Salem, New Jersey
Site: SWC of Broadway Rd & Grieves Pkwy

CONFIDENTIAL INFORMATION

Report Date: June 13, 2018
Field Research Date: May 2018

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EXECUTIVE SUMMARY

• The City of Salem, a small community in southern New Jersey, is not currently directly served by a contemporary grocery store. The town's only supermarket, local independent, Incollingos, closed September of 2017. That vacant facility is the focus of this feasibility analysis.

• Salem grocery shoppers are currently traveling to stores outside the trade area in either Pennsville, Bridgeton, or to a lesser extent, Woodstown. The three stores in Pennsville, which include a relatively high volume Acme, are the most proximate to Salem. The stores in Bridgeton are not as conveniently accessed, but do feature a cluster that includes a ShopRite and Aldi. Acme operates a single store in Woodstown.

• The strongest store serving the trade area is the ShopRite located in Bridgeton. The store is an older facility that generates almost $1M/week in sales ($19.03/SF). Acme operates stores in Pennsville and Woodstown that generate a collective average weekly volume of almost $550K. Both are older tired facilities. The two Walmarts (Pennsville and Bridgeton) are Division 1 stores that feature relatively large grocery areas, but no fresh meat or produce. The Bridgeton Aldi is an older store that was temporarily closed at the time of our fieldwork for a major remodel.

• Our analysis indicates that approx. 2/3 of the available grocery dollars are being spent at the stores that serve the trade area. Clearly, a portion of that potential is being spent at the convenience stores in Salem, or at any number of small grocers outside the trade area, particularly in Bridgeton. The relatively high leakage level has been addressed in the forecast analysis.

• The subject site is the vacant former Incollingos Great Value facility. The store anchored an older strip shopping center situated on the eastern edge of the community. The 23,683 total SF facility was part of a tenant lineup that currently features Dollar Tree, Metro PCS, TD Bank and Mama Mia's Pizzeria.

• The site is located along Broadway Rd (SR 49), a well-traveled route that links Salem residents with the three (3) Pennsville grocery stores. Route 49 also provides easy access to the older/downtown portion of Bridgeton, which features a number of small independent grocery operators. The cluster of stores that includes ShopRite is situated on the northern fringe of the city.
Salem, New Jersey
Site: SWC of Broadway Rd & Grieves Pkwy

<table>
<thead>
<tr>
<th>Store Name</th>
<th>Sales Area</th>
<th>Year 1</th>
<th>Year 1 $/Sq. Ft.</th>
<th>Year 2</th>
<th>Year 2 $/Sq. Ft.</th>
<th>Year 3</th>
<th>Year 3 $/Sq. Ft.</th>
<th>FIT Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount</td>
<td>15,000</td>
<td>$150,000</td>
<td>$10.00</td>
<td>$155,000</td>
<td>$10.33</td>
<td>$160,000</td>
<td>$10.67</td>
<td>90</td>
</tr>
<tr>
<td>Discount</td>
<td>20,000</td>
<td>$175,000</td>
<td>$8.72</td>
<td>$180,000</td>
<td>$9.12</td>
<td>$190,000</td>
<td>$9.22</td>
<td>90</td>
</tr>
</tbody>
</table>

**Traffic Controls:**
TBD

**Street Conditions:**
The site is located on the south side of Broadway Rd (SR 49), just east of its intersection with Yorke St. Broadway Rd is a well-traveled artery that provides direct access to the three Pennsville area grocery stores nearest to Salem.

**Cotenants:**
Dollar Tree, Mama Mia's Pizzeria, Metro PCS, TD Bank

**Site Evaluation**

| North Access | 0 |
| South Access | 3 |
| East Access  | 3 |
| West Access  | 0 |
| Ingress/Egress | | |
| North Visibility | 3 |
| South Visibility | 3 |
| East Visibility | 3 |
| West Visibility | 4 |
| North Pop Density | 3 |
| South Pop Density | 3 |
| East Pop Density | 3 |
| West Pop Density | 3 |

**Comments:**
The proposed grocer would occupy the space vacated by Incollingos Great Value, a former local independent that recently closed. The proposed store would anchor a small strip neighborhood center that features a Dollar Tree and local pizzeria among its remaining tenants.

