

Where in Cleveland will Walmart locate Neighborhood Market?

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The Problem: Walmart is experimenting with a small prototype called Neighborhood Market that will be used to infill established markets and also provide direct competition to successful regional or national grocery chains. Assuming they will be headed to Cleveland sometime in the next few years and are willing to go head-to-head with established chains such as Aldi or Giant Eagle, where are they likely to locate?

The Methodology:

- BrandScore for Retailers measures the quality of retail locations or centers for major retail chains using four key factors. One of these factors, consumer usage of or preference for the retail chain (based on survey data) is a strong predictor of success for neighborhood-oriented concepts.
- We studied the 145+ Neighborhood Market locations across the US to understand the current customer profile and how it differs from the profiles associated with their traditional discount store format. We then simulated how markets which currently contain Walmart and Super Walmart locations will best absorb the smaller prototype. Finally, we did an analysis of all retail locations in Cleveland using this logic to score retail districts based on BrandScore for Retailers.
- The map below shows Cleveland with the hot locations for the new Walmart prototype shaded in purple. It also displays current Walmart locations split by regular and super stores.
- When we eliminate the trade areas linked to the Walmart/Super Walmart stores from consideration we are left with the gaps. Some of the highest potential gaps are denoted below by the shaded gray circles. Gaps are districts which are excellent for the Neighborhood Market prototype and are more than 5 miles away from a Walmart Supercenter and 3 miles away from a Walmart store.

The Results: Our analysts found that Cleveland had approximately 17 potential infill locations for the Neighborhood Market prototype with BrandScore greater than 175. A sample of these is illustrated to the right on the map section from Cleveland.



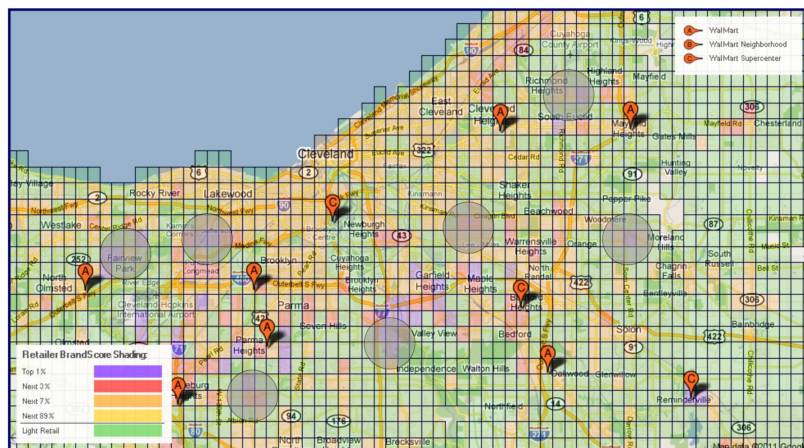
BRANDSCORE Map Screening

The TRP BrandScore measures how well this retail brand is likely to perform in this location assuming that the retail space meets normal requirements for visibility, position and other key site features.

● Potential Neighborhood Store Locations

RETAILER BRAND: WalMart Neighborhood

RETAILER CATEGORY: Supercenters/Wholesale



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