

LOCATE

A Scientific Research Methodology for choosing
the best city
the best area
the best location
for your retail shop



Case Study

Considerations for choosing a location differ

Some factors affecting petrol pump locations

- Fast traffic or congested areas do not produce drop-in traffic for the drive-in retailer.
- Traffic averaging 35 to 45 kmph is preferable.
- A feeder location will produce more potential customers than an arterial location consisting of fast, undelayed traffic.
- A stop sign slows traffic. A petrol pump location after a stop sign will usually produce more customers at an intersection location.
- A street where crossover is possible increases the number of directions from which a site may be approached.
- If traffic speed or congestion is not great, a location on such a street is preferred. However, the lack of crossover should not be detrimental if there is a high traffic count of desirable traffic.

Within the city, sites at the intersection of two or more streets may be classified as far-corner, near-corner or triangular.

An inside location is a site between the corner locations.

- ◆ The sites at the intersection are preferred, as the traffic may enter from three or four directions.
- ◆ A far-corner site is preferred over a near-corner site as it provides greater visibility.
- ◆ A near corner site is preferred when a left-hand turn is made at the intersection.

The quicker the customer recognises a petrol pump, the greater the chance of stopping.

The site should be deep enough to allow adequate parking for peak customer use.

A drive-around exit should be provided to allow the customer ease of exit.

A petrol pump should be easy to enter and to leave.

Do not locate where traffic congestion may affect the accessibility of the site.

Avoid a location on the inside of a curve, especially on a highway.

Steps in Locate

Marking all possible locations

- Mark locations of competing showrooms of same product category, associated products, substitute products, & shops having similar prestige value
- Short listing 15 locations
- Draw circle of one kilo meter diameter to accommodate maximum number of marked showrooms & prestigious shops
- No two circles should overlap
- Select top 15 for detailed investigations

Estimating Customer Catchment Count

- Indicates to what extent the area is visited by prospective customers for their shopping needs

Count of Arterial roads

- Indicates access from distant areas including upcoming areas

Estimation of sale of products

- Visit the showrooms as mystery customer
- Collect information from secondary sources regarding the products

Measurement of traffic of target customer in short-listed locations

- How many potential customers are there?
- On foot, two wheelers, cars, public transport

Near neighbourhood catchment

- Indicates size of prospective customer base in close proximity



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