Field Research Date: May 2018
Salem, New Jersey
Site: SWC of Broadway Rd & Grieves Pkwy

Field Research Date: May 2018
## Sales Potential

### Assume Store Opens 2020:

<table>
<thead>
<tr>
<th>Year</th>
<th>Site 3000.1</th>
<th>Site 3000.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>After Open 1 Year</td>
<td>$150,000</td>
<td>$175,000</td>
</tr>
<tr>
<td>After Open 2 Years</td>
<td>$155,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>After Open 3 Years</td>
<td>$160,000</td>
<td>$190,000</td>
</tr>
<tr>
<td>After Open 4 Years</td>
<td>$165,000</td>
<td>$190,000</td>
</tr>
<tr>
<td>After Open 5 Years</td>
<td>$165,000</td>
<td>$195,000</td>
</tr>
</tbody>
</table>

Projected Primary Trade Area Market Share

- Site 3000.1: 20.86%
- Site 3000.2: 21.87%

### Assumed Store Size - Sales Area

- Site 3000.1: 15,000
- Site 3000.2: 20,000

### Assumed Power

- Site 3000.1: 86
- Site 3000.2: 86

### Calculated FIT Power

- Site 3000.1: 90
- Site 3000.2: 90

### Estimated Annual Inflation Rate

- Site 3000.1: 1.5%
- Site 3000.2: 1.5%

### Additional Estimated Annual Acceptance Rate

- 2nd Year Ending: 3.0%
- 3rd Year Ending: 5.0%

## Primary Trade Area Forecast Details

### Population Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 2021</td>
<td>12,045</td>
</tr>
<tr>
<td>Jun 2022</td>
<td>12,050</td>
</tr>
<tr>
<td>Jun 2023</td>
<td>12,056</td>
</tr>
</tbody>
</table>

**2016 Radius Population**

- Within 1 Mile: 3,903
- Within 2 Miles: 6,241
- Within 3 Miles: 7,522

### 5 Year Projected Population Growth

-2.7%

### Estimated Household and Conventional Supermarket Data

- Average Persons/ Household: 2.46
- Average Household Income: $66,918
- Avg. Weekly Per Capita Expenditure: $51.30
- Total $ Available: $607,476

Field Research Date: May 2018
### Source of Volume (000's)

#### Discount Site

<table>
<thead>
<tr>
<th>Primary Sources of Projected Volume</th>
<th>Address or Intersection</th>
<th>Map Key</th>
<th>FIT Store Power</th>
<th>Straight Line Dist. From Site</th>
<th>Size (Sq. Ft.)*</th>
<th>Sales As of Field Research Date</th>
<th>2021 Volume</th>
<th>Contribution To Site</th>
<th>Resulting Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Stores:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount</td>
<td>SWC of Broadway Rd &amp; Grieves Pkwy</td>
<td>3000.1</td>
<td>90</td>
<td>-</td>
<td>16,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$150</td>
</tr>
<tr>
<td><strong>Existing Competition:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acme</td>
<td>EC of N Broadway &amp; South Rd</td>
<td>1</td>
<td>129</td>
<td>7.90 mi</td>
<td>35,500</td>
<td>$900</td>
<td>$626</td>
<td>$24</td>
<td>3.8</td>
</tr>
<tr>
<td>Save-A-Lot</td>
<td>NEC of South Broadway &amp; Dunn Lane</td>
<td>2</td>
<td>60</td>
<td>6.55 mi</td>
<td>10,800</td>
<td>15,000</td>
<td>85</td>
<td>8</td>
<td>9.0</td>
</tr>
<tr>
<td>Walmart</td>
<td>SWC of S Broadway &amp; Hook Rd</td>
<td>3</td>
<td>85</td>
<td>4.33 mi</td>
<td>25,000</td>
<td>34,722</td>
<td>275</td>
<td>285</td>
<td>16.8</td>
</tr>
<tr>
<td>Acme</td>
<td>WC of US Rte 40 &amp; SR 45</td>
<td>4</td>
<td>116</td>
<td>8.42 mi</td>
<td>32,000</td>
<td>44,444</td>
<td>485</td>
<td>505</td>
<td>12.2</td>
</tr>
<tr>
<td>ShopRite</td>
<td>SWC of N Pearl St &amp; Cornwall Dr</td>
<td>5</td>
<td>149</td>
<td>14.67 mi</td>
<td>48,620</td>
<td>67,536</td>
<td>925</td>
<td>962</td>
<td>14.5</td>
</tr>
<tr>
<td>Walmart</td>
<td>NWC of SR 77 &amp; Northwest Ave</td>
<td>6</td>
<td>78</td>
<td>14.80 mi</td>
<td>25,000</td>
<td>34,722</td>
<td>250</td>
<td>250</td>
<td>3.2</td>
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<tr>
<td><strong>Average Power</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$109</td>
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<td><strong>Proposed Competition:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aldi</td>
<td>NWC of Cornwall Rd &amp; SR77</td>
<td>999</td>
<td>105</td>
<td>14.88 mi</td>
<td>12,000</td>
<td>16,007</td>
<td>0</td>
<td>210</td>
<td>3.4</td>
</tr>
</tbody>
</table>

