

Downtown La Crosse Retail Market Analysis

2004



An Assessment of Retail Opportunities to Serve the
Community's Target Consumer Groups



UW
Extension



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Contents

Introduction

- 1. Size and Shape of the Trade Areas**
- 2. Trade Area Demographic and Lifestyle Characteristics**
- 3. Shopping Habits & Preferences of Target Consumer Groups**
- 4. Comparison of Business Mix with Other Communities**
- 5. Analysis of Selected Retail Opportunities**
- 6. Recommendations**



Introduction

The Downtown La Crosse Retail Market Analysis was conducted in 2003 to uncover retail opportunities for existing business owners and prospective businesses who may locate in downtown La Crosse in the future. The report is also intended to provide retailers with information to better serve their existing customers as well as attract new customers.

This retail study is one of a number of concurrent economic and community revitalization efforts currently underway in the City of La Crosse. Several projects will each add valuable information for an overall strategic direction for the City and provide individual business owners with decision making tools. These other projects include:

- Vision 2020: Downtown Main Street Inc and the City Planning Department have contracted with Planning & Design Institute (PDI) to assist in updating the City Vision 2000 strategic plan
- Mayor's Economic Development Blue Ribbon Committee: the City Planning Department is facilitating a group of citizen volunteers, business leaders and Council members to develop an economic development strategic plan for the City.
- La Crosse Marketing Plan: A consultant, Interact Communications, will complete a marketing plan for the City
- Heritage Preservation Plan: URS Corporation is assisting in the preparation of a local Heritage Preservation Plan for National Register of Historic Places District located in downtown.

The geographic scope of this Retail Market Analysis study was limited to downtown as La Crosse's downtown is a portion of a larger, dynamic economic region (the "Seven -Rivers Region"). This region is a network of interdependent communities within six counties of western Wisconsin, two counties in Minnesota and two counties in Iowa. A comprehensive analysis of regional impacts on downtown La Crosse retailers exceeds the scope of this research project.

Furthermore, this report is written in the context of an ever-changing downtown environment. There are several anticipated changes that will impact downtown retail traffic and demand. Notable projects in the near future will affect different parts of downtown:

- Cass Street bridge expansion is expected to increase traffic from 19,000 vehicles per day to 30,000 by 2024, triggering an extension of the commercial district southward.
- Transit Center on Third Street between Jay and King Streets is in the historic district and may lead to additional redevelopment, along with a regional transportation connection.

- Logistics Health will build a new \$11.4 million corporate headquarters on the riverfront by the south end of the historic district, replacing grain elevators with commercial applications and shifting employment southward.
- Peoples Food Co-op will complete a \$4.5 million expansion, adding a community room and a "whole foods café". Separate, but co-located, the Art-in-the-Park open air farmers market will have permanent stalls at Cameron Park on 5th and King Streets.
- Both nationally recognized medical centers have multi-million dollar facility expansions within a mile of downtown providing health care services to the region and beyond.
- Community Credit Union is completing a \$1.8 million expansion, but unfortunately First Federal Capital Banks planned \$1.6 million expansion on north 7th Street will be shelved if the merger with Associated Bank is finalized.

Given the concurrent economic and community revitalization efforts and considering the ever-changing downtown environment, this analysis was undertaken to examine ways to strengthen retail activity downtown. The analysis builds on each of the following sequential sections.

1. Size and Shape of the Trade Areas

The first step in analyzing the retail market was to define and map the trade areas. Eight organizations contributed their customer data regarding home zip codes. The information was used in aggregate to define the primary and secondary trade area. The top 15 zip codes account for 75% of the existing retail customers and define the primary trade area.

While an overall primary trade area representing the general population was identified, it should be noted that different consumer segments have different trade areas. The downtown resident segment represents a much smaller convenience trade area. College students represent a sector within this convenience trade area. Office workers come from throughout the primary and secondary trade areas. Health care clients may originate beyond the primary and secondary trade area. Tourists often come from far distant metropolitan areas.

A recent (2003) study commissioned by Lee Enterprises (newspapers) for the La Crosse-Winona readership area contributed complementary information regarding the trade area, although the boundaries on the two studies are not identical. The research confirms that there is, indeed, significant untapped potential for trade area household spending in downtown La Crosse despite a marked increase in shopping in recent years. It also reports intended purchases by retail type.

2. Trade Area Demographic and Lifestyle Characteristics

Demographic and psychographic profiles help to understand trade area households. There are some differences between the primary trade area, primary and secondary trade area, convenience trade area, and the combined Wisconsin-Minnesota region. These differences influence buying behaviors of the different downtown consumers.

Demographic information can be used for retail planning. For example, what is the critical mass needed for specialty boutiques? Specialty fashions target \$75,000 household income and up. In 1999, 13,280 La Crosse trade area households had incomes over \$75,000.

Using lifestyle research from the CACI (now ESRI Business Information Solutions) ACORN segmentation system, the buying habits and preferences of the La Crosse Trade are somewhat predictable. Several lifestyle "types" were identified and profiled: Middle America, Newly Formed Households, Baby Boomers with Kids, Twenty-Something, and College Campus.

3. Shopping Habits & Preferences of Target Consumer Groups

There are a number of important consumer groups that are potential downtown shoppers. These consumer groups are a result of key economic engines in the community. In order to understand the relative importance of various these customer groups, this research included interviews with economic development professionals and business leaders. Five target markets were selected based on distinctive characteristics of La Crosse:

- Tourism is a \$214 million dollar industry for La Crosse County. Downtown has a riverfront that offers a convention center, a levee and riverwalk, an historic district, and a very significant festival calendar. Top places of origination are Madison, Milwaukee, Twin Cities, and Chicago metropolitan areas.
- Colleges and university students number over 15,700 at three post-secondary institutions: University of Wisconsin-La Crosse, Western Wisconsin Technical College, and Viterbo University.
- Office-based employees downtown (most in information technologies, financial services and retail) number approximately 8,500 in downtown La Crosse, with an additional 400 high-tech positions anticipated in 2005.
- Residents of nearby neighborhoods (convenience trade area) are increasing in number (approximately 21,000, including 40% who are enrolled college students). Not only is there a growth trend toward living in or near downtown, but these customers represent an important percentage of annual transactions for several downtown retailers.
- Health care represents the largest employment cluster. Two medical centers headquartered near downtown La Crosse, Gundersen Lutheran Medical Center and Franciscan Skemp Mayo Health System, both have an extensive regional network of clinics connected to their hospital services.

4. Comparison of Business Mix with Other Communities

Economically vibrant comparison communities were identified to help understand the mix of businesses that exist in other downtowns. Several communities across the nation share the same set of characteristics: comparable population, award winning downtown, health care center, university, historic district, and proximity to a large body of water. The mix of retail and entertainment establishments in these cities indicates that these characteristics apparently influence the consumer behaviors beyond what would be expected simply from the household demographics of a region.

5. Analysis of Selected Retail Opportunities

A short list of retail categories was examined in detail to determine potential market opportunities for business expansion and/or recruitment in downtown La Crosse. These categories in no way reflect the breadth of entrepreneurial possibilities for downtown. Nevertheless, they provide an example for the examination of market demand, supply for specific retail categories. This approach can be replicated for other retail categories as opportunities develop.

For purposes of this analysis, retail categories studied included books, children's clothing, drug, grocery, hobby/toy, kitchen/other housewares, and video/disc rental. Because of the competition posed by large department and big-box stores in the area, the selected retail categories were analyzed in the context of co-existing with category killers, department stores and other big box retail developments in surrounding suburban areas.

Contributors

A multidisciplinary project team worked collaboratively with local input from business leaders for over one year on this analysis. The team's recommendations to assist future retail development are identified in the conclusions. Conclusions are made for the purpose of discussion and evaluation, but should not be considered final opinion for business investment decisions.

- The research design, supervision, and reporting was provided by Bill Ryan and Matt Kures, Center for Economic Development, University of Wisconsin Extension, with the help of students Nina Mitchell, and Regina Gullicksrud.
- Community participation was coordinated by Bud Miyamoto and Joanne Sandvick, Downtown Mainstreet Inc., as well as survey summaries.
- Project funding and research input, including a resident survey, was provided by Larry Kirch, Adrian Slaght, Tim Kabat, Tim Acklin, and Michael Kraemer from the City Planning Department.
- Research support and reporting was contributed by Jan Gallagher, UW-La Crosse Small Business Development Center.
- Other contributors include business leaders who participated in surveys, interviews and review sessions.

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Size and Shape of Trade Areas

This section describes the size and shape of the trade areas for Downtown La Crosse businesses. It defines the boundaries that will serve as the basis for further analysis in this report.

The trade area for Downtown La Crosse is the geographic region from which the majority of the retail and service business customers originate. While there is an important tourism customer base in La Crosse, the local residents and employees still provide the majority of spending potential. These patrons may be regular clientele, employees working in Downtown La Crosse or could be unrealized future customers.

Defining a trade area for Downtown La Crosse requires analyzing its unique market characteristics. That is, given its location and business mix, Downtown La Crosse will likely have a different trade area than other shopping districts in the area (i.e. Valley View Mall or Onalaska power center). Also, each individual business in Downtown La Crosse will have its own unique trade area. That is, some businesses will draw customers from a greater distance than others.

Nonetheless, several concise trade areas need to be defined, each reflecting a different market area for the downtown. These unique geographic areas will be used as Downtown La Crosse's primary, secondary and convenience trade areas. For purposes of market analysis, an area that generates an overall average of 75% of all customers is used to establish the primary trade area. Additionally, the secondary and convenience trade areas serve two other unique, but important market segments. The secondary trade area may generate an additional 10% to 15% of the customers to the business district. Furthermore, the convenience trade area is a smaller geographic area that caters primarily to the basic needs of the local population.

Primary and Secondary Trade Areas

In this study, the method used to define La Crosse's primary trade area was to examine actual customer origins using their zip codes. These zip codes were obtained from a variety of representative attractions and businesses including retailers, service businesses and community organizations. Furthermore, the analysis recognizes that other people doing business in La Crosse, such as people visiting friends/relatives, traveling business people, tourists, and some distant employees are not represented here. Nonetheless, these establishments represent nine important and substantial attractions within La Crosse and are likely to be representative of other businesses.

- Business #1 – Retail business
- Business #2 – Retail business
- Business #3 – Retail business
- Business #4 – Retail business
- Business #5 – Retail business
- Business #6 – Service business
- Business #7 – Regional attraction
- Business #8 – Regional attraction
- Business #9 – Regional attraction

Information from these businesses was analyzed and mapped using Geographic Information Systems (GIS). Mapping customer and employee zip codes provides one estimate of the trade area. Again, we must recognize that each business has a unique trade area. Furthermore, people residing in the trade area purchase certain goods and services outside the area. However, this method does have distinct advantages as it is based on actual customer data. The maps and tables in Appendix 1 depict the results of the analysis for each business.

The maps and tables in Appendix 1 show the diversity of customer origins among the different businesses. This diversity depicts the complex nature of both the business district and the task of defining a primary trade area. However, the data shows that the La Crosse and Onalaska zip codes typically generate the majority of the customers to Downtown La Crosse. Furthermore, there are a number of other zip codes that generate customers on a regular basis, as well as zip codes in close geographic proximity, that need to be included in the trade area. The fifteen zip codes in the following table are those that typically generate 75% of the customers to Downtown La Crosse. Accordingly, these zip codes comprise Downtown La Crosse's primary trade area.

54601 - La Crosse, WI	54636 – Holmen, WI	55921 – Caledonia, MN
54603 - La Crosse, WI	54650 – Onalaska, WI	55925 – Dakota, MN
54621 – Chaseburg, WI	54658 – Stoddard, WI	55931 – Eitzen, MN
54623 - Coon Valley, WI	54669 - West Salem, WI	55941 – Hokah, MN
54632 – Genoa, WI	55919 – Brownsville, MN	55947 - La Crescent, MN

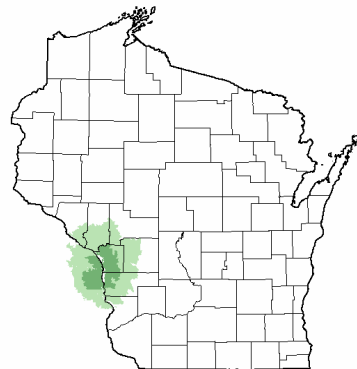
In addition to the primary trade area, a secondary trade area has been defined. The secondary trade area is based somewhat on the customer data, but also on the region's geography. La Crosse is located in a unique geographic position. It is somewhat isolated from other major competing retail centers. Smaller retail areas such as Tomah and Sparta to the east and Black River Falls to the northeast do provide some competition in certain retail categories. However, La Crosse is well separated from Rochester (MN), Eau Claire, Madison, Wisconsin Rapids, and Minneapolis. This isolation makes La Crosse a likely destination from more remote areas.

Using the additional customer information and the geographic distribution of competing commercial centers, it was determined that the secondary trade area was comprised by those zip codes within a 25-mile radius of downtown La Crosse. This distance effectively separates La Crosse from other competing commercial centers and represents a reasonable travel distance to Downtown La Crosse. The 25 zip codes in the secondary trade area are listed in the table below.

52140 – Dorchester, IA	54627 – Ettrick, WI	54661 – Trempealeau, WI
52151 – Lansing, IA	54628 – Ferryville, WI	54665 – Viroqua, WI
52160 – New Albin, IA	54629 – Fountain City, WI	54667 – Westby, WI
54612 – Arcadia, WI	54630 – Galesville, WI	55943 – Houston, MN
54614 – Bangor, WI	54642 – Melrose, WI	55971 – Rushford, MN
54616 – Blair, WI	54644 – Mindoro, WI	55974 – Spring Grove, MN
54619 – Cashton, WI	54653 – Rockland, WI	55987 – Winona, MN
54624 – De Soto, WI	54656 - Sparta	54659 – Taylor, WI
54625 – Dodge, WI		

The map on the following page summarizes the primary and secondary trade areas for Downtown La Crosse.

This map shows the city of La Crosse, Wisconsin, and its surrounding region. The city of La Crosse is highlighted with a red dot and labeled in the center. The map includes major roads, water bodies, and numerous towns and cities. The map is titled "La Crosse, WI" in the top right corner.



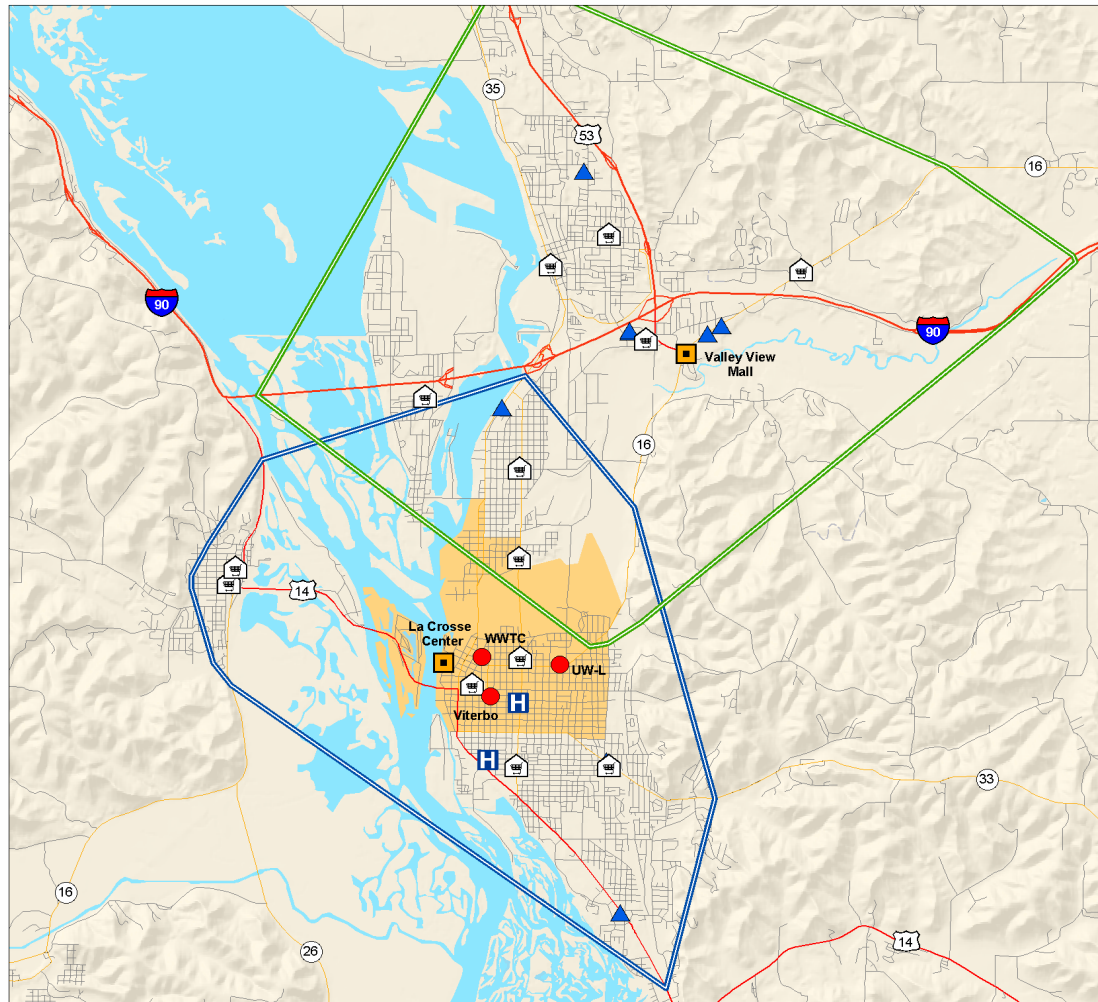
Convenience Trade Area

Typically, convenience shopping is done on the basis of need and proximity, rather than on the basis of comparison. That is, people are less likely travel long distances to serve their basic needs. Grocery stores, convenience stores/gas stations, and pharmacies are typical types of stores that serve a local market instead of customers traveling great distances. However, the emergence of big-box formats such as Super Wal-Mart and 100,000+ sq ft. grocery stores (i.e. Woodman's) are changing the way that people shop for convenience items.

Accordingly, the convenience trade area is a smaller area that will serve the local residents of the downtown area. It is located within and included as part of the La Crosse primary trade area. In determining the convenience trade area, it is important to analyze where people might shop for convenience goods and services relative to Downtown La Crosse. In doing so, the locations of large department and grocery stores were located on a map. Furthermore, five-minute drive times around Downtown La Crosse and the Valley View Mall area were calculated. Using this information, areas surrounding Downtown La Crosse were analyzed to determine the areas most isolated from competition. The results are shown on the following map.

It should be noted that the convenience trade area is comprised of U.S. Census Block Groups rather than zip codes. Using these smaller areas provides a more refined area and allows analysis of the area's demographics. Furthermore, as with any trade area, people living in the area may still travel to outlying areas for their shopping. However, the proximity of UW-La Crosse, Viterbo University, Western Wisconsin Technical College and other attractions provide this area with a number of opportunities for capturing convenience shoppers.

Downtown La Crosse Convenience Trade Area



0 1 2 4 Miles

Convenience Trade Area

Attractions and Primary Competition

- Hospital
- Higher Educational Institutions
- Grocery Stores
- General Department Stores
- Other Area Attractions

Drive Times - Five Minutes

- Downtown La Crosse
- Valley View Mall
- Interstate Highway
- U.S. Highway
- State Highway
- Local Road



Trade Area Demographic and Lifestyle Characteristics

This section provides key economic, demographic and lifestyle data for the La Crosse trade areas defined in Section 1. This information and the trends it reveals are important as they have a direct impact on the potential sales of retail goods and services downtown.

This section contains a number of four-column demographic data tables. The first, second, and third columns of each table describe Downtown La Crosse's primary trade area, secondary trade area, and convenience trade area, respectively. The convenience trade area is included within the primary trade area as well. The fourth column provides comparison data about the combined states of Wisconsin and Minnesota. Given the trade areas' geographic location, the demographic information from these two states provides a baseline to be used in understanding the primary, secondary, and convenience trade areas. As this data comes from two U.S. Census Bureau sources, there may be variations in numbers.

Part I – General Population Characteristics

Population and Households

Population and household data are the basis for quantifying the current market size and growth trends, both of which are vital in determining consumer demand. Population is defined as all persons living in a geographic area. Households consist of one or more persons who live together in the same housing unit, regardless of their relationship to each other (including all occupied housing units). In addition to current figures, historic or anticipated household or population growth may indicate future business opportunities.

The data shows that both the population and households within the Downtown La Crosse trade areas have experienced some growth. The primary trade area (population 124,244) has experienced growth rates similar to the states of Wisconsin and Minnesota. However, the growth in the secondary trade area (now at 106,832 persons) has occurred at a slower rate. This slower growth rate is likely a result of the rural nature of the secondary trade area. The convenience trade area includes 21,185 residents, a sizeable and important submarket in the community.

Population and Households	La Crosse Primary Trade Area	La Crosse Secondary Trade Area	Convenience Trade Area*	Wisconsin and Minnesota
2000 Population	124,244	106,832	21,185	10,283,154
1990 Population	112,501	101,823	21,539	9,266,868
Percent Change 1990 - 2000	10.4%	4.9%	-1.6%	11.0%
2000 Households	48,290	41,336	7,854	3,979,671
1990 Households	42,093	37,592	7,882	3,469,971
Percent Change 1990 - 2000	14.7%	10.0%	-.4%	14.7%

*Also included within the La Crosse Primary Trade Area.

Household Composition

Households can be composed of people living alone, families with or without children, single parent households, or a number of unrelated people living together. Given these different arrangements, household composition is important in identifying different retail opportunities. For instance, households with children generally will spend more money on children's clothes and food while married households without children will spend more on appliances and home furnishings. Accordingly, the following table describes the different types of household units within the La Crosse trade areas.

The La Crosse primary trade area and convenience trade area have smaller percentages of family households. Most likely, these differences are due to the presence of UW-La Crosse, Viterbo University and Western Wisconsin Technical College (WWTC) within the primary trade area. In spite of these differences, it should be noted that the primary and secondary trade areas have a similar percentage of traditional family households with children living at home. Furthermore, these two areas both have similar household and family sizes.

Household Type (2000)	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Convenience Trade Area*		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total households	48,290	N/A	41,336	N/A	7,854	N/A	3,979,671	N/A
Non-family households	17,927	37.1%	14,363	34.7%	5,202	66.2%	1,337,715	33.6%
Family households	30,363	62.9%	26,973	65.3%	2,652	33.8%	2,641,956	66.4%
Married-couple family	24,897	51.6%	22,240	53.8%	1,908	24.3%	2,126,842	53.4%
With own children under 18 years	11,210	23.2%	9,653	23.4%	818	10.4%	971,145	24.4%
Male householder, no wife Present	1,510	3.1%	1,590	3.8%	189	2.4%	146,032	3.7%
With own children under 18 years	861	1.8%	906	2.2%	90	1.1%	80,062	2.0%
Female householder, no husband present	3,956	8.2%	3,143	7.6%	555	7.1%	369,082	9.3%
With own children under 18 years	2,642	5.5%	2,003	4.8%	325	4.1%	240,323	6.0%
Average Household Size	2.46	N/A	2.46	N/A	2.19	N/A	2.51	N/A
Average Family Size	3.03	N/A	3.02	N/A	N/A	N/A	3.07	N/A

*Also included within the La Crosse Primary Trade Area.

Age

Age is an important demographic factor to consider because the type of personal expenditures change with age. For example, drug stores and assisted care services flourish in areas with a large elderly population. Toy stores, day care centers, and stores with baby care items are often successful in areas with many children and infants. Clothing stores and fast food establishments thrive in retail areas that contain a large concentration of adolescents. Furthermore, specialized entertainment and recreation options can target certain age segments.

There are a number of age differences between the convenience trade area and the primary and secondary trade areas. The convenience trade area is younger with higher percentages of people between the ages of 15 and 24. However, given the presence of UW-La Crosse, Viterbo, and WWTC, these numbers should not be surprising. These values are reflected in the upper age categories, with the primary and secondary trade area having higher proportions of people age 35 or over. An interesting

difference between the La Crosse trade area and the statewide data for Wisconsin and Minnesota is shown in the age groups 25 to 34 years and 35 to 44 years. The statewide figures for Wisconsin and Minnesota have higher percentages of residents in these age groups, suggesting that the La Crosse area may have an outflow of college graduates to other areas.

Age Category	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Convenience Trade Area*		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 5 years	7,373	5.9%	6,187	5.8%	677	3.2%	671,934	6.5%
5 to 9 years	8,319	6.7%	6,970	6.5%	691	3.3%	735,378	7.2%
10 to 14 years	8,775	7.1%	7,784	7.3%	795	3.8%	778,069	7.6%
15 to 19 years	10,827	8.7%	9,408	8.8%	3,406	16.1%	781,557	7.6%
20 to 24 years	12,433	10.0%	8,684	8.1%	6,605	31.2%	679,775	6.6%
25 to 34 years	15,393	12.4%	11,953	11.2%	2,302	10.9%	1,379,306	13.4%
35 to 44 years	18,676	15.0%	15,663	14.7%	2,019	9.5%	1,699,704	16.5%
45 to 54 years	16,557	13.3%	14,345	13.4%	1,589	7.5%	1,398,002	13.6%
55 to 64 years	9,854	7.9%	9,608	9.0%	970	4.6%	862,610	8.4%
65 to 74 years	8,019	6.5%	7,549	7.1%	859	4.1%	651,132	6.3%
75 to 84 years	5,775	4.6%	5,963	5.6%	859	4.1%	464,461	4.5%
85 years and over	2,243	1.8%	2,718	2.5%	413	1.9%	181,226	1.8%

*Also included within the La Crosse Primary Trade Area.

Mobility Rates

Mobility rates examine population and housing turnover within the last five years. The rate of turnover will affect the need for business marketing strategies, as well as possible need for building community relationships and involvement. The category "Same house in 1995" includes all residents who did not move during the previous five-year period. Furthermore, the category "Different house in 1995" defines those people that moved during the same period. This category is subdivided into people that moved within the same county, from different counties in Wisconsin and from a different state.

With 69.6% of the population having moved since 1995, the convenience trade area is more mobile than the primary trade area, the secondary trade area, and the State's. Again, the large student population accounts for differences.

Mobility Category – Age 5 and Over (2000)	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Convenience Trade Area*		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Population – Age 5 and over	116,905	N/A	100,585	N/A	20,399	N/A	9,613,564	N/A
Same house in 1995	62,434	53.4%	59,343	59.0%	6,203	30.4%	5,453,831	56.7%
Different house in 1995	54,471	46.6%	41,242	41.0%	14,196	69.6%	4,159,733	43.3%
Same county	28,929	24.7%	21,221	21.1%	-	-	2,167,192	22.5%
Different county	24,838	21.2%	19,294	19.2%	-	-	1,843,507	19.2%
Within Wisconsin	15,246	13.0%	10,795	10.7%	-	-	1,150,149	12.0%
Different state	9,592	8.2%	8,499	8.4%	-	-	693,358	7.2%
Elsewhere in 1995	704	0.6%	727	0.7%	-	-	149,034	1.6%

*Also included within the La Crosse Primary Trade Area.

Housing Tenure and Occupancy Rate

Housing tenure refers to the number of owner occupied and renter occupied housing units. The occupancy rate relates the number of housing units that were occupied in 2000 and examines the number of seasonal housing units. These statistics are valuable in analyzing the potential for a variety of different

products and services. For instance, home ownership directly correlates with expenditures for home furnishings and home equipment. Home improvement, furniture, appliances, hardware, paint/wallpaper, floor covering, garden centers and other home products often prosper in active housing markets.

Typical of many larger communities with universities, the La Crosse convenience and primary trade areas have higher percentages of renter-occupied housing, with a low vacancy rate. These conditions differ from the secondary trade area as it has a high percentage of owner-occupied units.

Housing Tenure (2000)	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Convenience Trade Area*		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total housing units	50,770	N/A	44,858	N/A	8,325	N/A	4,387,090	N/A
Occupied housing units	48,290	95.1%	41,336	92.1%	7,854	94.3%	3,979,671	90.7%
Vacant housing units	2,480	4.9%	3,522	7.9%	471	5.7%	407,419	9.3%
For seasonal or Rec. use	615	1.2%	1,546	3.4%	53	.6%	247,922	5.7%
Occupied Housing Types								
Owner-occupied housing units	32,633	67.6%	30,400	73.5%	2,618	33.3%	2,839,226	71.3%
Renter-occupied housing Units	15,657	32.4%	10,936	26.5%	5,236	66.7%	1,140,445	28.7%

*Also included within the La Crosse Primary Trade Area.

Income

As household income positively correlates with retail expenditures in many product categories, household income is a good indicator of spending power. Retailers may consider the median or average household income in a trade area or seek a minimum number of households within a certain income range. Another common practice is to analyze the distribution of household incomes. Discount stores avoid extreme high or low-income areas. Some specialty fashion stores target incomes above \$75,000. A few store categories including auto parts are more commonly found in areas with lower household incomes. It should be noted that using income as the sole measure of a markets' taste preference can be deceptive.

The following chart and graph depicts income in the Downtown La Crosse trade areas. The primary, secondary, and convenience trade areas have lower household and per capita incomes than the states of Wisconsin and Minnesota. (The incomes in the convenience trade area are likely depressed by the presence of lower income households and the large student population.) Furthermore, lower incomes in rural areas, such as the secondary trade area, are common.

Household Income (1999)	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Convenience Trade Area*		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	3,684	7.6%	3,908	9.5%	1,377	17.4%	276,919	7.0%
\$10,000 to \$14,999	3,322	6.9%	3,045	7.4%	1,006	12.7%	223,571	5.6%
\$15,000 to \$24,999	7,090	14.7%	6,413	15.5%	1,554	19.6%	480,986	12.1%
\$25,000 to \$34,999	6,977	14.4%	6,521	15.8%	1,292	16.3%	510,333	12.8%
\$35,000 to \$49,999	8,801	18.2%	8,141	19.7%	1,007	12.7%	700,278	17.6%
\$50,000 to \$74,999	10,244	21.2%	8,207	19.9%	932	11.8%	899,166	22.6%
\$75,000 to \$99,999	4,524	9.4%	2,982	7.2%	365	4.6%	455,208	11.4%
\$100,000 to \$149,999	2,342	4.8%	1,362	3.3%	229	2.9%	290,284	7.3%
\$150,000 to \$199,999	653	1.4%	336	0.8%	92	1.2%	71,332	1.8%
\$200,000 or more	688	1.4%	396	1.0%	77	1.0%	74,436	1.9%
Per Capita Income	\$19,827	N/A	\$17,408	N/A	\$14,632	N/A	\$22,193	N/A
Ave. Household Inc.	\$49,863	N/A	\$43,986	N/A	\$36,563	N/A	\$56,474	N/A

*Also included within the La Crosse Primary Trade Area.

