2010 Methodology Statement:
Esri Data—Business Locations and
Business Summary

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An Esri White Paper

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Esri extracts its business data from a comprehensive list of businesses licensed from Infogroup®. This business list contains data on more than 12 million U.S. businesses—including the business name, location, franchise code, industry classification code, number of employees, and sales volume—current as of January 2010.

Data Sources

In maintaining and adding to its business database, Infogroup references several sources including directory listings such as Yellow Pages and business white pages; annual reports; 10Ks and Securities and Exchange Commission (SEC) information; federal, state, and municipal government data; business magazines; newsletters and newspapers; and information from the U.S. Postal Service. To ensure accurate and complete information, Infogroup conducts annual telephone verifications with each business listed in the database.

Esri provides reports and file extracts from the business database that include the number of businesses by industry classification and employment size or sales volume; total employment; and, when available, information about total sales. Included are both versions of industry classification—the former four-digit Standard Industrial Classification (SIC) system and the updated and expanded six-digit North American Industry Classification System (NAICS). In addition to the typical SIC and NAICS summary-level codes, the database also includes Infogroup's proprietary six-digit SIC and eight-digit NAICS industry codes and a special industry code for select industries. These codes provide more detailed information such as the number of rooms in hotels or motels or the number of beds in hospitals and nursing homes. Sales volume data is reported for business locations.

In the January 2009 database, Infogroup supplied Esri with an improved, more comprehensive business record extract. Previously, affiliated businesses that shared a common address and at least one other element (e.g., phone number, business name, contact name, or linkage to the same parent company) were removed to represent a single business per location. Now, all these businesses will be included. This change increased the total number of records in the database by approximately 5 percent.

Business Locations

An address list of businesses is compiled by Infogroup from its sources and telephone verifications. These addresses are geocoded to assign latitude and longitude coordinates to the business site and append a census geographic code. Most businesses are coded at the address level and assigned to a census block group. The quality of the local address system varies; address matching is better in urban areas that use street-level address systems than in rural areas. Overall, 90.9 percent of the businesses are geocoded at the address level; 99.8 percent are assigned to a census block group. Businesses that cannot be assigned to a block group are assigned to a census tract or county.

Esri uses the geographic codes to report business data for summary areas such as states, counties, census tracts, and block groups. Aggregations by ZIP Codes are created from the business database. ZIP Codes from Infogroup may differ from the residential ZIP Codes in the Esri® demographic databases because Infogroup includes business-only ZIP Codes that are unique to a particular establishment and include no residential area. The coordinates of each business are used to assign it to a user-defined polygon.

For more information, visit www.esri.com/businessdata.

Esri's Data Development Team

Led by chief demographer Lynn Wombold, Esri's data development team has a 30-year history of excellence in market intelligence. The combined expertise of the team's economists, statisticians, demographers, geographers, and analysts totals nearly a century of data and segmentation development experience. The team has crafted data methodologies, such as the demographic update, segmentation, the diversity index, and the Retail MarketPlace database, that are now industry benchmarks.

About Esri

Since 1969, Esri has been helping organizations map and model our world. Esri's GIS software tools and methodologies enable these organizations to effectively analyze and manage their geographic information and make better decisions. They are supported by our experienced and knowledgeable staff and extensive network of business partners and international distributors.

A full-service GIS company, Esri supports the implementation of GIS technology on desktops, servers, online services, and mobile devices. These GIS solutions are flexible, customizable, and easy to use.

Our Focus

Esri software is used by hundreds of thousands of organizations that apply GIS to solve problems and make our world a better place to live. We pay close attention to our users to ensure they have the best tools possible to accomplish their missions. A comprehensive suite of training options offered worldwide helps our users fully leverage their GIS applications.

Esri is a socially conscious business, actively supporting organizations involved in education, conservation, sustainable development, and humanitarian affairs.

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