

Hot spot analysis conducted for Zap! Video Games Corporation and BigBucks Malls Inc. to identify target markets for new product releases.

Christopher Prendergast November 24, 2020

• • •

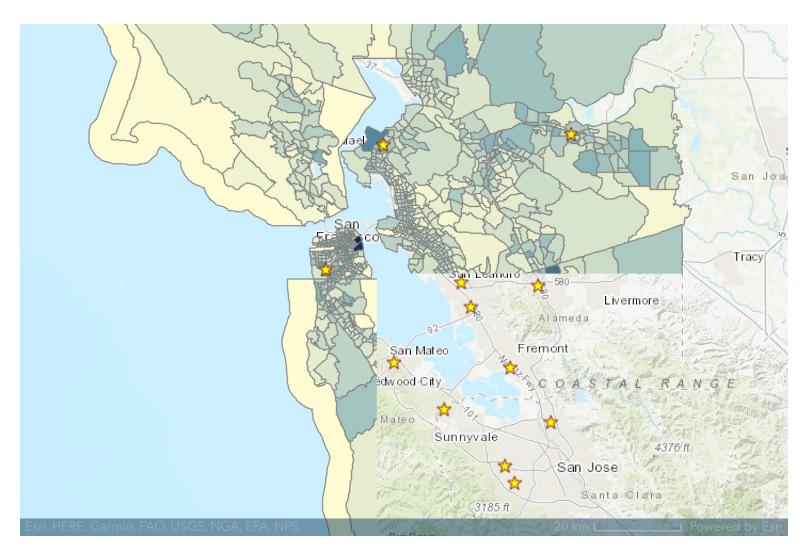
Introduction

The executive management of Zap! Video Games Corporation asked us to help identify potential locations to expand the retail distribution channel for new video game products released by Zap!

We performed a hot spot analysis to identify attractive target markets for Zap's products and potential retail distribution locations at malls operated by BigBucks Malls Inc.

The results of this analysis are presented below.



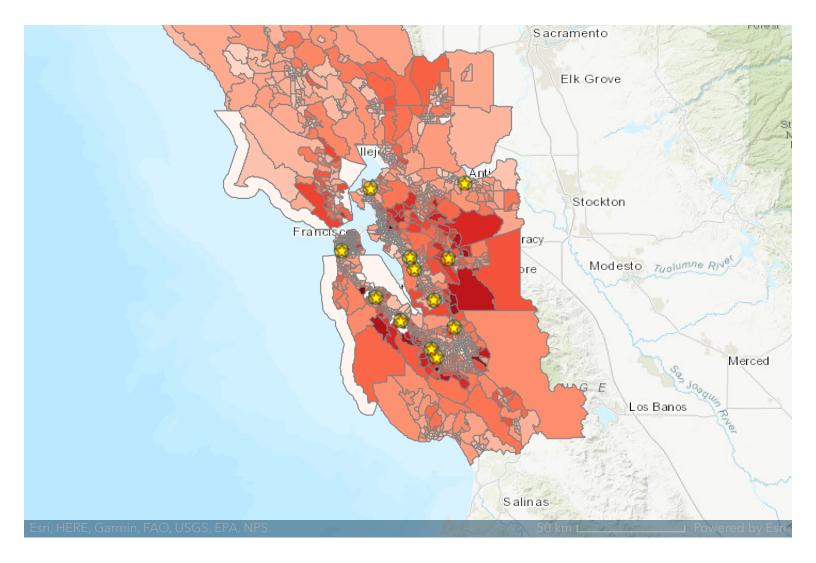


Where are the young men?



Young men are the primary consumers of video games. The map on the left shows the distribution of young men between 22 and 39 years old across the Bay Area and their proximity to potential distribution locations for Zap! video games at malls operated by BigBucks Malls Inc.

• The darker blue areas have higher numbers of young men.

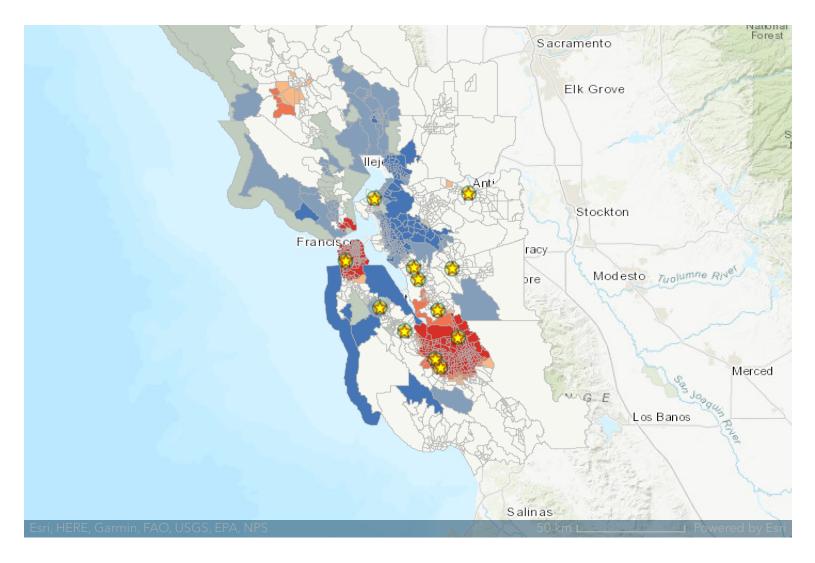


. . .