Education

Education is another way to determine the socio-economic status of an area. Because income often increases with advancing educational attainment, many retailers focus on income level rather than education. One exception is bookstores, which are often sited by developers based on the number of college-educated individuals in the trade area. Similarly, computer and software stores are often located in areas with high levels of education.

It should be noted that education data is only analyzed for the population age 25 or older. Accordingly, many of the students attending UW-La Crosse, Viterbo and WWTC will not be included in the following table. Nonetheless, the primary trade area, convenience trade area and both Wisconsin and Minnesota have similar proportions of people with a bachelor's degree. The convenience trade area has a higher percentage of people with graduate or professional degrees. The distribution differs in the secondary trade area with a smaller percentage of residents with a college degree and a larger percentage with a high school degree.

Educational Attainment (Highest Level Attained)	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Convenience Trade Area*		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Population over 25 years	76,750	N/A	67,542	N/A	9,142	N/A	6,640,223	N/A
Less than 9th grade	3,528	4.6%	5,768	8.5%	424	4.6%	344,983	5.2%
9th to 12th grade, no diploma	4,777	6.2%	6,524	9.7%	728	8.0%	554,779	8.4%
High school graduate (includes equivalency)	24,506	31.9%	24,632	36.5%	2,520	27.6%	2,114,485	31.8%
Some college, no degree	16,648	21.7%	13,542	20.0%	2,170	23.7%	1,474,817	22.2%
Associate degree	8,150	10.6%	5,272	7.8%	605	6.6%	503,804	7.6%
Bachelor's degree	12,371	16.1%	8,208	12.2%	1,570	17.2%	1,135,478	17.1%
Graduate or Prof degree	6,770	8.8%	3,596	5.3%	1,125	12.3%	511,877	7.7%

*Also included within the La Crosse Primary Trade Area.

Part II – Residential Consumer Classification and Lifestyle Segmentation

An analysis of demographics can provide basic information about consumers in the trade area. However, trade area residents can be examined in more detail by examining lifestyle segmentation information. Lifestyle segmentation systems examine the population's buying habits and preferences. One specific lifestyle segmentation system, ACORN™ (A Classification of Residential Neighborhoods), was purchased from ESRI Business Solutions to provide useful information about households in the trade area.

ACORN™ data is available for individual neighborhoods for the entire country. Consumers are classified into 43 demographic and behaviorally distinct clusters. The clusters are based on type of neighborhood (urban, suburban, rural); the residents' socio-economic status (age, income, occupation, type and value of residence); and their buying behaviors and preferences. ACORN™ data is updated annually using various national and local data sources.

The table on the following page shows statewide data for the distribution of ACORN categories in the primary, secondary, and convenience trade areas in comparison to Minnesota and Wisconsin. While there is a wide distribution of classifications, the three largest for the primary trade area are 6C – Newly Formed Households, 7A – Middle America, and 2B – Baby Boomers with Children. While 7A is a common ACORN category in the rural Midwest, 6C and 2B are more prevalent in the primary trade area than Wisconsin and Minnesota. Accordingly, these two categories will be important in distinguishing some of the consumer differences in the primary trade area. However, as no category contributes more than 13.2%, categories with a smaller percentage of the households should not be discounted as important consumer segments.

The secondary trade area's four largest categories are 7A – Middle America, 7D – Prairie Farmers, 7G – Heartland Communities, and 6C – Newly Formed Households, with 7A being the largest (17.7% of the households). While there is some overlap in categories with the primary trade area, the distributions are somewhat different. While the 7A category has a larger percentage in the secondary trade area than that of Wisconsin and Minnesota, it should be noted that 7A is the most common category in the Midwest.

The convenience trade area is made up of three significant categories: 5A – Twentysomethings, 5B – College Campuses and 6C – Newly Formed Households. The makeup of the convenience trade area is not surprising given the location of the three college campuses in Downtown La Crosse.

The descriptions of each of these ACORN categories are included in Appendix 2. Additionally, these categories should be examined using the accompanying ACORN User Guide CD. This in-depth examination should include an analysis of the Purchase Potential Index (PPI) for each category. Furthermore, the data on this CD should be made available to existing and prospective business operators in the business district.

ACORN CATEGORY	La Crosse Primary Trade Area	La Crosse Secondary Trade Area	Convenience Trade Area*	Wisconsin and Minnesota
	Percent of All Households	Percent of All Households	Percent of All Households	Percent of All Households
1A – Top One Percent	0.0%	0.0%	0.0%	0.5%
1B – Wealthy Seaboard Suburbs	0.0%	0.0%	0.0%	0.2%
1C – Upper Income Empty Nesters	2.0%	1.1%	0.0%	2.9%
1D – Successful Suburbanites	0.8%	0.4%	0.0%	1.5%
1E – Prosperous Baby Boomers	2.2%	1.2%	0.0%	4.3%
1F – Semirural Lifestyle	8.6%	5.4%	0.0%	7.5%
2A – Urban Professional Couples	2.8%	2.9%	5.7%	3.9%
2B – Baby Boomers with Children	10.1%	5.5%	0.0%	5.7%
2C – Thriving Immigrants	0.0%	0.0%	0.0%	0.0%
2D – Pacific Heights	0.6%	0.3%	0.3%	0.1%
2E – Older, Settled Married Couples	2.8%	2.1%	0.0%	5.7%
3A – High Rise Renters	0.0%	0.0%	0.0%	0.6%
3B – Enterprising Young Singles	0.9%	0.5%	0.0%	3.3%
4A – Retirement Communities	2.0%	1.5%	5.9%	1.2%
4B – Active Senior Singles	1.8%	1.4%	0.0%	2.7%
4C – Prosperous Older Couples	3.0%	1.6%	3.8%	3.0%
4D – Wealthiest Seniors	0.0%	0.0%	0.0%	0.1%
4E – Rural Resort Dwellers	0.0%	0.2%	0.0%	3.5%
4F – Senior Sun Seekers	0.0%	0.0%	0.0%	0.1%
5A – Twentysomethings	5.7%	3.8%	24.4%	2.7%
5B – College Campuses	4.0%	2.9%	16.8%	1.1%
5C – Military Proximity	0.0%	0.0%	0.0%	0.0%
6A – East Coast Immigrants	0.0%	0.0%	0.0%	0.0%
6B – Working Class Families	0.0%	0.0%	0.0%	0.1%
6C – Newly Formed Households	13.2%	10.6%	28.1%	9.8%
6D – Southwestern Families	0.0%	0.0%	0.0%	0.0%
6E – West Coast Immigrants	0.0%	0.0%	0.0%	0.1%
6F – Low Income, Young and Old	1.9%	1.4%	4.1%	2.0%
7A – Middle America	12.5%	17.7%	0.0%	13.2%
7B – Young Frequent Movers	5.1%	4.6%	0.0%	1.7%
7C – Rural Industrial Workers	0.8%	1.1%	1.1%	1.1%
7D – Prairie Farmers	3.9%	10.8%	0.0%	4.8%
7E – Small Town Working Families	6.9%	6.4%	6.0%	2.2%
7F – Rustbelt Neighborhoods	4.1%	5.1%	3.9%	3.8%
7G – Heartland Communities	3.2%	10.0%	0.4%	7.1%
8A – Young Immigrant Families	0.0%	0.0%	0.0%	0.0%
8B – Social Security Dependents	1.1%	1.5%	5.3%	1.2%
8C – Distressed Neighborhoods	0.0%	0.0%	0.0%	0.9%
8D – Hard Times	0.0%	0.0%	0.0%	0.1%
8E – Urban Working Families	0.0%	0.0%	0.0%	1.1%
9A – Business Districts	0.1%	0.0%	0.2%	0.0%
9B – Institutional Populations	0.0%	0.0%	0.0%	0.0%
9C – Unpopulated Areas	0.0%	0.0%	0.0%	0.0%

*Also included within the La Crosse Primary Trade Area.

Part III – Employment and Labor Force Characteristics

Employment by Industry and Occupation

Many retailers use the concentration of white or blue-collar workers as another gauge of a market's taste preferences. Specialty apparel stores and personal services (such as dry-cleaning) thrive in middle to upper income areas and above average white-collar employment. Second hand clothing stores and used car dealerships are successful in areas with a higher concentration of blue-collar workers. Office supply stores, large music, and video stores are especially sensitive to the occupational profile. These retailers target growth areas with a majority of white-collar workers.

The following tables present the breakdown of workers by industry and occupation for the primary and secondary trade areas compared to the two states of Wisconsin and Minnesota. Data for the convenience trade area was not available for this analysis.

The data shows that both the primary and secondary trade areas are somewhat unique when compared to the states of Wisconsin and Minnesota. The primary trade area has a similar concentration of white-collar workers to that of Wisconsin and Minnesota. However, in contrast to statewide data, a large number of these workers come from the educational, health and social service industries.

While the primary trade area has a more traditional white-collar/blue-collar ratio, the secondary trade area has a greater blue-collar composition. Workers in the secondary trade area rely more heavily on the agriculture and manufacturing industries than either the primary trade area or states of Wisconsin and Minnesota.

Industry Category	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent
Total	66,035	N/A	54,405	N/A	5,314,971	N/A
Agriculture, forestry, fishing and hunting, and mining	1,313	2.0%	3,959	7.3%	143,301	2.7%
Construction	3,655	5.5%	3,090	5.7%	314,892	5.9%
Manufacturing	10,272	15.6%	12,782	23.5%	1,026,116	19.3%
Wholesale trade	2,776	4.2%	1,901	3.5%	180,833	3.4%
Retail trade	9,429	14.3%	5,660	10.4%	625,595	11.8%
Transportation and warehousing, and utilities	2,869	4.3%	2,315	4.3%	255,340	4.8%
Information	1,528	2.3%	1,348	2.5%	125,602	2.4%
Finance, insurance, real estate, and rental and leasing	3,322	5.0%	1,933	3.6%	352,934	6.6%
Professional, scientific, management, administrative, and waste management services	3,921	5.9%	2,132	3.9%	406,567	7.6%
Educational, health and social services	16,687	25.3%	11,174	20.5%	1,087,222	20.5%
Arts, entertainment, recreation, accommodation and food services	5,818	8.8%	3,819	7.0%	384,529	7.2%
Other services (except public administration)	2,405	3.6%	2,251	4.1%	229,350	4.3%
Public administration	2,040	3.1%	2,041	3.8%	182,690	3.4%

Occupation Category (2000)	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent
Total Employees	66,035	N/A	54,405	N/A	5,314,971	N/A
Management, business, and financial operations	7,327	11.1%	7,213	13.3%	735,112	13.8%
Professional and related occupations	13,427	20.3%	8,437	15.5%	1,045,861	19.7%
Service occupations	10,875	16.5%	8,529	15.7%	737,766	13.9%
Sales and office occupations	17,702	26.8%	12,197	22.4%	1,373,749	25.8%
Farming, fishing, and forestry	336	0.5%	1,180	2.2%	43,399	0.8%
Construction, extraction, and maintenance	5,257	8.0%	4,625	8.5%	454,380	8.5%
Production, transportation, and material moving	11,111	16.8%	12,224	22.5%	924,704	17.4%

Labor Force Participation Rates and Composition

The following table depicts the size and composition of the resident labor force. The labor force considers all people age 16 and over that are employed, unemployed or on active duty in the U.S. Armed Forces. People age 16 and over who are not members of the labor force consist mainly of students, individuals taking care of home or family, retirees, seasonal workers and institutionalized people.

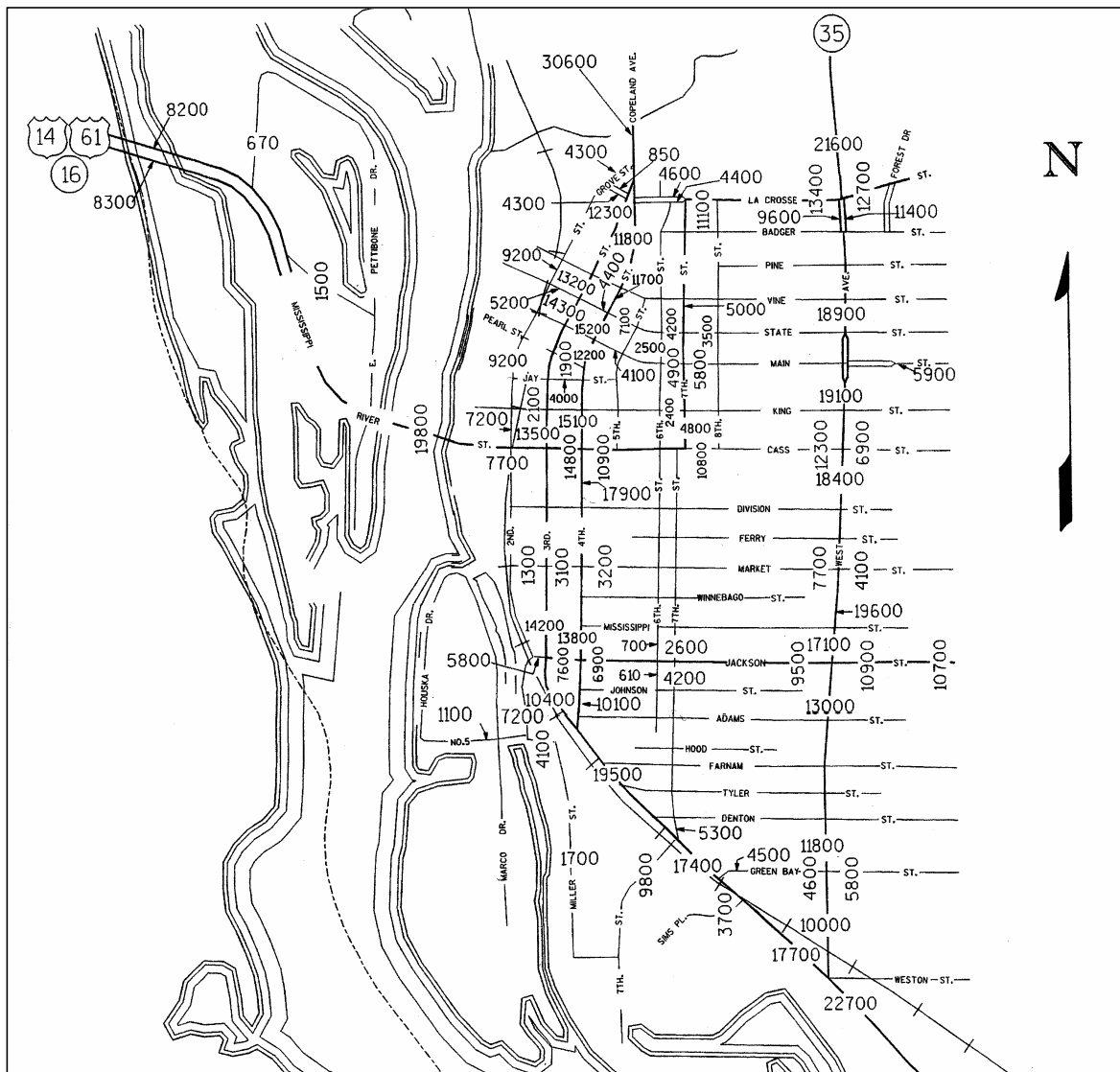
Overall, the primary trade area has a slightly higher labor participation rate than that of the secondary trade area and is similar to that of Wisconsin and Minnesota. This may be due to a population with a younger composition. It should be noted that the primary trade area has a slightly lower unemployment rate than either the States or the secondary trade area. However, these values change monthly and the rates shown here may not represent current conditions. Current unemployment data is available by county from the Wisconsin Department of Workforce Development.

Labor Force Category (2000)	La Crosse Primary Trade Area		La Crosse Secondary Trade Area		Wisconsin and Minnesota	
	Number	Percent	Number	Percent	Number	Percent
Total Population 16 and Over	97,931	N/A	84,004	N/A	7,938,786	N/A
Total Population in Labor Force and Overall Participation Rate	68,913	70.4%	57,363	68.3%	5,563,813	70.1%
In Armed Forces	43	0.1%	224	0.4%	5,462	0.1%
Employed	66,035	95.8%	54,405	94.8%	5,314,971	95.5%
Unemployed	2,835	4.1%	2,734	4.8%	243,380	4.4%
Total Males Age 16 and Over	46,761	N/A	40,904	N/A	3,880,678	N/A
Males in labor force and Male Participation Rate	35,315	75.5%	30,134	73.7%	2,924,575	75.4%
Total Females Age 16 and Over	51,170	N/A	43,100	N/A	4,058,108	N/A
Females in Labor Force and Female Participation Rate	33,598	65.7%	27,229	63.2%	2,639,238	65.0%
Labor Force - Percent Male	N/A	51.2%	N/A	52.5%	N/A	52.6%
Labor Force - Percent Female	N/A	48.8%	N/A	47.5%	N/A	47.4%

Part IV - Traffic Data

Street and highway traffic volume provides an important indicator of travel through a community. Retailers typically seek locations on major arteries and often require minimum average daily traffic counts to survive. More specifically, the locations of businesses such as gasoline stations, convenience stores and fast food restaurants are based on traffic volume and the access to and visibility from high traffic streets and highways. Examining traffic counts will aid in determining the feasibility of these types of businesses. Conversely, while high traffic counts are desirable, extreme traffic congestion can be a deterrent to shoppers. That is, high traffic may hinder visibility, parking and pedestrian friendliness.

The following map shows traffic counts throughout the La Crosse area. While traffic counts vary throughout the Downtown business district, the consistently highest counts are on 4th and 3rd Streets. The busiest intersections near the business district are at the junctions of Cass Street/4th Street and Cass Street/3rd Street. While these intersections are slightly to the south of the business district, there are still considerable traffic counts at the corners of Main Street/4th Street and Main Street/3rd Street. These areas are best suited for convenience businesses (when parking is available) and stores that need high visibility. The side streets with lesser traffic counts are more suited for destination retailers and business types that do not need typically need higher traffic counts (such as upscale dining establishments).



Sources of Data

Part I - U.S. Census Bureau – 1990 and 2000 Decennial Census Population and Housing

Part II - ESRI Business Information Solutions

Part III - U.S. Census Bureau – 1990 and 2000 Decennial Census Population and Housing

Part IV - Wisconsin Department of Transportation

Shopping Habits and Preferences of Target Consumer Groups

The following section presents consumer information related to tourists, college students, office-based workers and clients, residents of nearby neighborhoods, and health care clients. It discusses the buying behaviors of each market segment, as well as retail opportunities that may effectively serve these groups.

The Developer and Business Recruitment Plan for downtown La Crosse (prepared by Vandewalle & Associates, February, 1997) recommended a number of target market consumer groups that could provide the basis for attracting new customers downtown. In this section, the segments are defined (after slight modifications), described within the context of the La Crosse market, and examined in terms of buying behavior. Product or store categories important to each segment are also identified.

The five segments that follow include the following

- visitors and tourists
- college students
- office-based workers and clients
- residents of nearby neighborhoods, and
- health care clients.

In addition, there are many other residents within the primary and secondary trade areas (including those residing in La Crosse County) that are not included in these five categories but are nevertheless important potential downtown customers. Accordingly, the general population in the surrounding trade areas must not be excluded in determining retail opportunities appropriate for downtown La Crosse.

Additional research on downtown shoppers was also conducted for the RiverValley Newspaper Group by Belden Associates (see Appendix 3). The research examined demographics, media usage and shopping patterns. While the “trade area” they defined for media purposes differs from that used in this analysis, the findings are still useful in understanding the downtown market.

I. Visitors and Tourists Sector

According to a report prepared for the Wisconsin Department of Tourism by Davidson-Peterson Associates, shopping and food expenditures represented 55% of visitor spending in Wisconsin in 2003. The importance of shopping and dining out provides a significant opportunity for downtown retailers and restaurant operators to generate additional income. For businesses to capture this potential spending, they must know who their target customers are and be able to expand their products and services to satisfy visitors' needs.

La Crosse Market

Visitors are attracted to La Crosse because of business and industry, colleges, convention facilities, and hospitals. Cultural events coupled with the community's historic riverfront atmosphere make La Crosse an attractive destination for tourists. The natural environment created by the Mississippi River and surrounding bluffs makes La Crosse a unique community that residents and tourists alike enjoy throughout the year.

According to the 2000 Market Survey of La Crosse Area Tourists and Visitors, the primary draw to the La Crosse area for visitors was sightseeing, followed by visiting family and friends, other reasons, shopping, attending events, meetings and conventions and visiting college. Those who responded "other reasons" most often came for a doctor's appointment.

As indicated in Section 1, almost 90% of tourist inquiries come from locations over four hours away. Milwaukee, the Twin Cities and Chicago each generate about 10-percent of the inquiries received. The majority of the remaining inquiries come from communities throughout Wisconsin and the Midwest.

The La Crosse community has its own convention center, the La Crosse Center. The Center hosts many concerts and conventions that draw people from many miles around. Many state organizations (such as union groups) rotate their annual meetings and include La Crosse in their circuit. The La Crosse Center also serves as a home to many regional trade shows and sporting events. The largest draws to the area are the annual Oktoberfest and Riverfest celebrations. In addition to large events, the three colleges in the area bring visitors to the city for orientations, family weekends, sporting events and other activities.

Buying Behaviors

Shopping is the most universal element in tourist experiences. According to the Tourism Works for America Report - 1998 by the Travel Industry of America Association (TIA), shopping ranked first among the most popular leisure activities among U.S. travelers. Of all retail dollars spent, it is believed that tourists account for 8.2% of it. According to research done by TIA in 2000, tourists spend more on clothing or shoes than on souvenirs. Items purchased on a recent trip by respondents are listed below:

Items Purchased on Most Recent Trip	% Purchased
Clothing or shoes	77%
Souvenirs	49%
Books or Music	42%
Specialty foods/beverages	41%
Kids toys	39%
Items/crafts, local or unique to destination	37%
Jewelry or accessories	36%
Home accessories or furnishings	23%
Home electronics	16%
Sports equipment	15%
Camera and/or equipment	15%
Artwork	15%
Luggage	9%
Camping equipment	7%

Factors that may influence attitudes toward a tourist's shopping experience include:

- Perceptions of souvenir authenticity
- Craft product features
- Shopping value
- Past travel experiences
- Quality of store environment
- How products fit into one's identity.

Products purchased by tourists provide a reminder of past feelings, experiences, and memories. Tourists may want to bring local flavor home with them, such as maple syrup from Vermont, lobsters from Boston, chicory coffee from New Orleans, etc. Shoppers typically want to shop at unique stores that they do not have at home. Although shopping for unusual items is recognized as part of the recreational experience, convenience items must also be available. Retailers should adjust their merchandise seasonally and carry products that appeal to the local resident market as well. According to Robbin Halverson of the Mall of America, retailers should stock products that:

- Possess impulse appeal
- Are inexpensive and unique
- May be personalized
- Put a new twist on an old concept (e.g. jewelry with an Egyptian theme)
- Travel easily (carry-on or suitcase)
- May be shipped (if necessary)

Large entertainment and retail concepts like the Mall of America create the perfect atmosphere for the tourist shopper. These venues provide a complete experience with shopping, dining and other entertainment for non-shopping members of the group. Tourists can plan a complete day and please everyone.

Opportunities exist within large retail concepts for small retailers as well as large ones. Carts, kiosks, and in-line stores provide the small retailer with an opportunity to enter the market. For example, the Grand Traverse Mall in Traverse City, MI has created a designated Northwoods-themed marketplace area just for carts.

Section 1.01 Many successful retailers sell products related to health, wellness and feeling good. Other products include small indulgences such as specialty coffees, ice cream, cookies and chocolate, toys, as well as outdoor accessories such as sunglasses, sweaters and footwear.

Additional Resources:

Matheusik, Mick. "Resort Retailing: Finding the Right Mix," *Urban Land*, 68. August 1996.

"What Downtowns Should do to Make their CBDs More Visitor Friendly," Downtown Idea Exchange, March 15, 1999.

Yu, Hong. "Tourist's Shopping Behavior," Iowa State University. April 2001.

Kern, Cindy. "The Shopping Traveler," Travel Industry Association of America. 2000.

Nelson, Linda. "Taubman Centers and TIA Release First Ever Survey on U.S. Shopping and Travel Experiences," PRNewswire, April 26, 2001.

II. College Students

In recent years, universities, technical schools, and colleges have become more involved in strategies to revitalize their surrounding cities and neighborhoods. This trend reflects the increasing competition between colleges for high quality students. According to Richard Rosan, President of the Urban Land Institute, "Students want to live and go to school in a fun, exciting neighborhood....[therefore] it's in the institution's best interest to promote and participate in community revitalization."

The La Crosse Market

La Crosse is home to three such institutions; the University of Wisconsin-La Crosse (UWL), Viterbo University, and Western Wisconsin Technical College (WWTC). All three are located in or near downtown La Crosse, bringing over 15,000 students into the community. The following table provides information on enrollment at these institutions.

Students in La Crosse				
Institution	UW-LAX	Viterbo	WWTC*	La Crosse Totals
Total Enrollment	8,760	1,778	5,200	15,738
Part-Time Students	842	356	3,172	4,370
Full-Time Students	7,918	1,422	2,028	11,368
Live on Campus	2,803	569	100	3,472
Live off Campus	5,957	1,209	5,100	12,266
*WWTC Figures are approximate. Sources: WWTC & Viterbo Data from interviews with the Registrar conducted by the author, UW-LAX Data found at www.uwlax.edu/provost/Common Data Set Fall 2002.html				

Two focus groups (representing 23 participants) were conducted to see what draws college students to downtown La Crosse. One group was comprised of marketing students from WWTC, and the other was a group of students from the dorms at UWL. It was apparent from the focus groups that students visit downtown for many of the same reasons, but that awareness of what downtown has to offer is low.

Approximately half of the students indicated that they rarely or never shop downtown. Bars and restaurants were the most common responses when asked about the image of downtown. For some, drinking establishments were the only reason they visit downtown. Other answers were restaurants, small shops (perceived as expensive), specialty stores, banking, and specific stores, such as Dale's, Deaf Ear, Indian Weavings and Wettsteins. The students indicated that they prefer to do most of their shopping during evenings, weekends and afternoons.

Downtown La Crosse scored well in terms of good food and music, social atmosphere including festivals, transportation (it's easy to get to), lodging and accommodations, and walkability. The perceived holes were lack of short-term street parking, parking enforcement, clubs for 18 to 20 year olds, shops for younger people, and advertising for downtown stores. However, the focus groups suggested that local students are often unaware of what retail and service businesses are available downtown. They often look to the mall area for their shopping and services.

According to the focus groups, retail options likely to bring students downtown are gift shops, a major discount store such as Target, a more diverse selection of clothing stores, a high quality sporting goods store and a Bath and Body Works type store. In addition, the students thought that promotional efforts could attract their peers downtown. Suggestions included guidebooks, brochures with coupons, exhibits or tours for new student orientation, radio and TV advertising, and a downtown page on school websites.

Buying Behaviors

National data support the importance of the student-market segment and its potential impact on downtown. The following table presents average spending per month for various types of students:

College Student (Ages 18-30)	Discretionary Spending (Monthly Average)
All	\$287
Full-Time	\$234
Part-Time	\$406
Live on Campus	\$160
Live with parents	\$254
Live elsewhere	\$381
Source: Fall 2001 360 Youth/Harris Interactive College Explorer Outlook Study, (found in Gardyn 2002)	

It is important to keep in mind that these averages reflect overall spending potential of college students. It is unlikely that a downtown will be able to capture all of it. However, the location of downtown retail within walking distance of campuses gives retailers a potential advantage over big-box and mall retailers located further away.

Retail and service providers nationwide are taking notice of this market segment because of its buying power. The following table indicates activities with high levels of participation by college students:

College Student Activities	
Activity (participated in past year)	% Participating
Movies	86%
Books (not related to school-work)	83%
Video games (home system)	63%
Vacation travel	61%
Swimming	58%
Music concert	54%
Bowling	53%
Amusement park	50%
Museum	50%
Bicycle riding	47%
Source: Fall 2001 360° Youth/Harris Interactive™ College Explorer Outlook Study, www.harrisinteractive.com	

"The average college student has about \$287 to spend on discretionary items per month, or about \$3,444 per year. Overall, students spend more than \$11 billion a year on snacks and beverages, \$4 billion on personal care products and \$3 billion on CDs and tapes" (Gardyn 2002). The same study, by Harris Interactive, revealed that students have more discretionary time than most people realize—an average of 11 hours each day (www.harrisinteractive.com, 2002).

The Harris Interactive Study on this market segment also reports that an estimated \$5 billion was spent by students (and their parents) to decorate their dorm rooms and apartments in 2001 (Koncius, 2002). Just like their parents whose own spending on home furnishings and accessories has been on the increase in the last few years, students today are spending a significant amount on the "bedding, carpets, shower caddies, bean bag chairs and bulletin boards" on their dorms and apartments (Koncius, 2002).

Another significant finding in the Harris Interactive Study was the difference in spending between part- and full-time students, and between those who live on campus and those who commute. According to the study, "Part-time college students have more money to spend per month (\$406) than do their full-time counterparts (\$234)" (Gardyn, 2002).

Additional Resources

- Anonymous Author. "Project 60614: Retail Business Opportunities in Lincoln Park," DePaul Honors Marketing Class, Spring 2001 Under Advisement of Professors David Aron and Phillip Kemp.
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- Bland, E. "College Students Impact W-S economy by \$92M," *Old Gold and Black*: Wake Forest University, Winston-Salem, NC. April 25, 2002.
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III. Office-Based Workers and Clients

Downtown office workers and clients represent a key component of an active downtown environment. They are downtown five or more days a week for eight or more hours of each day, and will take advantage of downtown services and retail if such opportunities exist. Essentially downtown workers represent one of the areas' captive audiences. Downtown retailers and service providers do not have to attract them downtown, but instead must work to ensure that the services and shops are suited to their needs, incomes, and most importantly, schedules.

