**Site Selection for Retail Store (4 Factors)**

Site analysis is an integral part in determining the sales potential that generates the major traffic flow for a retail store. With the emergence of various retail formats and product categories, presents a wide choice of locations. Further, the mushrooming of planned shopping centers and malls present an enormous challenge before a retailer. Though a retailer tries his level best to select the site to locate a store, these factors must be considered while selecting a particular site.

The major among them are:

**1. Connectivity and ease of traffic flow:**

These are the two important issues that a retailer must consider while selecting a site. There may be good merchandising, good customer service, and good interiors but if the man who has to visit cannot reach the store easily, will not be a good preposition. The store sites you have short listed should be well connected through roads, trains and means of public transport. Like Karol Bagh in Delhi is well connected with roads and rail traffic with the neighboring cities.

**2. Parking facility:**

Parking today has become the most uncontrollable civic problem for not only metro / big cities but even the small cities and towns are facing the same problem. In a store where tens to hundreds of customers come to shop with their vehicles (two or four wheeler), require space to accommodate their vehicles.

In absence of proper and safe parking arrangement, customers hesitate to visit the store, knowing parking today has become the reason for public clashes, stealing and other cases of road rage. There are several ratios that are used to determine the provision for parking lot.

For a food store, retailers throughout the globe usually apply the ratio of 3:1, which means 3 sq.ft of parking space for every sq. ft of retail store. One thing may be remembered that no ratio is universal in real life sense but it depends on the product to be sold and the place where your store will be located, i.e. nearby public parking lots.

**3. Cost effectiveness:**

An important factor to be considered before taking the decision on a particular site is the cost consideration. A retailer must remember that so called ‘good site’ is always a costly affair and retailer should try to go for that because ignorance to such site may be the reason for failure of your store. Retailer may manage the funds to have such site but one thing should not be forgotten that space cost is a combination of mortgage/rent, facilities, lease hold improvements, usual decoration, wear and tear, insurance, security and so on. Therefore, selecting site location only on the basis of cost factor alone may be risky.

**4. Presence of competitors:**

While selecting a site, it is beneficial to check the compatibility of the retail store with the other nearby retail stores in that area. It includes analyzing the type and number of competitors, other industrial parks, shopping complexes, franchisee chains, individual stores and other departmental stores, setting up a new store among established competition means new store will have its market share from the existing ones. Further, under intense competitive area, newcomer must come with unique merchandise, wide merchandise assortment and high level customer service.

Other factors to be considered are:

i. Visibility of the store

ii. Ease of traffic flow

ADVERTISEMENTS:

iii. Local laws and regulations

iv. Amenities available in that area

v. Buy/lease arrangements

vi. State of infrastructure (water, road and electricity)