Trading Area Analysis

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Elements in Trading-Area Selection



Chief Factors to Consider in Evaluating Retail Trading-Areas

Population Size and Characteristics

- Total size and density
- Age distribution
- Average educational level
- Percentage of residents owning homes
- Total disposable income
- Per-capita disposable income
- Occupation distribution
- Trends

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Chief Factors to Consider in Evaluating Retail Trading-Areas

Availability of Labor

- Management
- Management trainees
- Clerical

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Chief Factors to Consider in Evaluating Retail Trading-Areas

Closeness to Sources of Supply

- Delivery costs
- Timeliness
- Number of manufacturers
- Number of wholesalers
- Availability of product lines
- Reliability of product lines

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Chief Factors to Consider in Evaluating Retail Trading-Areas

Economic Base

- Dominant industry
- Extent of diversification
- Growth projections
- Freedom from economic and seasonal fluctuations
- Availability of credit and financial facilities

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Chief Factors to Consider in Evaluating Retail Trading-Areas

Competitive Situation

- Number and size of existing competition
- Evaluation of competitor strengths and weaknesses
- Short- and long-run outlook
- Level of saturation

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Chief Factors to Consider in Evaluating Retail Trading-Areas

Availability of Store Locations

- Number and type of store locations
- Access to transportation
- Owning versus leasing opportunities
- Zoning restrictions
- Costs

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Chief Factors to Consider in Evaluating Retail Trading-Areas

Regulations

- Taxes
- Licensing
- Operations
- Minimum wages
- Zoning

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