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## Raising The Invisible Profit Ceiling: Parking Lots

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Physical and psychological limits to the growth of a business are often invisible to the naked eye, but are there just the same. Have you created an invisible ceiling on the growth of profits in your business without even knowing it? The parking lot is one of the most obvious invisible ceilings on a business.

Far more than a place for your customer to leave the car while she shops, the parking lot can limit or unleash retail success. There's a marketing message either explicit or implied by your parking lot. At some point this message affects the strength and growth of a business.

### Placement is Crucial

Simple as it may seem, the placement of a store and its parking lot is the most costly aspect to get wrong in a retail investment. If a parking lot is difficult to enter, for example, many customers will simply not enter.

An owner of a dozen franchised restaurants in the Atlanta area found the one contributing cause of slow business they couldn't fix was the location of the store, which was in a busy enough area, but was positioned below the grade of the road on which it was located.

They noticed the percentage of male customers at this location was very high in comparison to their other restaurants and upon further research confirmed it was because the female customers didn't like to turn off the road and down where they couldn't easily see the parking lot. There was no feasible solution other than to sell the property and let someone else suffer under the same condition.

### Capacity is Not an Absolute

The perception of a parking lot being full when customers drive by is really all that matters to them. It's not their job to slow down to take a closer look or to drive in to see if there's a space between all the cars they see. While there may be 30 parking spaces in your lot, when the customer perceives it's full it is—to them—quite full. Research has shown this can happen with as little as 60% of the spaces (18 cars) taken.

But the perception of a parking lot being full is not really the critical issue most of the time. The perception of

being too busy or too crowded is another story. Stores that are known to be under-staffed or crowded gain a reputation among their customers for being that way.

For example, most McDonald's parking lots are very full at peak eating times and relatively empty the rest of the day. Most Americans have learned that if the McDonald's parking lot is full it's faster to use the drive-up window even if the line of cars is long than to go inside and wait for service amongst the aimless crowd in front of the counter. We know while we stand there the line at the drive-through moves more swiftly as those customers are served much more promptly and efficiently. This in reality has nothing to do with the parking lot. The parking lot is just an indicator of the service level we expect to find.

## **Orderliness Counts**

People just want to know how things work and will assume things do work from there. While it may not seem like it should matter if the spaces are marked when there aren't many cars in the lot, the perception of how well the business is run is indicated by a lack of order in the parking lot. Spaces shouldn't be over-crowded, but they should be clearly marked with at least bumper blocks indicating where to park.

## **Defining Pavement**

There's an assumption that a paved parking lot is covered in either concrete or asphalt. However, the definition of pavement is that there's a hard and smooth surface. There are other types of pavement that are valid, such as gravel and paving blocks. Remember that the parking lot is also a driveway and, in most situations, there are other vehicles besides cars—such as heavy delivery trucks—using the driveway, which must endure the additional weight.

## **Considering Carts & People**

A parking lot is the exit plan for merchandise brought into your store. Your customers will use carts unassisted to move their merchandise to their car. Those carts are also expected to roll smoothly across the pavement. They're expected to stay put while the customer unloads merchandise into their car. And finally, customers expect to find a convenient place to put the cart when they're finished. Even though customers may not complain, their decision on where to shop next time is influenced by a negative parking lot experience.

People will walk across the pavement, which means it must be smooth and dry so their shoes don't get muddy at a minimum. While you shouldn't expect to gain sales from your parking lot, you'll absolutely lose sales if you don't have a good solid one in all the respects mentioned above. But wait, there's more.

## **Safe, Secure, Clean**

Customers come to you at your invitation and, therefore, have a legal right to a safe, secure and clean shopping experience. Your parking lot is not immune to this. There are certain risks assumed by the user of a parking lot, but there are others that can be considered to be the result of improper or inadequate maintenance or even negligence.

Keeping the pavement repaired and clean of debris is expected. Ignoring routine maintenance would likely be interpreted as neglect if an accident were to occur. Providing adequate lighting for customers to safely move from their car into other areas of your business is a reasonable expectation. Of course, you should check with your insurance agent or even your attorney to ensure you're fulfilling your obligations and avoiding

unnecessary risk to your business.

## How does your parking lot measure up?

Is your parking lot an invisible ceiling on the growth and profitability of your company? How will you know? There's more to a parking lot than can be covered in one article, but this is a good overview of the criteria. For a free parking lot checklist, send an email to [Sid@AdvantageDevelopmentSystem.com](mailto:Sid@AdvantageDevelopmentSystem.com). **GP**

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