

**UNIVERSITY OF NORTH TEXAS
Department of Geography**

**GEOG 4220/5220
Applied Retail Geography
Dr. Murray Rice**

Key Concepts Review

We will talk about more in class than what is outlined below, but these are some basics you should be taking away from our course, organized by week.

Week 1: Retail Location – Motivation and Fundamentals

- Business geography defined
- The connection between business success and competent analysis and use of available information

Week 2: GIS and Applied Geography

- Location analysis as a combination of two different skill areas
 - o Ability to apply conceptual knowledge to analyze a given situation
 - o Ability to use modern technologies to actually implement a solution
- Key concept in GIS: data layers
- Brief timeline of the development of GIS applications to business problems, from exotic option to mainstream
- Typical application: customer mapping
- Discussion of other GIS mapping possibilities
- Key geographic data layers and database types for business analysis
- Discussion of GIS packages that relate to business applications
- Focus on BA Web

Week 3: Applied GIS Lab, Part 1

- Basic business awareness
- Field observations: UNT site, other sites in Denton
- Basic BA Web GIS Applications:
 - o Basic site and market area mapping
 - o Report generation

Week 4: Site Selection and Trade Area Analysis

- Concept of a business life cycle, and how the life cycle concept links with a retailer's location needs and priorities
- Site selection in the context of an integrated marketing strategy (new location selection, store relocation, in-situ change)
- Survey of options related to site selection:
 - o Rules of thumb
 - o Ranking
 - o Regression modeling
 - o Location-allocation modeling
- Survey of options related to trade area analysis:
 - o Spatial monopoly approach
 - o Market penetration approach
 - o Dispersed markets approach

Week 5: Applied GIS Lab, Part 2

- Advanced BA Web GIS Applications:
 - o Advanced location analysis and market analysis routines
- Drawing overall conclusions from the complete set of evidence (parts 1 and 2 together)

Week 6: Geography, Distribution Systems, and the Location of Demand

- Discussion of four key components of the economy
 1. quaternary sector
 2. tertiary sector
 3. secondary sector
 4. primary sector
- Key point: the US economy is currently evolving to emphasize quaternary and tertiary activities, including retail
- Importance of good location decision-making for both firms and the places where they locate (know why poor location decisions hurt both businesses and the places where they locate)
- Location, marketing, and advertising
- The "Seven Ps" of marketing
 1. People
 2. Product
 3. Price
 4. Place
 5. Physical Distribution
 6. Promotion
 7. Packaging
- Geography is important in "Ps" 1, 4, and 5
- Retail sales depend on market characteristics: retail sales = f(market)
- A few key market characteristics for retailers
 - o Location
 - o Income
 - o Demographics
 - o Lifestyle

- Five fundamental kinds of market area limits
 1. institutional
 2. natural
 3. settlement density
 4. spatial decay
 5. competition

Week 7: Retail Growth Strategy Alternatives

- The four retail growth mechanisms (know what each are, why each is used, and how they compare to each other)
 1. organic growth
 2. mergers and acquisitions
 3. franchising
 4. joint ventures/strategic alliances
- Why a retailer might use a combination of the above strategies
- The importance of physical distribution

Week 8: The Value of Location

- Understand the concept that some firms require accessible locations, while others don't (think of the cases "inside the mall", "across the city")
 - o Which firms need central, accessible locations?
 - o Which firms don't care, and will succeed in out-of-the-way places?
 - o For all of the above, why?
- The positives and negatives of expansion

Week 9: Commerce and the Settlement Pattern

- Difference between basic and non-basic trade
- Central places and hinterlands
- How cities serve their surrounding trade areas
- Three key "central place" concepts
 1. threshold
 2. range
 3. city hierarchies
- What "central place theory" is (basic features of the theory), and the kinds of questions CPT tries to answer
- Contributions of Christaller and Lössch to central place theory (be able to compare and contrast what these two have done)

Week 10: Commercial Structure Within the Metropolis

- General trends in metro area development, especially relating to the changing location of retail activity (Chicago map examples)
- The three significant elements that define the spatial organization of retail in the modern metropolis
 1. population clustered around downtown, but less so than 30 years ago (sprawl, suburban downtowns)
 2. transit lines and expressways subdivide the city
 3. high- and low-income households are strongly segregated into sectors
- The fundamental characteristics of four kinds of retail clusters defined by geographers
 1. spatial form
 2. functional composition
 3. market served
 4. ownership/control
- Changes to urban form from before World War 2 to today (changes for downtown, emergence of planned retail centers)
- Differences between planned and unplanned centers
- Mall as a predictable shopping environment
- Four eras of shopping center development
 1. consequent
 2. simultaneous
 3. catalytic
 4. evolutionary
- different specialty retail environments/clusters and their locational characteristics and behaviors
- downtowns today

Week 11a: The Corporate Context for Retail Development

- Looking at both
 - o 1. The network of businesses that play a role in the retail industry
 - o 2. The network of corporate empires and control relationships that characterize the broader economy
- Broad view: corporate actions across the entire economy
 - o Focus: quaternary/decision-making activities
 - o Quaternary activity examples
 - Exxon Mobil, Shell, Prudential Financial
 - o Parents versus subsidiaries
 - o World, regional, and national headquarters
- Case: Wal-Mart
- The external competitive environment of business
- Retail change and competition

Week 11b: Decision Analysis Under Uncertainty

- Concept of decision-making as a process we can study, understand, and optimize
- Real world decision-making in situations that are complex and uncertain
- Decision analysis as a normative discipline, and an introduction to basic concepts and tools to guide decision analysis
- Application of decision analysis in a retail and geographic context

Week 12: Geography and Direct Marketing

- Direct marketing defined
- Case study and discussion: do you give your zip code when a store asks?
- Targeted marketing
- Role of geography in targeted marketing
- RFM analysis:
 - o Recency
 - o Frequency
 - o Monetary Amount
- What might/should a business do if it can identify its very best customers from its databases?
- Introduction to geodemographic analysis
 - o Esri's *Tapestry* system