



# Consumer Concentration

## Using Environics Analytics Retail Market Power Data, Interpretations & Calculations

### BUSINESS ISSUES IT CAN SOLVE FOR:

- Identify the opportunity gap or surplus by merchandise line or retail store type within a current or potential market to assess opportunities.

### WHAT QUESTIONS CAN IT ANSWER/WHY IS IT IMPORTANT?

- What is the demand (consumer expenditures) and supply (retail sales) for a specific store type?
- Which markets currently have an opportunity gap for a specific merchandise line?
- Which merchandise lines or retail store types have the best potential for growth over the next five years?

### SAMPLE REPORT OUTPUT

Analysis Area Code	Analysis Area Name	CY DEM Jewelry					
		Base Count	Base % Comp	Count	% Comp	% Pen	Index
[A] 13013	[A] Barrow County	[B] 1,351,642,854	[C] 1.1%	[D] 13,594,654	[E] 1.04%	[F] 1.01%	[G] 94
13015	Bartow County	1,718,801,776	1.41%	16,583,987	1.27%	0.96%	90
13035	Butts County	332,277,304	0.27%	2,991,863	0.23%	0.90%	84
13045	Carroll County	1,910,720,467	1.57%	18,736,318	1.43%	0.98%	92

**Note:** This sample report is interpreting a Demand variable. If a Supply variable is selected, the report output will be analyzing retail sales. If an Opportunity Gap variable is selected, the report output will be analyzing the gap between consumer expenditure and retail sales.

- Analysis Area Code/Name: Each analysis area is identified by code and name.
- Base Count: Total demand for retail trade including food and drink (NAICS 44, 45 and 722) in the selected analysis area. Ex) Consumers spent an estimated \$1,351,642,854 on retail trade in Barrow County over the last year
- Base % Comp: The percentage of total demand for retail trade in the selected analysis area compared to the total demand for retail trade in the base analysis area. Ex) Barrow County makes up 1.1% of the total expenditure on retail trade in the Atlanta CBSA.

- D. Count: Total demand for the selected merchandise line or retail store type in the selected analysis area. Ex) Consumers spent an estimated \$13,595,654 on jewelry in Barrow County over the last year.
- E. % Comp: The percentage of demand for the selected merchandise line or retail store type in the selected analysis area compared to the demand for the selected merchandise line or retail store type in the base analysis area. Ex) Barrow County makes up 1.04% of the total expenditure on jewelry in the Atlanta CBSA.
- F. % Pen: The percentage of demand for the selected merchandise line or retail store type compared to the total retail trade demand in the selected analysis area. Ex) 1.01% of consumer retail trade expenditure in Barrow County was spent on jewelry.
- G. Index: The likelihood for demand within the selected analysis area for the selected merchandise line or retail store type, as compared to demand for total retail trade. Ex) Barrow County is 6% less likely to have consumer expenditure on jewelry when compared to other counties in the Atlanta CBSA. An index of 100 is considered average.

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## REPORT FORMULAS

This analysis uses the following formulas:

- Opportunity Gap

$$\text{Demand (Consumer Expenditure)} - \text{Supply (Retail Sales)} = \text{Opportunity Gap}$$

- Percent composition

$$\frac{\text{Geounit Count}}{\text{Geounit Base Count}} \times 100 = \text{Percent Composition}$$

- Index

$$\frac{\% \text{ Composition}}{\% \text{ Composition of Base}} \times 100 = \text{Index}$$