#### Sales Potential (000's)

- Assume Store Opens 2020
- 2021 - After Open 1 Year $150

#### Sales Transfers from Company Stores

- $0

#### Sales Transfers from Competition

- $112

#### Total Sales Transfer

- $112

#### Percent of Sales Explained After One Year

- 74.7%

*Note: Sales effects based on gravity model analysis.*
## Current Stores Summary

<table>
<thead>
<tr>
<th>Map</th>
<th>Store Name</th>
<th>Address or Intersection</th>
<th>City</th>
<th>Volume</th>
<th>SSQFT</th>
<th>SFSQFT</th>
<th>PWSA</th>
<th>Curve</th>
<th>FIT Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
<td>Walmart</td>
<td>SWC of S Broadway &amp; Hook Rd</td>
<td>Pennsville</td>
<td>$275,000</td>
<td>$11.00</td>
<td>25,000</td>
<td>60</td>
<td>47</td>
<td>85</td>
</tr>
<tr>
<td>2.0</td>
<td>Save-A-Lot</td>
<td>NEC of South Broadway &amp; Dunn Lane</td>
<td>Pennsville</td>
<td>$85,000</td>
<td>$7.87</td>
<td>10,800</td>
<td>30</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>1.0</td>
<td>Acme</td>
<td>EC of N Broadway &amp; South Rd</td>
<td>Pennsville</td>
<td>$600,000</td>
<td>$16.90</td>
<td>35,500</td>
<td>20</td>
<td>49</td>
<td>129</td>
</tr>
<tr>
<td>4.0</td>
<td>Acme</td>
<td>WC of US Rte 40 &amp; SR 45</td>
<td>Woodstown</td>
<td>$485,000</td>
<td>$15.16</td>
<td>32,000</td>
<td>12</td>
<td>52</td>
<td>116</td>
</tr>
<tr>
<td>6.0</td>
<td>Walmart</td>
<td>NWC of SR 77 &amp; Northwest Ave</td>
<td>Bridgeton</td>
<td>$250,000</td>
<td>$10.00</td>
<td>25,000</td>
<td>6</td>
<td>39</td>
<td>78</td>
</tr>
<tr>
<td>5.0</td>
<td>ShopRite</td>
<td>SWC of N Pearl St &amp; Conwell Dr</td>
<td>Bridgeton</td>
<td>$925,000</td>
<td>$19.03</td>
<td>48,620</td>
<td>8</td>
<td>38</td>
<td>149</td>
</tr>
<tr>
<td></td>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td><strong>$436,667</strong></td>
<td><strong>$14.81</strong></td>
<td><strong>29,487</strong></td>
<td><strong>23</strong></td>
<td><strong>46</strong></td>
<td><strong>103</strong></td>
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</tbody>
</table>
### Projected Stores Summary

