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Location Selection for Flagship Retail Store

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ABSTRACT

Brands benefit from greater exposure to potential consumers. One way to improve exposure is to open a flagship retail store that provides a dedicated brand experience in a new geographic area so that consumers in the region are exposed to the goods and services in person. This disclosure describes techniques to evaluate available locations to determine an appropriate location for a flagship store where the number of potential new consumers that are exposed to the brand is high. Different road segments, including indoor segments are scored based on data indicative of the number of unique and new persons that pass through the segment. Consumer preferences for various product categories are obtained and the identified road segments are ranked based on the number of consumers that match the brand and/or category. Rental costs for competing locations are evaluated to adjust the ranking and choose the store location. Once the store is operational, efficacy of store location is measured by visits, online activity, and purchases.

KEYWORDS

- Store location
- Flagship store
- Retail store
- Brand experience
- Novel consumer
- Physical store

BACKGROUND

Brands benefit from greater exposure to potential consumers. One way to improve exposure is to open a flagship retail store that provides a dedicated brand experience in a new geographic area so that consumers in the region are exposed to the goods and services in person. The purpose of a flagship store is to demonstrate and showcase the products, allowing people to experience the products and learn from staff in person. However, flagship stores may not survive on traditional retail metrics such as same store sales, if people purchase the brand online after a visit to the store. Success of a flagship store is measured not only by sales but also by the buzz that results from new consumers discovering the brand, e.g., as reflected in social media.

Department stores that sell a variety of brands may be reluctant to stock a new brand that fits into an existing market segment. Therefore, department stores may be unavailable (or expensive) for new brands to increase their exposure.

DESCRIPTION

A key problem for a brand is to identify suitable locations for a flagship store that can serve to introduce the brand's products and/or services to the largest possible number of likely consumers. A continuous stream of "novel" consumers is more likely to exist along routes with lots of novel travelers, e.g., tourists, out-of-town business travelers, or local people that rarely visit a particular location and, therefore, may be presumed to be making a "special" trip. Such consumers are also more likely to have spare time to spend on a new experience such as visiting a product showroom. Thus, a suitable location for a flagship store may be one that gets a lot of consumer traffic, including visitors from out of town; is located in a pedestrian area so that serendipitous foot traffic is maximized; has a good labor market of local people who could represent the brand concept well (e.g., a college town may be suitable since there is an

abundance of potential workers who can explain the brand value eloquently; etc. Malls, transportation hubs such as airports or railway stations may be a good location for some products as well, since these locations are similar to downtown stores in terms of foot traffic.

This disclosure describes automated techniques to select the location for a flagship retail store such that it can serve to introduce the brand's products and/or services to the largest possible number of likely consumers.
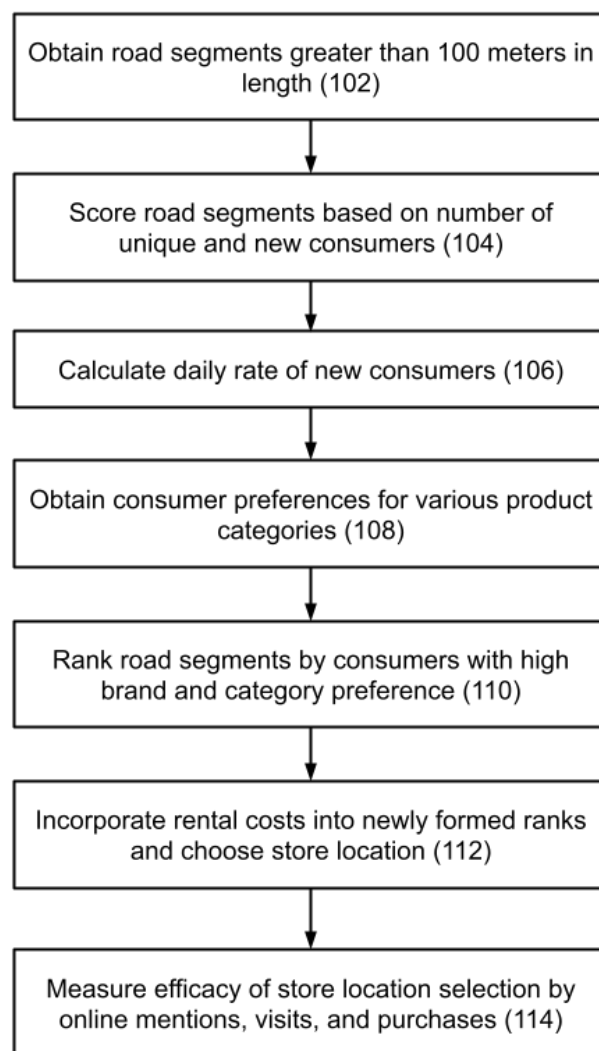

