

Sales Cannibalisation Modelling

Introduction

In an established or mature network, consideration of the impact of a new store on existing stores is vital. While a new store may generate acceptable sales, if a high proportion of these sales have been stolen (cannibalised) from one of your exiting outlets, the new store may not be economically justified.

In a franchise network, cannibalisation issues are particularly important, as existing franchisees need reassurance that network expansion will not impact upon their livelihoods.

Typically sales cannibalisation modelling is encapsulated into sales predictive models discussed elsewhere within this site, but models can be developed independently using a history of new store openings and the impact (pre and post new store opening) the new store has on surrounding stores.

Benefits

- Estimate the impact a new store will have on the sales at other outlets
- Run Net Gain analysis before committing to a new site

Contact Us

To discuss costs and options further, please contact Spectrum Analysis Australia on 61 3 9830 0077. Alternatively, e-mail spectrum@spectrumanalysis.com.au