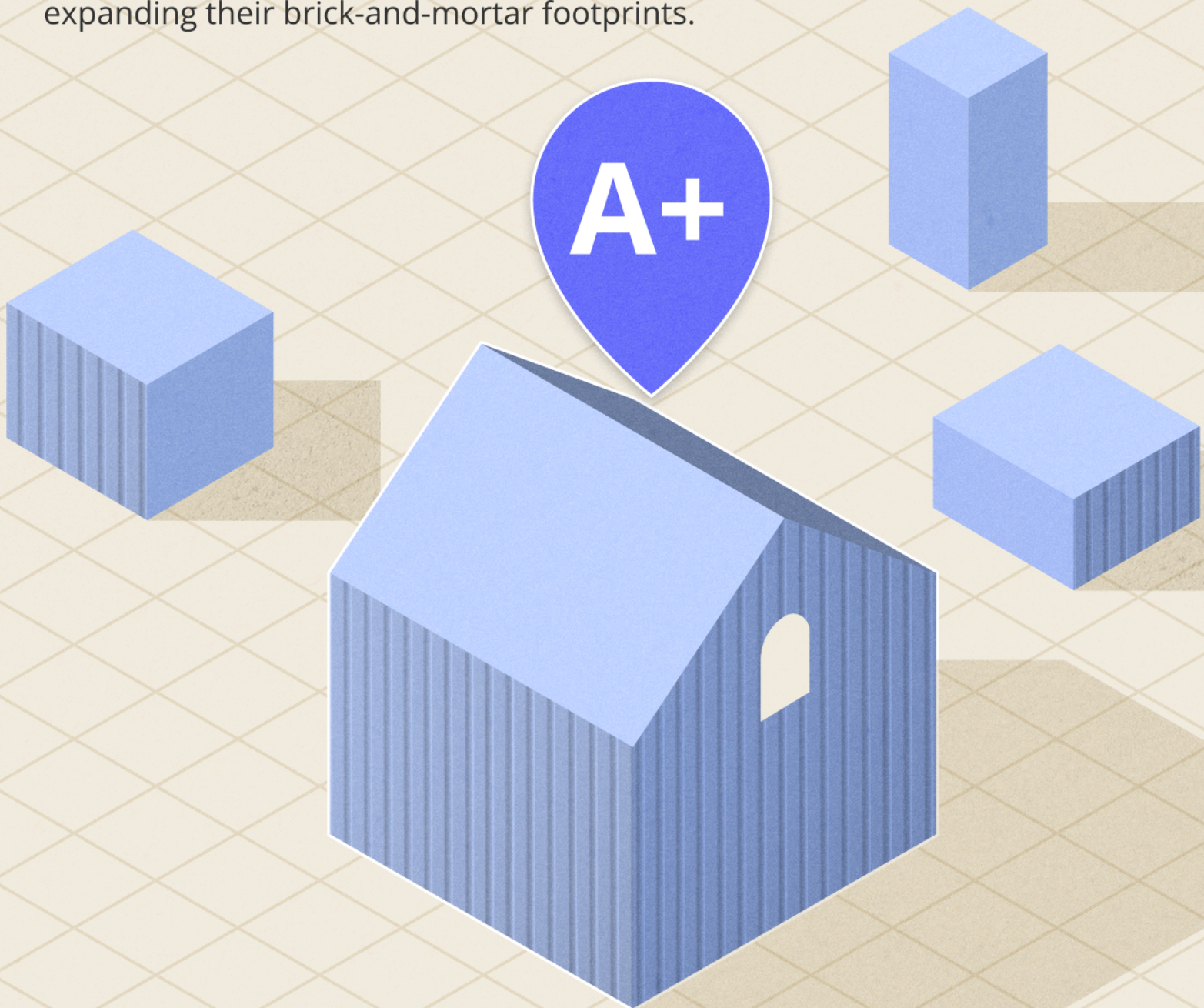


# What High-Growth Brands Know About Picking the Right Location

Explore key signals guiding data-driven site selection from brands actively expanding their brick-and-mortar footprints.