<table>
<thead>
<tr>
<th>Map</th>
<th>Store Name</th>
<th>Address or Intersection</th>
<th>City</th>
<th>Volume</th>
<th>SSQFT</th>
<th>SFSQFT</th>
<th>PWSA</th>
<th>Curve</th>
<th>FIT Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
<td>Walmart</td>
<td>SWC of S Broadway &amp; Hook Rd</td>
<td>Pennsville</td>
<td>$237,000</td>
<td>$9.48</td>
<td>25,000</td>
<td>60</td>
<td>47</td>
<td>85</td>
</tr>
<tr>
<td>2.0</td>
<td>Save-A-Lot</td>
<td>NEC of South Broadway &amp; Dunn Lane</td>
<td>Pennsville</td>
<td>$81,000</td>
<td>$7.50</td>
<td>10,800</td>
<td>30</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>1.0</td>
<td>Acme</td>
<td>EC of N Broadway &amp; South Rd</td>
<td>Pennsville</td>
<td>$602,000</td>
<td>$16.96</td>
<td>35,500</td>
<td>20</td>
<td>49</td>
<td>129</td>
</tr>
<tr>
<td>4.0</td>
<td>Acme</td>
<td>WC of US Rte 40 &amp; SR 45</td>
<td>Woodstown</td>
<td>$493,000</td>
<td>$15.41</td>
<td>32,000</td>
<td>12</td>
<td>52</td>
<td>116</td>
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<tr>
<td>6.0</td>
<td>Walmart</td>
<td>NWC of SR 77 &amp; Northwest Ave</td>
<td>Bridgeton</td>
<td>$257,000</td>
<td>$10.28</td>
<td>25,000</td>
<td>8</td>
<td>39</td>
<td>78</td>
</tr>
<tr>
<td>5.0</td>
<td>ShopRite</td>
<td>SWC of N Pearl St &amp; Conwell Dr</td>
<td>Bridgeton</td>
<td>$948,000</td>
<td>$19.50</td>
<td>48,020</td>
<td>8</td>
<td>38</td>
<td>149</td>
</tr>
<tr>
<td>999.0</td>
<td>Aldi</td>
<td>NWC of Cornwell Rd &amp; SR77</td>
<td>Bridgeton</td>
<td>$207,000</td>
<td>$17.25</td>
<td>12,000</td>
<td>8</td>
<td>35</td>
<td>105</td>
</tr>
</tbody>
</table>

**3000.1 Discount**

- Store Name: SWC of Broadway Rd & Grieves Pkwy
- City: Salem
- Volume: $150,000
- SSQFT: $10.00
- SFSQFT: 15,000
- PWSA: 85
- Curve: 65
- FIT Power: 90

**3000.2 Discount**

- Store Name: SWC of Broadway Rd & Grieves Pkwy
- City: Salem
- Volume: $175,000
- SSQFT: $8.72
- SFSQFT: 20,000
- PWSA: 85
- Curve: 65
- FIT Power: 90

**Average**

- Store Name: SWC of Broadway Rd & Grieves Pkwy
- City: Salem
- Volume: $371,875
- SSQFT: $14.59
- SFSQFT: 25,490
- PWSA: 29
- Curve: 47
- FIT Power: 102

* Store Changes

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Field Research Date: May 2018
Demographics
Population Profile: Growth / Ethnicity / Sex / Age

Salem, NJ  
Site 3000.1 TA

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>14,128</td>
</tr>
<tr>
<td>2000</td>
<td>13,094</td>
</tr>
<tr>
<td>2018</td>
<td>11,994</td>
</tr>
<tr>
<td>2023</td>
<td>12,056</td>
</tr>
</tbody>
</table>

Growth Trend
1990-2000: -7.32%
2000-2023: -7.93%

Ethnicity
- White: 60.45%
- Black: 30.42%
- Asian: 0.34%
- Other: 2.87%
- Hispanic: 5.93%

Sex
- Male: 48.89%
- Female: 51.11%

Age
- Under 5: 5.75%
- 5 to 14: 11.06%
- 14 to 18: 5.28%
- 18 to 22: 5.61%
- 22 to 25: 4.12%
- 25 to 35: 12.06%
- 35 to 45: 11.06%
- 45 to 55: 12.26%
- 55 to 65: 14.23%
- 65 to 75: 10.86%
- Over 75: 7.71%

Average: 40.7
Housing Profile: Growth / Status / Income

### Households

<table>
<thead>
<tr>
<th>Year</th>
<th>Salem, NJ Site 3000.1 TA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>5,317</td>
</tr>
<tr>
<td>2000</td>
<td>5,080</td>
</tr>
<tr>
<td>2018</td>
<td>4,694</td>
</tr>
<tr>
<td>2023</td>
<td>4,717</td>
</tr>
</tbody>
</table>

#### Growth Trend
- 1990-2000: -4.46
- 2000-2023: -7.15

#### 2018 Family Household Status
- Married: 40.54%
- Male House Holder: 6.28%
- Female House Holder: 21.22%
- One Person: 28.16%
- Non-Family: 3.79%