The La Crosse Market

Downtown La Crosse is the regional hub for financial, educational and governmental entities and is the central service area for regional professional office clusters. In 1992, the last major private corporation left downtown and moved to the outer edges and employment was at its lowest in downtown's history. But, over the past 10 years there has been a tremendous surge in recruitment of large corporations and the professional service business segments in the downtown. This has taken place since the implementation of the "City Vision 2000 Master Plan" began in earnest.

Current major private corporations that have moved into the downtown in the last 5 years are: CenturyTel Regional Headquarters (875 employees, largest employer), Firstlogic (285 employees), Gensler (35 employees), and many new attorney/accounting firms. These are all new numbers of employees. Along with these are the financial power-houses who employ hundreds of people, i.e., Wells Fargo, US Bank, Associated Bank, State Bank of La Crosse, First Federal Bank (300 employees), Northwestern Trust, Community Credit Union, and Governmental Employees Credit Union. Major office buildings are located on Front St., Main St., 5th Ave., 2nd St. and 7th St.

The number of educational (WWTC) and governmental (city, county, federal) employees surpass 1400 employees. Small service types of businesses such as attorneys, accounting, real estate and dental offices total into the hundreds of employees...a fixed number is difficult to arrive at.

All of these private and public sectors provide a total number of employees surpassing all historical numbers. In 1994, UW-La Crosse projected that downtown La Crosse would have an estimated 8,076 employees by the year 2020 - there currently are over 8,500 employees (in 2003).

Buying Behaviors

In May 2003, a survey was given to CenturyTel employees in downtown La Crosse. The survey asked questions related to employee retail shopping behavior and how the downtown could better serve their needs. The survey generated 74 responses.

Approximately 65% of employees shop downtown on Saturdays, followed by after work (62%), and during their lunch hour (44%). Short work breaks and lunch periods make it difficult for some employees to find the time to shop downtown during the day. After work, employees are often in a rush to get home and in some situations have a long commute. A number of employees live too far away to conveniently shop downtown on weekends.

Similarly, 69% of employees dine downtown after work, followed by Saturdays (68%), and during the lunch hour (60%). Some indicated there is not enough time to leave the building for lunch.

Office workers indicated that they would purchase more items downtown if they were available. Many expressed a desire to have an alternative shopping place. Non-apparel retail stores they would like to see downtown include (in approximate order of importance):

- Drug Store (Walgreens)
- Discount Department Store (Shopko, Wal-Mart, Target)
- Card Shop (Hallmark)
- Large and/or Small Grocery Store
- Hobby and craft stores
- Dime or General Store
- Pet store
- Book Store
- Laundry/Dry cleaner
- Children's apparel and toys
- Others: hardware, electronics, CD's/Tapes, housewares, video rental travel agency, etc.

Many respondents expressed an interest in more apparel and shoe stores downtown. Some of the store names mentioned include:

- TJ Maxx
- JC Penny
- Old Navy
- Burlington Coat Factory
- Payless Shoes
- Upscale Shoe Store
- Sears
- Kohls
- Dress Barn
- Fashion Bug
- Oshkosh
- Larger Size Clothing
- Marshalls
- Casual Corner

A comprehensive national survey of office-worker spending was completed in 1988 by the International Council of Shopping Centers (Mundie & Associates updated these figures in year 2000 dollars). While the survey findings are dated, they do point to significant spending potential by downtown office workers. These workers spent from \$2,000 to \$3,000 per year downtown. Approximately half was spent on lunches. Apparel and accessories (at the time of the survey) accounted for roughly a quarter of their downtown spending. The survey also pointed out that downtowns with ample retail captured significantly more retail dollars than those with more limited retail choices.

A joint 1999 study by BOMA International (Building Owners and Managers Association) and ULI (The Urban Land Institute) also looked at the preferences of office tenants with regard to amenities. The table that follows shows tenant rankings of specific amenities, and the overall importance of proximity to these goods and services.

Importance of Amenities to Office Tenants	
<i>Amenity</i>	<i>% Who Feel it is Important or Very Important</i>
Restaurants, Retail and Personal Services	81%
Food Stores	75%
Banking	70%
Convenience and Other Retail	64%
Health and Fitness Clubs	53%
Daycare Centers	44%

It is not surprising that proximity to restaurants, food stores, banking and convenience retail stores are important to this group. Effectively they have an hour each day to eat and do a few quick errands. In keeping with our increasingly busy lives, many corporations now seek to locate in areas that offer a range of amenities to their workers within walking distance of the office. According to Steve Van Amburgh in his recent article for Urban Land, the latest "suburban office parks essentially are small neighborhoods that mix office space with retail uses, housing, restaurants, daycare centers, fitness centers, and other amenities. They are pedestrian friendly....once workers arrive they are more likely to get around easily on foot for lunch, errands, and other pursuits that once required extra car trips or an additional hour tacked on to the evening commute" (2002, p. 41).

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IV. Residents of Nearby Neighborhoods

The residential component of downtown and the older neighborhoods immediately adjacent are home to some of the primary users of downtown retail and service offerings. Downtown residents can support both the retail and service sectors that have a relatively small geographic trade area like grocery stores, drugstores, and dry cleaners, and those that can pull from a larger/ city-wide trade area like destination apparel shops, movie theaters, and restaurants. According to Kent Robertson, "the downtown residential base adds to the market for many downtown shops, services, and restaurants, and serves to increase activity levels during evenings and weekends" (1999, p. 278).

Conventional downtown housing is likely to attract "young professionals who work downtown, especially singles or childless couples, empty nesters, seniors, and/ or those in need of affordable housing" (Robertson, 1999, p. 278). However, most "small city downtowns are closely linked to nearby residential neighborhoods. Often within easy walking distance, these neighborhoods contain older homes where downtown employees and consumers may reside" (Robertson 2001, pp.11-12).

The La Crosse Market

As indicated in Section 1, the convenience trade area around downtown La Crosse has approximately 21,000 people. These residents live closer to downtown than to other commercial districts in the La Crosse area (see map in Section 1).

Approximately 40% of the residents in the convenience trade area are enrolled college students. The retail opportunities related to these residents were discussed in the "College Students" portion of this section. With its high student population, the convenience trade area has a lower per capita income, younger average age, many non-family households, many renters, and a high mobility rate.

Buying Behaviors

Interviews were conducted with a sample of downtown retailers to identify store categories that could serve the nearby residential neighborhoods. Three categories were identified including a grocery store, a drug store and a discount department store. Currently the People's Food Co-op in the downtown fills some of these needs.

According to the City of La Crosse Downtown Survey, prepared by the City Planning Department in July, 2001, additional shopping choices would make downtown more attractive to respondents (including nearby residents), followed by entertainment options and eating establishments. Specific store categories mentioned included variety stores, linens, cards, and toiletries, department store, drug store, video rental, farmers market, coffee shops, sidewalk cafes and clothing stores.

When looking at what would make respondents spend more time and money downtown, retail hours seem to be of the most importance. Monday through Friday evening retail hours were the most important followed by Saturday afternoon and Sunday hours.

Until recently, the downtown residential segment nationally has been ignored by retailers, developers and marketers. "People live downtown and people live in the near suburbs. They need everything everybody else does," says Jeffery A. Finkle, executive director of the National Council for Urban Economic Development, a Washington D.C. nonprofit organization dedicated to economic revitalization of America's cities. "They need groceries, drugstores, laundry services, and drycleaners. They need movie theaters and restaurants. They purchase goods and services just like everybody else" (qtd. in Fisher, 1997, p. 41).

Essentially downtown can function as a neighborhood or community shopping center for this group. This being the case, it is useful to examine the business mix in retail centers to understand what types of retail serve nearby residents. Data from the Urban Land Institute's "Dollars and Cents of Shopping Centers"

report identify the composition of the average community shopping center in the U.S. in terms of space allotted to each store type. The following types of businesses are often found in these centers:

- supermarkets
- variety stores
- drugstores
- hardware stores
- furniture stores
- restaurants
- clothing
- sporting goods
- liquor/wine
- books, shoes
- home accessories
- bakery
- jewelry
- ice cream parlors.

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V. Health Care Clients

Hospital visitors including patients, friend and families, physicians and others provide another important consumer segment for downtown retailers in communities with large medical facilities. Many of the visitors to these centers are from a larger geographic region that may extend far beyond the trade area.

The La Crosse Market

Gundersen Lutheran Medical Center is the largest health care provider in the tri-state region, followed by Franciscan Skemp Mayo Healthcare. Both hospitals have become a patient destination for both day appointments, along with longer-term care. Several of these patients visit on a continuous basis and therefore become familiar with the La Crosse community.

In addition, allergy Associates of La Crosse is the oldest and largest clinic in the Midwest, specializing in the sublingual treatment of allergic disease. Since 1970, they have served 60,000 patients, with many of the patients coming back for both regular and annual appointments. Their patient base is widespread from Wisconsin, Minnesota and Iowa.

Gundersen Lutheran recently completed a \$30 million expansion, which includes upgrading their cancer service options. Franciscan Skemp is also completing a \$28 million "Center for Advanced Medicine & Surgery" to meet the needs of their growth and to better serve their patients. Both of these expansions will provide continued growth for their services, which will increase patient visits to the area.

Gundersen Lutheran is nationally known for their Heart Institute, which is the most comprehensive heart program in the tri-state region. Most recently they have expanded optional services such as Laparoscopic Gastric Bypass Surgery and Plastic and Reconstructive Surgery. These specialized services are many times sought by patients who have the discretionary income to proceed with these elective procedures. Both of these types of surgery require extended stays in the area, since the patients are monitored very closely.

Recently, the Greater La Crosse Area Lodging Association developed a "Caring Places" brochure. This was a collaborative effort with both of the healthcare institutions. The purpose of this brochure was to inform patients of lodging in the area. The hotels also are willing to offer a discount and some free rooms for extenuating circumstances, which are determined by the social services of the hospitals.

Buying Behaviors

Research on the retail needs of health care clients is limited. To examine what retail and services might serve this segment, businesses located in or near hospitals were examined.

Many hospitals provide many visitor and patient services to their clients. These include:

- Food. Several hospitals now contract with fast-food chains to set up operations within the hospital.
- Coffee and relaxation. Wausau Hospital is looking into a Starbucks franchise for the lobby.
- Education. Several hospitals have gotten into health education and reading materials offerings. One hospital has a store across the street that sells health education books, aromatherapy, candles, bath oil, etc.
- Community services such as medical equipment (wheelchairs, etc) or systems for elderly to call if they fall down at home, are now often set up through the local hospital.
- Fitness. Several hospitals are offering on their own (or partnering with others) to offer local "fitness" programs. In Wausau, the new YMCA will be partly operated by Wausau Hospital.
- Some hospitals sponsor community events such as health screenings or marathons or even play areas in parks.

- There are a lot of local businesses that often provide service to hospitals -- people who come in to take care of all the plants, snowplowing, computer maintenance, etc.
- Frequently, banks, dry cleaners, and other services will have a small "outlets" in a hospital.

The Kahler Complex is a retail and entertainment mall near the Mayo clinic in Rochester, Minnesota. The types of retail in this mall point to the categories of products and services hospital visitors may purchase. This mall contains clothing & accessory stores (11), cards/gifts/collectibles shops (8), food express & specialty food outlets (8), jewelry shops (6), art dealers (5), barbers & stylist salons (4), restaurants (4), medical supply stores (3), florists (2), drug stores and others.

Many of the same buying behaviors of the visitors and tourist segment described earlier also apply to health care clients. Products and services that focus on health, wellness and feeling good, especially for a mature market, are appealing to this segment.

Comparison of Business Mix with Other Communities

This section compares the downtown La Crosse business mix with a sample of other communities that serve similar market segments. Communities selected include those with similar population and distance from major metropolitan centers. They were also selected based on having an economically vibrant business district.

The University of Wisconsin-Extension conducted an analysis of various downtowns and business districts to compare and contrast the retail mix and niches in each community. The business mix comparisons that follow will assist in identifying possible new or expanded niches for downtown La Crosse. The data will be one indicator of possible market gaps in specific business categories analyzed in Section 5 of this report.

Identification of Comparison Communities

A set of comparison communities was used to examine the mix of retail in downtown La Crosse. These communities were identified as places with vibrant downtowns and somewhat similar to La Crosse from a market perspective. The following initial criteria were used to derive a list from a database of over 25,000 communities:

- Population within a 10-mile radius between 75,000 and 175,000
- Population within a 20-mile radius of between 125,000 and 225,000
- Smaller metro areas with college student population over 4,000
- Smaller metro areas with a similar health care employment base
- Special recognition such as the Great American Main Street Award (GAMSA)

The communities in this section include:

- | | |
|-------------------|-----------------------|
| • Cedar Falls, IA | • Ithaca, NY |
| • Chico, CA | • Missoula, MT |
| • Columbia, MO | • Morgantown, WV |
| • Corvallis, OR | • San Luis Obispo, CA |

La Crosse, Wisconsin

La Crosse is a unique community located on the Mississippi River. Downtown La Crosse has a distinctive location with a variety of economic, historical, cultural and natural amenities that make it a destination for a wide variety of market segments (discussed in detail in Section 4). More than 100 buildings from the turn of the century still exist in downtown La Crosse and are listed on the National Register of Historic Places. To compare La Crosse to other communities around the U.S., the following data highlights some market characteristics present in and around the downtown.



Trade Area Data:

City Population (2000):	51,818
Population - 10 Mile Radius:	106,333
Population 20-Mile Radius:	140,778
Per Capita Income (2000)	\$17,650
Median Age (2000):	30.1
Owner Occupied Housing (2000):	48.3%
Resident College Population (2000):	10,293
Major College/Universities:	University of Wisconsin-La Crosse
Notes:	2002 GAMSA Winner

Types of Consumers Attracted Downtown:

Downtown La Crosse attracts students, government workers, tourists, conventioners, office workers, diners, and shoppers who are either already downtown or are seeking a unique downtown shopping, dining, and nightlife experience. Downtown offers a variety of stores and services that cater to these market demands. Retail attracts older residents who have always shopped downtown, professionals for clothing, teenagers and young adults for the eclectic shops. Many visitors to La Crosse are here for a medical trip and extend their trip purpose by shopping in and around the downtown area. Downtown Mainstreet, Inc., organizes community events such as Historic Downtown Days to attract residents and tourists alike. over 106 miles of recreation trails can be accessed from the trail head at Riverside Park adjacent to the La Crosse Area Convention and Visitors Bureau.

Attractions and Institutions That Draw People Downtown:

Summer concerts in the Bandshell, two downtown farmer's market, events and festivals (Rotary Lights, Oktoberfest, Riverfest, Jazz Fest, Riverfront Sandcastles, Holiday Craft Fair at the La Crosse Center, Gallery art walks and more. . .), and in-store promotions and events.

Anchor Businesses Downtown:

- Wettsteins, Appliances, audio and video systems
- Three River's Outdoors, outdoor clothing and supplies
- The Pearl, Authentic Ice Cream Parlor

Retail Niches Downtown:

- Antiques
- Restaurants
- Unique clothing stores and specialty retail
- Jewelry

Downtown Retail Mix:

With 83 retailers, Downtown La Crosse has a sizeable retail base with a wide variety of establishments. The following count and categorization of retailers was derived from the City of La Crosse's Building Inventory. These numbers are useful in comparing and contrasting the retailers present in the other comparable communities presented throughout this section.

Furthermore, these comparisons will be used as part of the retail analysis conducted in Section 5.

Total Stores Listed	83	Other Home Furn.	3	Hardware	1
Gift	10	Sewing	3	Beer/Liquor	1
Jewelry	8	Appliance/Electronics	2	Pharmacy	1
Used Merchandise	7	Camera/Photo	2	Other Health/Care	1
Other Building Mat.	6	Food Stores	2	Clothing Accessories	1
Sporting Goods	5	C-Store with Gas	2	Hobby/Toy/Game	1
Books and News	4	Men's Clothing	2	Variety	1
Art Dealers	4	Woman's clothing	2	Office Supplies	1
New Car Dealers	3	Shoes	2	Pet Supplies	1
Furniture Stores	3	CD/Tapes/Records	2		
		Florist	2		

Sources: U.S. Census Bureau - 2000 Census Figures, City of La Crosse Building Inventory

Cedar Falls, Iowa

Early Cedar Falls took advantage of its location on the Cedar River to become an important milling center. With the arrival of the railroad after the Civil War, Cedar Falls developed into northern Iowa's principal commercial and industrial area.

Cedar Falls is the home of Northern Iowa University. More than 60 miles of recreational trails connect locations throughout the city. The Cedar Falls Historical Society operates five museums with limited hours; every Tuesday evening in the summer, visitors enjoy Cedar Falls Municipal Band concerts in Overman Park.

Trade Area Data:

City Population (2000)	36,145
Population - 10 Mile Radius	115,210
Population 20-Mile Radius	158,987
Per Capita Income (2000)	\$19,140
Median Age (2000)	26.0
Owner Occupied Housing (2000)	62.2%
Resident College Population (2000)	10,845
Major College/University:	Univ. of Northern Iowa
Note:	2002 GAMSA Winner



Types of Consumers Attracted Downtown:

As a Great American Main Street award-winning town, Cedar Falls' downtown happens to appeal to a very wide range of guests. The downtown is growing because of its appeal to the local community. Downtown is truly the place where local citizens want to go to "neighbor" and relate with their community.

Attractions and Institutions That Draw People Downtown:

Restaurants, theatre, live music and over 60 miles of recreation trails that intersect downtown.

Anchor Businesses Downtown:

- Oster Regent Theatre - turn of the century opera house now used as a community theatre.
- Simpson Furniture -- the area's leading and largest furniture store
- First National Bank and Financial Center -- locally owned bank that has expanded to include a full menu of financial services

Retail Niches Downtown:

- healthy mix of good locally owned and unique restaurants
- entertainment venues that feature over seven choices for live music on weekends
- very unique gift shops

Retail Mix:

Total Stores Listed	37
Apparel and Shoes	8
Gifts/Décor	8
Sewing/Quilting	4
Specialty Foods	3
Home Furnishings	3

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures, Cedar Falls Main Street Program: <http://www.cedarnet.org/cfmainst/>

Chico, California

Chico was founded in 1860 and is about 90 miles north of Sacramento. Chico has grown into one of the largest cities in California north of the Bay Area. Its economy is based on the agriculture, education, retail, medical and tourism industries. As a result of its diverse arts scene and ample entertainment options, Chico has a "Big City Taste with a Small Town Flavor".

The community has a large 2,250-acre city park that spans an area from downtown to the foothills of the Sierra Nevada. It offers hiking and bicycle trails, sports facilities and a nature center.

The Thursday Night Market is a weekly event in which over 100 vendors sell fresh produce and crafts on the streets of Downtown Chico, while musicians and street performers provide live entertainment. Friday Night Concerts is another weekly event held in the summer at downtown's Plaza Park. Other events such as Slice of Chico and A Taste of Chico are annual events designed to bring visitors to the downtown area to try dishes from local restaurants.

Trade Area Data:

City Population (2000)	59,954
Population - 10 Mile Radius	105,181
Population 20-Mile Radius	158,793
Per Capita Income (2000)	\$16,970
Median Age (2000)	25.9
Owner Occupied Housing (2000)	38.9%
Resident College Population (2000)	16,895
Major College/University	Cal State - Chico

Types of Consumers Attracted Downtown:

Frequent customers are mostly college students from the adjacent Cal State-Chico, however, the many weekend events draw families downtown on a consistent basis.



Attractions and Institutions That Draw People Downtown:

The major attractions include the events that the University puts on, the Thursday Night Market, The Farmer's Market on Saturday, 3 -4 parades per year, Christmas Preview night, Sidewalk sales and various sporting events.

Retail Niches Downtown:

- specialty stores
- superior restaurants than other areas of the city
- bike shops

Retail Mix:

Total Stores Listed	135
Specialty/Gifts	45
Apparel and Shoes	23
Sporting Goods	13
Books/Music	12
Photo/Framing	11

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures, Downtown Chico Business Association:
www.downtownchico.net

Columbia, Missouri

When, in 1821, residents of the nearby Smithton grew tired of carrying water up the hill from the nearby creek, they founded Columbia. Many buildings from the turn of the century still exist in downtown Columbia including 18 listed on the National Register of Historic Places.

With over 20,000 college students nearby and a growing population living downtown in second-story apartments, downtown Columbia has remained a vibrant place. The arts scene includes many downtown galleries and the Missouri Theatre, which houses the Missouri Chamber Orchestra.

Trade Area Data:

City Population (2000)	84,531
Population - 10 Mile Radius	113,898
Population 20-Mile Radius	143,759
Per Capita Income (2000)	\$19,507
Median Age (2000)	26.8
Owner Occupied Housing (2000)	44.3%
Resident College Population (2000)	22,162
Major College/University	UM - Columbia
Notes: Downtown Champion Award from Missouri Downtown Association	



Types of Consumers Attracted Downtown:

About 75% of downtown consumers are under the age of 50, consisting largely of students and professors from the University of Missouri. County and City government employees are also frequent shoppers during lunch breaks and after work. The downtown does not attract a lot of tourism, as almost 90% of customers are residents of Columbia.

Attractions and Institutions That Draw People Downtown:

County and City Government offices, 3 colleges including University of Missouri (and MU sporting events in particular), major bank branches, and two newspapers. Downtown is Columbia's restaurant and bar district as well (about 75 all totaled) and has several well-known art and music festivals downtown.

Retail Niches Downtown:

- high-end clothing
- abundance of bars/nightlife
- art galleries

Retail Mix:

Total Stores Listed	103
Specialty/Gifts	40
Apparel and Shoes	26
Home/Auto	13
Books/Music	10
Jewelry	10

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures, Downtown Columbia Association:
<http://www.downtowncolumbia.org>

Corvallis, Oregon

Located on the Willamette River between the Coastal Mountain range to the west and the Cascades to the east, Corvallis lives up to its Latin name meaning “heart of the valley.” It is one of the state’s leading centers of commerce, culture and education.

Established in 1845, Corvallis has a variety of period buildings in its historic district. Of particular interest is the 1888 Benton County Courthouse; it is one of the oldest courthouses in Oregon still in use. Oregon State University is the source of much of the city’s cultural and intellectual wealth, while such industries as agriculture, high-technology and forest products contribute to its material resources.

Trade Area Data:

City Population (2000)	49,322
Population - 10 Mile Radius	90,840
Population 20-Mile Radius	163,641
Per Capita Income (2000)	\$19,317
Median Age (2000)	27.0
Owner Occupied Housing (2000)	42.1%
Resident College Population (2000)	15,006
Major College/University	Oregon State
Notes: Listed in <i>A Good Place to Live</i>	



Types of Consumers Attracted Downtown:

There are 19,000 students at Oregon State University, but they are generally not attracted to the downtown area. Downtown does attract university employees and also employees of the other businesses in town. Some of the higher-end retail attracts shoppers from nearby towns—Albany and Lebanon—but the community experiences substantial retail leakage of dollars from both students and residents to other towns: Albany, Salem, Eugene and Portland (to a lesser extent).

Attractions and Institutions That Draw People Downtown:

Corvallis has recently completed a riverfront renovation project and is hoping it will serve as a catalyst for downtown development. The downtown currently has several empty storefronts and many more that are under-utilized. They do have several restaurants that are doing well on the new riverfront and want to use that energy to get new retail down on First Street as well. A bakery, located on Second Street, has done well for years in that location; Starbuck's and a bagel shop do well in the heart of downtown.

Retail Mix Downtown:

Total Stores Listed	114
Apparel/Shoes	20
Gift Shops	19
Books/Music	14
Home Furnishings	11
Sporting Goods	8
Art/Galleries	8
Jewelry	8

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures, Corvallis Chamber of Commerce.

Ithaca, New York

Located on Cayuga Lake, the longest of the Finger Lakes in upstate New York, Ithaca is 4.5 hours from New York City and an hour from Syracuse. While Ithaca is centrally isolated in upstate New York (no interstate highway), it offers many of the cultural aspects of larger cities.

Ithaca is best known for its two main educational institutions, Cornell University and Ithaca College. These institutions attract students and professors from around the country and world and make Ithaca a culturally rich and diverse community. Ithaca is also viewed by many as one of the most beautiful small cities in the country. Its hilly topography includes many parks, gorges and waterfalls including Taughannock Falls, the highest waterfall in the eastern U.S.

Downtown's "Ithaca Commons" remains a successful pedestrian mall that features independent shops, cafes, bookstores, galleries, and two small enclosed malls ("Center Ithaca" and the DeWitt Matt). Other commercial districts include "Collegetown" (serving Cornell), a regional mall northeast of town and an emerging strip of big box stores on the southwest side.

Trade Area Data:

City Population (2000)	29,287
Population - 10 Mile Radius	80,727
Population 20-Mile Radius	153,791
Per Capita Income (2000)	\$13,408 *
Median Age (2000)	22.0
Owner Occupied Housing (2000)	24.9%
Resident College Population (2000)	16,915
Major College/University:	Cornell U. and Ithaca College
Notes:	Voted "America's Top Small City in the East"
* reflects high concentration of students in the city proper.	



Types of Consumers Attracted Downtown:

Both community residents, students and visitors are attracted to the Ithaca Commons for the "sense of place" it offers. Many events are held on the commons ranging from festivals to demonstrations and truly bring out the richness of this community.

Attractions and Institutions That Draw People Downtown:

Retail, restaurants and services on Commons are the main draw, but other attractions such as the Sagan Planet Walk (outdoor model of the solar system) and a large public library also bring people downtown. The 4-day Ithaca festival at the end of May is the largest annual event.

Retail Niches Downtown:

- Bookstores
- Eateries
- Craft/Gift Shops
- Unique Apparel

Retail Mix:

Total Stores Listed	84
Specialty/Gifts	23
Apparel and Shoes	19
Books/Music	14
Galleries/Crafts	5
Sporting Goods	4

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures. Rating Guide to Life in America's Small Cities. The Ithaca Downtown Partnership.: www.downtownithaca.com

Missoula, Montana

Missoula lies astride the Clark Fork River, a tributary of the Columbia River named for William Clark. The town also occupies a valley that was once part of Glacial Lake Missoula, a prehistoric lake. Meriwether Lewis and William Clark later followed the same route through the canyon and camped approximately 9 miles southwest at Travelers Rest, near present-day Lolo.

One of the first lumber mills in the region began in Missoula. Lumber remains not only a major industry but also a major concern. A short drive in any direction will lead into a national forest or a wilderness area. The Rattlesnake National Recreation Area and Wilderness, 6 miles north of downtown, has many small lakes, streams and trails. Missoula was listed in the book *A Good Place to Live* and is home of the University of Montana.

Trade Area Data:

City Population (2000)	57,053
Population - 10 Mile Radius	75,741
Population 20-Mile Radius	95,804
Per Capita Income (2000)	\$17,166
Median Age (2000)	30.3
Owner Occupied Housing (2000)	48.1%
Resident College Population (2000)	10,256
Major College/University:	University of Montana



Types of Consumers Attracted Downtown:

Missoula is a university community (UM 12,000 enrollment). Students come downtown for nightlife. Missoula also attracts many tourists during the summer season due to a variety of events and attractions. Downtown has between 8,000-9,000 employees who work in the area, so employees are an important part of the market.

Attractions and Institutions That Draw People Downtown:

A Carousel for Missoula & Dragon Hollow Play area (children), Missoula Children's Theater, First Friday Gallery Night (new art displays and artists' receptions), Farmer's Market & Saturday Arts & Crafts Markets, food & music festival every Wednesday in summer, Downtown ToNight (live music, food & beer garden every Thursday in the summer), and approximately 20-25 other single day festivals held under the Pavilion in Caras Park.

Anchor Businesses Downtown:

Missoula Bon Marche Department Store.

Retail Niches Downtown:

Missoula has several retail niches: home furnishings, restaurants, specialty/gift shops, floral, women's apparel, second-hand stores.

Retail Mix:

Total Stores Listed	47
Gifts	8
Art Galleries	6
Home Furnishings	6
Sporting Goods/Bikes	5
Flowers	4

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures, Missoula Downtown:
www.missouladowntown.com

Morgantown, West Virginia

The Morgantown area began as a series of forts in the center of the struggle between the English, French, and Native Americans in the 1700's. The community is located on the east bank of the Monongahela River and is the home of the University of West Virginia.

Morgantown is an educational and entertainment center of West Virginia. The University uses a unique PRT (Personal Rapid Transit) system to carry up to 15,000 passengers a day between campuses and the central business district. The downtown area has over 100 professional businesses and over 35 restaurants and taverns, mainly located on High Street, that attract approximately 3,000 pedestrians per day.

Trade Area Data:

City Population (2000)	26,809
Population - 10 Mile Radius	81,849
Population 20-Mile Radius	198,819
Per Capita Income (2000)	\$14,459
Median Age (2000)	23.1
Owner Occupied Housing (2000)	38.4%
Resident College Population (2000)	12,619
Major College/University	West Virginia Univ.
Notes: 1998 GAMSAs winner, "Best Small City In The East" and "3rd Best In America" by <i>Guide to Life in America's Small Cities</i>	



Types of Consumers Attracted Downtown:

Downtown consumers consist mainly of students and businesspeople. However, downtown Morgantown is the retail center of northern West Virginia, and as a result is able to draw many people from outside of the city.

Attractions and Institutions That Draw People Downtown:

Events such as Kid's Day, the Arts and River Festival, and Chocolate Lover's Day bring new customers to downtown businesses. In addition, the many historical buildings downtown, the Metropolitan Theatre, and Warf District are continual attractions.

Anchor Businesses Downtown:

Reiner & Core is a downtown department store offering high-end clothing for men, women, and children.

Retail Niches Downtown:

- Specialty gift stores
- 35 restaurants, cafes, clubs, and taverns

Retail Mix:

Total Stores Listed	45
Specialty/Gifts	19
Apparel and Shoes	8
Jewelry	5
Books/Music	4
Computer	3

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures, Main Street Morgantown: www.downtownmorgantown.com

San Luis Obispo, California

Founded as a mission in 1772, San Luis Obispo grew into a full-fledged town only after completion of the Southern Pacific Railroad in 1894. Today the city is accessible via US 101 and is known as the home of California Polytechnic State University. The university's Christopher Cohan Center for Performing Arts holds cultural events.

