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Methodology statement: 2024 Business Locations and U.S. Business Summary data

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Methodology statement: 2024 Business Locations and U.S. Business Summary data

Overview Esri Business Location points are one part of a comprehensive portfolio of ArcGIS Places data—also known as points of interest (POI)— that focuses specifically on businesses. Esri creates its Business Location points from a comprehensive business database licensed by Data Axle. The data features important business attributes such as company location, industry classification, employee count, sales volume, brands, shopping center information, and more. This release includes over 13 million U.S. and almost 1 million Canadian Business Location points.

Esri also uses Data Axle's business records to create its Business Summary product for the United States. Business summaries are built from the Business Location points and provide ready-to-use information on business sectors for geographic areas like ZIP codes. Business summaries can be generated for user-defined custom polygons such as drive-time areas as well.

The Business Location point dataset and associated Business Summaries for this release are Data Axle's June 2024 data vintage. Note that as of 2024, Esri now updates Business Summaries three times per year concurrently with the Business Location points.

With this release, Data Axle POI and Business Summary users may see notable shifts in their sales and employee count numbers. This reflects Data Axle's implementation of new sales volume and employee count models that aim to increase coverage, accuracy, and timeliness of business data.

Consult our <u>Data Axle technical documentation page</u> for more information about Business Locations points and Business Summary products.

About Data Axle Data Axle builds its business database from many sources such as business **business data** filings, utility connections, press releases, corporate websites, and annual reports. The data is continuously updated using an extensive telephone verification process with over 24 million verification calls made per year. Sales volume and employee count estimates in this release will reflect Data Axle's updated, Alpowered business models released in June 2024. Users are likely to note shifts in these numbers relative to prior releases, as well as expanded coverage of records with sales volume estimates.

> Data Axle provides a Standard Industrial Classification (SIC)-based code and a North American Industry Classification System (NAICS)-based code for each record in the dataset. Data Axle uses the 2022 vintage NAICS classification system. Note that Data Axle adds additional granularity to SIC and NAICS classification systems by appending two proprietary digits to the end of the codes, creating six-digit SIC-based codes and eight-digit NAICS-based codes that are unique to Data Axle. Each business receives a primary classification code that reflects the primary line of business but may also receive secondary codes where appropriate. For example, a supermarket could have a primary NAICS-based code indicating a grocery store but also have a secondary NAICS-based code as a health and personal care retailer.

Data Axle provides actual employee counts where the information is available; when an actual count is not available, Data Axle provides an estimated count. Kiosk locations such as ATMs will not have an employee count.

Data Axle sales volume attributes are modeled, as verifiable sales volume figures are extremely difficult to obtain from private businesses. The primary source of information for the model is the U.S. Department of Commerce's data on sales per employee for each six-digit NAICS code. This data is also used to estimate Canadian sales volumes, but with an exchange rate and inflation calculation applied so that the final figures are expressed in Canadian dollars. Note that sales volumes may not be provided for certain lines of businesses that do not produce sales such as governmental offices, associations and organizations, and educational institutions.

Esri Business Locations point data

To create the Esri Business Locations point dataset, Esri uses latitude/longitude coordinate values provided by Data Axle or geocodes Data Axle business address information to place business points on the map. Most businesses can be located to rooftop level or street centerline accuracy. However, some business locations are only able to be placed to city or ZIP code centroid-level accuracy. The location type and location confidence attributes provided by Esri can help determine the spatial accuracy for the business record.

Prior to release, Esri removes some business records that do not meet quality requirements. Typically, this is due to business records missing attributes such as business name or street address, or spatial issues such as missing latitude/longitude or the business location falling outside expected geographic boundaries. Esri also makes best efforts to remove duplicate records from the Business Locations dataset.

Note the Esri Business Location points contain all business attributes Esri is permitted to provide to customers in software but does not include all the attributes Data Axle offers through its own platform.

Esri U.S. Business Summaries

To create the Business Summary product, various geographic codes are first appended to each business point location. The total number of business points, total sales volumes, and total employee counts are then summarized by each geographic code. This is done for specific business categories and for overall total businesses.

The business categories are generally groupings of two- to four-digit NAICS and SIC codes focused on specialized sectors—for instance, Finance & Insurance (NAICS 52) or Health & Personal Care Retailers (NAICS 456). There are over 80 ready-to-use business summaries available.

This release includes 14 new NAICS-based business summaries that provide finer granular detail to existing categories. These are summarized below.

Existing NAICS Business Summary Category	New NAICS Sub-category Description	New NAICS Sub-category Code	Sums to Existing Category
Construction NAICS 23	Building Construction	236	Yes
	Heavy and Civil Engineering Construction	237	
	Specialty Trade Contractors	238	
Wholesale Trade NAICS 42	Wholesale Durable Goods	423	Yes
	Wholesale Nondurable Goods	424	
	Wholesale Trade Brokers	425	
Transportation/ Warehouse NAICS 48-49	Truck Transportation	484	No
Health Care/Social Assistance NAICS 62	Ambulatory Health Care	621	Yes
	Hospitals	622	
	Nursing and Residential Care	623	
	Social Assistance	624	
Other Services Excluding Public Admin NAICS 81	Repair and Maintenance Businesses	811	Yes
	Personal and Laundry Service	812	
	Civic and Other Organizations	813	

The Business Summary product is available for the following geographies, including three new school district types newly available with this release:

- Census Block Group
- Census Tracts
- Cities and Towns
- Elementary School Districts—New
- Secondary School Districts—New
- Unified School Districts—New
- Congressional Districts
- Designated Market Areas (DMAs)
- Metropolitan Areas (CBSAs)
- County Subdivisions
- Counties
- States
- ZIP codes
- USA
- Uber H3 Hexagons: Resolutions 2-7

Business Summaries can also be estimated for any user-defined polygon such as rings and drive times using the data enrichment capabilities available in Esri software.

Note that records flagged as a kiosk from Data Axle's place type attribute are not included in the Business Summary calculations. Kiosk listings typically include locations such as ATMs, electric charging stations, donation drop boxes, mailing kiosks, and video rental kiosks. While these records are omitted from Business Summary calculations, the records remain in the Business Locations point dataset.

For more information about Esri Business data, call 1-800-447-9778.



Esri, the global market leader in geographic information system (GIS) software, location intelligence, and mapping, helps customers unlock the full potential of data to improve operational and business results.

Founded in 1969 in Redlands, California, USA, Esri software is deployed in more than 350,000 organizations globally and in over 200,000 institutions in the Americas, Asia and the Pacific, Europe, Africa, and the Middle East. Esri has partners and local distributors in over 100 countries on six continents, including Fortune 500 companies, government agencies, nonprofits, and universities. With its pioneering commitment to geospatial information technology, Esri engineers the most innovative solutions for digital transformation, the Internet of Things (IoT), and advanced analytics.

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