Notional Centre for Research Methods

Here is a hypothetical city which comprises nine distinct neighbourhoods (demand zones 1-9) and three retail stores (assume that these are grocery stores, stores 1-3).



- Each demand zone contains approximately 1,000 households and a weekly retail expenditure of **£100,000**.
- Store 1 is a large hypermarket (approx. 60,000 square foot)
- Store 2 is a mid-sized supermarket (approx. 30,000 square foot)
- Store 3 is a smaller format discount store (approx. 10,000 square foot)

Based only on the information above:

- 1. Where are residents of demand zone 6 most likely to shop? *Store 1 (based on proximity and attractiveness)*
- 2. Which store is likely to have the largest catchment area? Store 1 (based on attractiveness and competition)
- 3. Which demand zones have best access to grocery foodstore provision? Demand zone 9 has best access (based on floorspace provision), followed by demand zones 2, 4 and 5. Although zone 5 doesn't contain a store it has good access to all three stores.
- 4. Which store is likely to experience the 'best' trading performance? (*In this context the definition of 'best' is entirely your choice!*)

Store 1 is likely to have the highest revenue. However, store 2 is more accessible and smaller and therefore is likely to generate a higher trading intensity (sales per square foot).

 Is store 2 likely to generate a revenue in excess of £250,000 per week? Yes – this highly accessible store accounts for approx. 30% of the floorspace within this study area and so we would expect it to generate around 30% of the available revenue (30% of the £900,000 available expenditure is approx. £270,000).