

THE EFFECTS OF STORE LOCATION FACTORS ON THE SALES PERFORMANCE OF AUTHORIZED DEALERS: AN APPLICATION IN CONSUMER DURABLES INDUSTRY

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Abstract

This paper examines the location related factors influencing the authorized dealer sales performance and aims to show which location factors are related with the sales performance, which of them influence the sales performance most, and how the sales performance can be expressed as a linear function of these factors. Paper is composed of introduction, theoretical infrastructure, methodology, analysis and conclusion parts. The data used in this paper is acquired from the up-to-date database of a Turkish firm operating in consumer durables industry. Data belongs to 2881 authorized dealers, 1535 of which are A branded, and 1346 of which are B branded. The locational factors in the data are gathered for the catchment areas around each authorized dealer. This catchment area is described with 20 minutes of walk distance or two kilometers radius. Data also includes sales value figures of authorized dealers for the period between September 2013 and August 2014. In the paper, correlation analysis is used to test if there are positive and statistically significant relations between locational factors and sales performance; and regression analysis is used to determine the most influential location factors and the models of sales performance for each brand. The results of the analysis indicate the following: There are positive and statistically significant relations between the sales performance and most of the locational factors. The size of the store, type of the store, the total rival store number in the catchment area and the total population in the catchment area are the most influential locational factors on the sales performance for A branded dealers. The size of the store, type of the store, being located in the big cities, being located in a shopping mall and the total rival store number in the catchment area are the most influential locational factors on the sales performance for B branded dealers. The attained results provide some insights to retailers. The size of the stores, the demographic structure of the site and the rival stores surrounding the retailer should be carefully handled because of the reason that they are the most important locational factors that affect the sales performance. Besides, the potentials of big cities and shopping malls positively affect the sales of the stores.

Keywords: location factors, sales performance, authorized dealer