Where's the money?

Areas with high median household incomes offer attractive opportunities for increasing sales of Zap! video games. This map shows the distribution of median household income across the Bay Area and the proximity of high income areas to potential distributors located within malls operated by BigBucks Malls Inc.

• The darker red areas have higher median household incomes.



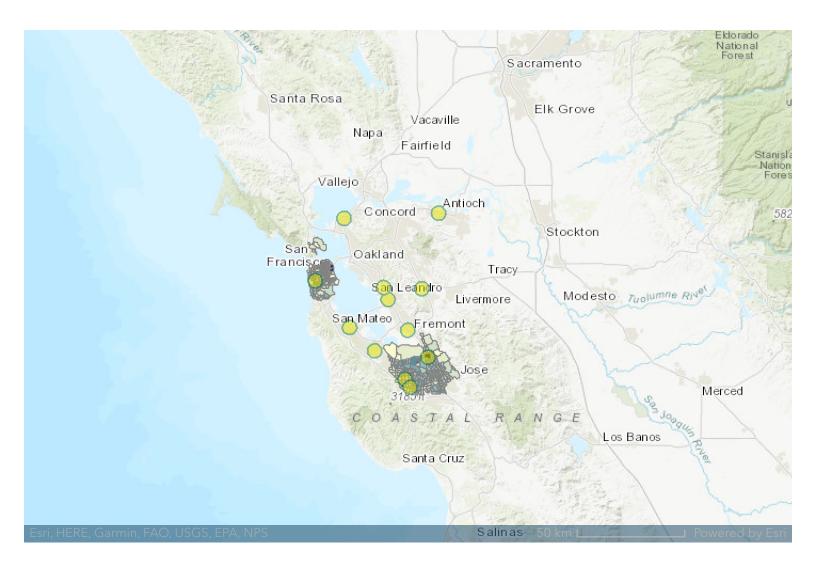
• • •

Hot Spot Analysis for Young Men



A hot spot analysis was performed to identify areas with higher and lower concentrations of young men across the Bay Area.

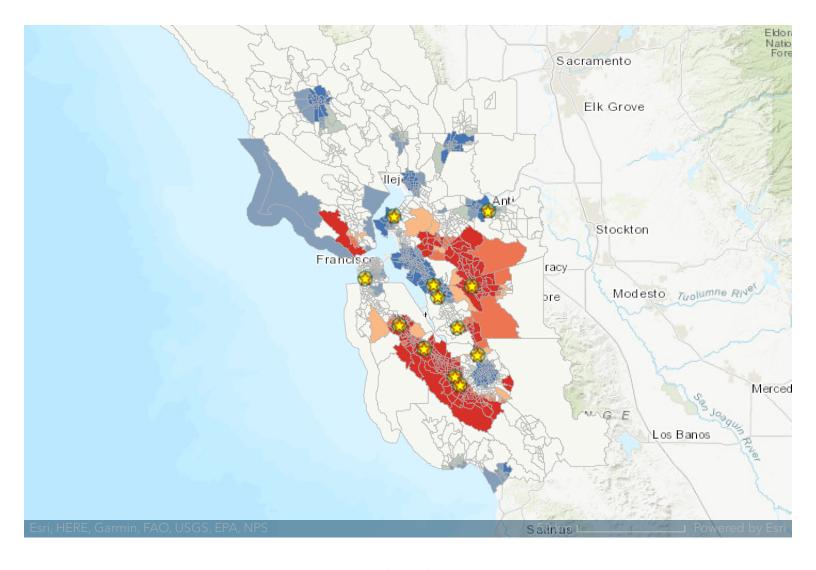
- Red areas are hot spots with high concentrations of young men.
- Blue areas are cold spots with low concentrations of young men.



Revealed - the Hottest Spots for Young Men

The hot spot analysis made areas with high numbers of young men visible.

- This map shows the areas which scored in the highest tier for number young men.
- The darker areas have higher numbers of young men.