A Farmer's Market takes place on the 600-900 blocks of Higuera Street each Thursday evening from 6 to 9. There are stalls of fresh produce as well as barbecue stands serving cooked food. Many retail stores remain open, and free street entertainment includes bands, jugglers, and puppet shows.

Mission Plaza, a developed wooded creek and urban oasis, offers events throughout the year. San Luis Obispo is part of a scenic 252-mile stretch of SR 1 to San Francisco. Continuing southward, San Luis Obispo provides access to an interesting 204-mile drive on US 101 to Los Angeles

Trade Area Data:

City Population (2000)	44,174
Population - 10 Mile Radius	83,030
Population 20-Mile Radius	191,245
Per Capita Income (2000)	\$20,386
Median Age (2000)	26.2
Owner Occupied Housing (2000)	40.4%
Resident College Population (2000)	15,596
Major College/University:	Cal Poly - SLO
Note: 1999 GAMS A Winner	



Types of Consumers Attracted Downtown:

Typical downtown customers are residents, students, office workers, and tourists with a wide range in both age and income.

Attractions and Institutions That Draw People Downtown:

People come downtown to shop, see the historic mission located there, attend the Thursday Farmer's Market, use the pedestrian walkway along the creek, observe public art, and ride the trolley that runs around downtown.

Retail Niches Downtown:

- Specialty gift stores
- Women's clothing

Retail Mix:

Total Stores Listed	178
Apparel and Shoes	45
Art/Galleries	23
Gift Shops	22
Books/Music	14
Electronics	13
Home Furnishings	12

Sources: AAA guidebook, U.S. Census Bureau - 2000 Census Figures, downtown San Luis Obispo:
<http://www.downtownslo.com/>

Analysis of Selected Retail Opportunities

This section evaluates specific retail opportunities that may exist in La Crosse. A detailed analysis was conducted to assess market potential in eight specific retail store categories¹. This includes the analysis of quantitative data (i.e. square foot estimates of existing supply and demand) as well as qualitative information (local survey research findings, consumer behavior, opinions of local retail professionals, etc.). The categories selected for inclusion in this section were based on the knowledge of downtown business representatives who met in September 2003 to review preliminary findings from this study.

Measuring Demand and Supply

In this section, market conditions are examined quantitatively using demand and supply² of retail space (square feet) as the measure. Supply refers to the actual square feet of retail space, sometimes called gross leasable area (GLA) that exists in the trade area³. Demand refers to the amount of retail space that could be supported by consumers residing in the trade area based on estimates of their spending potential. A comparison of supply and demand by store type can help identify gaps where demand clearly exceeds supply. After considering other market factors including how and where the targeted consumer groups shop, conclusions are drawn regarding potential business categories worthy of potential expansion or recruitment. These conclusions are not all-inclusive and it is recommended that careful consideration be given to all factors that influence the potential need for, and success of, a business enterprise.

Appendix 5 provides data that was used in calculating demand for the store types in this section. The data in these tables can also be used to study other store categories (not included in this report) on an as-needed basis. Appendix 5 also presents the calculations of retail demand for the seven categories analyzed in this section and includes maps showing the locations of stores in each of the categories with existing competition.

Assumptions

This report and the following analysis are intended to provide information useful in retail expansion and recruitment efforts in downtown La Crosse. The analysis that follows is based on the work of the study committee, research, and various assumptions developed at the time of this study. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, it is critical that the user of this study critically evaluate and challenge all assumptions and conclusions drawn in this section. Further, the findings in this

¹ Another way to analyze the retail market is to estimate spending by product type. This is not presented in this report.

² Using the Economic Census, actual retail sales levels for the State can be used as a surrogate for consumer demand. This assumes that aggregate consumer demand at the state level is fairly well represented by the aggregate retail sales captured at the state level. By dividing actual state sales by state population, state estimates of per capita consumer demand can be made. These state estimates are then localized by adjusting for per capita income differences.

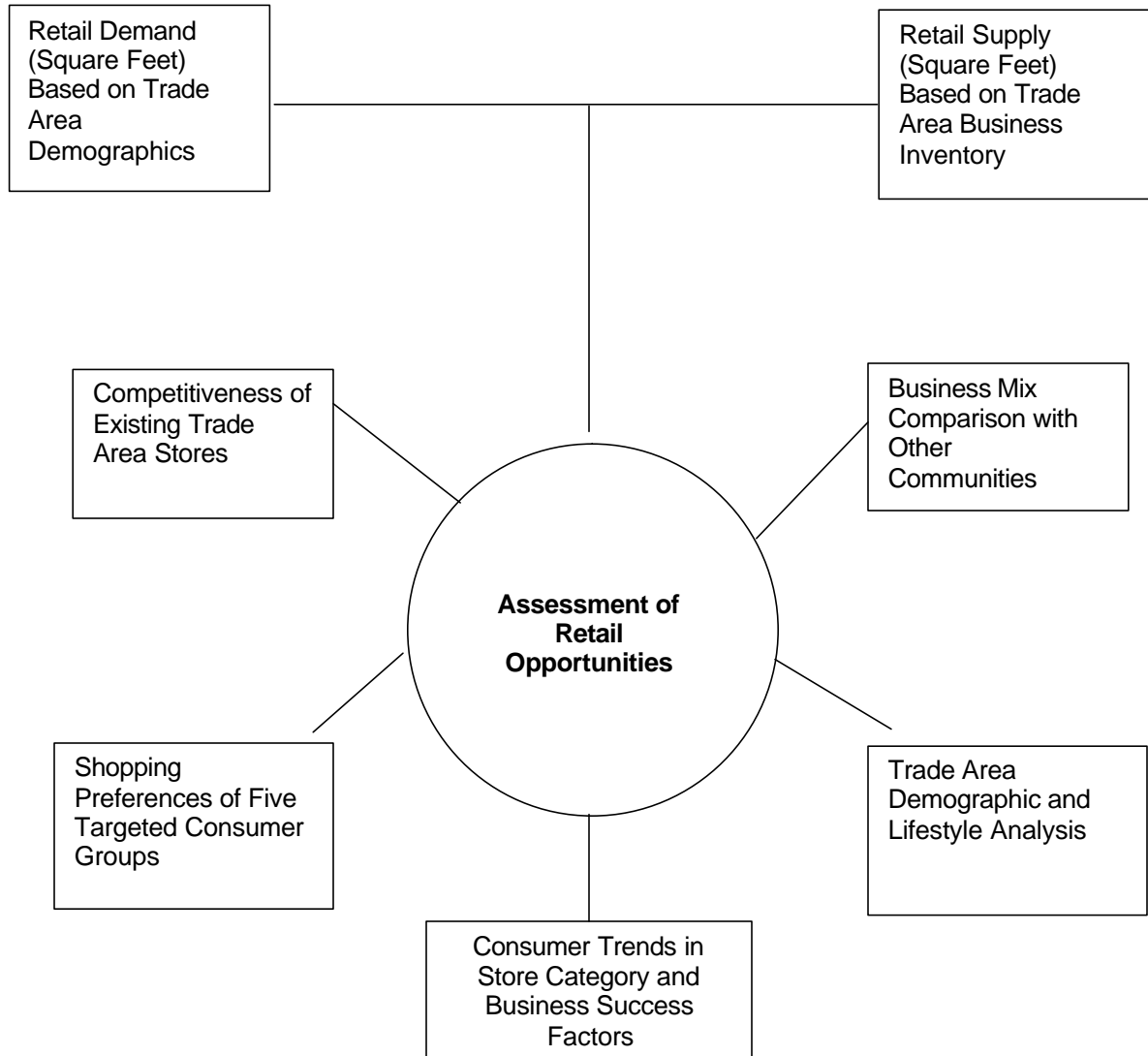
³ The current retail supply tables were based on estimated square footage and not on actual on-site measurements.

study should not be used in place of a complete business feasibility study for a new or expanded business venture. Assumptions used in the following analysis include:

- Additions to the supply of retail in each category in the primary trade area will not vary significantly from the estimates presented.
- New independent (non chain) retail establishments are successful in developing unique product niches (typically offering personal service) that co-exist and do not directly compete with “big box” suburban retailers.
- New and existing downtown retailers comply with a set of regular and accommodating store hours consistent with the needs of the five targeted customer groups.
- The downtown district offers storefronts with exciting visual appeal, traffic patterns (vehicular and pedestrian) that guide people to the stores, an inviting, clean and secure shopping environment, ample and close parking, and excellent marketing, advertising and management. (See articles by the Gibbs Planning Group.)
- Downtown entertainment establishments and community leaders continue to work on creating a safer and more vibrant place to socialize while overcoming any negative perceptions that may have developed.
- Other downtown uses (housing, office, restaurants/entertainment) continue to develop, adding to a diverse, mixed use and vibrant center.

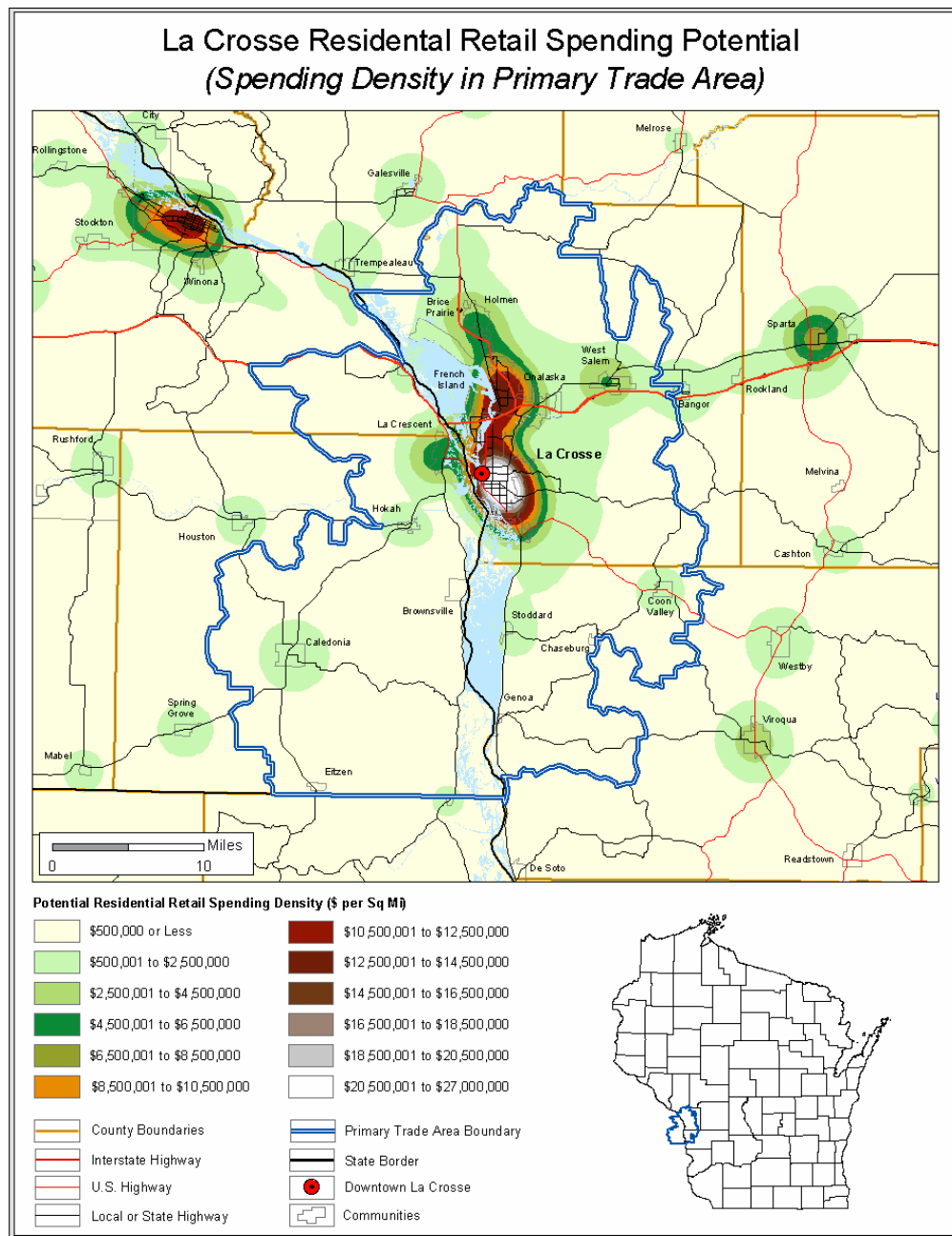
Assessment of Retail Opportunities - Flowchart

The flowchart summarizes the retail analysis process used for each store category. This process and the data in this report can be used to examine other store categories on an as-needed basis.



La Crosse Area Retail Spending Potential

The following map shows the resident retail spending potential in and around the La Crosse trade area. Demand is represented as retail spending dollars per square mile. The potential is calculated using year 2000 census block populations, per capita income and annual retail spending potential. The map shows that La Crosse's spending potential is concentrated in the south and central part of the city while retail supply is concentrated along I-94 to the north and east.



Book Stores

This industry comprises establishments primarily engaged in retailing new books, newspapers, magazines, and other periodicals.

Retail Demand

Demand refers to the amount of retail space that could be supported by consumers residing in the area based on estimates of their spending potential. Not included are consumers in the targeted consumer groups that reside outside of the area. For this store category, the 15-zip code Primary Trade Area is used.

To calculate Primary Trade Area demand, statewide per capita spending in this store category is adjusted by the ratio of local-to-state per capita income. The result is then multiplied by the Primary Trade Area population to calculate consumer spending demand. See Appendix 5 for calculations. The results are as follows:

Trade Area:	Primary Trade Area
Demand in Dollars:	\$4,200,000
Demand in Sq. Feet:	26,135

Retail Supply

Retail supply refers to the number and square feet of businesses in the trade area in this specific store category. They are listed below along with other types of stores that sell similar products.

Business	Address	City	Map ID	Square Ft.	Description
Competitors in this Category:					
Pearl Street Books	323 Pearl St.	La Crosse	1	3,900	This bookstore carries a variety of categories of books, but no music or magazines.
Lutheran Bookstore	444 Main St.	La Crosse	2	1,200	A small store that carries mostly religious books and music.
Barnes and Noble Booksellers	4415 State Hwy 16	La Crosse	3	25,000	Large bookstore in area with variety of books, CDs and magazines. Also has a Starbucks coffee bar.
Shepherd's Voice Christian Bookstore	9348 Hwy 16	Onalaska	4	6,300	Has a variety of mostly religious books and music and also some educational books for children. Has a coffee bar inside.
Waldenbooks	3800 Hwy. 16	La Crosse	5	4,700	Smaller bookstore that carries a variety of book types and magazines, but no music.
Book Exchange	726 S 7 th St.	La Crosse	6	2,900	Used and rare books.
Book Trader II	1313 Redfield St.	La Crosse	7	2,900	Used and rare books.
The Book Trader	821 Clinton St.	La Crosse	8	975	Used and rare books.
Historic Salem	99 E Jefferson St.	West Salem	9	4,400	Used and rare books. Large selection of hardback books.
Total				52,275	
Competitors in Other Categories:					
Best Buy Books 314 Jay St., La Crosse					
Toy's-n-Tales					

Industry Trends

The following are some of the trends and key issues currently facing this retail category:

- Since the beginning of 2002 the bookstore industry has seen a steady decline in sales each month. April 2003's sales were 5.7% lower than April 2002's sales even though overall retail sales went up 3.7% over that same time period. www.bookweb.org
- Over the last few years, independent bookstores have faced stiff competition from national book superstores such as Barnes and Noble and Border's whose 30,000 sq. ft. stores contain over 175,000 book titles and more than 30,000 CDs.
- Independent bookstores have been able to maintain their market share in 2003 through the use of new strategies such as the Book Sense marketing program. www.bookweb.org
- Internet book sales by Amazon.com and BarnesandNoble.com have changed the way customers shop for books and the way that bookstores reach their customers and make sales.
- Book superstores have been successful in suburban areas and in downtowns of major metropolitan regions.
- Independent bookstores have remained successful by catering to a market niche such as children's, feminist, or mystery books.
- Customers continue to go to independent bookstores because they feel a more personal relationship with the staff and they feel that the staff is more knowledgeable.
- Book superstores have become successful because of their more intuitive layouts, longer hours, and larger advertising budgets.
- The internet has opened a new market for bookstores. Book superstores benefit from the customers who prefer to shop online, while independent bookstores benefit from customers looking for rare books and also from used book sales.

Trade association for additional information: American Booksellers Association (ABA):
<http://www.bookweb.org/>

Downtown La Crosse Market

Differences in retail space demand and supply need to be analyzed in context of other market factors. The following are additional considerations that add to the analysis of this retail category.

- Business Mix Comparison with Other Communities - Independent book stores in similar markets usually offer specialized products and services. For example, Voss Books in Racine (and now Milwaukee) specializes in rare books and editions and derives a significant amount of its sales from the Internet. See <http://www.onmilwaukee.com/market/articles/voss.html> Independent book stores exist in many of the comparison communities. Most of these communities had a number of book and music shops with a few communities having 10 or more. The presence of a college or university in these communities strengthens market demand for independent book stores.
- Trade Area Demographic and Lifestyle Analysis - ACORN segmentation data indicates that residents of the primary trade area are similar to the U.S. average in their purchasing

demand for books. An important segment of the market for book stores is 1F-Semirural Lifestyle households.

ACORN Segment La Crosse Primary Trade Area	<i>Percent of All Hhlds</i>	<i>Bought Paperbacks (U.S. =100)</i>	<i>Bought Hardcovers (U.S. =100)</i>
6C – Newly Formed Households	13.2%	88	92
7A – Middle America	12.5%	78	85
2B – Baby Boomers with Children	10.1%	101	101
1F – Semirural Lifestyle	8.6%	121	128
7E – Small Town Working Families	6.9%	98	83

- Shopping Preferences of Targeted Consumer Groups - This store category would have appeal to all five market segments: tourists, college students, office-based workers and clients, residents of nearby neighborhoods, and health care clients.

Conclusion

Based on industry trends and local market conditions, there appears to be limited support for a traditional, full-selection bookstore downtown. However, there might be market support for an additional (or cluster of) bookstore specializing in a focused niche or offering a unique atmosphere or services.

The following are examples of specialized categories of bookstores that could be considered for downtown La Crosse. Businesses in any of these categories would need to serve a market larger than the primary and secondary trade area and would probably require a significant web-presence.

Antique, Rare, and Used
Architecture/Art
Business
Children's
Comics
Computers
Cookbooks

Health
History
How-to/Self-Help
Music
Mystery
Parenting
Photography

Politics
Recreation and Sports
Religion and Spirituality
Romance
Science Fiction, Fantasy,
and Horror
Travel

Clothing Store - Children's and Infants'

This industry comprises establishments primarily engaged in retailing a general line of new children's and infants' clothing. These establishments may provide basic alterations, such as hemming, taking in or letting out seams, or lengthening or shortening sleeves.

Retail Demand

Demand refers to the amount of retail space that could be supported by consumers residing in the area based on estimates of their spending potential. Not included are consumers in the targeted consumer groups that reside outside of the area. For this store category, the 15-zip code Primary Trade Area is used.

To calculate Primary Trade Area demand, statewide per capita spending in this store category is adjusted by the ratio of local-to-state per capita income. The result is then multiplied by the Primary Trade Area population to calculate consumer spending demand. See Appendix 5 for the calculations. The results are as follows:

Trade Area:	Primary Trade Area
Demand in Dollars:	\$717,000
Demand in Sq. Feet:	5,000

Retail Supply

Retail supply refers to the number and square feet of businesses in the trade area in this specific store category. They are listed below along with other types of stores that sell similar products.

Business	Address	City	Map ID	Square Ft.	Description
Competitors in this Category:					
Goober Gear	1375 Hyde Ave.	La Crosse	1	1,200	
The Red Giraffe	990 12th Ave. S	Onalaska	2	6,900	A large store that carries some children's apparel and shoes, but mostly sells furniture, strollers, etc. for children.
The Limited Too	3800 Hwy. 16	La Crosse	3	2,300	
Gymboree	3800 Hwy 16	La Crosse	4	3,000	A small store that carries clothing and shoes for toddlers and small children.
Total				13,400	
Competitors in Other Categories:					
GAP, Herberger's, JC Penny, K-mart, Kohl's, Marshall Field's, Sears, Shopko, Target and Wal-Mart					

Industry Trends

The following are some of the trends and key issues currently facing this retail category:

- A majority of children's clothing is sold in stores that are not dedicated only to the sale of children's clothing, such as department and discount stores.
- Studies have shown that 80% of clothing stores fail in the first five years. Mayumi Mendoza of PowerHomeBiz offers nine tips for running a successful clothing store: start small, learn

about your market, maintain quality in your merchandise mix, go heavy on service, plan and control your inventory, listen to your customers, cross market your products, hire the right people, and market your store. <http://www.powerhomebiz.com/vol89/success.htm>

- Like most retail sectors, the internet is increasingly becoming a factor. Consumers can now look at products online before going to stores or order clothing directly from the store's website.
- Since children outgrow clothes quickly, the used/secondhand sector of children's clothing can be a profitable venture for stores focused on children's clothing.
- National retail chains such as The Gap and Abercrombie & Fitch have opened up separate stores devoted to children's clothing and accessories.

Trade association for additional information: Childrenswear Marketing Association: <http://www.childrenswear-mfg.org/> National Retail Federation: <http://www.nrf.com>
North American Retail Dealers Association: <http://www.NARDA.com>

Downtown La Crosse Market

Differences in retail space demand and supply need to be analyzed in context of other market factors. The following are additional considerations that add to the analysis of this retail category.

- Independent stores in similar markets usually offer specialized products and services. Connie's Kids Children's Clothing Store, located in Chesapeake, VA, sells new upscale children's clothing that cannot be found in discount stores. They also use the internet to sell their products around the country. <http://www.connieskids.com/aboutconnieskids.html>
- Trade Area Demographic and Lifestyle Analysis - ACORN segmentation data indicates that residents of the primary trade area are similar to the U.S. average in their purchasing demand of children's apparel. Segment 1F-Semirural Lifestyle households purchase significantly more children's apparel than the national average.

ACORN Segment La Crosse Primary Trade Area	Percent of All Hhlds	Bought Children's Apparel (U.S. =100)
6C – Newly Formed Households	13.2%	97
7A – Middle America	12.5%	103
2B – Baby Boomers with Children	10.1%	103
1F – Semirural Lifestyle	8.6%	110
7E – Small Town Working Families	6.9%	98

- Shopping Preferences of Targeted Consumer Groups - This store category would have greatest appeal to tourists and office-based workers and clients.

Conclusion

Based on industry trends and local market conditions, there appears to be a sufficient number and variety of stores (including department stores) selling children's clothing in the La Crosse Primary Trade Area. However, there might be opportunities for specialty children's clothing, perhaps clustered with other products or nearby stores of interest to families with young children.

The following are some examples of specialized categories of children's apparel that could be considered for downtown La Crosse: custom-made clothing, footwear, sports/swimming, uniforms (school, scouts, sports, etc.), used clothing.

Drug Stores

This industry comprises establishments known as pharmacies and drug stores engaged in retailing prescription or nonprescription drugs and medicines.

Retail Demand

Demand refers to the amount of retail space that could be supported by consumers residing in the area based on estimates of their spending potential. Not included are consumers in the targeted consumer groups that reside outside of the area. For this store category, the downtown Convenience Trade Area is used.

To calculate Convenience Trade Area demand, statewide per capita spending in this store category is adjusted by the ratio of local-to-state per capita income. The result is then multiplied by the Convenience Trade Area population to calculate consumer spending demand. See Appendix 5 for the calculations. The results are as follows:

Trade Area:	Convenience Trade Area
Demand in Dollars:	\$4,646,000
Demand in Sq. Feet:	19,000

Retail Supply

Retail supply refers to the number and square feet of businesses in the trade area in this specific store category. They are listed below along with other types of stores that sell similar products.

Business	Address	City	Map ID	Square Ft.	Description
Competitors in this Category:					
The Medicine Shop	528 Cass St.	La Crosse	1	1,600	A very small pharmacy that only deals with prescription drugs and a small amount of over the counter medicines.
Walgreens	900 West Ave. S	La Crosse	2	9,000	Chain store that carries a variety of general merchandise items, and offers all services of a pharmacy as well.
Prescription Center	1907 West Ave. S	La Crosse	3	1,000	A very small pharmacy that only deals with prescriptions and some over the counter drugs.
Degen Berglund	1609 Losey Blvd.	La Crosse	4	14,000	A large drug store that carries main pharmacy items, as well as greeting cards and misc. items, but not as much as a variety store would.
Total				25,600	
Competitors in Other Categories: Clinic Pharmacy of West Salem, 210 N. Leonard St., West Salem Shopko Pharmacy, 4344 Morman Coulee Rd., La Crosse Shopko Pharmacy, 2438 Bridgeview Plaza, La Crosse Shopko Pharmacy, 9366 Hwy. 16, Onalaska Quillins Pharmacy, 401 Lang Drive, La Crosse Franciscan Skemp Pharmacy, 306 Main St., La Crescent Franciscan Skemp Pharmacy, 800 West Ave., La Crosse Franciscan Skemp Pharmacy, 615 S 10th St., La Crosse Gundersen Lutheran Pharmacy, 1900 South Ave., La Crosse Gundersen Lutheran Pharmacy, 3100 South Kinney Coulee Rd., Onalaska Kmart Pharmacy 2415 State Rd., La Crosse Target Pharmacy 9400 Hwy. 16, Onalaska La Crescent Pharmacy, 306 Main St., La Crescent					

Industry Trends

The following are some of the trends and key issues currently facing this retail category:

- In 2002, traditional chain drugstores accounted for 40.1% of retail pharmacy sales, independents 20.2%, mail order 18.4%, supermarkets 11.9%, and mass merchants 9.5%. www.nacds.org
- In 2002, chain pharmacies (chain, supermarket, and mass merchants) totaled 35,451 nationwide and independent pharmacies totaled 19,749 nationwide (www.nacds.org). Chains are growing rapidly in an effort to capture a large share of business from health maintenance organizations. They are also growing to assure that they have the marketing power to compete with non-drugstores such as Wal-Mart.
- Between 1991 and 2001 chain pharmacies grew from 26,992 to 34,934. Over the same period independent pharmacies dropped from 30,503 to 20,647.
- Chain drug stores typically like to locate in supermarkets and strip malls in cookie-cutter buildings. They find that customers like the familiarity they have with the floor plan and the parking nearby.
- Independent community pharmacies tend to be located on or near the main thoroughfare downtown, however some are also located in strip malls outside of town. Customers appreciate the service they receive and the pharmacies' commitment to the community.
- An October 1999 Consumer reports survey concluded that consumers rate independent pharmacies as "tops in customer satisfaction, speed and efficiency of dispensing, and quality of medication information provided." Also a October 2000 survey by the Ortho Biotech Retail Pharmacy Digest found that consumers rated independent pharmacies high in "customer service, most likely to return for a prescription, and most likely to recommend to others"

Trade association for additional information: National Association of Chain Drug Stores (NACDS): <http://www.nacds.org> National Community Pharmacists Association (NCPA): <http://www.ncpanet.org>

Downtown La Crosse Market

Differences in retail space demand and supply need to be analyzed in context of other market factors. The following are additional considerations that add to the analysis of this retail category.

- Trade Area Demographic and Lifestyle Analysis - ACORN segmentation data indicates that residents of the primary trade area buy slightly more prescriptions than the national average.

ACORN Segment La Crosse Primary Trade Area	Percent of All Hhlds	Used Prescription Drugs (U.S. =100)	Purchased Nonprescription at Drug Store (U.S. =100)
6C – Newly Formed Households	13.2%	98	93
7A – Middle America	12.5%	108	91
2B – Baby Boomers with Children	10.1%	103	97
1F – Semirural Lifestyle	8.6%	110	101
7E – Small Town Working Families	6.9%	92	94

- According to Ken Ford, owner of the Medicine Shoppe (located downtown in a new building at 528 Cass, across the street from the old location), has just committed to remaining in Downtown by expanding his retail store in a newly constructed building. The store is on the south boundary of downtown on a busy through-street. He serves the residents of the area and also draws from a broader area. He reports that his sales growth rate exceeds the national industry averages. His strategy has been to focus primarily on prescriptions, since half of profitability of a drug store is in the pharmacy. Other items include the usual health care counter products like aspirin, infant supplies, vitamins, band-aids, etc. His selection, however, is limited. He attributes his success to an excellent pharmacy with exceptional customer service. Even though Walgreen's national strategy is to move back in town, Walgreens has already committed to near-by locations. The owner does not believe any major drugstore retailer would locate downtown, only small independents. Furthermore, he believes that he has captured the market, and another drug store would not be feasible.
- Shopping Preferences of Five Targeted Consumer Groups - The drug store/pharmacies target nearby residents and only secondarily visitors, office-based workers and students.
- Competitiveness of Existing Trade Area Stores - The Medicine Shoppe appears to have captured the downtown market for pharmacy. If there is a gap, it is in the area of non-health products frequently carried in traditional drug stores.

Conclusion

Based on industry trends and local market conditions, there appears to be a sufficient number of drugstores serving the downtown La Crosse Convenience Trade Area. Additional stores would erode sales of existing stores.

Food - Grocery Stores

This industry comprises establishments generally known as supermarkets and grocery stores primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. Included in this industry are delicatessen-type establishments primarily engaged in retailing a general line of food.

Retail Demand

Demand refers to the amount of retail space that could be supported by consumers residing in the area based on estimates of their spending potential. Not included are consumers in the targeted consumer groups that reside outside of the area. For this store category, the downtown Convenience Trade Area is used.

To calculate Convenience Trade Area demand, statewide per capita spending in this store category is adjusted by the ratio of local-to-state per capita income. The result is then multiplied by the Convenience Trade Area population to calculate consumer spending demand. See Appendix 5 for the calculations. The results are as follows:

Trade Area:	Convenience Trade Area
Demand in Dollars:	\$20,213,000
Demand in Sq. Feet:	54,000
Trade Area:	Primary Trade Area
Demand in Dollars:	\$118,541,000
Demand in Sq. Feet:	319,000

Retail Supply

Retail supply refers to the number and square feet of businesses in the trade area in this specific store category. They are listed for the Primary Trade Area (including those in the Convenience Trade Area on the following page).

