

ALDI New Location Analysis

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Description & Discussion of Background

- ALDI is a discount supermarket chain with over 10,000 stores in 20 countries.
- ALDI has been gaining economies of scale through growth and has been rapidly increasing store count worldwide.
- ALDI is predicted to become the third largest grocer by store count by 2022 in the U.S.

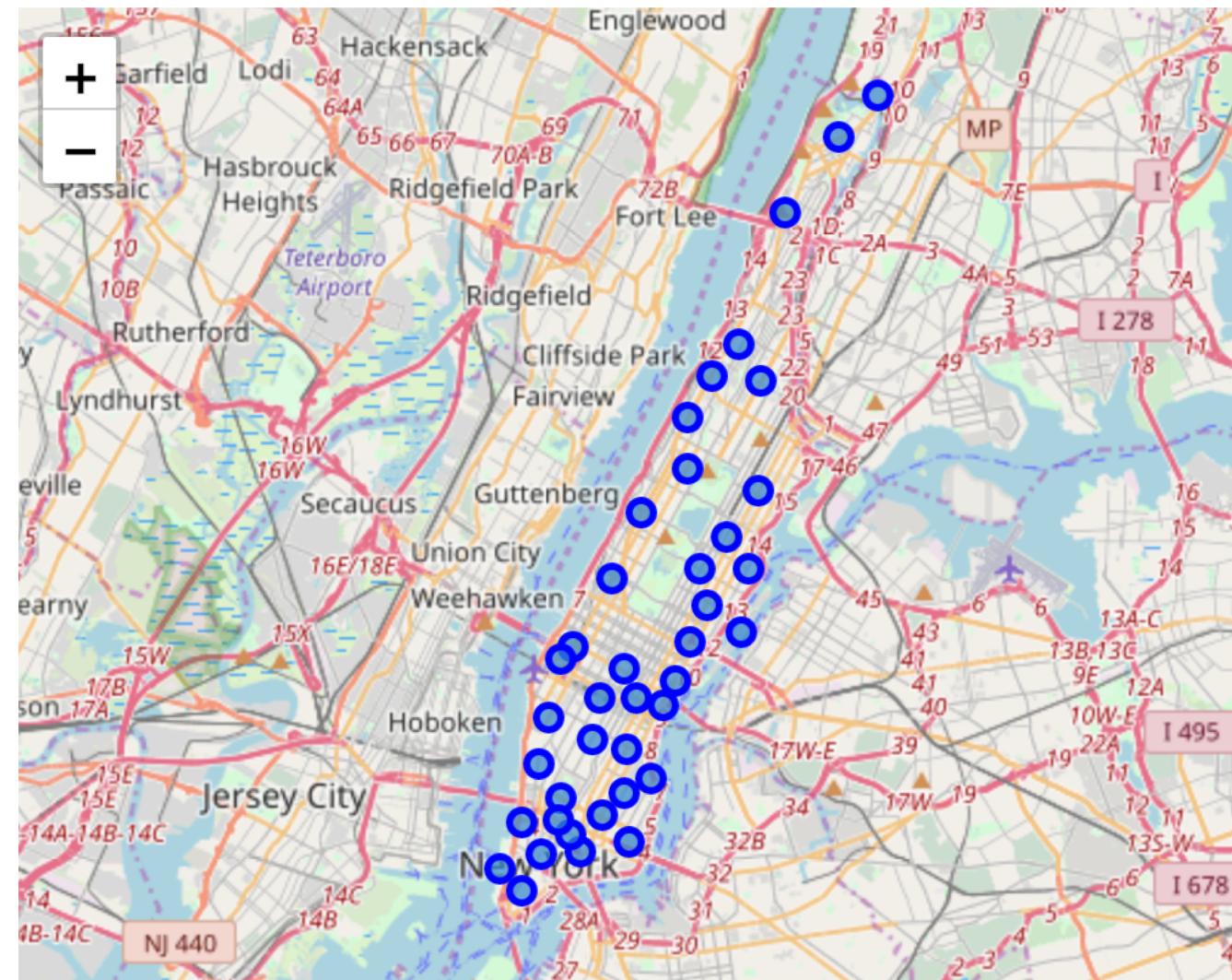
Description & Discussion of Background (cont.)

- New store openings are risky and capital-intensive.
- There is a need to analyze data to predict which locations have the greatest chance of success.
- When selecting a location for a new ALDI store, we can assume:
 - A high population around an ALDI store will increase sales.
 - Opening in an area without competitors will make it easier to be profitable.
 - ALDI's main customer base are price-conscious shoppers, so ALDI will likely thrive better in low income areas.

