

Niche Development in Small City Downtowns

by Bill Ryan and Teresa Gillotti*

Niche strategies position a downtown to gain dominance in a certain product or service category. There are two major types of niches. The first is *Consumer Market Segments* such as students, retirees, ethnic groups, tourists, office workers, artists, and medical facility users. The second is *Goods and Services* such as home furnishings, antiques, crafts, children's products, weddings, health & fitness, and dining and entertainment. The examples below focus on goods and service niches in small city downtowns.

Antiques

Waynesville, OH, Pop 2,600 is located in southwestern Ohio between Cincinnati and Columbus. The self-proclaimed, "Antiques Capital of the Midwest," Waynesville has more than 25 downtown antique shops. There are also a number of specialty gift shops, art galleries, food & drink establishments, and furniture stores.

Antique and Rare Books

Stillwater, MN, Pop 15,000 is home to a highly educated and affluent population located on the St. Croix River about 20 minutes from St. Paul, MN. Stillwater's downtown offers an historic small river town shopping experience with antiques, art, gifts, home furnishings and women's apparel. It also has five bookstores downtown attracting book collectors, librarians, and bibliophiles from throughout the world. There are 450,000 books for sale downtown ranging from general interest to rare and collectable books.

Arts and Crafts

Mineral Point, WI, Pop 2,617 is located in the rolling hills of southwestern Wisconsin. Mineral Point has developed a niche focusing on tourists interested in the arts. The community has 11 related businesses including pottery, woodworking, glass, jewelry and weaving studios. In addition, home-based artisans use this consumer niche to sell their products at existing downtown stores. The mix of businesses and historic charm of the community draw many visitors as well as area residents to the downtown area. The local resident consumer segments are also served by traditional downtown retail including hardware,

pharmacy and various merchandise categories. These businesses are able to survive thanks to a combination of local and tourist spending.

Art Glass

Corning, NY, Pop 11,000 in the Upstate Finger Lakes Region is home to Corning, Inc., Corning Museum of Glass and the Rockwell Museum of Western Art. Corning's Gaffer District (the center of the city) is a business improvement district that contains more than 200 businesses ranging from hot-glass studios, art galleries, microbreweries, apparel shopping and antiques, to home accessories, gifts, professional services, restaurants and hotels. These businesses relate well to the industrial and glass heritage of the community.

Earthy Goods

Arcata, CA, Pop 16,600 is home to Humboldt State University, located on California's redwood coast. Downtown has a number of stores that sell "earthy goods." "Solutions" is a shop that sells hemp clothing and other earth-friendly products. "Moonrise Herbs" sells what it sounds like. "Hemp Sewn" is a new custom clothing shop started up this summer. A new business, "Tranquiletea," sells tea and massages. There is also a natural foods co-op and a second commercial store. Other specialty stores include women's shoes and apparel, bath and body goods, Asian imports, furniture, dry goods store, etc. A new athletic store is targeting high school and college students.



Store selling art glass in downtown Corning, NY

Ethnic Heritage

New Glarus, WI, Pop 2,100 is home to "America's Little Switzerland." The downtown business district is decorated with Swiss flags and banners, geranium-filled flower boxes and buildings influenced by Swiss architecture. Known for its authenticity, New Glarus features a butcher shop, bakery, restaurants, lodging and festivals related to its Swiss heritage. European and Swiss goods are sold in town including chocolate, cheese, bells and chimes, crystal, fondue pots, scherenschnitte (scissors cutting), clocks, wood carvings, nutcrackers, nesting dolls, Christmas ornaments and lace. Products from local artists and craftsmen are also sold in local stores.

Financial Services

Boone, NC, Pop 13,472, located in the North Carolina high country, is home to Appalachian State University. With a population of around 17,000 including college students, Boone sports 17 different financial service businesses. The growing university, resort and second home development and a sizable population of retirees has helped create this cluster of financial services. While these businesses are not all downtown, the majority lie within the town's borders.

Home Improvements

Sheboygan Falls, WI, Pop 7,000 is located five miles from Lake Michigan and Sheboygan. Home to two registered historic districts near the Kohler factory, the well restored downtown has many shops based on the home improvement market such as paint, furniture, lighting, hardware, antiques, landscaping, gardening, interior design and art studios. The annual Home & Hearth event capitalizes on the strong points of these businesses and allows the businesses to work together to promote home improvements and decorating.

Jewelry & Family Clothing

Ashland, WI, Pop 9,000 is home to an active downtown community in an historic town situated on the south shore of Lake Superior's Chequamegon Bay. Historic downtown Ashland is characterized by the unique brownstone buildings and 7 murals highlighting Ashland's history. The downtown retail market now features a JC Penny store and a number of family clothing and shoe stores. A row of three jewelers are clustered next to each other.

Outlets

Freeport, ME, Pop 1,800 is home to L.L. Bean and is located 20 minutes north of Portland and a 2-hour drive from Boston on the coast of Maine. Starting with the L.L. Bean and Dansk retail outlets in the early 1980s, Freeport boasts more than 170 upscale outlets, designer shops, eclectic boutiques, B&Bs, hotels, restaurants and casual cafes. Freeport is often billed as a weekend destination

where shopping can be complemented by nearby state parks and the town's own oceanfront park.

Spas and Personal Care

Berkeley Springs, WV, Pop 2,500 is home to warm natural springs and considers itself "The Country's First Spa." Today, the springs feed five different spas. Complementary businesses include unique gift shops, a homeopathy store, day spa, coffee shop, two antique malls and extensive lodging and dining choices. The arts community is also strong including a local cooperative art gallery, an active arts council, galleries, craft shops, community theater, professional performances, art exhibitions and summer concerts in the park.

Theatre and Arts

Ashland, OR, Pop 19,522 is home to the Oregon Shakespeare Festival, Schneider Museum of Art and Southern Oregon University. Nestled near the California border, Ashland has been rated one of the top 10 small art towns in recent years. In addition to the Oregon Shakespeare Festival, Ashland features four more local theatres and more than 30 galleries. Downtown retail also includes bookstores, gifts, clothing and collectible stores as well as numerous coffee shops and a variety of restaurants.

Weddings

Reading, OH, Pop 11,000 is a suburb of Cincinnati. A total of 31 businesses including bridal shops and supportive businesses such as florists, photographers, jewelers and stationary stores allow shoppers to take care of the majority of their wedding planning tasks in the same location. Businesses also work together for advertising and wedding packages.

Women's Apparel

Saratoga Springs, NY, Pop 26,000 is home to famed mineral springs spas, horse racing, Skidmore College, Saratoga Performing Arts Center. The Historic downtown shopping district has a number of independent women's clothing stores and gift stores that sell clothing and accessories. Complementary businesses include spas, skincare, massage, salons, and cafes. A number of chains have also located downtown (Eddie Bauer, The Gap, Borders, etc.).

For guidance on niche development, see: *Niche Strategies for Downtown Revitalization* by N. David Milder, available through the Downtown Research & Development Center. <http://www.downtowndevelopment.com/books.php>

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