# Table of Contents

Executive Summary:	2
Predicting The Next Best Location	3
1. Identifying Sustainable Growth in an Increasingly Saturated Market	3
Strategic Takeaways:	4
2. Ensuring Demographic Alignment on the Hyperlocal Level	5
Strategic Takeaways:	6
3. Finding Retail Nodes With Complementary Visitation Patterns	6
Strategic Takeaways:	8
4. Understanding the Benefits of Competitor Proximity	8
Strategic Takeaways:	9
5. Balancing Growth and Cannibalization Risk	10
Strategic Takeaways:	12

## Executive Summary:

Analyzing expanding brands and segments reveals five core principles that guide successful site selection:

1. **Targeting Regions With Durable Demand:** Evaluating both total and per-location demand helps distinguish true expansion opportunities from saturated markets.
2. **Ensuring Hyperlocal Demographic Alignment:** Aligning site-level visitor profiles with a brand's core customer base can drive stronger performance and reinforce positioning.
3. **Matching Locations to Complementary Visitation Patterns:** Selecting sites where traffic patterns support a brand's operating model improves both fit and long-term success.

4. **Leveraging Proximity to Competitors and Complementary Brands:** Co-tenancy can act as a demand driver by capturing shared traffic and strengthening destination appeal.
5. **Assessing Trade Area Overlap to Mitigate Cannibalization Risk:** Analyzing trade areas ensures new locations generate incremental demand rather than redistribute existing visits.

## Predicting The Next Best Location

Across segments, retail and dining expansions converge on a common set of priorities, including identifying markets with strong demand, ensuring alignment with target audiences, and leveraging local consumer behavior to drive synergy. Using AI-powered location intelligence, we analyzed five expanding brands and segments to uncover the core principles driving successful site selection.

### 1. Identifying Sustainable Growth in an Increasingly Saturated Market

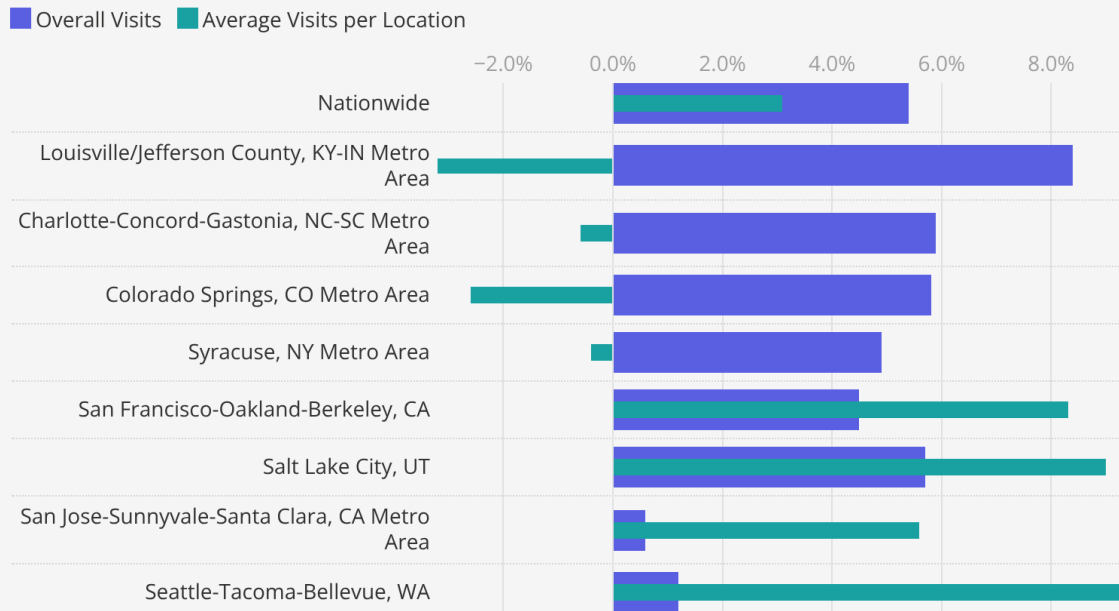
Nationwide visits to coffee chains are up in 2026, with [established brands](#) and [newcomers](#) alike seeing their traffic increase as consumer headwinds lead some to shift their discretionary spend towards more affordable indulgences. But past visit growth does not necessarily indicate future opportunity – it may instead signal market saturation. Relying solely on overall visit trends to guide expansion could lead chains into highly competitive markets where existing supply already meets demand.

