

4.5L: The 4Ps - Place: Activity

Until recently it has been very difficult – and very expensive – for a new, small independent trader to match this expertise. Consequently, a large proportion of independent retailers close in their first year of trading. And the mistake of many, perhaps most, is that good ideas are ruined by opening in the wrong place.

To help her with her decision about where to open a shop, Soud employed the services of a business called Cartogen. They did an analysis of the areas where she had thought about opening a shop. As any business advisor would say, saving a firm from making a bad decision is just as important as helping her make a good choice. And retailers that understand much more about their potential, locations are likely to make much better commercial decisions.

Cartogen gives clients a clear indication of the mix of customer types within a catchment area, their behavior and purchasing habits. Demographic data such as age, ethnicity, family structure, employment status and housing type in any location is held on the database, along with behavioral information indicating the local population's lifestyle and spending habits. The database also provides information on potential competitors.

The service offered across commercial retailing sectors –including bars, cafes, restaurants, health clubs and salons. “It works for all sectors, especially for customer profiling information”, says Kennedy. But what makes the service particularly attractive is its affordability – a basic survey costs just £95, rising to £450 or £750 for more comprehensive information. Cartogen is keeping its charges low in the hope that initial surveys will lead to continual retailing consulting services.

In the end Matrix Mobiles decided not to open a shop in Brighton after receiving advice from Cartogen. Lara Jukes is managing director of Vivid Design and Print, one of Cartogen's first customers. “It's great” she says. “I moved into my premises two years ago.” But she remained concerned about the quality of her local market analysis, which she admits was amateurish'. “Cartogen checked all the area for me to make sure my research was correct,” explains Jukes. As a result, Jukes is able to commit more strongly to her existing marketing strategy, knowing she chose the correct location for her business.

Source: www.BusinessManagementIB.com

QUESTIONS: 20 MARKS, 40 MINUTES

1. Identify the distribution channels:
 - i. Currently used by Matrix Mobiles
 - ii. Under consideration by Matrix Mobiles

[4 marks]
2. Explain two reasons why finding the most suitable method of distribution is so important for Matrix Mobiles.

[6 marks]
3. Discuss whether Matrix Mobile should open its own shop.

[10 marks]