

6.14: Location Effects on Planning

Learning Objectives

- Explain the effects of location choice on short and long run planning

When you open a new retail location, the hope is always for a long successful business. Recent closings of what looked like successful business operations has shed new light on the importance of proper site selection, proper analysis when securing the site, and meeting the needs of customers once you have located your space.

Learn More

“[Why Are Retail Chain Stores Being Closed?](#)” by Barbara Farfan on *The Balance: Small Business*

There will be massive store closures and huge bankruptcies: Former Toys 'R' Us CEO on retail outlook



Knowing the demographic of your location is a very important part of long term planning. Knowing if the population will be customers into the future, can be important. If the area is a highly transient population, a college town for example, where you get a continued influx of 18-22 year old students, locating a coffee shop near campus may be a great idea. If you have a similar transient area where young families move in and out (a first time homebuyer community), opening a daycare center would be a prudent long term business.

Being able to ebb and flow with changes in demographics is another long term planning option. An example might be a restaurant in an upscale retirement community, having the ability to also meet the needs of a changing demographic through different food or price points over time.

Looking at the history of the planned location can tell a story. If it was a once thriving community that is starting to suffer from neglect due to a turn to more rental properties rather than owner occupied homes, that may be a sign that the neighborhood is changing in a way that may not support your retail endeavor. On the other hand, a rundown community, that has recently seen an upsurge in restoration and new building, along with owner occupied spaces or a new and upcoming art center, may be the perfect place to locate long term.

Picking the space that will work in the long-term is important in your planning. Having the ability to grow or change with the community will be an important component of long term success.

Grocery Stores That Sadly Might Not Survive 2021



Practice Questions

<https://assessments.lumenlearning.co...sessments/9193>

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