



Environics Analytics Retail Market Power Report

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

Demand Growth Report by Merchandise Line Items

Retail Market Power Demand Growth Report By Merchandise Line Items	Atlanta-Sandy Springs et al, GA (12060)			
	2021 Demand	2026 Demand	Growth	Compound Annual Growth Rate (%)
Total demand for retail trade including food and drink (NAICS 44, 45 and 722)	\$122,032,764,038	\$145,670,451,505	\$23,637,687,467	3.6%
Jewelry	[A] \$1,306,191,427	[B] \$1,458,735,036	[C] \$152,543,609	[D] 2.23%

- Demand: Annual consumer expenditures for the selected merchandise line item. Ex) Consumers spend an estimated \$1,306,191,427 on jewelry in the Atlanta CBSA.
- Five-Year Demand: Total projected consumer expenditures for the selected merchandise line item. Ex) In five years, consumers are projected to spend an estimated \$1,458,735,036 on jewelry in the Atlanta CBSA.
- Growth: Net difference between current-year demand and five-year demand. Ex) In five years, consumers are projected to spend an additional \$152,543,609 annually on jewelry in the Atlanta CBSA.
- Compound Annual Growth Rate %: Expected annual growth rate over the next five years. Ex) For the next five years, jewelry retail sales are expected to increase 2.23% annually in the Atlanta CBSA.

Opportunity Gap Report by Merchandise Line Items

Retail Market Power Opportunity Gap Report By Merchandise Line Items	Atlanta-Sandy Springs et al, GA (12060)		
	2021 Demand	2021 Supply	Opportunity Gap/Surplus
Total demand for retail trade including food and drink (NAICS 44, 45 and 722)	\$122,032,764,038	\$116,397,332,233	\$5,635,431,805
Jewelry	[A] \$1,306,191,427	[B] \$1,320,220,925	[C] -\$14,029,498

- A. Demand: Annual consumer expenditures for the selected merchandise line. Ex) Consumers spend an estimated \$1,306,191,427 on jewelry in the Atlanta CBSA.
- B. Supply: Annual estimated retail sales for the selected merchandise line. Ex) The estimated jewelry retail sales are \$1,320,220,925 in the Atlanta CBSA.
- C. Opportunity Gap/Surplus: The surplus or shortage in retail sales for the selected merchandise line. Ex) The difference between retail sales and consumer demand presents a \$14,029,498 jewelry surplus in the Atlanta CBSA.

Opportunity Gap Report by Retail Store Types

Retail Market Power Opportunity Gap Report By Retail Store Types	Atlanta-Sandy Springs et al, GA (12060)		
	2021 Demand	2021 Supply	Opportunity Gap/Surplus
Total demand for retail trade including food and drink (NAICS 44, 45 and 722)	\$122,032,764,038	\$116,397,332,233	\$5,635,431,805
Total demand retail trade (NAICS 44 and 45)	\$108,110,660,373	\$102,631,631,126	\$5,479,029,247
Total food services and drinking places (NAICS 722)	\$13,922,103,665	\$13,765,701,107	\$156,402,558
Clothing and clothing accessories stores (NAICS 448)	\$4,011,131,708	\$4,156,364,301	-\$145,232,593
Jewelry stores (NAICS 44831)	[A] \$484,339,532	[B] \$578,572,501	[C] -\$94,232,969

- A. Demand: Annual consumer expenditures for the selected retail store type. Ex) Consumers spend an estimated \$484,339,532 in jewelry stores in the Atlanta CBSA.
- B. Supply: Annual estimated retail sales for the selected retail store type. Ex) The estimated jewelry store retail sales are \$578,572,501 in the Atlanta CBSA.
- C. Opportunity Gap/Surplus: The surplus or shortage in retail sales for the selected retail store type. Ex) The difference between retail sales and consumer demand presents a \$94,232,969 jewelry store surplus in the Atlanta CBSA.

Demand Growth Report by Retail Store Types

Retail Market Power Demand Growth Report By Retail Store Types	Atlanta-Sandy Springs et al, GA (12060)			
	2021 Demand	2026 Demand	Growth	Compound Annual Growth Rate (%)
Total demand for retail trade including food and drink (NAICS 44, 45 and 722)	\$122,032,764,038	\$145,670,451,505	\$23,637,687,467	3.6%
Total demand retail trade (NAICS 44 and 45)	\$108,110,660,373	\$128,630,673,863	\$20,520,013,490	3.54%
Total food services and drinking places (NAICS 722)	\$13,922,103,665	\$17,039,777,642	\$3,117,673,976	4.12%
Clothing and clothing accessories stores (NAICS 448)	\$4,011,131,708	\$4,292,359,953	\$281,228,245	1.36%
Jewelry stores (NAICS 44831)	[A] \$484,339,532	[B] \$540,490,799	[C] \$56,151,266	[D] 2.22%

- A. Demand: Annual consumer expenditures for the selected retail store type. Ex) Consumers spend an estimated \$484,339,532 in jewelry stores in the Atlanta CBSA.
- B. Five-Year Demand: Total projected consumer expenditures for the selected retail store type. Ex) In five years, consumers are projected to spend an estimated \$540,490,799 in jewelry stores in the Atlanta CBSA.
- C. Growth: Net difference between current-year demand and five-year demand. Ex) In five years, consumers are projected to spend an additional \$56,151,267 annually in jewelry stores in the Atlanta CBSA.
- D. Compound Annual Growth Rate %: Expected annual growth rate over the next five years. Ex) For the next five years, jewelry store retail sales are expected to increase 2.22% annually in the Atlanta CBSA.

REPORT FORMULAS

This analysis uses the following formulas:

- Opportunity Gap

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

- Growth

$$\text{Five-Year Demand} - \text{Current Year Demand} = \text{Growth}$$

- Compound Annual Growth Rate %

$$\frac{\left(\frac{\text{Growth}}{5} \right)}{\text{Current Year Demand}} \times 100 = \text{Compound Annual Growth Rate \%}$$