



REI Site Selection

BUSINESS RECCOMENTDATIONS FOR A REI STORE IN
MILWAUKEE CO WI

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Introduction

Background

REI of Recreation Equipment Inc. believes in the life outdoors. REI strives to provide customers with the highest quality outdoor gear at the lowest price. The stores are often located in large urban centers and are utilized by outdoor enthusiasts and city dwellers alike.

REI Site Requirements

- Median Household Income of 50k and Above
- 100K or more households within a 15-mile radius
- Abundant Parking
- Excellent Visibility
- Near Main Arterials

These criteria will determine site location and strategies to come to a site conclusion.

Site Factors

Demographics

The ideal customer of REI is a customer with a household income of 50k or higher. Being that REI sells primarily outdoor goods the ideal buyer would be an outdoor enthusiast with some disposable income.

Trade Areas

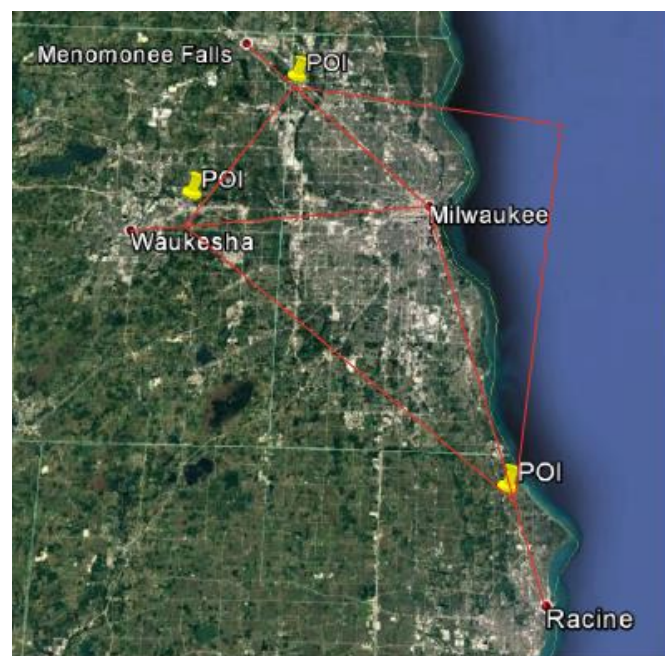
The trade areas of a new REI would include areas of high suburban population where the median income is higher than 50k per year. REI expects a larger trade area than many stores due to the quality of the product sold. The trade area is expected to be a 15-mile radius around each store. These trade areas are bound to overlap, but in a highly populated area this would be ok since there would be minimal cannibalization.

Gravity Model

To the right is a map of the calculated trade area based on the populations of each city involved and the point of indifference. The point in the lake was extrapolated so that the trade area contained the actual city of Milwaukee.

Market Structure

Milwaukee county does not currently contain any REI co-ops which makes it a prime location. There is an REI located just west of Milwaukee county in butler WI. The only other competitors are an LL. Bean also to the west of Milwaukee county. The population of Milwaukee is 595k and Milwaukee is home to 1.57 million within the metro area. Since REI only needs 100k in a 15-mile radius then Milwaukee county must have a highly under saturated market for REI's.



Gravity Model

Conclusions

Recommendations

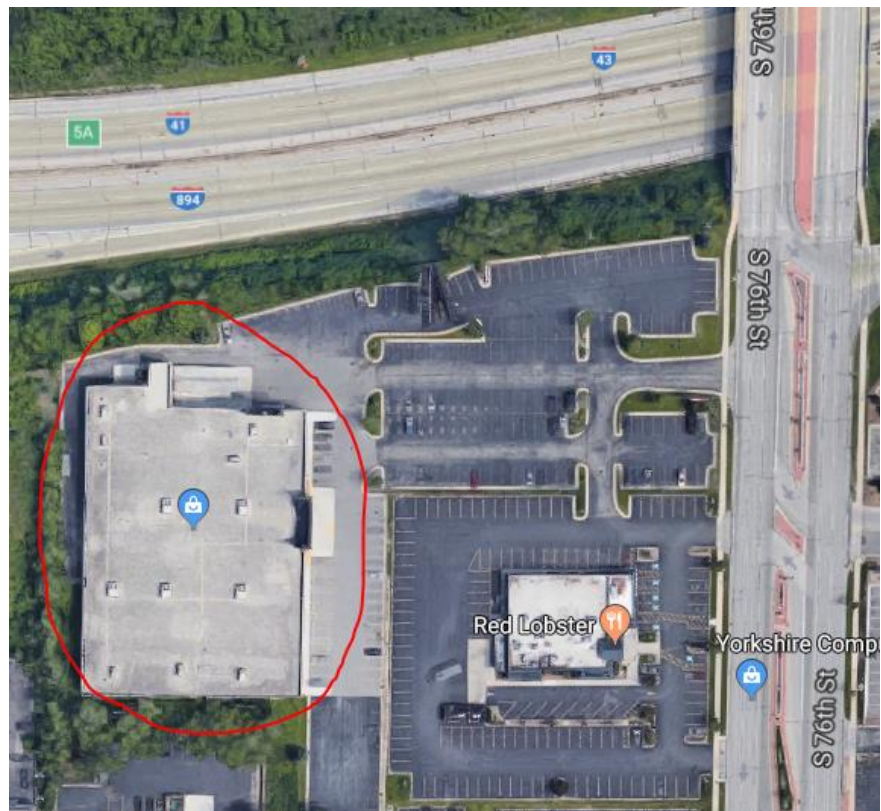
Based on the population of Milwaukee there would be plenty of room for multiple new locations and by placing the new site in Greenfield it leaves the door open to future developments to the north.

The recommendation for this analysis is to place an REI store in Greenfield WI just SW of Milwaukee. This site was ranked highest of the three sites chosen by a business analyst hotspot analysis (ESRI). This site exceeds the requirements of REI co-op stores, this was done by running an analysis within business analyst.

The Greenfield site offers a great retail area right in plain sight of highway 894 and highway 24. The site resides 2 blocks away from the Southridge mall so there should be a fair amount of traffic already coming through the area.



New REI Site



New REI site



View of the site from the interstate

Sources

Rei. "REI Real Estate Development | REI Co-Op." REI, www.rei.com/about-rei/real-estate-development.

ESRI Business analyst

US Census Bureau. "Census.gov." Census.gov, www.census.gov/.