared to the total households in the selected geography. Ex) Out of every 100 households in Cherokee County, there are an estimated 43.1 adults who have visited a theme park.
- F. Market Potential Index (MPI): The likelihood that the selected geography has households with the profile behavior, as compared to the base analysis area. Ex) Cherokee County is 20% more likely to have adults who have visited a theme park when compared to other counties in the Atlanta CBSA. An index of 100 is considered average.
- Note: If the data was run with the Analysis Area Index prompt turned off, the index compares to the entire U.S. instead of the base analysis area.

REPORT FORMULAS

This analysis uses the following formulas:

- Percent composition (of base or behavior)

$$\frac{\text{Geounit Count}}{\text{Total Count}} \times 100 = \text{Percent Composition}$$

- Estimated users:

For simplicity in this example, assume that ZIP Code 12345 contains only the following two segments.

Segment 01 Household Count - 450 (45%)
Segment 02 Household Count - 550 (55%)
1,000 (100%)

Based on an example profile, assume 20% of Segment 01 uses the product and 10% of Segment 02 uses the product. The total number of households in ZIP Code 12345 that use the product is calculated as follows:

20% of the 450 HHs in Segment 01 use Product (90 HHs)
10% of the 550 HHs in Segment 02 Use Product (55 HHs)
Total HHs in ZIP Code 12345 that use the Product = 145

- Users per 100 households (Users/100 HHs) (of behavior)

$$\frac{\text{Estimated Behavior Count}}{\text{Base Count}} \times 100 = \text{Users / 100 HHs}$$

- Market Potential Index (MPI)

$$\left(\frac{\text{Estimated User Count}}{\text{Base Count}} \right) \times \left(\frac{\text{Profile Total Behavior Count}}{\text{Profile Total Base Count}} \right) \times 100 = \text{Market Potential Index}$$