For example, analyzing traffic trends in 10 major metro areas where coffee visits increased year-over-year (YoY) in Q1 2026 reveals significant gaps between overall traffic trends and per-location demand. In some CBSAs, overall traffic growth significantly outpaced per-location traffic trends – suggesting that supply is already meeting (or exceeding) demand and limiting room for new coffee locations despite overall category growth. But in other metro areas, where overall visit growth appears smaller, per-location traffic is actually booming – indicating that the underlying demand is resilient enough to support additional coffee concepts.

These patterns highlight the importance of looking beyond topline growth to identify where true whitespace still exists.

### Comparing Total vs. Per-Location Visit Trends Can Identify Undersupplied and Oversupplied Markets

Visits and Visits Per Location to Coffee Chains by CBSA, Q1 2026 Compared to Previous Year



#### Strategic Takeaways:

- Relying solely on aggregate category performance can obscure regional white space. A market-level view may reveal opportunities for stronger returns in areas where consumer demand is gaining momentum.
- Combining overall visit and visits per location data offers a more complete view of where demand is both strong and sustainable.

## 2. Ensuring Demographic Alignment on the Hyperlocal Level

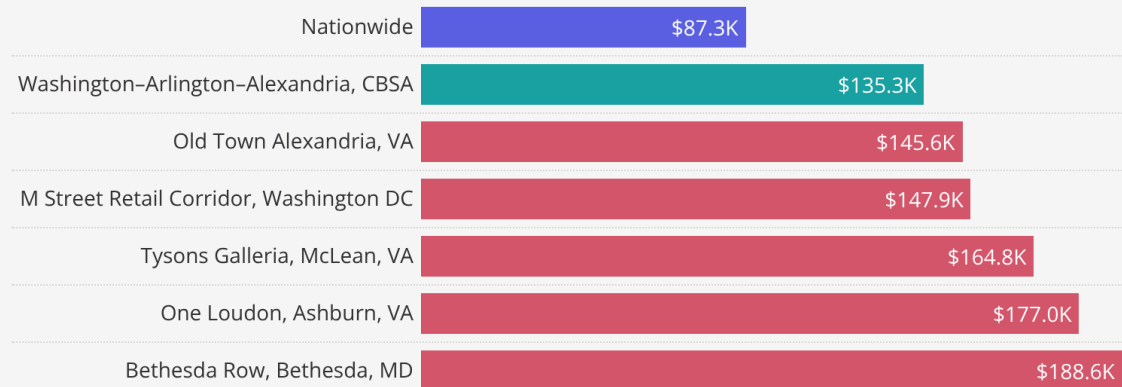
Effective site selection matches both regional and local demographics to a brand's target customer, supporting performance and reinforcing positioning. But even in well-aligned metros, results depend on site-level precision – locations where the trade area visitor profile most closely reflects the brand's core audience are best positioned to drive incremental upside.

An analysis of Alo locations in the DC area suggests that the company is adopting this strategy. Within the already high-income metro area of Washington-Arlington-Alexandria, individual Alo Yoga stores are placed in centers that draw even more affluent visitors – maximizing the revenue potential of each location.

In fact, Alo's newest stores in the metro area – [One Loudoun](#) and [Bethesda Row](#) – drive traffic from households with higher median incomes than even the established area locations. This signals a clear focus on premium retail corridors and affluent consumer segments, which reinforces the brand's positioning while capturing higher-spending customers at the site level.