#### 2000 Income Summary
- Average: $45,842
- Per Capita: $18,151

#### 2017 Income Summary
- Average: $66,918
- Per Capita: $27,179

#### 2017 Annual Income by Household
- Under 25: 30.19%
- 25 to 50: 20.17%
- 50 to 75: 14.00%
- 75 to 100: 11.89%
- 100 to 125: 9.31%
- 125 to 150: 9.75%
- 150 to 175: 2.94%
- Over 175: 4.75%

**Field Research Date: May 2018**
**Population Profile: Occupation / Education**

### Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>11,994</td>
</tr>
</tbody>
</table>

- Enrolled: 24.19%
- High School or Better: 57.59%

### 2018 Student Enrollment

- Students Enrolled: 2,901
- Nursery: 6.58%
- Elementary: 54.74%
- High School: 20.72%
- College: 17.96%

### 2018 Educational Attainment - Age 25+

- Population Age 25+: 8,177

- Under 9: 4.89%
- 9 to 12: 10.64%
- High School: 45.13%
- Some College: 16.89%
- College: 22.45%

### Group Quarters

- Apr. 1990: 617
- Apr. 2000: 230
- Jan. 2018: 431
- Jan. 2023: 431
- Jan. 2028: 431
Assumptions and Notations

The projection and data within this marketing package takes into account the following assumptions:

1. Annual inflation will remain at 1.5%.
2. New store pricing will be competitive & consistent with company price model.
3. New store will offer the level of customer service offered in other company stores.
4. The proposed new facility will achieve acceptance levels consistent with other company stores.
5. The store will maintain competitive hours of operation.
6. Advertising will reach customers in the Primary Trade Area.
7. The store will maintain adequate stock for advertised and unadvertised items.
8. The economy will remain stable for the study time frame.
9. No competitive changes, other than cited in this report, will occur during the timeframe of this report. The likelihood of additional competitive changes increases with the passage of time.
10. "After Open 1 Year" represents the store's potential at the end of the first full year of operation and includes known competitive changes and the listed growth factor for population and inflation. In addition, the 2nd and 3rd year estimates include the listed acceptance (maturation) factor based on analogs for similar stores.

All population, demographic, and lifestyle data provided by:

MTN Retail Advisors believes the information contained in this report to be accurate and sound. Client acknowledges that while it believes the services of MTN Retail Advisors will be a valuable tool in real estate and site location decision-making, it also understands that an important part of said services involves subjective judgment which is dependent upon the correctness of the information made available to MTN Retail Advisors. Therefore, Client fully acknowledges its understanding that MTN Retail Advisors does not guarantee any result from the use of the analysis or other services performed nor shall MTN Retail Advisors be responsible for any loss incurred as a result of the use of said analysis and services.
Glossary of Terms

Leakage The portion of the potential grocery dollars within the trade area that is not captured by the identified stores. This term is sometimes referred to as float.

Market Share The percent of the potential obtained from the total available grocery dollars in a given area.

Model A model is a collection of data that represents a study area on one specific date. Most models include data about stores, population, and trade area dynamics.

PCW Per Capita Weekly Expenditure - This is the monetary amount that the average person is expected to spend on a specific commodity (such as food) over a specified week.

Potential The total amount of dollars available for the purchase of a specified type of goods within a given population. Normally, the potential can be calculated by multiplying the PCW times the population.

Power A measure of a stores performance in relation to other stores of similar size and format. An average store would have a power of 100. This term is sometimes referred to as image or flavor.

PWTA Percent Within Trade Area - This is a percentage from 0 to 100 which measures the amount of store volume that is captured from within the trade area.

Sector A discrete geographic unit with known boundaries. Most analysts prefer to use census tracts (or a portion) as one sector. This provides a known starting point for population and a verifiable boundary.

Trade Area Geographic boundary outlined within a study.
**FIT**

The Excel-based FIT program identifies how well a store format fits the demographic profile of an individual trade area. It is a computer program that can address the segmentation-blind weak-point of traditional gravity models, and update them to cope with the proliferation of highly-differentiated grocery store formats.