Business	Address	City	Map ID	Square Ft.	Description
Hokah Country Market	44 Main St.	Hokah	1	25,000	A smaller store that offers a variety of meat and deli items, mostly cold.
Moldenhauer's Store	RR 1 Box 151	Dakota	2	10,000	A small store that doesn't offer much in the way of a deli or meat dept.
Quillins-La Crescent	24 S. Walnut St.	La Crescent	3	15,000	A smaller Quillins store that offers a variety of cold deli items. A sizable deli and meat department.
Quillins Foodfest	3954 Mormon Coulee Rd.	La Crosse	4	60,000	The largest of the Quillins' grocery stores. It has a large hot and cold food deli, and a fairly large meat dept as well as a variety of foods.
Quillins-Village	2500 State Rd.	La Crosse	5	33,200	Medium sized store that has a very large deli and meat department. Offers some hot foods and a variety of cold.
People's Food Coop	315 5th Ave. S.	La Crosse	6	5,700	A small store dealing mostly in organic and health foods, doubling size 2004.
Quillins-Campus	325 West Ave. N	La Crosse	7	3,000	The smallest of the Quillins' grocery stores it carries some deli-prepared cold foods. Offers the basics.
Quillins-Menard Plaza	401 Lang Dr.	La Crosse	8	36,000	A medium sized Quillins' store that has a small deli, meat dept, and pharmacy considering the size of the store.
Piggly Wiggly IGA	1607 George St.	La Crosse	9	11,000	A smaller store with a good variety of deli options, and a small meat dept.
Quillins-Island	201 Sky Harbor Dr	La Crosse	10	8,000	A small Quillins store that has a small deli and cold prepared foods available.
Piggly-Wiggly	600 N. Holmen Dr.	Holmen	11	23,000	This store offers a large deli and also a variety of hot and cold deli items. It also has a good size meat department considering its size.
Skogen's	301 Sand Lake Rd.	La Crosse	12	24,000	This store offers a large deli and also a variety of hot and cold deli items. It also has a good size meat department.
Festival Foods	1260 Crossing Meadows	Onalaska	13	76,000	Has a huge produce, deli, meat department. Hot food bar, cold sandwiches available.
Woodman's	9515 Hwy 16	Onalaska	15	200,000	An extremely large grocery store that offers a big selection of organic foods, has a large deli and produce section.
Hansen's IGA	635 W. Hwy 16	West Salem	16	15,000	A smaller grocery store with a decent size deli, and a small meat department.
Lakeview Foods	3416 Hwy 16	West Salem	17	40,000	A good size grocery store with a good variety of deli items. Offers mostly cold deli items, but has a large meat Dept.
Wal-mart Supercenter	4600 Mormon Coulee Rd		18	75,000	187,000 SF in total store. New.
Wal-mart Supercenter	Marketplace	Onalaska			Just opened.
Asian Market	510 Lang Dr.	La Crosse	19	2,200	
Indo Chinese Grocery Store	704 La Crosse St	La Crosse	20	2,400	
Southeast Asia Grocery Store	1400 Liberty St	La Crosse	21	2,500	
Total				765,000	

Industry Trends

The following are some of the trends and key issues currently facing this retail category:

- A 2001 survey among independent grocers showed that 64% of owners feel that Super Centers such as WalMart are their biggest threat, 27% feel SuperMarket chains are, 2% the economy, 2% internet, and 2% convenience store chains.
<http://www.nationalgrocers.org/nga.art/NGASpecialtyFoods.pdf>
- In the same survey, independent grocers felt that customer service, product variety, convenience, and quality were the areas in which they are most competitive with larger chains. <http://www.nationalgrocers.org/nga.art/NGASpecialtyFoods.pdf>
- Some supermarket chains, such as Kroger and J Sainsbury, have started to build smaller convenience stores to help their companies grow by entering new markets.
www.finance.yahoo.com
- While internet grocer Webvan has not been successful, many other companies are exploring the idea of being able to order your groceries online and have them delivered to your house.
- As of 2003, 30% of supermarkets had a loyalty marketing/frequent shopper program to increase loyalty to their stores and help them offer better prices than their competitors, and 78% of them are pleased with the results.
<http://www.nationalgrocers.org/nga.art/2003MarketSurvey.pdf>
- WalMart has "defined its niche and has staked out a very clear position for itself as the low-price grocery offering", 63% of grocery stores currently compete against a Supercenter, and 23% of those who compete with one have launched a public relations campaign against it. In addition, 62% of grocers feel that they can compete with WalMart based on their customer service, 13% on product assortment, 9% on growth strategies.
<http://www.nationalgrocers.org/nga.art/2003MarketSurvey.pdf>

Trade association for additional information: National Grocer's Association (NGA):

<http://www.nationalgrocers.org>

Downtown La Crosse Market

Differences in retail space demand and supply need to be analyzed in context of other market factors. The following are additional considerations that add to the analysis of this retail category.

- Trade Area Demographic and Lifestyle Analysis - ACORN segmentation data indicates that residents of the primary trade area shop slightly more frequently per month than the national average. As a result, convenience for both major and fill-in shopping is an important factor.

ACORN Segment La Crosse Primary Trade Area	Percent of All Hhlds	Major Food Shopping 5+ times/month (U.S. =100)	Fill-in Food Shopping 5+ times/month (U.S. =100)
6C – Newly Formed Households	13.2%	103	112
7A – Middle America	12.5%	102	96
2B – Baby Boomers with Children	10.1%	98	103
1F – Semirural Lifestyle	8.6%	100	103
7E – Small Town Working Families	6.9%	104	106

- Accordingly to Michelle Schry, the general manager of People Food Co-op, the co-op is a full service whole foods grocery and deli in Downtown La Crosse with a 10 year history at that location. The store is undergoing a significant expansion which will be completed in October, 2004. They will stay in the same location, but double their retail space to 12,300 sq ft, expand their deli, add a café-style restaurant and a community room. This is a \$4.5 million project. A consultant did a feasibility study before the plans were developed.

The co-op is, in part, a destination store with many customers traveling from a distance to shop for whole foods. However, the co-op clearly serves the neighborhood with groceries. The largest per capita expenditures come from the surrounding neighborhood bounded by West Avenue, the Mississippi River, La Crosse Street and Cass. The Co-op believes that their primary market is 100,000 households. Downtown employees use the co-op for both deli purchases and groceries.

When asked whether there appeared to be a need downtown for one or more convenience stores with groceries (mini-Kwik Trip) she offered that trends are swinging back. The “neighborhood market” is becoming more common in the US. She suggested that if overhead could be kept low (e.g. a development made space available) it could be feasible. Close proximity to CenturyTel or other large employers could make foot traffic sufficient for such a convenience store.

- Shopping Preferences of Five Targeted Consumer Groups - A grocery store would serve primarily the nearby residents, followed by office-based professionals.
- Competitiveness of Existing Trade Area Stores - Existing convenience stores and the expanded Food-Co-op grocery and deli are apparently very successful. The part of Downtown that may be underserved, however, is the area with dense concentration of office workers plus the new apartment and long-term-stay buildings. It may be possible to compete for pedestrian consumers.

Conclusion

Based on industry trends and local market conditions including the opening of a Wal-Mart Supercenter, there appears to be insufficient demand for a new full size grocery store in downtown La Crosse. However, a new convenience store (perhaps as a satellite of a larger store) could satisfy demand from office workers and downtown residents.

Certain specialty foods could become a major feature or niche for a new downtown grocer. Specialty food niches could include: health food, bakery, butcher, deli, liquor/beer/wines, gourmet products and seafood.

Toy, Game and Hobby Stores

This industry comprises establishments primarily engaged in retailing new toys, games, and hobby and craft supplies (except needlecraft).

Retail Demand

Demand refers to the amount of retail space that could be supported by consumers residing in the area based on estimates of their spending potential. Not included are consumers in the targeted consumer groups that reside outside of the area. For this store category, the 15-zip code Primary Trade Area is used.

To calculate Primary Trade Area demand, statewide per capita spending in this store category is adjusted by the ratio of local-to-state per capita income. The result is then multiplied by the Primary Trade Area population to calculate consumer spending demand. See Appendix 5 for the calculations. The results are as follows:

Trade Area:	Primary Trade Area
Demand in Dollars:	\$4,489,000
Demand in Sq. Feet:	24,000

Retail Supply

Retail supply refers to the number and square feet of businesses in the trade area in this specific store category. They are listed below along with other types of stores that sell similar products.

Business	Address	City	Map ID	Square Ft.	Description
Competitors in this Category:					
Toy's-n-Tales	1501 Losey Blvd.	La Crosse	1	1,500	Carries a variety of games and other toys for children as well as educational games and tools for adults.
KB Toys	3800 Hwy. 16	La Crosse	2	6,000	Carries a large variety of toys and games for children of all ages.
The Learning Shop	9348 Hwy. 16	Onalaska	3	3,200	Carries educational toys for children and also teaching tools for adults and educators.
Children's Museum and Gift Shop	207 Fifth Avenue S.	La Crosse			
Total				10,700	
Competitors in Other Categories: K-mart, Shopko, Target and Walmart.					

Industry Trends

The following are some of the trends and key issues currently facing this retail category:

- Since 2000, participation rates among Americans have increased in all craft and hobby sectors. In 2001, 76% of households reported having at least one member involved with a craft or hobby. These households are more likely to be married couples that have children, a higher income, and more education than those who do not participate in crafts or hobbies. www.hobby.org
- Craft and Hobby stores continue to thrive because they hold a niche in the retail market that few other stores cover. The stores that may cover those niches partially, such as a Wal-Mart or Home Depot, do not have the product variety or the knowledgeable staff that craft and hobby stores have.
- Hobby Town USA and Hobby Lobby have been successful in applying the efficiencies of national chains hobby industry. National chains such as these prefer to locate in strip malls and power centers.
- Toys R' Us prefers to locate in strip malls and power centers. As a result of its extensive selection, it has been difficult for independent toy stores to remain in business. However, independent stores with a specific market niche or specialty, such as dolls or antique toys, have remained in business.
- Toys R" Us stores are no longer the largest toy retailer, having lost market share to Wal-Mart.
- Etoys is an online toy retailer owned by K-B Toys that offers online shopping and gift-wrapping. Toys R' Us has also entered the online retail market in hopes of attracting sales in the annually increasing internet retail sales.

Trade association for additional information: American Specialty Toy Retailing Association (ASTRA): <http://www.astratoy.org> Hobby Industry Association: <http://www.hobby.org> Toy Industry Association (TIA): <http://www.toy-tia.org>

Downtown La Crosse Market

Differences in retail space demand and supply need to be analyzed in context of other market factors. The following are additional considerations that add to the analysis of this retail category.

- Business Mix Comparison with Other Communities - Hobby, toy and game stores exist in a number of the comparison communities. Often they are small regional or independent stores that focus on unique or educational products. These stores are also frequently found among gift shops in tourism oriented retail districts. Examples of independents include Hobby Junction in downtown Marinette, WI. This store specializes in doll houses and train sets. <http://www.explorewisconsin.com/HobbyJunction/> Another example is Greenfield News and Hobby located in Greenfield, WI. This store is a local leader in hobby supply sales in all hobby categories. <http://www.retail-leaders.com/dealer/91607533.asp>
- Trade Area Demographic and Lifestyle Analysis - ACORN segmentation data indicates that residents of the primary trade area buy slightly more games and toys than the national average. Categories 2B-Baby Boomers with Children and 1F-Semirural Lifestyle households purchase more games and toys than the national average. In addition, educational toys were popular among most segments.

ACORN Segment La Crosse Primary Trade Area	Percent of All Hhlds	Bought Games and Toys (U.S. =100)	Bought Educational Toy (U.S. =100)
6C – Newly Formed Households	13.2%	97	95
7A – Middle America	12.5%	102	104
2B – Baby Boomers with Children	10.1%	105	108
1F – Semirural Lifestyle	8.6%	113	115
7E – Small Town Working Families	6.9%	96	91

- According to Jill Swanson, owner of Red Giraffe in Onalaska (a successful infant and juvenile store selling equipment, furniture, clothing and toys, a Downtown La Crosse location would be “a hard go.” In her opinion, mothers would have to go out of their way to go Downtown. Knowing their consumer behaviors, she believes that the mothers would not shop at a location without the convenience of parking at the door. Her store is located next to a maternity clothing store and both have ample parking at the door. She believes this is critical. She adds that locating next to the Children’s Museum would not be enough to overcome the convenience factor. However, grandmothers might take time and effort to shop downtown.

She sighted the Learning Shop (Valley View Mall area) and Toys and Tales (Village Shopping Center) as two other stores in the market, with the Learning Shop having the better location because of proximity to young families of Onalaska and Holmen. “That’s where you see the people.” She finds one publication most useful for tracking industry trends, “Kids Today,” a newsletter for infant and juvenile industries.

- According to Carmen Gustafson, former owner of Toys and Tales in the Village Shopping Center in South La Crosse, two previous toy stores in Downtown La Crosse closed. This suggests that a Downtown location might not work. This former toy store owner from a south La Crosse location explained that her location decision was based on convenience for parents with children. A drive-up location with parking immediately in front of the store was primary. She observed that the Downtown shopping demographic was primarily office employees and older adults, not parents of young children. Even the Children Museum’s gift shop has modest sales. The most popular toys are advertised on TV and marketed to a mass audience. They are available in the big-box stores at reduced prices. She noted that the Lone Wolf Café has just added a children’s play area (the Lone Wolf Café recently closed). Perhaps there is demand for children’s accessories, or perhaps toys would work as a department within another store, but an independent toy store is unlikely.
- Shopping Preferences of Five Targeted Consumer Groups - The targeted consumer groups for a toy store could be visitors (both health/business and tourists), office-based professionals and near-by residents. However, the demand within these groups is not clear.
- Competitiveness of Existing Trade Area Stores - The independent toy stores in the La Crosse-Onalaska area are popular and apparently successful. None, however, are located downtown.

Conclusion

Based on industry trends and local market conditions, there appears to be limited demand for an independent toy store downtown. However, a hobby or toy store (or cluster of stores) specializing in a particular market niche (trains, dolls, craft/hobbies, etc.) might have market potential (as a destination store). It is possible that such stores could be clustered with other retailers serving families with children.

The following are examples of specialized categories of hobby, toy and game stores that could be considered for downtown La Crosse. Businesses specializing in any of these categories would

need to be serve a market larger than the primary and secondary trade area and would benefit from a web-presence.

general supplies
magic
models
toy
antique toys
games

trains
radio control toys
used toys/games
airplanes
boats & ships
coin supplies

operational flight kits
science & educational
stamp supplies
video games

Kitchen and All Other Home Furnishings Stores

These stores are typically included in "Other Home Furnishings Stores," establishments primarily engaged in retailing new home furnishings (except floor coverings, furniture, and window treatments).

Retail Demand

Demand refers to the amount of retail space that could be supported by consumers residing in the area based on estimates of their spending potential. Not included are consumers in the targeted consumer groups that reside outside of the area. For this store category, the 15-zip code Primary Trade Area is used.

To calculate Primary Trade Area demand, statewide per capita spending in this store category is adjusted by the ratio of local-to-state per capita income. The result is then multiplied by the Primary Trade Area population to calculate consumer spending demand. See Appendix 5 for the calculations. The results are as follows:

Trade Area:	Primary Trade Area
Demand in Dollars:	\$3,416,000
Demand in Sq. Feet:	21,000

Retail Supply

Retail supply refers to the number and square feet of businesses in the trade area in this specific store category. They are listed below along with other types of stores that sell similar products. As there are no competitors in this specific store category, there is no supply map in Appendix 5.

Business Name	Address	City	Square Ft.	Description
Competitors in this Category:				
None				
Total			0	
Competitors in Other Categories:				
GAP, Herberger's, JC Penny, K-mart, Kohl's, Marshall Field's, Sears, Shopko, Target and Wal-Mart				

Industry Trends

The following are some of the trends and key issues currently facing this retail category:

- In 2001, Mass Merchants sold more cookware, bakeware, and cutlery than Department Stores and Home Specialty Stores; while Department Stores sold more dinnerware, beverageware, and flatware.
http://www.housewares.org/industry/data/mw_pdfs/MW_vol2no4.pdf
- According to NDP Household, the houseware industry is experiencing a “thinning of the middle”, where high-end brands are becoming increasingly popular as well as low-end discount brands. As a result the middle market is shrinking.
http://www.housewares.org/industry/data/mw_pdfs/MW_summer03.pdf
- Gourmet kitchen stores have become increasingly popular in downtown areas that have experienced high-end condo development that in the past lacked a store for kitchen goods. Stores such as the Grand Gourmet in the Third Ward in Milwaukee offer gourmet cooking classes. <http://www.grandgourmetwi.com/classes/>
- Companies such as Bodum, have few retail outlets, but do a significant amount of sales over the internet. <http://www.bodum.com>

Trade association for additional information: National Kitchen and Bath Association:

<http://www.nkba.org>. Association of Home Appliance Manufacturers: <http://www.aham.org>.

International Housewares Association: <http://www.housewares.org>

Downtown La Crosse Market

Differences in retail space demand and supply need to be analyzed in context of other market factors. The following are additional considerations that add to the analysis of this retail category.

- Business Mix Comparison with Other Communities - Independent cooking and home furnishing shops exist in many of the comparison communities. One example is the expanded Now You're Cooking store in downtown Ithaca, New York. This store offers hard-to-find gadgets, classic cookware and unusual accessories that may not be found in big box houseware stores.
- Trade Area Demographic and Lifestyle Analysis - ACORN segmentation data indicates that residents of the primary trade area tend to be more likely to purchase cookware. The largest segment, 6C-Newly Formed Households, buys significantly more cookware from department stores (higher quality cookware) than discount stores.

ACORN Segment La Crosse Primary Trade Area	Percent of All Hhlds	Buy Cookware at Dept. Store (U.S. =100)	Buy Cookware at Discount Store (U.S. =100)
6C – Newly Formed Households	13.2%	107	96
7A – Middle America	12.5%	99	116
2B – Baby Boomers with Children	10.1%	105	123
1F – Semirural Lifestyle	8.6%	113	116
7E – Small Town Working Families	6.9%	97	110

- Shopping Preferences of Targeted Consumer Groups - This store category would have greatest appeal to tourists and office-based workers and clients and possibly residents of nearby neighborhoods.

Conclusion

Based on industry trends and local market conditions, there might be demand for an independent kitchen and gourmet cooking store in the downtown area. Currently, there are no such stores in the area, nor are there any "big box" housewares stores (i.e. Bed Bath and Beyond or Linens and Things). Such a store could benefit by being clustered with other specialty home furnishing stores downtown.

The following are examples of specialized categories of kitchen and gourmet cooking stores that could be considered for downtown La Crosse. Businesses specializing in any of these categories would need to be serve a market larger than the primary and secondary trade area and would benefit from a web-presence.

small appliances
cookware and bakeware
cutlery, utensils and
kitchen gadgets

kitchen design
organization/storage items
bar supplies
dinnerware/serveware

specialty foods
glassware
linens
coffee & tea

Video Tape and Disc Rental

This industry comprises establishments primarily engaged in renting prerecorded video tapes and discs for home electronic equipment.

Retail Demand

Demand refers to the amount of retail space that could be supported by consumers residing in the area based on estimates of their spending potential. Not included are consumers in the targeted consumer groups that reside outside of the area. For this store category, the downtown Convenience Trade Area is used.

To calculate Convenience Trade Area demand, statewide per capita spending in this store category is adjusted by the ratio of local-to-state per capita income. The result is then multiplied by the Convenience Trade Area population to calculate consumer spending demand. See Appendix 5 for the calculations. The results are as follows:

Trade Area:	Convenience Trade Area
Demand in Dollars:	\$338,000
Demand in Sq. Feet:	4,000

Retail Supply

Retail supply refers to the number and square feet of businesses in the trade area in this specific store category. They are listed below along with other types of stores that sell similar products.

Business	Address	City	Map ID	Square Ft.	Description
Competitors in this Category:					
Premiere Video	2311 State Rd.	La Crosse	1	4,860	Carries a large variety of new movies and games as well as older movies, which are mostly only available on video cassette.
Videoland	1525 Losey Blvd.	La Crosse	2	7,800	A larger store that carries a good selection of new movies and games as well as older movies on video and DVD.
Family Video	3514 Mormon Coulee Rd.				
Mr. Movies	4212 Mormon Coulee Rd.				
Mr. Movies	903 Rose St.				
Downtown Market & Spirits	309 4 th St.	La Crosse	6	160	
Total				12,820	

Industry Trends

The following are some of the trends and key issues currently facing this retail category:

- Most video rental stores offer customer appreciation services, like Blockbuster's Rewards program, which gives members special deals on rentals for a small yearly fee.
- Video rental stores have increasingly moved into the sale of videos, DVDs, video games, to capturing the market for people who prefer to purchase, rather than rent.

- Video rental stores are also stocking an increasing amount of DVDs as opposed to VHS tapes. In 2002, consumers spent \$11.6 billion buying and renting DVDs, up from \$6.8 billion in 2001. Only \$8.7 billion was spent on VHS in 2002. <http://www.dvdforum.org/press-nd3-17-03.htm>
- Since national chains carry DVDs and videos, in most cases the breadth of their selection has decreased, opening a niche for independent video stores that offer classics, foreign films, documentaries, and independent films.
- Most new personal computers and some new cars contain DVD players, which expands the opportunities consumers have to watch DVDs.
- One recent trend in the movie rental industry is towards the internet. Companies such as NetFlix have used the internet to distribute DVDs to customers through the mail.

Trade association for additional information: Video Software Dealer's Association: <http://www.vstda.org>. Video Business: <http://www.videobusinessonline.com>

Downtown La Crosse Market

Differences in retail space demand and supply need to be analyzed in context of other market factors. The following are additional considerations that add to the analysis of this retail category.

- Trade Area Demographic and Lifestyle Analysis - ACORN segmentation data indicates that residents of the primary trade area are similar to the U.S. average in their video rental demand. Categories 2B-Baby Boomers with Children and 1F-Semirural Lifestyle households, rented far more videos than the national average.

ACORN Segment La Crosse Primary Trade Area	Percent of All Hhlds	Rented Pre- Rec Video: Movie (U.S. =100)
6C – Newly Formed Households	13.2%	98
7A – Middle America	12.5%	95
2B – Baby Boomers with Children	10.1%	118
1F – Semirural Lifestyle	8.6%	120
7E – Small Town Working Families	6.9%	99

- Business Success Factors (Based on Interviews with Business Owners)
- John Wettstein, the owner of a large and successful (busy) video store in Downtown La Crosse, made the decision to move his store to a popular strip mall (with grocery store anchor) in Onalaska and close the downtown store. The video store was known for its collection of foreign films and film classics). According to Wettstein, the video store simply did not bring enough revenue to justify staying open in Downtown. Some of his observations are as follows:
 - A downtown video store could exist if it were used strategically as a traffic producer instead of a profit center, such as a department of a liquor store or electronics store.
 - Foreign films and film classics were, indeed, popular in his store with a small segment of the customer base. However, they only accounted for a small percentage of customer sales (less than 20%).

- New releases are extremely important. Customers insist on new releases. The cost of maintaining a good selection makes the size of the customer base very important to ensure the sales volume.
 - Families (households with children) are the heaviest users of video stores.
 - To be profitable, a video store needs a weekend population base (residential) of at least 8000, and downtown does not offer that.
 - Competition includes many alternatives. Mail order services offer \$19.95 DVD (compared to cost to the video store \$16-18 each.) Wal-Mart and Kmart sell VHS. Video-on-demand is coming on cable and Internet. The downtown library rents videos.
 - Releases on VHS lag the DVD technology 6-8 weeks and VHS costs \$70 each.
 - This is a maturing industry: customers are more discriminating and the national companies with large market share are also experiencing a drop in sales.
 - Competition includes increased use of computers. Computers have taken time away from video watching as a source of entertainment and diversion.
 - Technologies are rapidly changing. DVD may not be the technology of the future, perhaps chip technologies.
- Shopping Preferences of Five Targeted Consumer Groups - The targeted consumer groups most likely to shop at video stores are downtown residents, student populations and downtown employees, in that order.
 - Competitiveness of Existing Trade Area Stores - As noted above, competition is significant if considering entire trade area and alternative sources for films, although downtown sources for video are very limited.
 - Independent video stores often need to specialize to succeed. VideoShark is an independent video rental store located in the Chicago area that focuses on New Releases. A main reason that VideoShark was successful was that it gave free rentals for different genres on different days, increasing customer traffic and overall rentals <http://www.hanania.com/videotip.htm>

Conclusion

Based on industry trends and local market conditions, there appears to be limited demand for a new video store downtown. However, DVD/video rentals and sales, especially those related to a particular niche (new releases, foreign films, family videos, games, etc) could be part of an expanded product line of existing or new stores.

Recommendations

1. Respond to Target Consumer Group Needs

Increase Capture of the Tourism Market

For downtown La Crosse to increase its capture of visitor spending, it must successfully balance its natural, historical and cultural resources with the right mix of retail. It must provide an intimate, distinct atmosphere and a strong pedestrian character. Downtown must offer a variety of eating and drinking places that create a social ambiance and offer ongoing special events and activities. The following general principles are drawn in part from an article in Urban Land magazine (August 1996) and can be used to help downtown retailers capture a larger share of tourist spending:

- **Sell a variety of retail and services.** Tourists consume more than souvenirs and fast food. Many successful retailers sell products related to health, wellness and feeling good. Such products include small indulgences such as specialty coffees, ice cream, cookies and chocolate, toys as well as outdoor accessories such as sunglasses, sweaters and footwear. Locally produced products are also appealing to tourists. While shopping for unusual items is recognized as part of the recreational experience, there also must be convenience products.
- **Build on the attributes of the surrounding area.** Tourism destinations depend on the special attributes of their locations. Downtown La Crosse can continue to build in its Mississippi Riverfront and historic character.
- **Have year-round and diverse appeal.** Successful tourism-related retailers appeal to more than one market segment. They look at the various types of visitors by season to identify opportunities to increase year-round sales. Successful retailers also try to appeal to a diverse mix of customers including overnight visitors, day-trippers, conference attendees, local residents and employees.
- **Cluster and coordinate retail activity.** The appeal of tourism-based retail is increased when a wide variety of shops are clustered around each other and near local services. Downtown La Crosse services should be promoted to visitors including churches, the post office, library, medical center, banks, realtors, and conference and lodging facilities. These services provide spin-off for local retailers and build on the sense that La Crosse is a vibrant community.
- **Appearance and amenities of the business district are important.** Appearance of the retail district can strengthen the area's identity and sales. Public spaces should feature pleasant seating in a clean and distinctive context. Buildings must be clean, with awnings and signs meticulously designed. Pedestrian areas must be checked daily and be free from debris, broken glass, cigarette butts, litter, graffiti, and gum and must have convenient and restful areas for seating and people watching. Hanging flower baskets, window boxes, shady street trees are a must because they provide a sense of quaintness. Activities must be within

a comfortable and attractive walking distance of each other, with an abundance of visitor information visible from the sidewalk. Parking must be convenient and identifiable.

Increase Capture of the College Student Market

College students are looking for the vibrant, exciting and fun neighborhoods to live and shop. The following suggestions should be considered in La Crosse's retail plan:

- **Offer retail and services that appeal to this active and busy lifestyle category.** Consider stores that appeal to their interests and social life: apparel, personal care products, books, cooking supplies, music, photo and electronic equipment, sports and outdoor supplies, fast food/deli food/drive through and delivery meals, bedroom furniture, lamps, shoes, PCs, and computer software.
- **Provide retail and services that reflect student budgets.** While many students would like to shop at a co-op, natural foods market or specialty foods store, these are often too expensive for them to shop at consistently and they will instead frequent a less expensive grocery store. The same holds true for restaurants, drugstores and other retail.
- **Provide retail and services that reflect student schedules.** Student schedules allow for a lot of free or discretionary time, which means they can shop at times when other customers cannot get downtown. Additionally student schedules often include late nights, both for studying and having a good time. A successful downtown will offer them places to do both, for example all-night diners and coffee shops in addition to bars.
- **Promote awareness on campus of what downtown has to offer.** Many of the students surveyed in the case studies indicated that they were not aware of what the downtown had to offer. Advertising on campus websites, in the student newspaper, and in flyers on campus can go a long way towards bringing students downtown.
- **Consider improved pedestrian and bicycle facilities.** Additional improvements to create safe and convenient routes from campuses to downtown that include bicycle parking downtown.

Increase Capture of the Office Market

Based on the types of office-based workers and clients that do business in downtown La Crosse, coupled with local and national research on their retail buying behavior, the following should be considered in increasing capture of this market segment:

- **Work with commuter's limited time to shop.** Commuters have busy schedules and little time to shop while in town - Retailers must accommodate their schedules by offering quick service and convenient store hours.
- **Provide products that appeal to this segment.** La Crosse office workers identified apparel (woman's fashions and accessories) and convenience retail stores (drugs, general merchandise, card/gift and grocer) as potential stores for downtown.
- **Provide fast, high quality and convenient lunch options.** A variety of food options can encourage repeat visits and complement downtown retail.
- **Offer additional services.** Office employees also use services such as fitness, childcare and dry-cleaners. These add pedestrian traffic that will support new downtown retail.
- **Welcome new employees.** As La Crosse's downtown employment grows and new employees start work, merchants should use this opportunity to establish repeat visit relationships.

Increase Capture of Residents of Nearby Neighborhoods

Downtown residents provide a customer base for neighborhood-serving retail such as grocery stores and pharmacies. They also extend the business day by providing significant local demand into the evening hours (when residents are home from work). The following should be considered in increasing capture of this market segment:

- **Provide more goods and services tailored to the daily needs of residents of surrounding neighborhoods.** The availability of everyday goods found in suburban grocery, drug and hardware stores is important to all residents.
- **Streets leading into the downtown area from surrounding neighborhoods must balance the needs of the pedestrian and the needs of the automobile.** Traffic must be calmed and pedestrian amenities must be added for downtown to be appealing to nearby residents.
- **Recognize the need for easy accessibility, high visibility, personal security and convenient parking are important for this market segment.** Nearby residents must view shopping downtown as hassle-free as driving to the mall or suburban big box store.
- **Encourage mixed-use downtown developments that include residential.** Downtown housing supports retail and entertainment and creates downtowns that are busy around the clock all week long.