## Within an Affluent CBSA, Alo Locations Cluster in High-Income Retail Centers

Median HHI\*, April 2025-March 2026



\*Based on data from STI: PopStats combined with Placer.ai data for captured trade areas



### Strategic Takeaways:

- Beyond traffic potential, effective site selection requires a clear understanding of both regional and hyperlocal demographics, as well as the brand's target audience.
- As brands expand, aligning locations with core customer bases can drive success while reinforcing brand positioning.

## 3. Finding Retail Nodes With Complementary Visitation Patterns

Beyond driving traffic potential and demographic alignment, site selection should also ensure that a brand's identity and operating model are well matched to the visitation patterns of prospective locations. Barnes & Noble offers a clear example. The company's ongoing [resurgence](#) has relied in part on repositioning itself as a local

cultural and social hub, with a stronger emphasis on [local curation](#) and community-driven events.

And analyzing Barnes & Noble's 2026 openings shows a clear tilt toward centers with a higher share of local traffic than the chain average – supporting its shift away from a purely transactional retail model toward a more community-centric experience built around local curation, events, and repeat visitation. By prioritizing locally driven centers, the company's site selection strategy not only captures relevant traffic but also reinforces its broader repositioning as a neighborhood-oriented brand.

### Centers Home to Barnes & Noble's Class of 2026 Attract Local Traffic

Share of 2025 Visits Originating From Less Than  
3 Miles Away

<b>Barnes &amp; Noble Nationwide</b>	<b>22.6%</b>
Westfield Old Orchard, Skokie, IL	26.9%
The Plaza At Southpark, Strongsville, OH	28.9%
The Shoppes Of West Melbourne, West Melbourne, FL	40.5%
Town Center At St Lucie West, Port Saint Lucie, FL	44.3%
Black Horse Center, Clovis, CA	44.9%
First & Main Town Center, Colorado Springs, CO	46.0%
Green Tree Shopping Center, Katy, TX	46.9%
The Courtyard Shops, Chicago, IL	70.0%



### Strategic Takeaways:

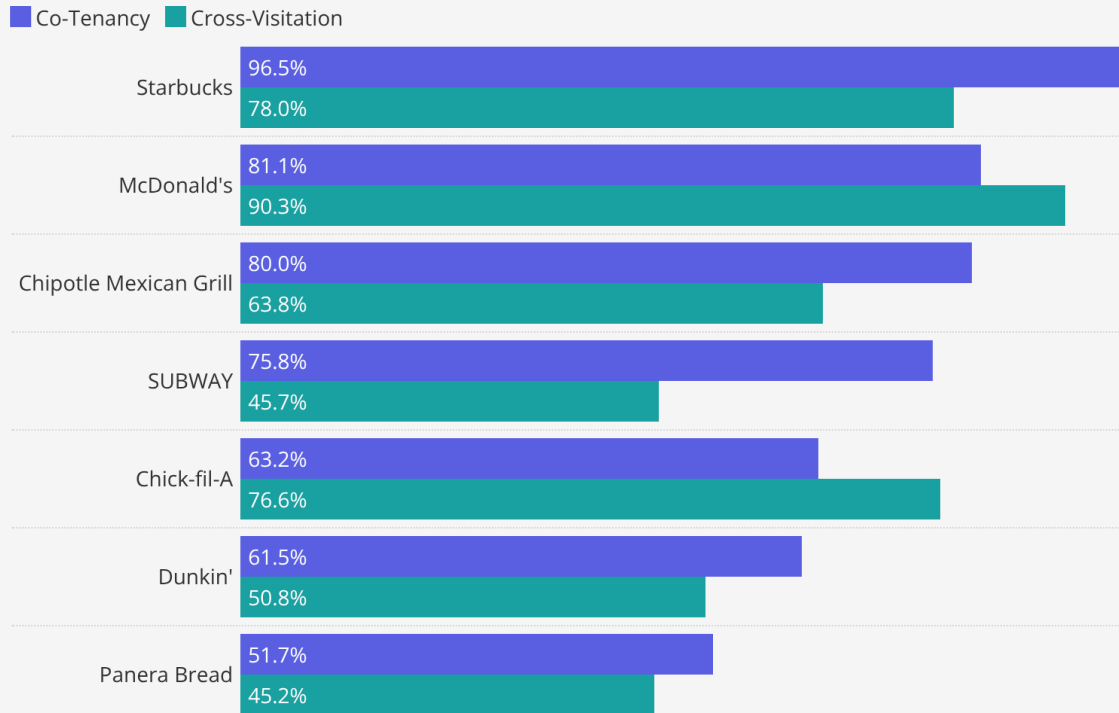
- Site selection strategy should look to align a brand's identity and operating model with real-world visitation patterns at prospective locations.
- For brands leaning into [local curation](#), choosing centers with predominantly nearby visitors may be the key to performance and preserving brand identity.