Essentially, the FIT program breaks down the single, all-encompassing POWER or IMAGE estimate to its two (2) core elements:

1. The specific appeal of the store format to different socio-economic groups, i.e. ethnic, income, age, and household size categories.

2. The (residual) POWER/IMAGE of the store, i.e. the qualities of its site characteristics (access, parking, and visibility), store operations, merchandising, etc.

The FIT program has been developed by DSR Marketing Systems Inc. (DSR) and Richards Consulting LLC through the analysis of Image Audit consumer research surveys conducted throughout the U.S. and Canada over the last ten (10) years. The development of this unique proprietary database has enabled the direct linkage of demographics, store formats, and shopping patterns.

FIT incorporates data on the following thirteen (13) grocery store formats:

1. Club - BJs Wholesale, Costco Wholesale, Sams Club
2. Conventional - Albertsons, Giant, Safeway, Stop & Shop
3. Discount - Dollar General Market, Grocery Outlet
4. Hispanic - Amigos, Fiesta Foods, Mi Tienda, Vallarta
5. Natural/Organic - The Fresh Market, MOMs, New Seasons, PCC
6. Quality/Service - Harris Teeter, Wegmans
7. Supercenter - Fred Meyer, Meijer, Super Target, Walmart SC
8. Warehouse Store - Buy For Less, Cub Foods, Food 4 Less, WinCo
9. Aldi
10. Save A Lot
11. Sprouts
12. Trader Joes
13. Whole Foods

Field Research Date: May 2018
ABOUT MTN RETAIL ADVISORS

MTN Retail Advisors, LLC is a premier site location company specializing in locating and validating sites for grocery store anchored developments. MTN Retail Advisors works directly with developers and grocery retailers, assisting in the site location process. MTN is comprised of former supermarket-employed site location analysts, skilled in the process of locating and validating future development opportunities. Additionally, MTN Retail Advisors employs an experienced Demographic/Residential analyst, skilled in assessing characteristics unique to each specific trade area and a GIS (Geographic Information Systems) specialist, skilled in high level mapping techniques. With a combined experience of over 60+ years in the supermarket site location industry, MTN Retail Advisors have the knowledge and skills essential to validating supermarket locations.

METHODOLOGY

MTN Retail Advisors utilizes the same processes and strategies as employed internally within the supermarket industry. The site evaluation process is a three-tiered process of 1) fieldwork data gathering; 2) computer gravity-model simulation of the existing market; and 3) computer gravity-model simulation of the projected market.

Fieldwork Data

The process of fieldwork includes visiting all major grocery competition within the defined trade area as a means of recording the physical attributes of each facility (sales area size, total store size, store features) and extracting weekly sales volumes. Additionally, MTN Retail Advisors reviews the market for grocery-related competitive changes anticipated to occur within the trade area.
Simulation of Existing Market

Upon completion of the fieldwork evaluation of existing grocery store competition and residential housing activity, MTN Retail Advisors enters the pertinent store/demographic data into a computer market simulation model. This model now represents the current grocery study area and is utilized to evaluate detailed market shares for each store based on a block group level geography. The model allows MTN to determine the overall strength of each individual grocery competitor and access the specific trade area of each store. General market characteristics, such as total grocery trade area potential, specific total chain volume with market shares and demographic assessments, are also determined. All of this information is used to simulate the existing grocery market for the trade area.

Simulation of Projected Market

Once the existing grocery market is simulated, the information is forwarded to a tactical, or projected, market scenario. Within the computer gravity-model analysis, all known grocery-related competitive activity is incorporated allowing projected market shares and trade area volume impacts to be determined for existing and planned grocery stores. Following the market share assignment for all existing and planned grocery competition, the computer gravity-model is utilized to extract market share opportunities for all applicable grocery operators within the defined trade area.

Specific Grocery Operator/Market Considerations

Given the features that differentiate niche supermarket operators (primarily the natural/organic foods selection) from conventional supermarket operators, special attention is given to the potential sites selected for these unique operators. Conventional grocery operators, such as Safeway and Giant Food, have considerably smaller trade areas, due to their generic offerings and the presence of more competition. Conversely, a Whole Foods, The Fresh Market, or Trader Joes experiences much larger trade areas with their destination type format. Throughout the computer-gravity model process, MTN Retail Advisors carefully weighs the ability for each facility to attract customers beyond the typical two or three mile trade area.