

RETAIL AND RESTAURANT SITE SELECTION

If you want to find a “home run” location for your retail or restaurant business the very first thing you need to do is be prepared to do lots of research and fieldwork. In other words, expect to do **homework**.

While **site selection is part art and part science**, it is important to understand that art plays only a minor role in the decision-making process. As a result, be forewarned that you can't afford to let gut, emotion and urgency become major influences when making your site selection decision.

Besides contacting a commercial realtor, a site selection consultant, or a successful business owner, contact your local SCORE chapter and ask if they have a counselor with expertise in site selection. What you are looking for is a resource person who has a “track record” of consistently picking “home run” locations.

How many times have you heard the phrase Location Location Location? In the complex world of site selection these three words mean three different things. Picture a bulls eye consisting of three rings ranging in size from large to small when you think about Location Location Location. The large outer ring represents the general **area** surrounding a retail store or restaurant. The middle ring represents the **site** itself. The small inner ring represents the actual **space** or building which your business will occupy.

While most people are capable of selecting a good area for their business many don't understand why it is even more important to select both an outstanding site and an outstanding space. Being able to consistently pick all three types of locations is what separates the professionals from the amateurs, and, what will have a significant impact on the success of your business.

Obtaining detailed nighttime (rooftop) **demographic information** for the trade area surrounding a prospective site is very important. For convenience oriented businesses, demographics for either the 1-2 mile ring or a 3-7 minute drive time are recommended. For destination uses demographics for the 1-2-3 mile ring or a 3-7-10 minute drive time are more appropriate.

When looking at demographics pay special attention to the people who live close to the site you are considering. Also, focus on evaluating population counts, key age groups, employment categories, household incomes, and educational attainment.

As important as demographics are to making “smart” site selection decisions, it is absolutely essential that a prospective site pass **the PASTA V test**.

P stands for **parking**. A lack of parking or inconveniently situated parking can turn out to be the “kiss of death” for the owner of a small business. Whether located on site or on the street, today’s customers demand that parking be convenient. The more parking spaces that exist within one hundred to two hundred feet of your front door the better.

A is for **access**. Every business needs to be easily accessible to its customers. Sites which are hard to get into and out of not only negatively impact the opportunity to boost customer counts but can discourage repeat business.

S is all about **signing**. Signs play an influential role in creating business identity and help to build name recognition. Obviously, the closer a building sits to the street the easier it is for customers to read storefront and building signs.

T stands for **traffic**. Every business needs traffic driving by its front door. When making site assessments you need to evaluate the posted speed limit, proximity to nearby intersecting streets, proximity to one or more traffic signals, and physical barriers such as medians.

A is all about **activity**. Land uses such as shopping centers, office buildings, post offices, motels/hotels, schools, libraries, churches, grocery stores, drugstores, bookstores, cinemas, hospitals, amusement parks, banks, convenience stores, gas stations, and nearby restaurants, along with surrounding rooftops, create activity. And, activity is what generates customer traffic and sales.

V stands for **visibility** - something which needs very little explanation. No single site selection factor is more important than visibility.

When you are scouting sites for your business pay close attention to which side of the street your competitors are located on. Certain businesses, such as restaurants with a drive through or pick up window, are able to boost sales if they locate on the “going home” side of the street. On the other hand, someone in the bakery or coffee business

should focus their efforts on finding a location which is on the “going to work” side of the street.

Always identify who your competition is, where they are located, and whether their sites are superior or inferior to yours. Also, pay attention to their hours of operation and their curb appeal. And, if possible, try learning what their sales volumes are.

Too many business people overlook the need to conduct **customer surveys**. Customer surveys provide outstanding “data mining” opportunities and are a tremendous source of “market intelligence.” In particular, they provide the basis for creating something which is very, very important - **customer profiles**. This is exactly the kind of information which needs to be incorporated into your **site selection system**. In the case of start-up businesses with little or no customer information, you need to pay close attention to who your competition’s customers are. Doing so will help you better understand where to look for a business location.

Whether you are contemplating buying or renting space it is essential that you develop a reliable mechanism for **projecting future sales**. Relying on sales guesstimates is a dangerous way to make a financial investment. This is definitely an area where outside resources can be a big help to you. When performing this important task you should come up with high, medium, and low sales projections.

One of the most important things you can do when evaluating individual sites is to rely on a **Site Selection Scorecard**. Start by looking at both positive and negative factors within the surrounding area such as anchors and major traffic generators, critical mass, connectivity, land uses, image, traffic, competition, physical barriers and dynamics. For individual sites, you need to determine how the previously discussed **PASTA V** factors, as well as store frontage, windows, setback, nighttime lighting, curb appeal, tenant mix and synergy, will influence sales.

When filling out your Site Selection Scorecard you should **assign scores** for each evaluation item. Because “numbers don’t lie,” this important exercise will help you determine the quality of both individual locations and sites. This way you can begin to more easily and more accurately identify “home run” locations.

If you want your business to grow and prosper you need to follow the different steps which you have just read about. If you take a disciplined, scientific approach to site selection you can take great satisfaction in knowing that you are well on your way to selecting a site which can help you succeed. Congratulations!!!