Data Description

- Foursquare location data
 - To determine areas in Manhattan that have no competition for ALDI
 - To determine the most common venue categories in each neighborhood
- https://geo.nyu.edu/catalog/nyu_2451_34572
 - Contains data on the 5 NYC boroughs, the neighborhoods that are in each borough, and the latitude and longitude of each neighborhood
- <http://www.city-data.com/nbmaps/neigh-New-York-New-York.html>
 - Contains demographic data to determine areas with high population density and low median household income

Manhattan Neighborhoods

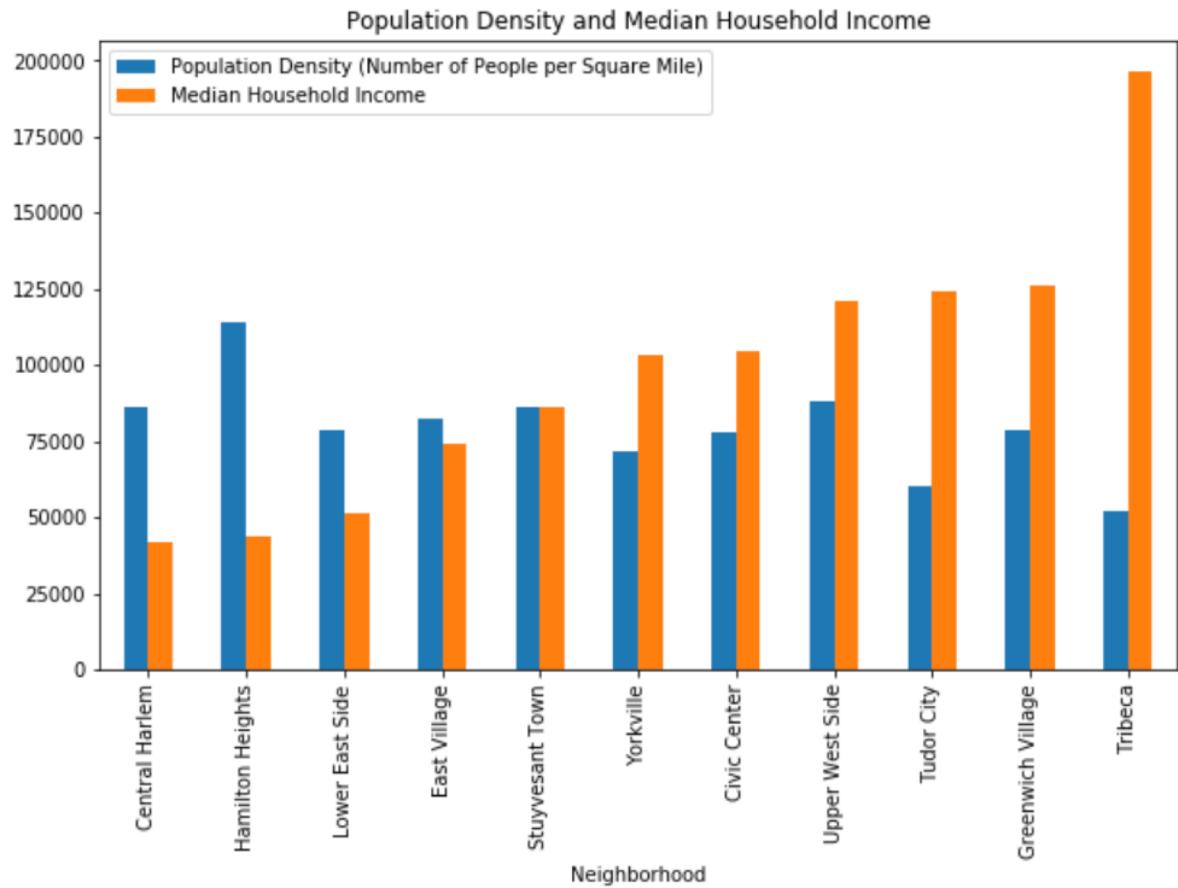


Manhattan Neighborhoods with No Competitors (cont.)

- Exclusion of all neighborhoods that had a known competitor further narrowed the neighborhood list to 11 number of neighborhoods.

	Neighborhood	Population Density (Number of People per Square Mile)	Median Household Income
0	Central Harlem	85964	41680
1	Hamilton Heights	114298	43673
2	Lower East Side	78448	51649
3	East Village	82502	74265
4	Stuyvesant Town	85975	86345
5	Yorkville	71597	103234
6	Civic Center	77876	104375
7	Upper West Side	88376	121032
8	Tudor City	60507	124047
9	Greenwich Village	78728	126368
10	Tribeca	52160	196692

Comparison of Population Density and Median Household Income



Comparison of Population Density and Median Household Income (cont.)

- Hamilton Heights and Central Harlem are the two most favorable locations for an ALDI.
- Hamilton Heights has the biggest population density and the second lowest median income, while Central Harlem has the lowest median income and the second highest population density.
- Out of the two, Hamilton Heights seems to be the best choice for an ALDI. While the difference in median income is marginal, the increase in population density is significant.

Discussion & Conclusion

- Hamilton Heights was found to be the best potential location for a new ALDI, followed by Central Harlem.
- Future research with more detailed data and more variables analyzed could provide a more complete view of the best locations for ALDI, to aid decision making.