

The Power of One

During the second half of this year, *CSP Daily News* conducted a series of surveys about how its readers view the current economic environment. A specific recurring topic centered on the prospects of new store development and existing facility upgrading to be undertaken in 2009. The majority of respondents to the poll definitely plan on moving forward in expansion and modernization activities in 2009.

You are reading the last issue of CSP for 2008. There is not enough time to try to summarize all the monumental events of this year. As this was being written, the Dow was on a crazy ride, a \$700-billion bailout package was declared by our government and the national election was looming. Also, the price of unleaded gasoline in many areas was back under \$3, oil was hovering around \$70 a barrel, retail sales showed some improvement and the housing market was up a bit. Who knows what 2009 will bring?

One thing 2009 will bring is challenge. Is this code for panic? Absolutely not. It means opportunity on a local, individual trade area/facility basis. Will a downturn in multiple-site development by so-called “national players” persist? Most definitely. Do hundreds of opportunities exist for correctly identifying and responding to trade areas in terms of new facility development, facility upgrades, creation of ancillary profit centers or entry into new retail sectors? Absolutely.

Numerous companies agree that the best opportunities for growth rest in more accurately identifying where a retail presence can be secured in secondary, tertiary and emerging markets. Due to the expansive amount of accu-

rate data that is available today to retailers, it is conceivable that each retailer (in conjunction with experienced analytical firms) can accurately identify trade areas that represent sound growth opportunities.

Unique Focus

Growth will most accurately occur based upon the power of one; simply stated, it means correctly positioning each retail facility to serve each trade area based on the area’s uniqueness. It is saying that true success is derived from the market presence achieved from each retail facility.

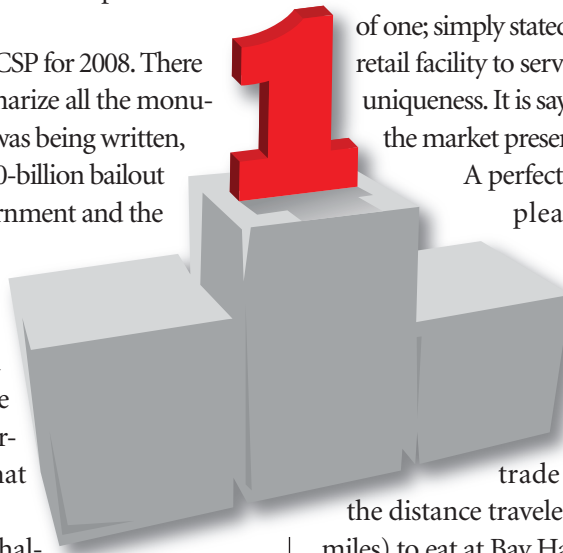
A perfect example of this: Recently I had the pleasure of eating at the Bay Haven Lobster Pound Restaurant in Cornish, Maine. There is only *one* Bay Haven, and it is superb in quality of food, service and price. Cornish is a hamlet of only 1,524 people, but the restaurant serves a trade area of much greater size due to

the distance traveled (some patrons travel as far as 60 miles) to eat at Bay Haven. This *one* location has excelled since 1991.

A similar story exists in Houston with one of our favorite restaurants, Lopez Family Restaurant. You can only guess how many Mexican restaurants exist in Houston (population 2,186,391)? At the top of many patrons’ lists is Lopez. Founded in 1978, the Lopez family has put money back into the business through constant upgrading, expansion, new building construction, etc. The Lopez family has absolutely no interest in having a number of restaurants; they only want to have *one* exceptional restaurant.

So Lopez and Bay Haven are experiencing expansion and ongoing success while the industry as a whole remains virtually flat in terms of performance. Again, the power of one vs. the sameness of many.

It truly does not matter how many retail locations your company might own or operate. What matters is being committed to seeing each as a distinct retail entity—just one. Please join me next month at our workshop “Out of Site,” at the 2009 Convenience Retailing Conference in Phoenix to learn more about the power of one. ■



Jim Fisher is the founder and CEO of Houston-based IMST Corp., a retail location analysis firm serving the convenience store/petroleum industries. He can be reached at jfisher@imstcorp.com.