Fig 1: Selecting flagship store location for high exposure to likely consumers

Fig. 1 illustrates an example method to select flagship store location for high exposure to likely consumers. For a given geographic area, all relevant road segments that are greater than a threshold length (e.g., 100 meters) are identified (102). These segments can be outdoors or indoors. For example, indoor corridors in malls or airports also qualify, if they meet the threshold length. Different thresholds can be used in different contexts.

The identified road segments are scored (104) based on the number of unique and new consumers that transit these segments, whether using a vehicle or on foot. The daily rate of new consumers for these segments is calculated (106). Consumer preferences for various product categories are obtained (108). For example, preferences of various consumers as a collection of weights for various categories such as outdoor products, cosmetics, travel, luxury goods, boats, golf, cooking gadgets, etc., can be constructed.

Road preferences are ranked (110) by consumers with high brand and category preference, given the brand and the product under consideration. Different potential locations are evaluated by constructing a score based on the ratio of number of novel consumers by the daily rental cost of each location. The score is indicative of the number of novel consumers transiting past the location, with a higher number of novel consumers corresponding to a higher score. The score is further based on rental costs for the location, with higher costs corresponding to lower scores. The score can be used to choose the most appropriate store location (112).

This procedure may be suitably modified based on a variety of different parameters. For example, a luxury carmaker may prefer to be located in or near a major metropolitan area so that people in neighboring areas can reach the location within a short time (e.g., within a few hours) to experience the product firsthand. Further, for a carmaker, the importance of foot traffic is lower and locations in close proximity to major arterial highways are assigned a higher score.

Once a location has been selected, and the flagship store is in operation, performance of the store can be measured (114) in terms of the number of consumers that convert to using the brand. This can be done by measuring factors such as online mentions of the store, number of visits to the store, purchases made in the store, etc.

The described techniques can be implemented by any provider (e.g., a digital map provider, a mobile device or operating system provider, a social network, etc.) that has access to user-permitted geographic location data and user profile data indicative of consumer preferences. The described techniques of identifying suitable location for a flagship store is similar to determining advertising effectiveness in the sense that the key metric is converting potential consumers to purchasers of the goods and services of the brand. Another metric is to generate buzz for the brand which can be measured based on online activity such as the number of positive social media posts from novel consumers that were introduced to the brand in the flagship store. This metric can also indicate the effectiveness of the store location in serving the brand in terms of conversions where a visitor to a flagship store subsequently makes an online purchase, having been introduced to the products in person. This form of conversion can also be measured by online activity data, such as searches, social media posts, etc., for the brand.

Further to the descriptions above, a user may be provided with controls allowing the user to make an election as to both if and when systems, programs, or features described herein may enable the collection of user information (e.g., information about a user's route history in a digital map application, a user's purchases, a user's preferences, a user's current or previous location), and if the user is sent content or communications from a server. In addition, certain data may be treated in one or more ways before it is stored or used so that personally identifiable information is removed. For example, a user's identity may be treated so that no personally identifiable information can be determined for the user, or a user's geographic location may be

generalized where location information is obtained (such as to a city, ZIP code, or state level) so that a particular location of a user cannot be determined. Thus, the user may have control over what information is collected about the user, how that information is used, and what information is provided to the user.

CONCLUSION

This disclosure describes techniques to evaluate available locations to determine an appropriate location for a flagship store where the number of potential new consumers that are exposed to the brand is high. Different road segments, including indoor segments are scored based on data indicative of the number of unique and new persons that pass through the segment. Consumer preferences for various product categories are obtained and the identified road segments are ranked based on the number of consumers that match the brand and/or category. Rental costs for competing locations are evaluated to adjust the ranking and choose the store location. Once the store is operational, efficacy of store location is measured by visits, online activity, and purchases.