

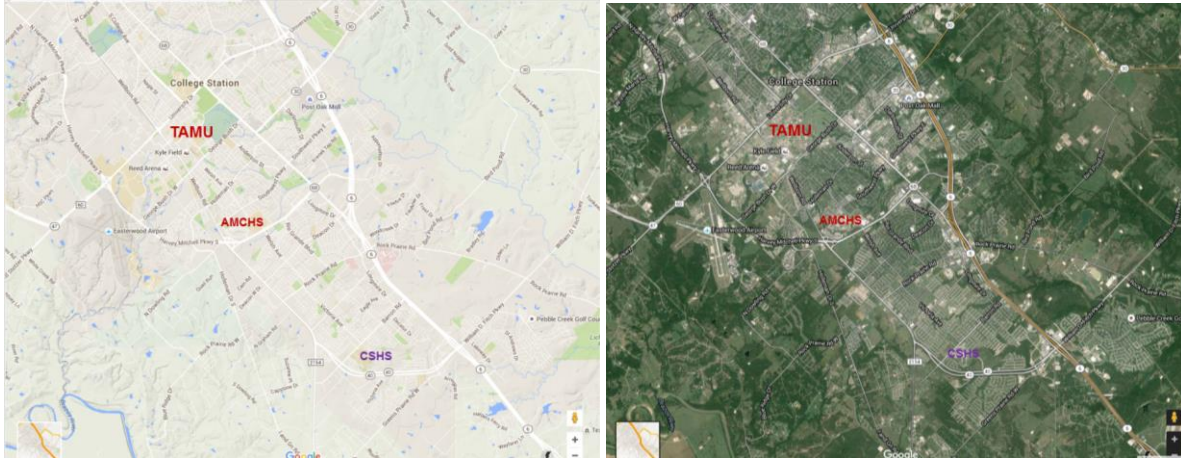
**INDUSTRIAL UNIT (SERVICES)—Central Place Theory and Market Area—**Compare the market area of a service (McDonalds Restaurant) in your community [or use a large city near you]. [See the attached maps.]

1. Discuss the Central Place Theory—Market Area, Range and Threshold

**Central Place Theory**

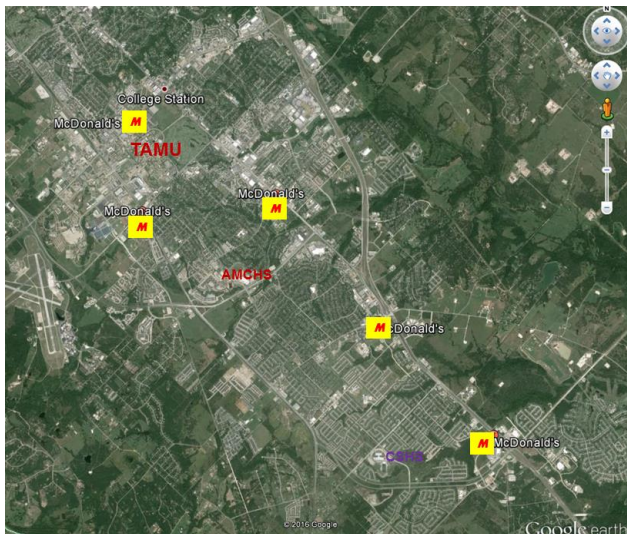
- Market area of a service
- Size of a market area
  - Range
  - Threshold

2. Look at a map of your community.



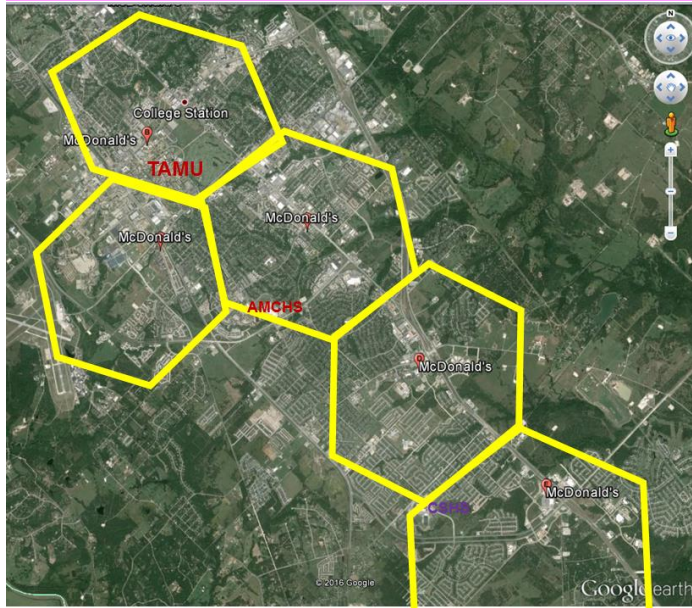
3. Identify where the McDonalds are located. First have the students locate them on the map and then Use Google Earth to locate them (Do a search—i.e., McDonalds, College Station, Texas)

- Identify where the McDonalds in College Station are located.



4. Then have the students try to draw hexagons around the McDonalds to show the market areas.

• Draw hexagons around the McDonalds.



5. Discuss the following questions:

- Are the **market areas** the same size?
- Are there concentrations of populations in some of the areas, i.e. are the **thresholds** the same size?
- Would concentrations of college students/apartment complexes influence the locations?
- Would the locations of businesses with large work forces influence the range?
- Are there “gaps”? Where would people go if they were not in one of the market areas?
- Where should the next McDonalds be built?
- Do transportation routes influence where people would stop?
- What other factors might influence where people would stop? The success of a fast food restaurant?



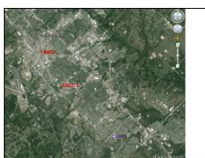
**Central Place Theory**

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