## 4. Understanding the Benefits of Competitor Proximity

Effective site selection recognizes that proximity to competitors can function as a [demand driver](#), amplifying traffic rather than diluting it.

In practice, this often takes the form of clustering – deliberately locating near similar or complementary concepts to capture shared demand. Shake Shack provides a clear example. Analyzing the chain's store fleet shows that many locations sit near other QSR and fast-casual concepts, creating opportunities to capture dining-based traffic. At the same time, strong cross-visitation patterns indicate that these co-located brands share a common customer base, positioning the brand closer to consumers who are already likely to visit. And, at least for Shake Shack, this strategy appears to be working – traffic to the chain [increased](#) 19.9% YoY in Q1 2026.

## Shake Shack Clusters Near Other Dining Chains, Increasing Opportunities for Visits



Co-tenancy: % of Shake Shack locations where other brand is located within 0.25 miles, week of Apr. 27, '26. Cross-visitation: % of Shake Shack visitors that visited other brand at least once, April 2025-March 2026.



### Strategic Takeaways:

- As in retail, co-tenancy in the restaurant space can be mutually beneficial – establishing a center as a dining destination, driving incremental traffic, and increasing a brand’s opportunities to win share-of-stomach.
- Incorporating cross-visitation analysis into site selection helps pinpoint locations where target customers are already visiting nearby brands. Centers that already attract a brand’s overlapping customer base provide a stronger foundation for incremental growth.