Increase Capture of Health Care Clients

Visitors to local health care facilities share many of the same preferences as those in the tourist market. The following should be considered in increasing capture of this market segment:

- **Provide clinics with visitor information guides for their clients to assist in getting downtown.** This can include maps, bus routes, parking guide, retail and service directory.
- **Offer products that address the needs of health, wellness and feeling good.** Included are clothing & accessories, cards/gifts/collectibles, specialty foods, jewelry, art, medical supplies, florists, prescription drugs, etc. These products should be targeted to the demographic characteristics (especially age and income) of local health care clients.
- **Offer personal services.** Banks, dry cleaners, barbers and beauty salons as well as a variety of casual restaurants and coffee shops can serve the needs of visitors and patients while away from home.
- **Involve Hospitals in Downtown Events.** Explore the possibility of local hospitals sponsoring community events such as health screenings downtowns.

Increase Capture of Other Primary and Secondary Trade Area Segments

In addition to the five target consumer groups, downtown merchants must continue to seek opportunities to serve the general population of the primary and secondary trade areas. Additional market segments might emerge as the La Crosse community grows and changes.

2. Create an Environment that is Supportive of Retail

Enhance Downtown's "Sense of Place"

Downtown La Crosse should build on its historical character and uniqueness as its competitive advantage to attract and support retail. Downtown is distinctive from other commercial settings and is an alternative to a "cookie cutter" shopping center. It is multifunctional, hosting a variety of uses from residential to office to retail. This diversity provides retailers with numerous market segments at various times of the day. Downtown La Crosse is generally pedestrian-friendly. Its buildings represent the community's unique heritage. Downtown's sense of place can be enhanced by continued efforts to encourage activity and events that encourage people to linger and relax (and shop). People from throughout the primary trade area need to feel renewed community ownership in the downtown area.

Help Entertainment and Retail Co-Exist

Hospitality and entertainment establishments are vital to the social and economic vitality of La Crosse. For downtown retailers to thrive in this active environment there needs to be communication among stakeholders representing various business establishments, public safety and development organizations. Suggestions from the Responsible Hospitality Institute on balancing an active entertainment district with the issues and concerns of downtown shoppers and residents are presented below:

- Expanded police presence downtown can curb aggressive behavior by bar patrons.
- Varied bar times can reduce the flood of bar patrons onto the street at the same time, thus reducing the risk of conflict.
- Banning or restricting drink specials can reduce the rowdiness of a crowd as a whole.
- Keeping an area well-kept encourages others to do so. To avoid trash being left on the street it is important to make sure that the street is cleaned daily. Likewise, waste receptacles should always be nearby and emptied several times per week (especially in the summer months).
- Offer low-alcohol or non-alcoholic beverages for the 40% (according to Gallup) of adults that choose to abstain from alcoholic beverages.
- Ensure the availability of high-protein foods, which slow the absorption of alcohol, and avoid salty foods that promote drinking.
- Make sure that alcoholic beverages are not the center of activity.
- Plan activities that do not involve drinking, so as to encourage socializing and include those who are underage.

Extend and Coordinate Operating Hours

Extended store hours downtown can lead to improved sales and profitability. Longer and consistent hours (such as those offered by malls) are especially important in downtown La Crosse because of the different shopping times of the five target consumer segments.

A change of hours may create the need to change procedures and revise employee schedules. But opening later in the morning and operating into early evening allows customers more access to the business. To fine tune the hours of operation, retailers should do hourly customer counts to track numbers of customers and actual time shopped.

- Time has become an equal factor to price and value with women working more and longer hours. Women act as the purchasing agent of most American households and are now a larger part of the workforce than ever before in U.S. history. Not being open after 5PM forces them to purchase elsewhere. Big box operators know that 40% of purchasing is now done after 5:00 P.M. To compete with them, small downtown businesses need to consider being open during these profitable hours.
- Along with time constraints, customers have become more demanding and are bored easier than ever. Downtown customers expect service, quality, and an interesting and exciting environment. In contrast, they perceive the "big box" retailer as having convenient hours, large selections and low prices, but marginal quality and limited service. Downtown retailers have an opportunity to become more competitive by offering better customer services **AND** convenient hours.
- By not being open on weekday evenings, local merchants may be losing up to a third of their weekday business. By being closed on Saturday afternoon and Sundays, they may be losing 1 ½ of the 2 best shopping days of the week.

A discount department store in some ways is a composite of a downtown. It offers shoppers a variety and enables them to buy many different items. If only one or two stores were open in the downtown area, it would probably not create the "draw" required to match the discount department stores. It is critical, therefore, for the majority of the stores in the downtown to agree on the extended hours.

Ensure Safety

Shoppers will come downtown only if they feel safe and systems are in place to prevent crime. Lighting and security systems, police presence, and store personnel who serve as ambassadors (providing directions and assistance to shoppers) are essential to ensure a safe shopping environment.

3. Strengthen Downtown Marketing Efforts

The findings of this market analysis should be used to support a downtown marketing plan. The plan should focus on those existing or potential consumer segments (target consumer groups) that offer the greatest market potential for downtown businesses. The marketing plan should include specifics on strategy, a calendar, an implementation plan and an evaluation plan. Specific items from this market analysis that should be included in downtown La Crosse's marketing plan are presented below:

Identify Retail Niches Where Target Consumer Groups Overlap

Business operators should continuously explore products or services that may appeal to more than one of the target consumer groups. Effort should be made to identify market niches based on products or services that appeal to a combination of the target consumer groups. One possible retail niche for downtown La Crosse might be related to the arts. In cities around the country, downtown arts districts are emerging with galleries, cinemas, opera houses, artist housing, and theaters. They are growing in popularity in downtowns of all sizes.

Co-Exist but not Compete with the Valley View Mall

The Valley View Mall and its nearby retailers represent the primary regional shopping district in the La Crosse area. This shopping area is anchored by the mall as well as discount department stores and big-box retailers. Downtown retailers will most likely be successful if they provide a locally-based shopping alternative. Accordingly, downtown La Crosse should not try to compete directly with the Valley View Mall area, but co-exist by focusing on niche market segments and a unique sense of place that just doesn't exist in the auto-oriented mall area. Develop and implement an overall marketing and advertising campaign designed to penetrate the target consumer segments identified in this report.

Link Retail to Entertainment and Interests of Target Consumer Groups

Entertainment or "edutainment" can be a component of downtown La Crosse's retail environment. According to Stephanie Redman of the National Main Street Center, stores can create entertainment and learning events such as product demonstrations, food tastings, how-to clinics and information seminars. Promoting downtown as a place to have fun and learn can distinguish it from the mall and appeal to the target consumer groups, especially students and tourists.

Improve Merchandising Techniques

Downtown La Crosse merchants should continue to improve their merchandising techniques focusing on each of the five target market segments. Improved merchandising efforts by existing retailers that improve visual merchandising and promote shopping among other downtown businesses is key to everyone's success. Such efforts should include improved window displays, lighting, cleanliness, façade improvements, and inventory management.

Improve Communication on Downtown's Retail Renewal

As the downtown La Crosse retail district grows, ongoing efforts must be made to communicate with the target consumer groups and others in the primary trade area. According to Stephanie Redman of the National Main Street Center, business owners need to think about their market

niche relative to the competition, their target audience, the image they want to sell to customers, and the marketing techniques they'll use to get their message across. Techniques include direct mail, catalog or brochure, newsletters, cross promotions with other businesses, and websites.

4. Encourage Business Development

Business Expansion and Recruitment in Selected Store Categories

While the target consumer groups identified in this report are diverse and often have different buying behaviors, a number of store categories provide opportunities for business expansion or recruitment. Findings from a selected number of retail categories examined in Section 5 and include:

- **Books** – potential market support for bookstores specializing in a focused niche or offering a unique atmosphere.
- **Children's Clothing** – potential market support for specialize categories of children's apparel.
- **Drug Store** – market already sufficiently served.
- **Food/Grocery Store** – potential market support for a new convenience store, possibly including specialty food items.
- **Toy/Game/Hobby Store** – potential market support for a store specializing in a particular niche, possibly related to the interests of families with children.
- **Kitchen/Home furnishing Store** – potential demand for a kitchen and gourmet cooking store, distinctly more focused than a “big box” housewares store.
- **Video/Disc Rental** – potential market support for the addition of DVD/video rentals, especially those related to a particular niche, within an existing store.

In addition to these categories, other possible businesses to consider include: men's and women's apparel, bakeries, art galleries, record/CD shops, and additional tourist-oriented businesses. Other retail categories may warrant further study to determine their market potential. Furthermore, the addition of new dining establishments would increase the pedestrian traffic and overall market potential for addition retail establishments.

Encourage Retail Agglomeration/Critical Mass

The expansion or recruitment of businesses in the same or compatible category could strength downtown's appeal to the target consumer groups and others. Examples of businesses that, together would have a stronger draw when clustered together include gift shops, apparel stores and home furnishing/decorating stores.

Assist Existing Retailers with Expansion Opportunities

It is recommended that the City and DMI use this market analysis to provide assistance in how to penetrate the existing market more effectively. This may simply be assistance to help businesses serve existing customers better and bring back former customers. Existing businesses can be counseled in identifying new markets for current product lines as well as adding new product or services to capture a wider market. Use of the ACORN Users Guide CD can help identify products and services with a high trade area “purchase power” index.

For those seeking additional space, encourage the geographic clustering of businesses to increase sales by helping businesses benefit from each other's customers. The market analysis can also be used to identify products, services and other businesses for cross-promotion. This includes identifying ways to help one business complement another.

Establish a Business Recruitment Program

To begin the recruitment process, a proactive business recruitment team needs to be assembled. This team should have a realistic understanding of the market, skills in economic development and real estate, and have an ability to sell and follow through. A team of 5-7 participants could include business owners, real estate professionals, building owners, bankers, chamber and economic development representatives and elected officials.

For a recruitment program to be successful, the team must be ready to articulate a clear market position statement for the district. A market position statement describes the type of retail mix, the shopping environment, and the target customer market. The statement distinguishes your district from surrounding shopping districts.

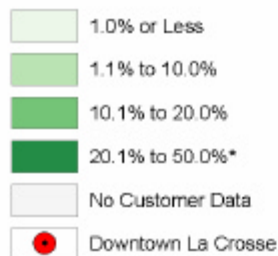
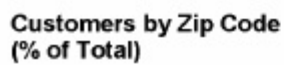
Some of the tasks to include in the business recruitment process include:

- **Assemble Business Recruitment and Marketing Materials** - Attractive recruitment and marketing materials should be developed to convey the market potential of the business district. Business assistance and information on incentives should be included. Business recruitment materials must help convince a business operator that downtown La Crosse is unique and that it offers a competitive edge over other locations.
- **Recruit a Mix of Retailers** - The recruitment of a few national and regional chains may increase the visibility and credibility of the downtown business district. The addition of chain stores can signal a sign of confidence in the economic prospects of downtown, important to the business community, developers and customers. Potential leads can come from existing businesses within or near downtown La Crosse, emerging entrepreneurs, existing local or regional businesses, national chains, brokers and leasing agents. Franchise opportunities can be identified through the International Franchise Association.
- **Develop Business Placement Recommendations** - New stores should be located in clusters of businesses that share customers and market segments and offer complementary goods and services. For example, retailers that appeal to the local college student market should locate near each other. Other business location considerations should include "A-Street" and "B-Street" locations, pedestrian interaction, accessibility needs for convenience-based stores, limited walking distance, drive-through needs, street-level vs. upper-level units, and retail continuity.

Appendix 1

Customer Origin Data/Maps for:

- Business #1 – Retail business
- Business #2 – Retail business
- Business #3 – Retail business
- Business #4 – Retail business
- Business #5 – Retail business
- Business #6 – Service business
- Business #7 – Regional attraction
- Business #8 – Regional attraction
- Business #9 – Regional attraction
- Tourism Inquiries – Place of Origin

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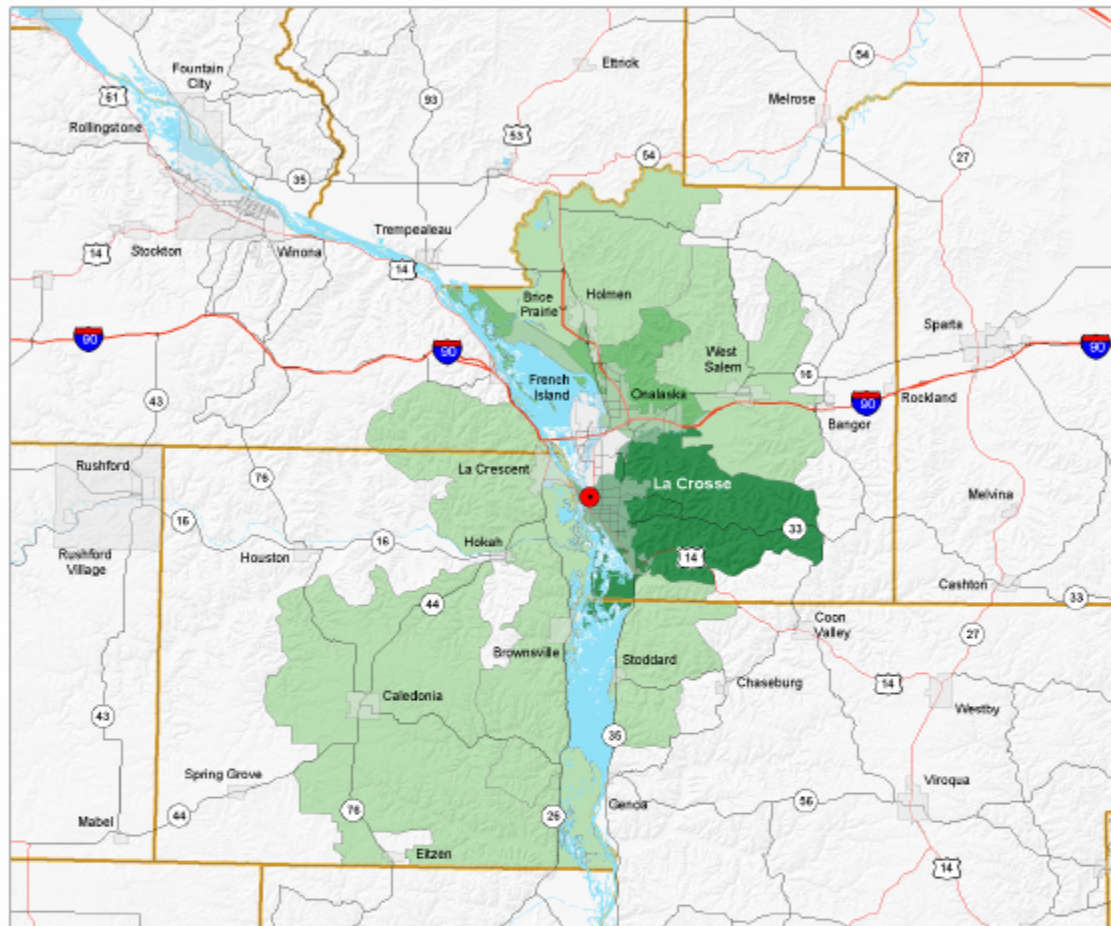
*Note: The 54601 zip code has 30.1% of the total customers



Customer Origin Summary for Business #1			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse	294	30.1%
54650	Onalaska	104	10.7%
55947	La Crescent	69	7.1%
54636	Holmen	45	4.6%
55987	Winona	43	4.4%
54603	La Crosse	40	4.1%
54669	West Salem	33	3.4%
54665	Viroqua	29	3.0%
54656	Sparta	21	2.2%
54667	Westby	19	1.9%
54623	Coon Valley	14	1.4%
54615	Black River Falls	13	1.3%
54660	Tomah	12	1.2%
	Subtotal	736	75.4%
55943	Houston	10	1.0%
54621	Chaseburg	9	0.9%
54630	Galesville	9	0.9%
54631	Gays Mills	9	0.9%
54661	Trempealeau	9	0.9%
55919	Brownsville	9	0.9%
54612	Arcadia	8	0.8%
54632	Genoa	8	0.8%
54644	Mindoro	8	0.8%
54658	Stoddard	8	0.8%
54619	Cashton	7	0.7%
54642	Melrose	7	0.7%
55921	Caledonia	7	0.7%
53581	Richland Center	6	0.6%
54773	Whitehall	6	0.6%
55941	Hokah	6	0.6%
55974	Spring Grove	6	0.6%
54624	De Soto	5	0.5%
54628	Ferryville	5	0.5%
54629	Fountain City	5	0.5%
54659	Taylor	5	0.5%
55925	Dakota	5	0.5%
53821	Prairie Du Chien	4	0.4%
54614	Bangor	4	0.4%
54616	Blair	4	0.4%
54627	Ettrick	4	0.4%
55971	Rushford	4	0.4%
52160	New Albin	3	0.3%
54622	Cochrane	3	0.3%
54635	Hixton	3	0.3%
54639	La Farge	3	0.3%
54646	Necedah	3	0.3%
54655	Soldiers Grove	3	0.3%
54747	Independence	3	0.3%
55981	Wabasha	3	0.3%
	Subtotal	937	96.0%*

*The remaining 4.0% comes from scattered zip codes with less than 0.3% of the total.

Business #2 Customer Origins by Zip Code



0 5 10 15 Miles

Customers by Zip Code (% of Total)

- 1.0% or Less
- 1.1% to 10.0%
- 10.1% to 20.0%
- 20.1% to 50.0%*
- No Customer Data
- Downtown La Crosse

- Communities
- County Boundaries
- Interstate Highway
- U.S. Highway
- Local or State Highway

*Note: The 54601 zip code has 47.0% of the total customers

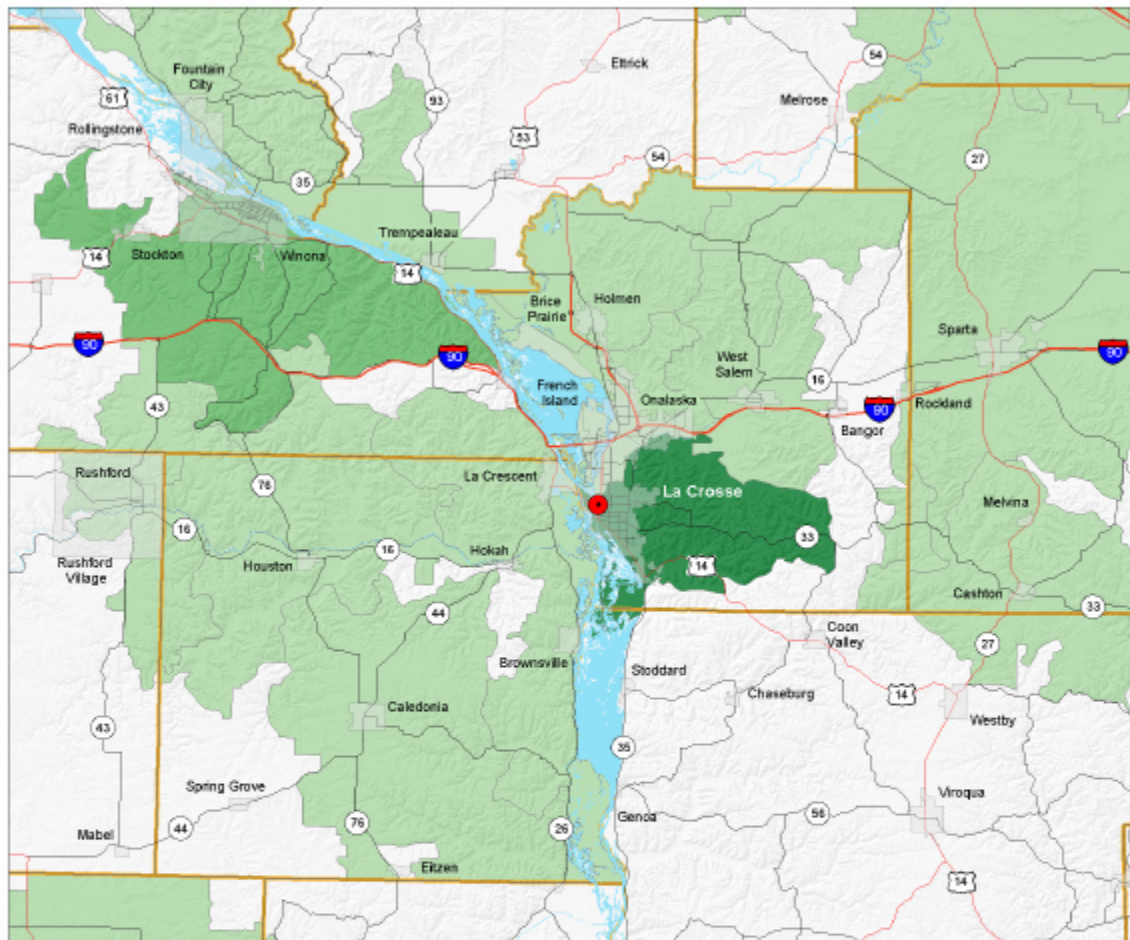


Customer Origin Summary for Business #2			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse		47.0%
54650	Onalaska		12.0%
55947	La Crescent		9.0%
54636	Holmen		6.0%
	Subtotal		74.0%
54658	Stoddard		4.0%
54669	West Salem		3.0%
55919	Brownsville		3.0%
55921	Caladonia		3.0%
Scattered*	N/A		13.0%
	Total		100.0%

**Scattered areas include zip codes with insignificant values or outside the local area*

Note: The number of customers was not provided

Business #3 Customer Origins by Zip Code



0 5 10 Miles

Customers by Zip Code (% of Total)

- 1.0% or Less
- 1.1% to 10.0%
- 10.1% to 20.0%
- 20.1% to 50.0%*
- No Customer Data
- Downtown La Crosse

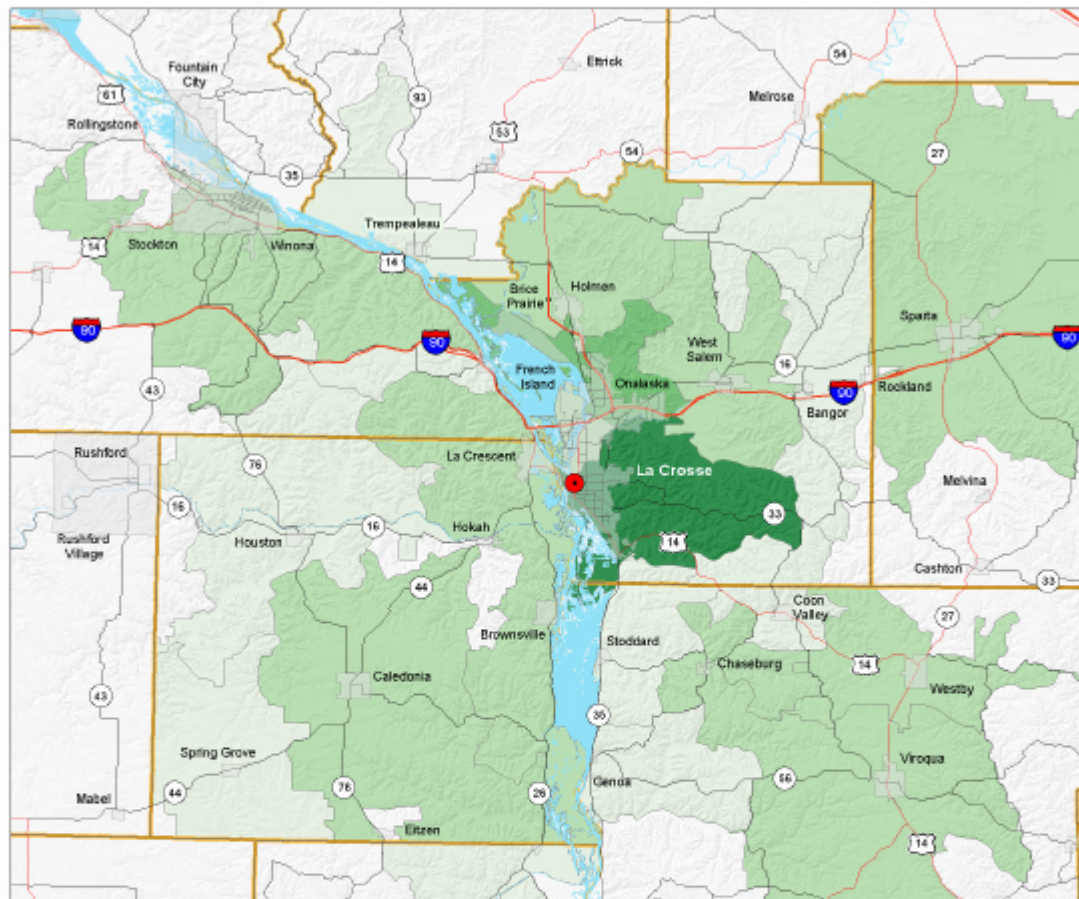
- Communities
- County Boundaries
- Interstate Highway
- U.S. Highway
- Local or State Highway

*Note: The 54601 zip code has 31.3% of the total customers



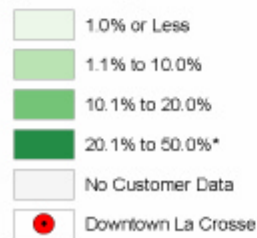
Customer Origin Summary for Business #3			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse	26	31.3%
55957	Winona	11	13.3%
54650	Onalaska	6	7.2%
54629	Fountain City	5	6.0%
54660	Tomah	5	6.0%
55947	La Crescent	4	4.8%
54603	La Crosse	4	4.8%
	Subtotal	61	73.5%
55921	Caledonia	3	3.6%
54636	Holmen	2	2.4%
55943	Houston	2	2.4%
54656	Sparta	2	2.4%
54615	Black River Falls	1	1.2%
55919	Brownsville	1	1.2%
54619	Cashton	1	1.2%
52101	Decorah, IA	1	1.2%
54626	Eastman	1	1.2%
54644	Mindoro	1	1.2%
54651	Ontario	1	1.2%
54653	Rockland	1	1.2%
55971	Rushford	1	1.2%
54659	Taylor	1	1.2%
54661	Trempealeau	1	1.2%
54666	Warrens	1	1.2%
54669	West Salem	1	1.2%
	Total	83	100.0%

Business #4 Customer Origins by Zip Code



0 5 10 15 Miles

Customers by Zip Code (% of Total)

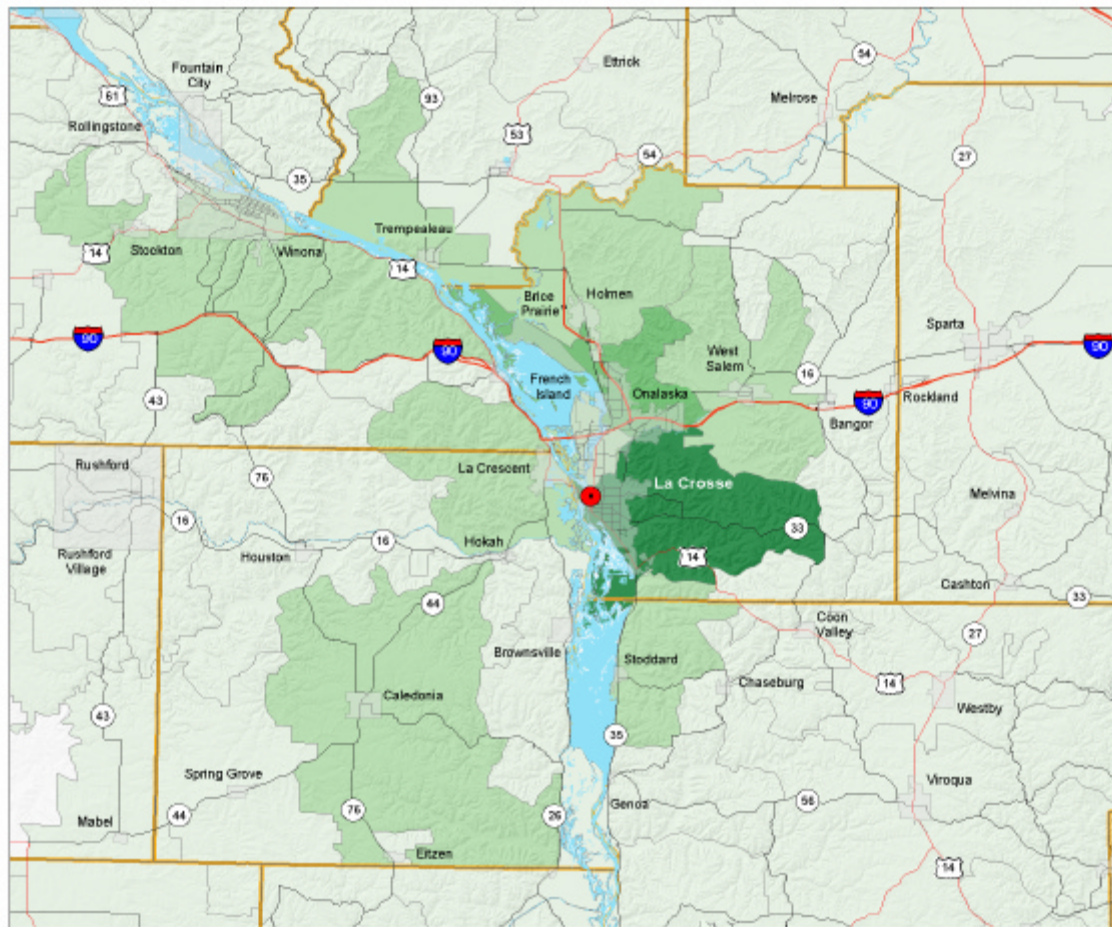


*Note: The 54601 zip code has 43.6% of the total customers



Customer Origin Summary for Business #4			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse	117	43.7%
54650	Onalaska	39	14.6%
54636	Holmen	20	7.5%
55947	La Crescent	14	5.2%
54603	La Crosse	12	4.5%
	Subtotal	202	75.4%
55987	Winona	5	1.9%
54669	West Salem	4	1.5%
55921	Caledonia	4	1.5%
54621	Chaseburg	3	1.1%
54656	Sparta	3	1.1%
54660	Tomah	3	1.1%
54665	Viroqua	3	1.1%
54667	Westby	3	1.1%
55919	Brownsville	3	1.1%
52160	New Albin	2	0.7%
54614	Bangor	2	0.7%
54632	Genoa	2	0.7%
54658	Stoddard	2	0.7%
54661	Trempealeau	2	0.7%
55943	Houston	2	0.7%
55974	Spring Grove	2	0.7%
50123	Humeston	1	0.4%
50401	Mason City	1	0.4%
52121	N/A	1	0.4%
52526	N/A	1	0.4%
53090	West Bend	1	0.4%
53558	Mc Farland	1	0.4%
53807	Cuba City	1	0.4%
53821	Prairie Du Chien	1	0.4%
54604	N/A	1	0.4%
54623	Coon Valley	1	0.4%
54626	Eastman	1	0.4%
54644	Mindoro	1	0.4%
54670	Wilton	1	0.4%
54837	Frederic	1	0.4%
55442	Minneapolis	1	0.4%
55744	Grand Rapids	1	0.4%
55903	Rochester	1	0.4%
55925	Dakota	1	0.4%
55960	Oronoco	1	0.4%
61277	Prophetstown, IL	1	0.4%
98947	Tieton, WA	1	0.4%
	Total	268	100.0%

