Retail Gravity Modelling

Introduction

The Retail Gravity Model (also known as Huff’s Gravity Model) is a modified version of Sir Issac Newton’s Law of Gravitation. Gravity modelling studies retail choice, and the probability of a customer visiting a particular Centre/Outlet.

The idea behind gravity modelling is that the probability of a given customer visiting and purchasing at a given Centre/Outlet is a function of the distance to that Centre/Outlet from his/her home or work, and its “Attractiveness” for the customer to want to use that centre/outlet rather than other retail opportunities. Attractiveness of the Centre/Outlet can be defined in a number of ways including the size, population density, internal or external characteristics, choice of products/services, appeal to a certain lifestyle and brand.

Benefits

- Determine the market boundaries of trade areas with accuracy.
- Assess the site potential of home maker centres/shopping centre’s/outlets.
- Study the cannibalization of own and competitors centres/outlets within a trade area.
- Ability to undertake ‘what-if’ and market share type of analysis.
- Visualize findings using the latest mapping tools.

Contact Us

To discuss costs and options, please contact Spectrum Analysis Australia on 61 3 9830 0077. Alternatively, e-mail spectrum@spectrumanalysis.com.au
The above map illustrates the probability of a patron going to Centre/Outlet A, B or C. Centres/Outlets have been assumed to be of similar attractiveness for simplicity.
The above map illustrates the most likely choice of Centres/Outlets that people from the displayed Census Collection Districts (CCDs) are likely to make.
The above map illustrates the likely primary trade area of the displayed Centres/Outlets.
The above map illustrates the likely expected number of patrons from each of the displayed CCDs. A higher proportion of patrons are expected from CCDs which are closer to the Centres/Outlets.