## 5. Balancing Growth and Cannibalization Risk

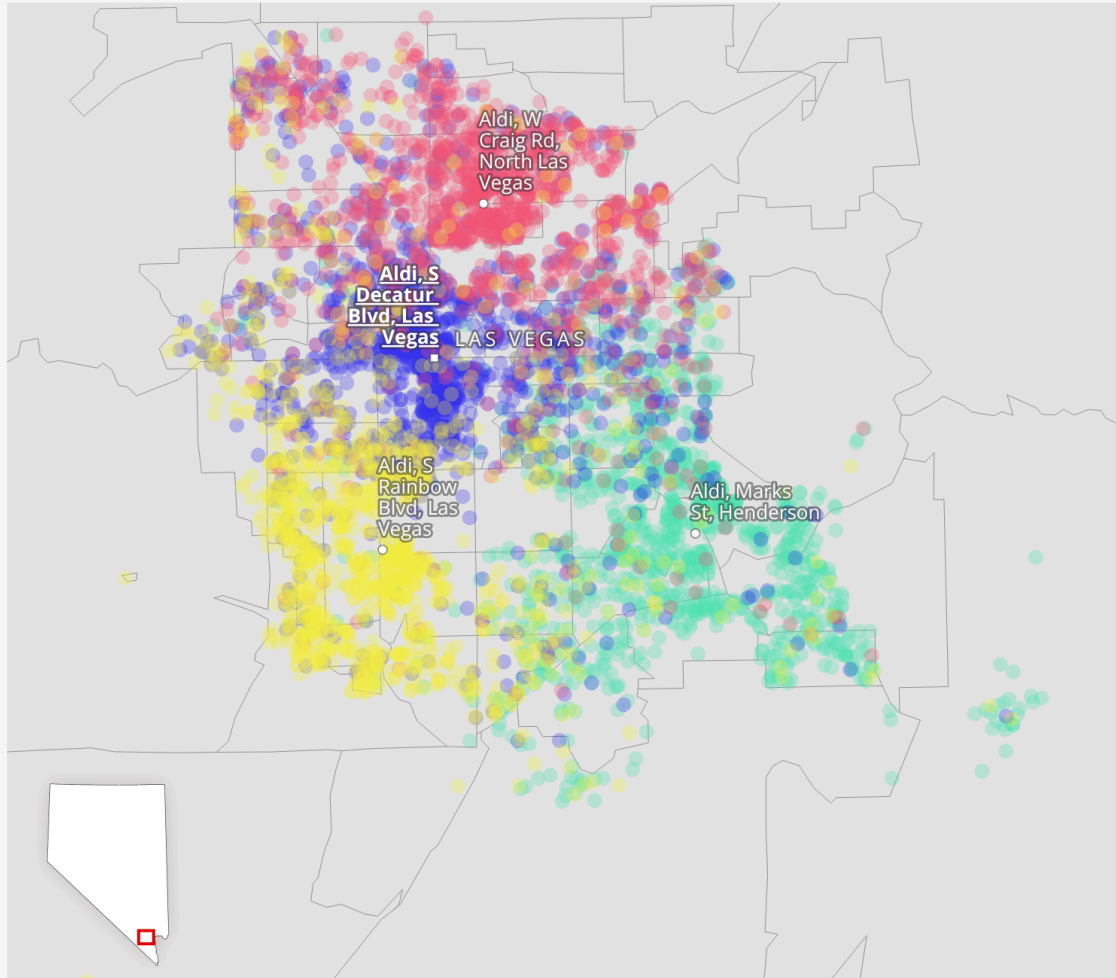
Incorporating trade area analysis into site selection can also help determine whether a new location will generate new traffic or risk cannibalizing existing demand. Aldi, a rapidly expanding grocery chain, offers a relevant example.

The company opened a [fourth](#) Las Vegas store on S Decatur Blvd in [October 2025](#), positioned between existing locations on W Craig Rd and S Rainbow Blvd, approximately eight miles from each. And analyzing the core trade area of each of the four Las Vegas locations indicated limited visitor cannibalization over the last six months, despite the stores' close proximity. Only 6.2% and 7.6% of the S Decatur Blvd store's trade area overlapped with the W Craig Rd and S Rainbow Blvd stores' trade areas, respectively.

These findings show that there is no one-size-fits-all approach to store spacing – it varies by brand, category, and market. Analyzing a company's existing store network alongside competitor density and overall demand can help determine how closely locations can be placed without hurting performance. In many cases – especially in high-frequency categories like grocery – markets can support stores that are closer together than expected.

## Despite Proximity to Existing Stores, New Aldi Location Carries Limited Cannibalization Risk

Visitors Within 25 Miles of Location, October 2025-March 2026



■ Aldi, S Decatur Blvd ■ Aldi, W Craig Rd ■ Aldi, S Rainbow Blvd ■ Aldi, Marks St

Map: Locations shown are obfuscated for privacy. Points are aggregated approximations of no less than 50 visitors, randomly placed within a census block. • Source: Based on Placer.ai Trade Area data • Map data: © Esri, TomTom North America, Inc., United States Postal Service



### **Strategic Takeaways:**

- Site selection strategy needs to take into account local demand and visitation behavior typical of the category as a whole and of existing locations in particular.
- Trade area analysis can reveal where a market allows for network densification without significant risk of visit cannibalization.