

GenFoods Lexington

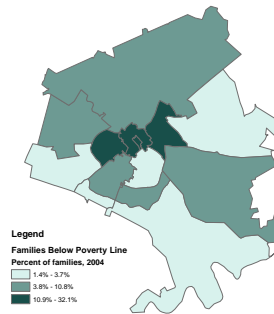
Scenario

The GenFoods Grocery Corporation, a Seattle based company who's had great success on the West Coast, is looking to expand it's market into the American South. GenFoods is the owner of Premium Foods grocery stores, a high-end grocery store that carries imported and organically grown foods, and Life Foods grocery stores, a grocery store chain that carries affordable foods for large family households. In an effort to expand beyond the West Coast, and secure a market on the East Coast, Walter M. Brick, president of GenFoods, has decided to use the south as a jumping off point. Mr. Brick has targeted Lexington, Kentucky has one of the cities he'd like to expand into. His ideal scenario is to have one Premium Foods store established in Lexington, but is willing to settle for two Life Foods stores if unable to start a Premium Foods store in the area.

Objective

Using GIS and Community Tapestry information locate an area in Lexington, Kentucky to propose as a future site for a Premium Foods store; or locate two sites where two Life Foods stores would be successful. Once the store location are decided, determine the best way to advertise to the people that GenFoods wants to attract to their store.

Greater Lexington Area

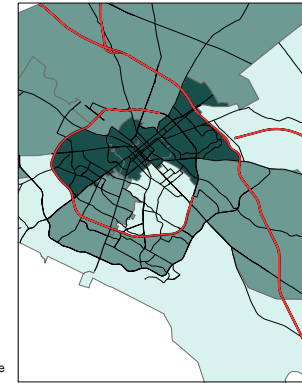


Because GenFoods caters to different groups, depending on the store, the company needs to understand the income levels of the area that its considering for expansion. To help with this, a map of the Lexington area with a layer that explains the spatial distribution of the percentage of people living under the poverty level can be turned on to achieve this goal.

Main Roads in the Greater Lexington Area



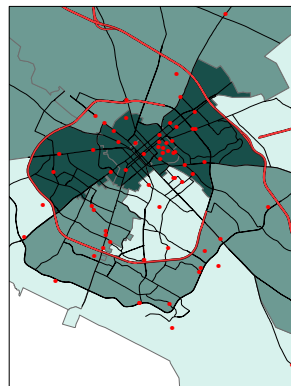
In order to attract customers to the store, the store needs to be located in an area that's easily accessible. An ideal location would be at the corner of, or along, Lexington's busiest roads. To understand the spatial distribution of Lexington's roads in accordance with wealth distribution in the city, the "highways" layer was turned on to display the roads on the map.



Grocery Stores and Main Roads in the Greater Lexington Area



The location of competing grocery stores is very important when examining where to place a new store. The maps above shows the spatial distribution of grocery stores in the Lexington area. The "highways" layer was left on to put the location of the stores in perspective. Most of the grocery stores seem to be located in an area that is generally below the poverty line.

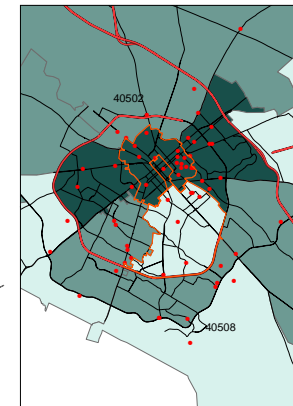
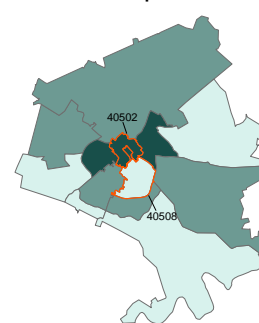


The map has been reviewed for possible store location, and a selection has been made. The yellow hexagon shapes symbolize the locations of two Life Foods stores; one in ZIP Code 40502, and one in ZIP Code 40508.

After viewing the poverty levels, roads, and competition in the Lexington area, an evaluation of the lifestyles of the inhabitants must be conducted to determine the best location for a store. The success that GenFoods has had on the West Coast has indicated the types of people who shop at their stores. The Premium Foods stores tend to attract customers who earn \$73,000 a year and up, while the Life Foods stores attract those who earn less than \$73,000. In order to determine the segments of the population in each Lexington ZIP Code, a Community Tapestry analysis must be conducted. This analysis will divulge the types of people and their income levels that live in the area.

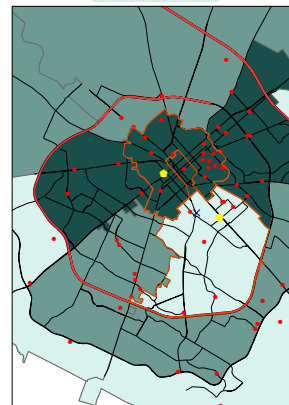
After consulting the Community Tapestry information for the Lexington area, it was determined the best option would be to place two Life Foods grocery stores in the area. The map of the Lexington area to the right shows the selected ZIP Codes for the location of these stores outlined in orange. The dominate segment for ZIP Code 40502 is the Dorms to Diplomats segment. This segment earns up to \$17,623, not enough for a Premium Foods store, but enough for a Life Foods store. The dominate segment for ZIP Code 40508 is the Metropolitans segment. This segment also qualifies for a Life Foods by making \$57,586 a year.

Selected Zip Codes



By turning on the competitor grocery stores layer and the highways layer with the selected ZIP Codes layer on, an area to build a store can be determined by viewing the proximity of a competing grocery store, and a nearby street.

Selected Sites



In order to make the population of the area aware of the future Life Foods grocery stores moving in, an advertisement campaign must be enacted. To understand how to advertise to the dominate segment in each ZIP Code, the Community Tapestry data must be consulted to find the best means to accomplish this task. In order to save money and cover a large spectrum of advertising possibilities, the advertisement techniques must be narrowed down to three for each segment.

The three most prevalent segments in the two ZIP Codes were analyzed for advertising purposes through ESRI Community Tapestry.

For ZIP Code 40502, the three dominant segments are: Dorms to Diplomats, College Towns, and Modest Income Homes. Three advertising methods that will be used to reach these segments will be: airing ads on local alternative radio station(s), ads airing during the Jerry Springer Show, and ads in the science and technology section of the local newspaper.

For ZIP Code 40508, the three dominant segments are: Metropolitans, Connoisseurs, and Young & Restless. The three advertising methods that will best be used to reach these segments will be: airing ads on the local alternative radio station(s), airing ads during NBC's Meet the Press, and placing ads in the travel section of the local newspaper.