Business #5 Customer Origins by Zip Code



0 5 10 15 Miles

Customers by Zip Code (% of Total)

- 1.0% or Less
- 1.1% to 10.0%
- 10.1% to 20.0%
- 20.1% to 50.0%*
- No Customer Data
- Downtown La Crosse

- Communities
- County Boundaries
- Interstate Highway
- U.S. Highway
- Local or State Highway

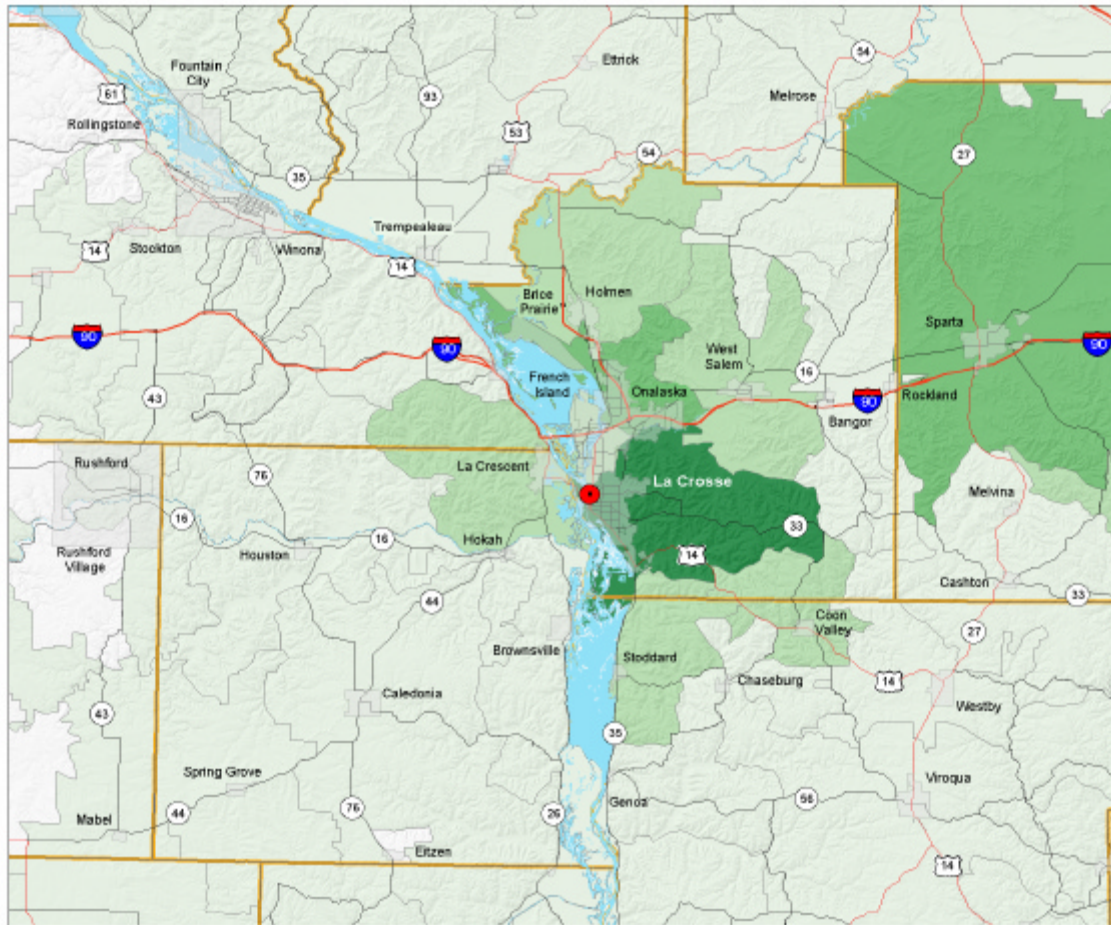
**Note: The 54601 zip code has 37.0% of the total customers*



Customer Origin Summary for Business #5			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse	4,773	37.1%
54650	Onalaska	1,523	11.8%
55987	Winona	1,269	9.9%
54603	La Crosse	675	5.2%
54636	Holmen	584	4.5%
55947	La Crescent	582	4.5%
54669	West Salem	268	2.1%
	Subtotal	9,674	75.1%
55921	Caledonia	184	1.4%
54658	Stoddard	142	1.1%
54661	Trempealeau	133	1.0%
54656	Sparta	128	1.0%
54630	Galesville	114	0.9%
55943	Houston	109	0.8%
54665	Viroqua	103	0.8%
55971	Rushford	101	0.8%
54629	Fountain City	90	0.7%
54602	La Crosse	86	0.7%
54623	Coon Valley	82	0.6%
54614	Bangor	73	0.6%
54660	Tomah	73	0.6%
55959	Minnesota City	73	0.6%
55952	Lewiston, MN	72	0.6%
54667	Westby	63	0.5%
54612	Arcadia	57	0.4%
55941	Hokah	56	0.4%
55974	Spring Grove	56	0.4%
55925	Dakota	54	0.4%
54622	Cochrane	53	0.4%
54627	Ettrick	48	0.4%
54632	Genoa	45	0.3%
54644	Mindoro	44	0.3%
54624	De Soto	41	0.3%
55969	Rollingstone, MN	40	0.3%
53821	Prairie Du Chien	38	0.3%
55919	Brownsville	38	0.3%
52101	Decorah, IA	37	0.3%
54615	Black River Falls	37	0.3%
54610	Alma	35	0.3%
54621	Chaseburg	35	0.3%
55910	Altura, MN	33	0.3%
55981	Wabasha	30	0.2%
54628	Ferryville	27	0.2%
54653	Rockland	27	0.2%
54642	Melrose	26	0.2%
52172	Waukon	24	0.2%
54616	Blair	22	0.2%
54773	Whitehall	21	0.2%
	Subtotal	12,224	94.9%*

**The remaining 5.1% comes from scattered zip codes with less than 0.1% of the total.*

Business #6 Customer Origins by Zip Code



0 5 10 15 Miles

Customers by Zip Code (% of Total)

- 1.0% or Less
- 1.1% to 10.0%
- 10.1% to 20.0%
- 20.1% to 50.0%*
- No Customer Data
- Downtown La Crosse

- Communities
- County Boundaries
- Interstate Highway
- U.S. Highway
- Local or State Highway

**Note: The 54601 zip code has 28.9% of the total customers*

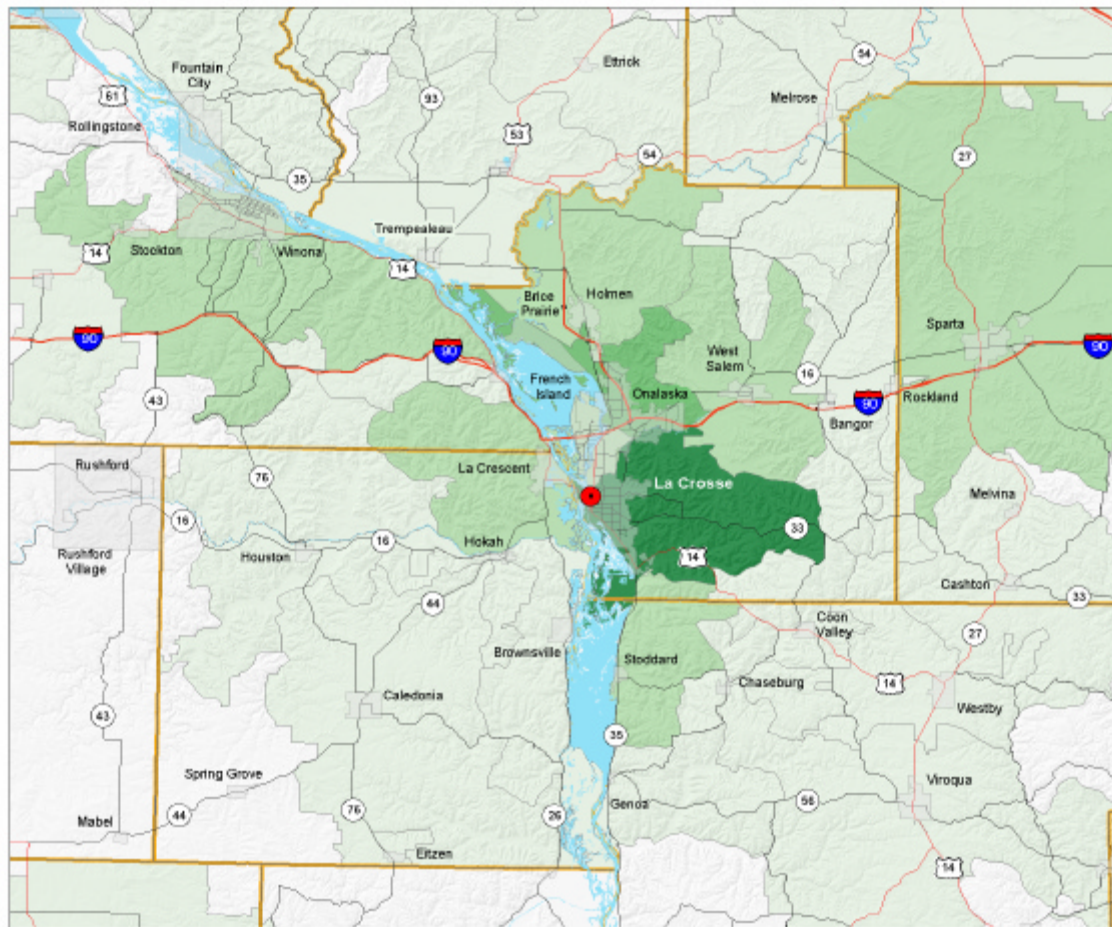


Customer Origin Summary for Business #6			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse		28.9%
54656	Sparta		17.7%
54650	Onalaska		12.3%
54603	La Crosse		5.5%
54670	Wilton		4.4%
54636	Holmen		3.1%
54658	Stoddard		2.4%
	Subtotal		74.1%
55947	La Crescent		2.1%
54602	La Crosse		2.0%
54669	West Salem		1.9%
54648	Norwalk		1.6%
54623	Coon Valley		1.3%
54660	Tomah		1.1%
54619	Cashton		0.8%
54651	Ontario		0.7%
54638	Kendall		0.7%
54632	Genoa		0.6%
54621	Chaseburg		0.6%
54614	Bangor		0.4%
54644	Mindoro		0.3%
54653	Rockland		0.3%
54665	Viroqua		0.3%
54667	Westby		0.3%
54630	Galesville		0.3%
55921	Caledonia		0.3%
55987	Winona		0.3%
55925	Dakota		0.2%
55943	Houston		0.2%
55941	Hokah		0.2%
54661	Trempealeau		0.2%
54627	Ettrick		0.2%
53809	Fennimore		0.2%
53929	Elroy		0.2%
	Subtotal		91.1%*

*The remaining 8.9% comes from scattered zip codes with less than 0.2% of the total.

Note: The number of customers was not provided

Business #7 Customer Origins by Zip Code



0 5 10 15 Miles

Customers by Zip Code (% of Total)

- 1.0% or Less
- 1.1% to 10.0%
- 10.1% to 20.0%
- 20.1% to 50.0%*

- No Customer Data
- Downtown La Crosse

- Communities
- County Boundaries
- Interstate Highway
- U.S. Highway
- Local or State Highway

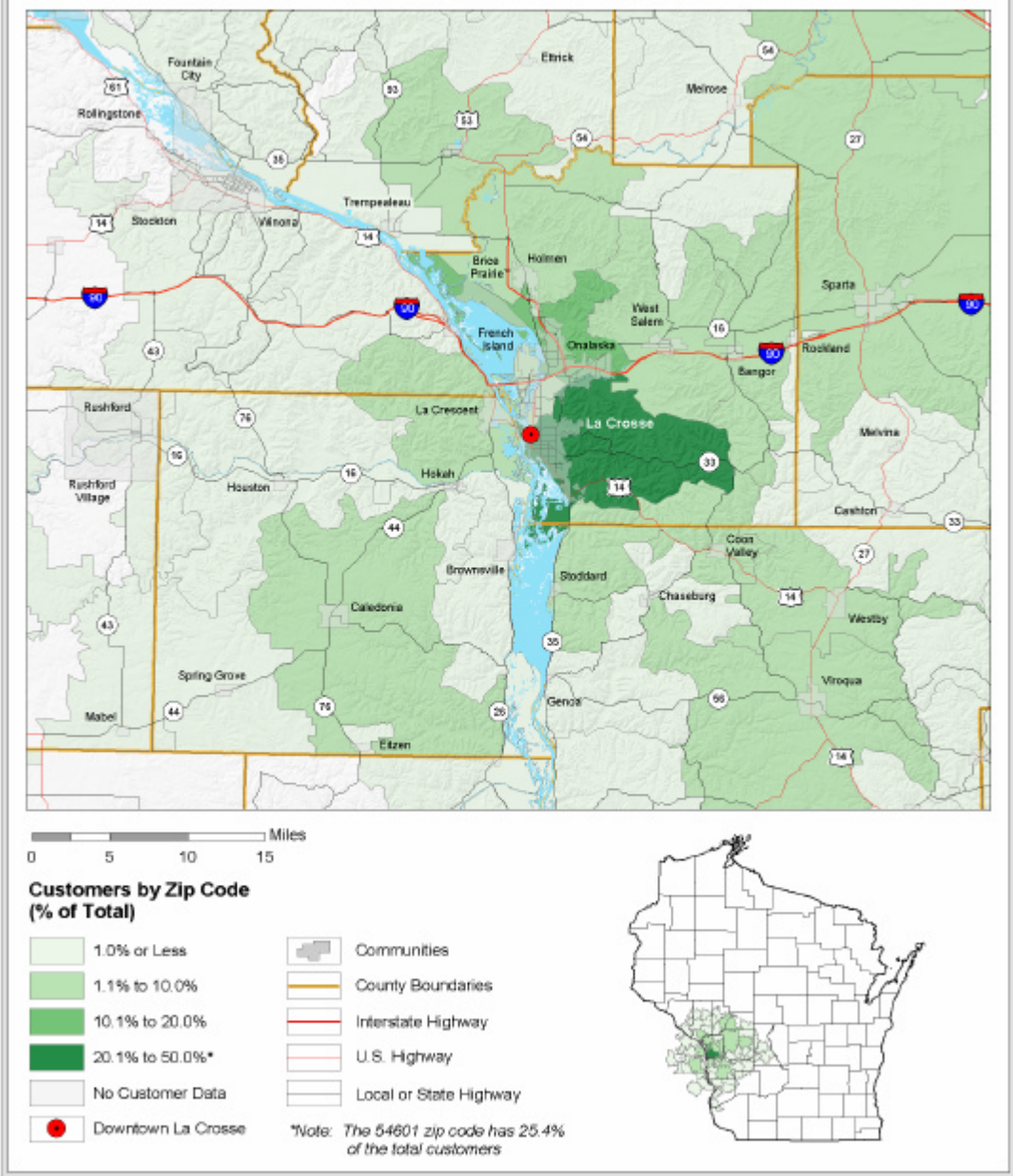
*Note: The 54601 zip code has 41.5% of the total customers



Customer Origin Summary for Business #7			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse	437	41.5%
54650	Onalaska	178	16.9%
54636	Holmen	83	7.9%
55947	La Crescent	71	6.7%
54603	La Crosse	48	4.6%
	Subtotal	817	77.7%
55987	Winona	33	3.1%
54669	West Salem	28	2.7%
54656	Sparta	16	1.5%
54658	Stoddard	15	1.4%
54623	Coon Valley	10	1.0%
54665	Viroqua	10	1.0%
54661	Trempealeau	9	0.9%
54667	Westby	9	0.9%
54630	Galesville	8	0.8%
52101	Decorah, IA	6	0.6%
54602	La Crosse	6	0.6%
55943	Houston	6	0.6%
54614	Bangor	4	0.4%
54621	Chaseburg	4	0.4%
54629	Fountain City	4	0.4%
55921	Caledonia	4	0.4%
54619	Cashton	3	0.3%
55902	Rochester, MN	3	0.3%
55919	Brownsville	3	0.3%
55925	Dakota	3	0.3%
55941	Hokah	3	0.3%
54615	Black River Falls	2	0.2%
54627	Ettrick	2	0.2%
54632	Genoa	2	0.2%
54644	Mindoro	2	0.2%
54655	Soldiers Grove	2	0.2%
54660	Tomah	2	0.2%
55435	Minneapolis	2	0.2%
55901	Rochester	2	0.2%
55952	Lewiston, MN	2	0.2%
55972	St. Charles, MN	2	0.2%
	Subtotal	1,024	97.3%*

**The remaining 2.7% comes from scattered zip codes with less than 0.2% of the total.*

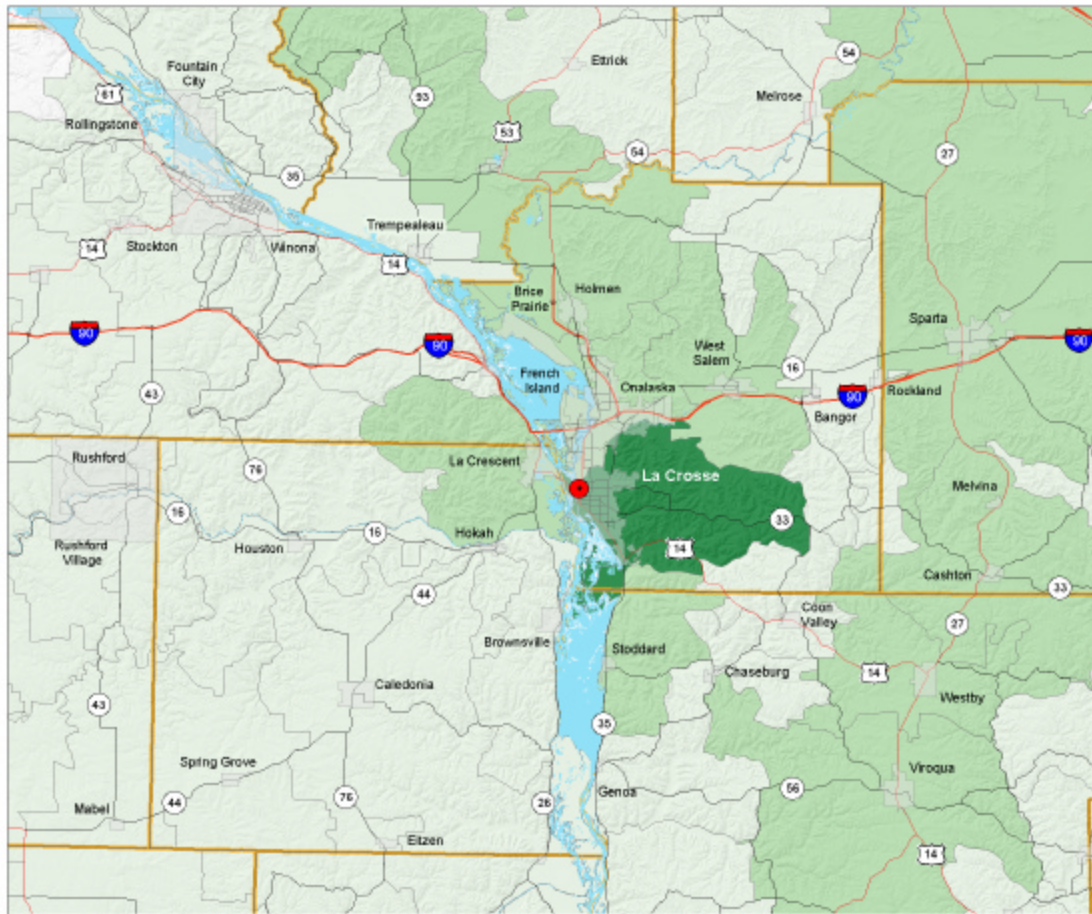
Business #8 Customer Origins by Zip Code



Customer Origin Summary for Business #8			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse	11,072	25.5%
54650	Onalaska	5,755	13.2%
54603	La Crosse	3,500	8.0%
54636	Holmen	2,379	5.5%
54656	Sparta	2,095	4.8%
55947	La Crescent	1,855	4.3%
54669	West Salem	1,788	4.1%
54660	Tomah	1,597	3.7%
54665	Viroqua	1,229	2.8%
54615	Black River Falls	796	1.8%
55921	Caledonia	765	1.8%
	Subtotal	32,831	75.5%
54667	Westby	655	1.5%
54630	Galesville	554	1.3%
54658	Stoddard	553	1.3%
54614	Bangor	538	1.2%
54623	Coon Valley	454	1.0%
53821	Prairie Du Chien	407	0.9%
54661	Trempealeau	358	0.8%
54612	Arcadia	346	0.8%
54619	Cashton	345	0.8%
54642	Melrose	322	0.7%
52151	Lansing	311	0.7%
54616	Blair	284	0.7%
54644	Mindoro	266	0.6%
55974	Spring Grove	260	0.6%
55987	Winona	255	0.6%
54632	Genoa	246	0.6%
54627	Ettrick	244	0.6%
55941	Hokah	239	0.5%
55943	Houston	228	0.5%
54624	De Soto	210	0.5%
52172	Waukon	197	0.5%
55919	Brownsville	188	0.4%
54621	Chaseburg	180	0.4%
54773	Whitehall	164	0.4%
55925	Dakota	163	0.4%
54639	La Farge	161	0.4%
54634	Hillsboro	156	0.4%
	Subtotal	41,115	94.6%*

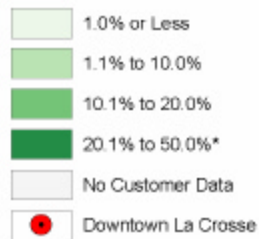
**The remaining 5.4% comes from scattered zip codes with less than 0.2% of the total.*

Business #9 Customer Origins by Zip Code

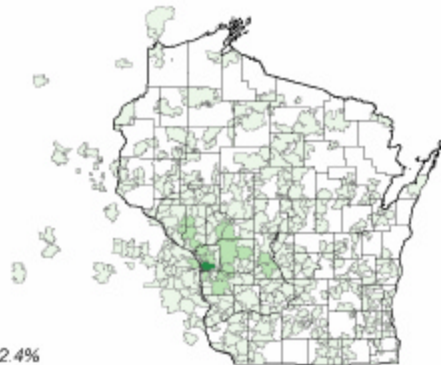


0 5 10 15 Miles

Customers by Zip Code (% of Total)



*Note: The 54601 zip code has 22.4% of the total customers



Customer Origin Summary for Business #9			
Zip Code	Community	Number of Customers	Percent of Customers
54601	La Crosse	3,397	22.4%
54650	Onalaska	1,146	7.5%
54603	La Crosse	930	6.1%
54660	Tomah	715	4.7%
54656	Sparta	694	4.6%
54615	Black River Falls	619	4.1%
54636	Holmen	519	3.4%
54665	Viroqua	448	2.9%
54669	West Salem	367	2.4%
55947	La Crescent	358	2.4%
53948	Mauston	341	2.2%
54667	Westby	302	2.0%
54612	Arcadia	252	1.7%
54619	Cashton	207	1.4%
53950	New Lisbon	201	1.3%
54630	Galesville	182	1.2%
54658	Stoddard	158	1.0%
54747	Independence	153	1.0%
54773	Whitehall	147	1.0%
54642	Melrose	141	0.9%
53929	Elroy	138	0.9%
54646	Necedah	130	0.9%
	Subtotal	11,545	76.0%
55987	Winona	120	0.8%
55921	Caledonia	112	0.7%
54618	Camp Douglas	111	0.7%
54661	Trempealeau	111	0.7%
54614	Bangor	110	0.7%
54623	Coon Valley	108	0.7%
54639	La Farge	103	0.7%
54622	Cochrane	94	0.6%
54666	Warrens	93	0.6%
54616	Blair	80	0.5%
54644	Mindoro	79	0.5%
54624	De Soto	77	0.5%
55943	Houston	74	0.5%
54632	Genoa	71	0.5%
54648	Norwalk	70	0.5%
53968	Wonewoc	69	0.5%
54634	Hillsboro	69	0.5%
54627	Ettrick	68	0.4%
54638	Kendall	67	0.4%
54602	La Crosse	65	0.4%
54635	Hixton	65	0.4%
54651	Ontario	62	0.4%
54754	Merrillan	61	0.4%
54621	Chaseburg	60	0.4%
54655	Soldiers Grove	59	0.4%
54629	Fountain City	57	0.4%
54758	Osseo	56	0.4%
54653	Rockland	54	0.4%
54670	Wilton	54	0.4%
	Subtotal	13,824	91.0%*

**The remaining 9.0% come from scattered zip codes with less than 0.4% of the total.*

Tourism Inquiries – Place of Origin

The tourism market segment is important to many current and potential businesses in Downtown La Crosse. In attempting to understand where these customers originate, GIS was used to determine their origins by both drive time and metropolitan area. The data used for this analysis was provided by the La Crosse Convention and Visitor's Bureau. However, the data for used this analysis is somewhat outdated and will need to be updated when new information becomes available.

La Crosse Tourism Inquires by Drive Time		
Drive Time	Number of Customers	Percent of Customers
Two-Hours or Less	475	2.5%
Two to Four Hours	1,522	8.0%
Four to Six Hours	5,254	27.7%
Six to Eight Hours	4,808	25.3%
More than Eight Hours	6,918	36.5%
Total	28,700	100.0%
La Crosse Tourism Inquires by Metropolitan Area		
Metro Area	Number of Customers	Percent of Customers
Major Metro Areas		
Milwaukee-Waukesha WI	2,173	11.5%
Minneapolis-St. Paul MN-WI	1,705	9.0%
Chicago IL	1,582	8.3%
St. Louis MO-IL	323	1.7%
Detroit MI	264	1.4%
Indianapolis IN	236	1.2%
Total	6,283	33.10%
Minor Metro Areas		
Appleton-Oshkosh-Neenah WI	740	3.9%
Madison WI	716	3.8%
Green Bay WI	351	1.9%
Racine WI	267	1.4%
La Crosse WI-MN	242	1.9%
Sheboygan WI	217	1.1%
Rockford IL	216	1.1%
Janesville-Beloit WI	207	1.1%
Wausau WI	204	1.1%
Des Moines IA	193	1.0%
Eau Claire WI	166	0.9%
Kenosha WI	166	0.9%
Davenport-Moline-Rock Island IA-IL	125	0.7%
Rochester MN	125	0.7%
Gary IN	87	0.5%
Cedar Rapids IA	83	0.5%
Duluth-Superior MN-WI	80	0.4%
Waterloo-Cedar Falls IA	69	0.4%
Peoria-Pekin IL	61	0.3%
Springfield IL	61	0.3%
St. Cloud MN	61	0.3%
Dubuque IA	60	0.3%
Ann Arbor MI	53	0.3%
Iowa City IA	49	0.3%
Grand Rapids-Muskegon-Holland MI	47	0.3%
Lansing-East Lansing MI	47	0.3%
Fort Wayne IN	39	0.2%
Kankakee IL	33	0.2%
South Bend IN	32	0.2%
Kalamazoo-Battle Creek MI	27	0.2%
Total	5,061	26.7%

Appendix 2

Supplemental demographic and lifestyle information:

ACORN Descriptions

ACORN Descriptions

Consumer Type 2B: Baby Boomers with Children

Baby Boomers with Children -- is a homogeneous market who spends their time and money on home and family-oriented activities and goods.

Demographic: Two-thirds of the households are married couples; most with children (over 50 percent higher than the national average). Median age is 32.0; 33 percent of the population is under the age of 20. Typical of the cohort, many are migrants, still moving to find the best jobs or location.

Socioeconomic: This market represents 4.0 percent of all households. Baby Boomers with Children have very high labor force participation rates including a high proportion of families with two workers, but they are not as affluent. Median household income is \$41,300. Postsecondary schooling is evidenced, but this group is less likely to have completed a four-year degree.

Residential: Single-family homes built during the 1970s are typical. Most homes are owner-occupied and valued about 20 percent below the U.S. average, at \$89,500. Neighborhoods are found within the urbanized fringe of metropolitan areas--in smaller towns and in rural nonfarm communities. Western states, especially Utah and Alaska, are prominent in the distribution of Baby Boomers with Children, harking back to westward migration of Baby Boomers in the 1970s.

Buying Habits: This group represents family and home-oriented consumerism. There is little time for civic activities. They tend to have personal loans, use credit unions, and have savings accounts. They like to drive 4-wheel drive vehicles and buy vehicles based on the gas mileage. Leisure time includes playing board games, going to the movies, playing golf, and bicycling. Fast food, takeout and delivery, is also popular. They own pets and spend their money on home furnishings and improvements, children's toys, camping and exercise equipment, and electronics such as televisions, stereo equipment, children's videos, and cameras. Media preference is watching television, specifically children's programs.

Consumer Type 5A: Twentysomethings

Twentysomethings are just completing college or starting their first, postgraduate jobs. Still unsettled, most are single, mobile, and city dwellers.