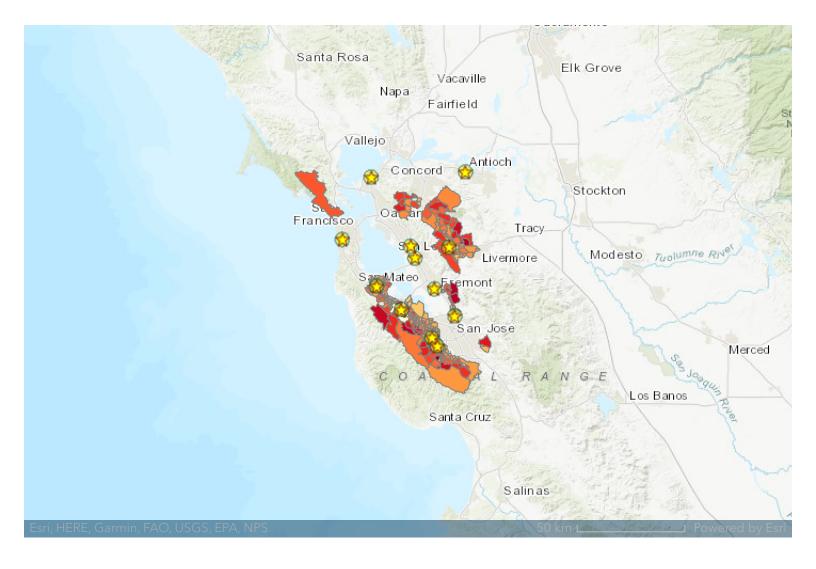


* * *

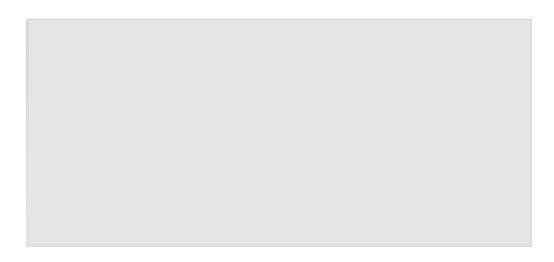
Hot Spot Analysis for High Household Income Areas

A second hot spot analysis was conducted to identify areas of higher and lower median household income across the Bay Area.

- Red areas are hot spots with higher median household incomes.
- Blue areas are cold spots with lower median household income.

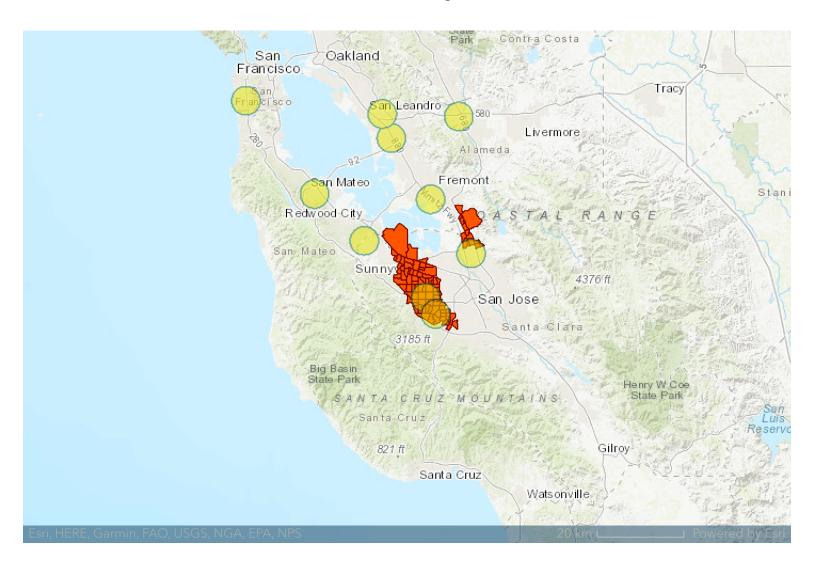


Revealed - the Hottest Spots for High Household Income



The second hot spot analysis made areas with higher median household income visible.

- This map shows the areas which the analysis scored in the highest tier for median household income.
- The darker red the areas have the highest median incomes.



Conclusion: Attractive Target Markets

The areas where high numbers of young men and high household income coincide offer attractive target markets for the distribution of Zap! video games.

- The hot spot analysis identified areas in orange as that have both high numbers of young men and high median household incomes.
- The orange areas are the most attractive target markets.

*** * ***

Recommendations

The analysis identified the top three malls closest to the most attractive target markets for the distribution of Zap! video games.

The top three Mall locations are: -

 N Wolfe Rd, Cupertino Saratoga Ave, San Jose Great Mall Dr, Milpitas

We recommend that Zap! Video Games corporation partner with BigBucks Malls Inc. to focus their joint efforts to build a retail distribution channel for new video game products at these three malls.