Demographic: Approximately 25 percent of Twentysomethings are in their twenties. The median age is 31.1 years. This population is young, mobile--in transition, completing college or starting their careers. Households are single-person or shared.

Socioeconomic: Typical of the cohort, Twentysomethings is a small market, 1.5 percent of the population. Median household income is \$24,600. Labor force participation is average, although half are employed only part-time. Education is the key to the future of Twentysomethings: 30 percent have a bachelor's or graduate degree; almost 30 percent have completed some college or an associate degree; 20 percent are attending college.

Residential: Twentysomethings live in apartments in the city. Only 20 percent of the housing in these neighborhoods is single-family, owner-occupied. Rent is generally below average, about \$400 monthly.

Buying Habits: Twentysomethings' lifestyle reflects age and environment--young, active, and

urban. Play includes court, team, wilderness, and water sports, weight training and fitness programs. They frequent art museums, zoos, movies, bars and nightclubs, live theaters, and play card and board games. They also read books and participate in public activities. This population ranks high for drinking diet cola and, not surprisingly, are dieters. They are likely to drink beer, have personal loans for education, order CDs through the mail and phone, and make small contributions to organizations. The media of choice is television, shows like Seinfeld, The Simpsons, and VH-1. They also like to read biweekly newspapers and magazines such as Entertainment Weekly, Cosmopolitan, Rolling Stone, and Sports Illustrated.

Group 5. YOUNG MOBILE ADULTS

Consumer Type 5B: College Campuses

College Campuses include the dormitories and student housing located around universities. This is the youngest and smallest consumer market.

Demographic: Almost three-fourths of the population are college students. The median age is 22.7 years. More than 45 percent live in dormitories; the rest, in nearby neighborhoods that are primarily student housing. Forty percent of the householders are under the age of 25; 70 percent of households are single-person households or shared households.

Socioeconomic: These are college kids. Of the population 3 years and over, 73 percent are enrolled in college. Median household income is \$20,500. Over half of the population are in the labor force, but the majority work in part-time, low-paying jobs in the service sector.

Residential: Apartment rentals dominate off-campus housing. More than 50 percent of the housing inventory are multi-unit buildings, with 5 or more units. Less than a quarter of the housing is single-family, owner-occupied. Rent is below the U.S. average gross rent, but not by much, at \$467 monthly. Most of the College Campuses are located in cities; however, these neighborhoods also represent the smaller college towns.

Buying Habits: Aside from college expenses, most of their budget goes to an active and busy social life. Most of the off-campus crowd owns a lower/middle sized car and base their decision to purchase on price. This market is top-ranked for leisure activities such as cooking for fun, nightclub/bars, dancing, photography, and playing card and board games. College Campuses rank among the highest for sporting activities such as attending sporting events, playing tennis and racquetball, bowling, swimming, hiking, camping, jogging/running, team sports, weight training, water sports, camping and hiking, and playing billiards. They are top-ranked for having ATM cards, and making long distance calls using their calling credit cards. They are also top-ranked for takeout fast food, deli food, drive through and delivery. Purchases are likely to include bedroom furniture, lamps, shoes, PCs, and computer software. This market ranks among the highest for watching sports on television, reading Sports Illustrated magazine, and reading the USA Today newspaper.

Consumer Type 6C: Newly Formed Households

Newly Formed Households neighborhoods offer affordable housing that attracts young householders. This is a large, moderate income market that features an active lifestyle.

Demographic: Young, newly formed households are characteristic of this market; however, the neighborhoods are in transition, including older households, too. The mix of household types represents young families and single-parents plus married-without-children and single-person

households that are typical of young and old alike. Median age is 34.0 years.

Socioeconomic: This is a large, moderate income market, more than 5 percent of all households. Median household income is \$30,800. Unemployment and poverty are low. Half of the work force is employed in the manufacturing and service industries.

Residential: Newly Formed Households neighborhoods offer affordable housing: older, single-family homes, and duplexes. Average home value is \$67,700, 40 percent below the national average, and average rent is \$430, 12 percent below average. These neighborhoods can be found in the urbanized areas of any state, but are most common in the smaller, metropolitan areas of Iowa, Kansas, Minnesota, Nebraska, New Hampshire, Oregon, Rhode Island, Vermont, Washington, and Wisconsin.

Buying Habits: Newly Formed Households are active in bowling and playing billiards/pool, performing volunteer work, and taking domestic trips. Most of these households drive older cars. This market ranks third for fast food delivery and for using coupons to purchase tobacco products. They also use coupons for other products such as groceries. Media preferences reflect the young and old households in this market: radio (golden oldies and soft contemporary rock), and reading 3 or more weekly newspapers. They also spend time watching television, watching children's videos, and reading *Seventeen*, *Woman's World*, *Soap Opera Digest*, *McCalls*, and *Rolling Stone* magazines.

Consumer Type 7A: Middle America

The largest consumer market is rural, slightly older, and family oriented. The neighborhoods are newer, owner-occupied, single-family homes; the income, average.

Demographic: The demographic profile of these communities is similar to the U.S. population--just a little older, more white, and more family. The median age is 35.6 years, slightly older with more householders aged 35-44 and fewer under 25 years. Seventy percent of households are married couples, compared to 55 percent for the U.S. The distribution of children is similar; family size is average, 3.1 persons per family.

Socioeconomic: Middle America is a megamarket, representing almost 8 percent of U.S. households and a market share of almost 7 percent. Median household income is \$33,300. Almost 35 percent of these households earn less than \$25,000, but very few are below the poverty level. Labor force participation is average; unemployment, 5.2 percent, below average. Most of the work force is employed in manufacturing or farming. Thirty percent commute to a different county or state to work.

Residential: Middle America is rural nonfarm neighborhoods, located primarily in the Midwest (41 percent) or South (34 percent). Single-family and mobile homes predominate. More than 15 percent are mobile homes, twice the national proportion. Their homes are owner-occupied and valued at an average of \$79,700, 30 percent lower than the national average. Most were built after 1970.

Buying Habits: How does the Middle America market spend its time and money? Their lives are busy and centered around the home. Leisure activities include hunting, fishing, and needlework. Their budget priorities are home-oriented: improvements, children's apparel and toys, footwear, videos, and lawn, garden, and camping equipment. Most of the families own pets. They are likely to take domestic trips by car. This market ranks high for having personal loans (not education), and is also likely to have auto loans (for new cars), secured line of credit, savings, home mortgage loans, and CDs. However, this market tends not to use credit cards.

Media preferences include reading newspapers 3 times a week, and reading magazines such as *Family Circle*, *Field & Stream*, *Country Living*, *Country Home*, and *Ladies Home Journal*.

Consumer Type 7D: Prairie Farmers

Prairie Farmers represents the farming communities of the Plains states. Vast and scenic, Prairie Farmers encompasses thousands of acres, but less than one percent of the U.S. population.

Demographic: The population of Prairie Farmers is aging and decreasing in size as the children mature and move away. Residents are a stable population, born and raised in the same state. Most households are families, married couples with or without children. There are few householders under the age of 25; over 40 percent are 55 or older. The younger householders have school-age children, which lowers the median age of the population somewhat, to 36.9 years.

Socioeconomic: Farmers dominate the work force in Prairie Farmers. About 35 percent of the households are self-employed farmers. Median household income is \$27,000. The incidence of poverty is just above the national average. Few households receive public assistance. Sources of household income are self-employment (both farm and nonfarm, in over half of the households), interest and dividends, and Social Security. The level of education is about average: most have graduated from high school; few have college degrees. Unemployment is extremely low at 4.0 percent, but only 42 percent of adult women are in the labor force.

Residential: Older, single-family homes are typical of Prairie Farmers. The housing stock is supplemented by a number of mobile homes, 12 percent of the total. There are few renters. Almost 80 percent of the housing is owner-occupied; the rest is mostly vacant, including about 5 percent of the units held for seasonal use. Average home value is \$68,000. This market is rural, farm and nonfarm areas. Prairie Farmers represents 40 percent of the Dakotas, and 10 to 20 percent of Iowa, Kansas, Nebraska, Montana, and Wyoming.

Buying Habits: Practical and conservative, residents of Prairie Farmers households are top-ranked for owning or leasing 2+ cars, owning middle to large sized cars, trucks, vans or sport utility vehicles, taking personal domestic trips (in the Midwest by car), acquiring loans in the last year, having interest and non-interest checking accounts, and using commercial banks. The top-ranked leisure activity for Prairie Farmers is hunting and fishing. They are likely to own pets, dine at fast food or family restaurants, and purchase boots. They spend their money on furniture, household goods, home improvements, and auto aftermarket items. Again, they are top-ranked for reading magazines such as *Field & Stream* and *Health*, and listening to country (western) and golden oldies radio. They also like to watch videos and television.

Consumer Type 7G: Heartland Communities

The Heartland Communities are small towns and communities that dot the interior of the country from Minnesota down through Arkansas. Their citizens are older, lifelong residents often with children that have moved away.

Demographic: The Heartland Communities are older. The median age of the population is 37.6 years, with just about half of the householders over 55. There are few younger householders or children in this market. As the population ages, the dependency ratio of young (<15 years) and old (>65 years) to the working age (15-64 years) population is increasing. Households are still predominantly families, but married couples with no children at home and singles are increasingly

common in this category.

Socioeconomic: Median household income is \$24,900. The Heartland Communities has a 3.7 percent share of consumers. Labor force participation is low, especially for women, less than 40 percent. It is due, in part, to retirement. More than 40 percent of the households are receiving Social Security income. Lack of opportunity contributes to lower participation, too. A third of adults have not completed high school. Half are employed part-time. However, wages and salaries are not the only source of income. About 16 percent are self-employed--in farming or other business.

Residential: Homes are older, single-family and owner-occupied for the most part. Single-family houses account for almost 75 percent of the housing. Almost 70 percent are owner-occupied; more than 10 percent of the housing is vacant. Average home value is less than \$50,000--60 percent lower than the national average. These neighborhoods are located in rural communities and towns outside metropolitan areas. Although scattered throughout the United States, the Heartland Communities are concentrated in Midwestern and Southern states: Arkansas, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nevada, North Dakota, Oklahoma, South Dakota, and West Virginia.

Buying Habits: The Heartland Communities are civic-minded consumers, active in their communities through fund raising, working for political candidates, and participating in 6+ public activities. Their leisure time includes taking domestic trips, mostly in the West, and casino gambling. This is a good mail/phone order market for clothing and shoes as these consumers tend to purchase from catalogs. They are top-ranked for outdoor vegetable gardening and rank among the highest for flower gardening. They are likely to own a dog and tend to purchase used cars and drive mid-sized vehicles, truck, van or sport utility vehicles. This market is ranked among the highest for buying videos at discount stores. Their media preferences include watching videos, listening to country (western) radio, and reading magazines such as *Field & Stream*, *Country Living*, and *Popular Mechanics*, as well as reading romance and religious books.

Appendix 3

Supplemental Shopping Habits Information:

Downtown Shopping Behavior of Residents of Region – La Crosse Tribune Research

Downtown Shopping Behavior of Residents of Region – La Crosse Tribune Research

Market research was conducted the first quarter of 2003 for the RiverValley Newspaper Group (including the *La Crosse Tribune*) by Belden Associates for media usage and shopping patterns. The results have been useful for this analysis especially for shopping patterns of residents of the region.

Market potential for the residential shopper appears to be significant. According to the Belden report, only half of the LaCrosse-Winona trade area respondents were from La Crosse County, and only 23% were from 54601 (south La Crosse including downtown). Increasing the percentage of near-by residents could significantly add to retail sales.

Resident shoppers are definitely the most important customers in per-customer spending. Interviews with the Medicine Shoppe and the People's Food Co-op both indicated that near-by residents spend more per capita and are a very important part of their sales mix.

Methodology

The Belden survey targeted the retail trade zones for Winona and La Crosse, touching parts of 12 counties in the river valley region, a total of 212,000 adults. The La Crosse primary market (as defined by Belden associates) included 155,700 adults within six counties, including Houston and Winona Counties in Minnesota and La Crosse County and contiguous counties (Trempealeau, Jackson, Monroe, Vernon in Wisconsin. This exceeds the primary and secondary market identified in this (UWEX) market analysis, but patterns are none-the-less important to review.

Extensive (45-60 minute) in-depth telephone interviews were conducted according to accepted research methodologies. Questions focused on media usage and shopping behaviors, including the preceding Thanksgiving and Christmas shopping season.

Results

The responses were studied extensively by the Tribune staff. Cross tabulations were used to understand the downtown market. Findings are presented below:

- The combined Winona-La Crosse regional trade area adults shopped an average of four cities in a 3-month period, traveling throughout the region.
- Downtown La Crosse shoppers accounted for 54.9% of the respondents, a projected 116,330 people (shopped in Downtown La Crosse in past 3 months whether they bought anything or not). This compared to 79.1% of respondents reporting they shopped in the Valley View Mall and 63.1% shopped in centers across from Valley View Mall.
- Downtown La Crosse fared much better in 2003 compared to the same survey in 2001, when 43.9% shopped Downtown in the past three months. By comparison, Valley View Mall area was about the same in both surveys.

Separating the responses of just the Downtown La Crosse shoppers group (projected 116,330 people), their anticipated purchases for the next 12 months (from any location) included:

- | | |
|---|-----|
| • Hardware and home improvement supplies | 52% |
| • Furniture or home furnishings | 29 |
| • Services of a travel agent | 29 |
| • Enroll in education or training | 29 |
| • Home electronics | 26 |
| • Jewelry | 21 |
| • Financial services/insurance/investment | 21 |
| • Computer or computer hardware | 20 |

• Major household appliance	17
• Rent a home, apartment or duplex	14
• Buy or lease a used vehicle	13
• Cell phone or cell phone service	11
• Buy or lease a new vehicle	10
• Buy new or pre-owned home or land	8
• None of the above	16

The county of origin for the downtown shoppers were:

- 50% LaCrosse County
 - 54601 (23.8%)
 - 54603 (7.3%)
 - 54650 (10.2%)
- 13% Winona
- 13% Monroe
- 7% Vernon
- 7% Houston
- 10% Buffalo, Jackson, Trempealeau, Fillmore

Specific stores that Downtown La Crosse shoppers frequented in the previous 3 months were these (they shopped Downtown AND they shopped these):

• Target	82.8%
• Shopko	81.1
• J C Penney's	69.5
• Kohl's	67.6
• Wal-Mart SuperCenter	67.2
• Best Buy	65.3
• Menard's	62.7
• Sears	62.2
• Blain's Farm & Fleet	62.1
• Kmart	59.5
• Other Wal-Mart	52.6
• Marshall Fields	45.4
• Home Depot	44.6
• Hobby Lobby	42.1
• Herbergers	39.6
• Michael's	29.5
• Mill's Farm Flt (Winona)	24.8
• Rogan's	18.3

Downtown La Crosse shoppers had also shopped at other shopping centers:

• Valley View Mall	89.2%
• Centers across from VV	75.6
• Shelby	46.0
• Village	44.3
• Bridgeview	39.8
• Downtown Winona	19.1
• Winona Mall	19.3
• Westgate	15.3
• Winona Crossing	10.0

Downtown La Crosse shoppers had shopped the following popular stores:

- Wettsteins 27.9%
- Ashley Furniture 15.8
- Slumberland 15.7
- Midwest TV and App 10.8

Age of Downtown Shoppers:

18-20	9.0%
21-24	9.2
25-29	7.4
30-34	8.0
35-39	9.2
40-44	7.7
45-49	11.0
50-54	8.4
55-59	6.5
60-64	5.1
65-69	3.7
70-74	5.8
75- & up	8.9

Employment status of the Downtown shoppers:

- 29.5 not employed (16% retired, 4.7 % homemaker)
- 70.5 employed or self-employed (52.4 full time)
 - professional 14.6%
 - precision craft/repair/construction 11.6%
 - Adm / support staff 10.7%
 - Sales and marketing 8%

Gender: 50.4% male; 49.6 female

Race: 95.6% white

Hospital of choice: 58.2 % Gundersen/Lutheran; 19.9% Franciscan Skemp

Household income: 58.2% > \$35,000

- > \$150,000 2.0%
- 100,000-149,000 3.6
- 75,000-99,999 10.5
- 50,000-74,999 21.0
- 30,000-49,999 34.1
- 20,000-29,999 11.9
- <20,000 17.0

Home: 69.6% own their home:

72.9% live in single-family dwelling & 19.9% live in townhouse or apt

Currently married: 52.9%

1,2, or 3 children ages 3-11 years at home: 19%

1,2,or 3 teenagers at home: 12.5%

Education level:

- Post grad (or working on post grad) 11.4%
- 4-year degree 17.5
- Some college 35.9
- High school grad 29.1
- Less than high school degree 6.1

Appendix 4

Other Comparison Communities Based on Demographics:

Based on U.S. Census 2000 data

Community	Population (2000)	Population - 10 Mile Radius	Population 20-Mile Radius	Per Capita Income (2000)	Median Age (2000)	Owner Occupied Housing (2000)	Resident College Population (2000)
Radford, VA	15,859	78,662	159,016	\$14,289	22.8	42.2%	6,952
Portsmouth, NH	20,784	106,954	315,196	\$27,540	38.5	48.5%	1,003
Morgantown, WV	26,809	81,849	198,819	\$14,459	23.1	38.4%	12,619
Bozeman, MT	27,509	49,309	60,949	\$16,104	25.4	40.3%	8,681
Ithaca, NY	29,287	80,727	153,791	\$13,408	22.0	24.9%	16,915
Cape Girardeau, MO	35,349	66,402	100,502	\$18,918	33.6	52.1%	5,264
Cedar Falls, IA	36,145	115,210	158,987	\$19,140	26.0	62.2%	10,845
Burlington, VT	38,889	113,337	203,048	\$19,011	29.2	40.2%	9,237
Blacksburg, VA	39,573	91,583	160,867	\$13,946	21.9	29.2%	23,895
Harrisonburg, VA	40,468	75,743	142,002	\$14,898	22.6	37.4%	14,822
San Luis Obispo, CA	44,174	83,030	191,245	\$20,386	26.2	40.4%	15,596
Manhattan, KS	44,831	55,733	101,723	\$16,566	23.5	41.1%	17,769
Charlottesville, VA	45,049	103,645	168,606	\$16,973	25.6	39.1%	15,501
Corvallis, OR	49,322	90,840	163,641	\$19,317	27.0	42.1%	15,006
Ames, IA	50,731	67,868	129,998	\$18,881	23.6	44.4%	21,428
Huntington, WV	51,475	133,490	268,261	\$16,717	36.7	48.4%	7,324
La Crosse, WI	51,818	106,333	140,778	\$17,650	30.1	48.3%	10,293
Missoula, MT	57,053	75,741	95,804	\$17,166	30.3	48.1%	10,256
Fayetteville, AR	58,047	132,670	229,460	\$18,311	26.9	39.5%	13,166
St. Cloud, MN	59,107	109,692	165,241	\$19,769	28.2	54.5%	11,381
Terre Haute, IN	59,614	100,254	166,723	\$15,728	32.1	53.0%	9,022
Chico, CA	59,954	105,181	158,793	\$16,970	25.9	38.9%	16,895
Merced, CA	63,893	118,328	165,806	\$13,115	27.8	44.2%	4,076
Portland, ME	64,249	168,870	287,316	\$22,698	35.7	39.6%	4,795
Bellingham, WA	67,171	113,484	197,871	\$19,483	30.4	45.8%	14,583
Wilmington, NC	75,838	163,042	202,938	\$21,503	34.1	43.2%	10,505
Santa Maria, CA	77,423	130,711	226,245	\$13,780	29.2	54.2%	4,006
Lawrence, KS	80,098	91,015	150,273	\$19,378	25.3	43.9%	24,192
Columbia, MO	84,531	113,898	143,759	\$19,507	26.8	44.3%	22,162
Duluth, MN	86,918	132,672	168,722	\$18,969	35.4	61.6%	11,678
Eugene, OR	137,893	235,253	297,991	\$21,315	33.0	49.0%	22,174

Sources: U.S. Census Bureau - 2000 Census Figures

Appendix 5

Supplemental Retail Demand and Supply Information:

- Retail Sales Demand per Capita - State of Wisconsin
- Retail Sales per Square Foot GLA - US Community Shopping Centers, Selected Store Categories
- Estimates of Retail Demand, La Crosse WI using Primary (P) or Convenience (C) Trade Areas
- Maps Showing Current Supply of Stores

Retail Sales Demand per Capita

State of Wisconsin, 1997 Dollars

Based on the 1997 Economic Census, U.S. Census Bureau

NAICS	Description	Estab.	Sales \$000	Sales/Estab	\$ Per Capita
44-45	Total Wisconsin Retail Trade	21,717	50,520,463	2,326,309	9,782
441	Motor vehicle & parts dealers				
44111	New car dealers	668	10,808,194	16,179,931	2,093
44112	Used car dealers	540	692,820	1,283,000	134
44121	Recreational vehicle dealers	81	171,432	2,116,444	33
44122	Motorcycle, boat, and other motor vehicle dealers	334	652,128	1,952,479	126
44131	Automotive parts and accessories stores	753	831,980	1,104,887	161
44132	Tire dealers	240	287,125	1,196,354	56
442	Furniture & home furnishings stores				
44211	Furniture stores	537	736,673	1,371,831	143
44221	Floor covering stores	377	376,063	997,515	73
44229	Other home furnishings stores	308	163,854	531,994	32
443	Electronics & appliance stores				
44311	Appliance, television, and other electronics stores	634	1,052,063	1,659,405	204
44312	Computer and software stores	198	261,211	1,319,247	51
44313	Camera and photographic supplies stores	38	23,801	626,342	5
444	Building material & garden equipment & supplies dealers				
44411	Home centers	47	747,361	15,901,305	145
44412	Paint and wallpaper stores	179	207,667	1,160,149	40
44413	Hardware stores	440	433,376	984,945	84
44419	Other building material dealers	1,031	3,028,918	2,937,845	586
44421	Outdoor power equipment stores	136	113,798	836,750	22
44422	Nursery and garden centers	534	1,238,995	2,320,215	240
445	Food & beverage stores				
44511	Supermarkets & other grocers (ex convenience)	1,209	7,163,345	5,925,017	1,387
44512	Convenience stores	201	125,130	622,537	24
4452	Specialty food stores	472	182,382	386,403	35
44531	Beer, wine, and liquor stores	490	359,298	733,261	70
446	Health & personal care stores				
44611	Pharmacies and drug stores	724	1,646,621	2,274,338	319
44612	Cosmetics, beauty supplies, and perfume stores	108	55,619	514,991	11
44613	Optical goods stores	277	109,865	396,625	21
44619	Other health and personal care stores	239	92,124	385,456	18
447	Gasoline stations				
44711	Gasoline stations with convenience stores	1,931	3,364,307	1,742,262	651
44719	Other gasoline stations	753	1,087,545	1,444,283	211
448	Clothing & clothing accessories stores				
44811	Men's clothing stores	180	111,377	618,761	22
44812	Women's clothing stores	642	340,874	530,956	66
44813	Children's and infants' clothing stores	53	32,856	619,925	6
44814	Family clothing stores	298	441,492	1,481,517	85
44815	Clothing accessories stores	107	21,061	196,832	4
44819	Other clothing stores	209	104,617	500,560	20
44821	Shoe stores	524	323,280	616,947	63
44831	Jewelry stores	522	311,575	596,887	60
44832	Luggage and leather goods stores	25	10,186	407,440	2
451	Sporting goods, hobby, book, & music stores				
45111	Sporting goods stores	610	423,731	694,641	82
45112	Hobby, toy, and game stores	244	205,783	843,373	40
45113	Sewing, needlework, and piece goods stores	147	56,140	381,905	11
45114	Musical instrument and supplies stores	84	83,366	992,452	16
45121	Book stores and news dealers	254	193,094	760,213	37
45122	Prerecorded tape, CD, and record stores	137	100,546	733,912	19
452	General merchandise stores				
45211	Department stores (ex. leased depts.)	272	5,308,110	19,515,110	1,028
45291	Warehouse clubs and superstores	12	920,588	76,715,659	178
45299	All other general merchandise stores	336	563,584	1,677,334	109
453	Miscellaneous store retailers				
45311	Florists	485	118,331	243,981	23
45321	Office supplies and stationery stores	105	205,600	1,958,095	40
45322	Gift, novelty, and souvenir stores	806	248,109	307,828	48
45331	Used merchandise stores	345	97,988	284,023	19
45332	Discount department stores	424	62,622	562,312	12

Retail Sales per Square Foot GLA

US Community Shopping Centers, Selected Store Categories

Based on the 1997 Dollars and Cents of Shopping Centers, Urban Land Institute

NAICS	Description	Median GLA	Median Sales/S.F	ULI Descriptions/Notes
44111	New car dealers			
44112	Used car dealers			
44121	Recreational vehicle dealers			
44122	Motorcycle, boat, and other motor vehicle dealers			
44131	Automotive parts and accessories stores	6,038	147.52	Automotive (Tire/Battery)
44132	Tire dealers			
44211	Furniture stores	7,471	141.84	Furniture
44221	Floor covering stores	2,545	88.04	Floor Coverings
44229	Other home furnishings stores	4,821	166.54	Home accessories
44311	Appliance, television, and other electronics stores	2,100	207.17	Electronics
44312	Computer and software stores	2,130	336.53	Computer/Computer Software
44313	Camera and photographic supplies stores	1,069	542.63	See "Regional Centers"
44411	Home centers			
44412	Paint and wallpaper stores	3,533	164.55	Paint and Wallpaper
44413	Hardware stores	7,857	121.08	Hardware
44419	Other building material dealers			
44421	Outdoor power equipment stores			
44422	Nursery and garden centers			
44511	Supermarkets & other grocers (ex convenience)	42,228	371.79	Supermarket
44512	Convenience stores			
4452	Specialty food stores	1,800	162.57	Specialty Food
44531	Beer, wine, and liquor stores	2,648	249.67	Liquor/Wine
44611	Pharmacies and drug stores	11,153	247.29	Drug Store
44612	Cosmetics, beauty supplies, and perfume stores	1,520	258.40	Cosmetics/Beauty Supplies
44613	Optical goods stores	1,487	156.74	Eyeglasses -optician
44619	Other health and personal care stores			
44711	Gasoline stations with convenience stores	2,508	339.01	Service Station
44719	Other gasoline stations			
44811	Men's clothing stores	3,082	182.61	Men's Wear
44812	Women's clothing stores	3,616	146.31	Women's Ready to Wear
44813	Children's and infants' clothing stores	2,665	142.98	Children's Wear
44814	Family clothing stores	5,775	186.50	Family Wear
44815	Clothing accessories stores			
44819	Other clothing stores			
44821	Shoe stores	3,150	158.81	Family shoes
44831	Jewelry stores	1,263	263.92	Jewelry
44832	Luggage and leather goods stores	2,398	198.82	Luggage and Leather
45111	Sporting goods stores	4,100	153.46	Sporting Goods - General
45112	Hobby, toy, and game stores	2,740	183.33	Toys
45113	Sewing, needlework, and piece goods stores	10,254	74.91	Fabric shop
45114	Musical instrument and supplies stores	2,992	159.68	See "Regional Centers"
45121	Book stores and news dealers	2,905	161.16	Books
45122	Prerecorded tape, CD, and record stores	2,900	163.04	Records and Tapes
45211	Department stores (ex. leased depts.)	73,500	142.31	Discount Department Store
45291	Warehouse clubs and superstores			
45299	All other general merchandise stores			
45311	Florists	1,600	149.82	Flowers/Plant Store
45321	Office supplies and stationery stores	23,003	262.26	Office Supplies
45322	Gift, novelty, and souvenir stores	3,000	126.70	Cards and gifts
45331	Used merchandise stores			
45391	Pet and pet supplies stores	2,933	122.48	Pet Shop
45392	Art dealers	1,605	154.79	Art Gallery

Estimates of Retail Demand, La Crosse WI

For Primary (P) or Convenience (C) Trade Area

Consumer Demand Calculation							
Store Category:	Book	Clothing-Children	Drug	Food - Grocery	Hobby/Tov	Kitchen/Other	Video/Disc Rental
NAICS Code:	451211	44813	44611	44511	45112	442299	53223
Trade Area - Convenience -C or Primary -P	P	P	C	C	P	P	C
Step 1: Calculate Statewide per Capita Spending							
A 1997 US Census of Retail Trade Sales for State	\$193,094,000	\$32,856,000	\$1,646,621,000	\$7,163,345,000	\$205,783,000	\$156,605,000	\$120,057,000
B. State Population (1997)	5,164,635	5,164,635	5,164,635	5,164,635	5,164,635	5,164,635	5,164,635
C = A/B = Estimated Statewide Per Capita Spending (1997)	\$37.39	\$6.36	\$318.83	\$1,387.00	\$39.84	\$30.32	\$23.25
Step 2: Adjust for Differences in Trade Area Per Capita Income							
D Trade Area Per Capita Income (1999)	\$19,287	\$19,287	\$14,632	\$14,632	\$19,287	\$19,287	\$14,632
E State Per Capita Income (1999)	\$21,271	\$21,271	\$21,271	\$21,271	\$21,271	\$21,271	\$21,271
F = D/E = Adjustment for Per Capita Income	0.9067	0.9067	0.6879	0.6879	0.9067	0.9067	0.6879
G = C * F = Estimated Trade Area Per Capita Spending	\$33.90	\$5.77	\$219.32	\$954.10	\$36.13	\$27.49	\$15.99
Step 3: Calculate Trade Area Store Demand in Dollars*							
H Trade Area Population (2002)	124,244	124,244	21,185	21,185	124,244	124,244	21,185
I = G * H = Estimated Consumer Demand (for 2002 in 1997 dollars)	\$4,211,932	\$716,683	\$4,646,204	\$20,212,521	\$4,488,715	\$3,416,003	\$338,760
Step 4: Calculate Trade Area Store Demand in Square Feet**							
J Estimates Sales per Square Foot	\$161.16	\$142.98	\$247.29	\$371.79	\$183.33	\$166.54	\$96.32
K = I/J = Estimated Store Demand in Square Feet (2002)	26,135	5,012	18,788	54,365	24,484	20,512	3,517
* Consumer expenditure demand is the estimated amount of annual spending of residents of the primary trade area in this category. **Based on Dollars & Cents of Shopping Centers, 1997, ULI, Wash., DC.							

