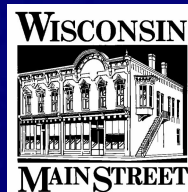


Jon Reis Photography, Ithaca, NY



# Creating Market Synergy in Mixed-Use Downtowns

Bill Ryan and Matt Kures  
University of Wisconsin-Extension  
Center for Community & Economic  
Development

National Main Street Conference  
Tuesday June 6, 2006

# What do we mean by Market Synergy?

*Synergy:* Individual businesses and other downtown uses working together to be more successful than if they were located alone.

*High levels of market synergy requires:*

- Matching the proper businesses to different consumer segments
- Understanding how different downtown business types and non-commercial uses interact
- Recognizing how the physical layout of a commercial district can impact businesses and customer traffic
- Cooperation among downtown stakeholders (business owners, property owners, volunteers, etc.)

*Creating market synergy avoids the E.R. strategy of  
“Shoot anything that flies and claim anything that lands.”*



# Roadmap for Creating Downtown Synergy

1. Determine and Track the **Current Business Mix**
2. **Research and Learn** from other Communities (become a kleptocrat)
3. Determine the **Drawing Power** of Downtown (calculate the true trade area)
4. Research your **Primary Consumer Segments** and **Stakeholders**
5. Look for **Market Gaps and Niches** (Examine Commercial Opportunities)
6. Understand the **physical layout** of a downtown and **its economic impact** on businesses (Main Street as a Mall)
7. Create a Business **Retention, Expansion and Recruitment** Strategy



# On-line Downtown and Business District Market Analysis Toolbox

*Creating downtown synergy is largely about determining the mix of businesses that the market will support*

- Available for Free On-Line ([www.uwex.edu/ces/cced/dma](http://www.uwex.edu/ces/cced/dma))
- Divided into 20 Sections
- Methods and Tools for Performing a Market Analysis
- Other Downtown-Related Resources
- Joint Effort Between UW-Extension and the WI Main Street Program





# 1. Determine and Track the Current Business Mix

## Purpose of Downtown Inventory

- Contacting stakeholders, tracking pledges & volunteer hours
- Renting and selling downtown property, siting downtown businesses
- Analyzing your business mix
- Calculating & promoting the supply of products, services & housing; developing retail events & downtown business directories
- Targeting marketing strategies, cooperative advertising
- Managing and promoting downtown hours of operation

# Downtown Building and Business Inventory Database Available

**Microsoft Access**

File Edit View Insert Format Records Tools Window Help

**Main Street Wausau Downtown Inventory**

Inventory Date [ ] By [ ] Last Update [ ] By [ ]

**IDENTITY**

**Building**

Parcel # [291 2907 253 0223] Building # [1]

Building Name [CITY HALL]

Block # [400] N [ ] S [ ] Street [GRANT ST]

**Contact**

Stakeholder [Kumar, Hari] [ ] [arik@anywhere.co  
m]

Record: [1] of 1

**Owner**

☐ Contact above is the owner Different Owner(s) [CITY OF WAUSAU]

Page: Identity Amenities Class Value Condition Availability Photos

**UNIT IDENTITY**

☒ Commercial Go to Form ☐ Residential Go to Form

Unit # [1] Floor # [ ] Area (sq. ft.) [ ] Unit Location [ ]

Unit Address: # [407] Street [GRANT ST] Tenant [ ]

Page: Identity Amenities Condition Availability

Record: [1] of 189

**Main Street...**

Form View

NUM

Start 2 Microsoft ... Market Analysis Microsoft Pow... ESRI Busines... Microsoft A... Help and Sup... 12:29 PM



## BUSINESS OWNER SURVEY DATA ENTRY FORM

## BUSINESS CONTACT INFORMATION

Business Name 

## Contact

Stakeholder	( 71) 555-5598	robertk@anywhere.com
King, Robert		
Edgeham Hollow Winchester Wau	London	RG1 9SP
Record: 14	1	of 1

Owner Name: First  M. I.  Last   
(if different from contact)Business Phone #1  Business FAX Business Email  Business Web Site 

## NEEDS AND OPPORTUNITIES ASSESSMENT

Challenge Other Topics Other Why Satisfied 

## BUSINESS AND WORKFORCE DATA

NAICS Code  Date Established Sales Space  sq. ft. Customer Parking Other Production Space  sq. ft. 

## MARKET AND MARKETING DATA

	Open	Close		
Monday	5:00 AM	7:00 AM	25	Cust_Zip_a:
Tuesday				Cust_Zip_b:
Wednesday			14	Cust_Zip_c:
Thursday				Cust_Zip_d:
Friday	8:00 AM	5:00 PM		Cust_Zip_e:
Saturday				Cust_Zip_f:
Sunday				Cust_Zip_g:

Events Other  32 Cust\_Zip\_h:56 Newspapers  Cust\_Zip\_i: Magazines  Cust\_Zip\_j: Radio  Other  Television  Direct Mail/Catalogs  Other 34 Window Displays  Billboards  Internet  Radio Other  Local Service Organizations

# Database can be Joined with GIS for Downtown Mapping





## 2. Research and Learn from other Communities – Comparable Community/Downtown Analysis

Examining *Comparable Communities and Downtowns* is useful in identifying potential business opportunities and economic development strategies.

### Identifying Comparable Places

- Similar in Population and Demographics
- Similar in Urban and Rural Characteristics
- Other Characteristics – Industry Concentrations, Universities, Government, Commuter Market

### Identifying Successful Downtowns

- Knowledge from existing study group or committee members
- Recognized downtown successes
- Research websites of other communities' chambers or Main Street Organizations

# ***Potential Steps in a Comparable Community Analysis***

***Business Mix Analysis*** – Comparing the numbers and types of businesses in your downtown vs. those in comparable communities

- Are there gaps in our business mix?
- Do we have a concentration of businesses that could form a niche?

***Community Visits or “First Impressions” Program*** – Community exchanges or “secret shopper” program. More info at: <http://www.uwex.edu/ces/cced/FirstImpressions.htm>

- What strategies are successful in other similar communities?
- How does our community look through the eyes of an outsider?
- Are we capitalizing on our assets as well as other communities?



### 3. Determine the Drawing Power of Downtown *Trade Area Analysis*

**Defines the Boundaries for the Other Market Analysis  
Activities**

#### Market Segments:

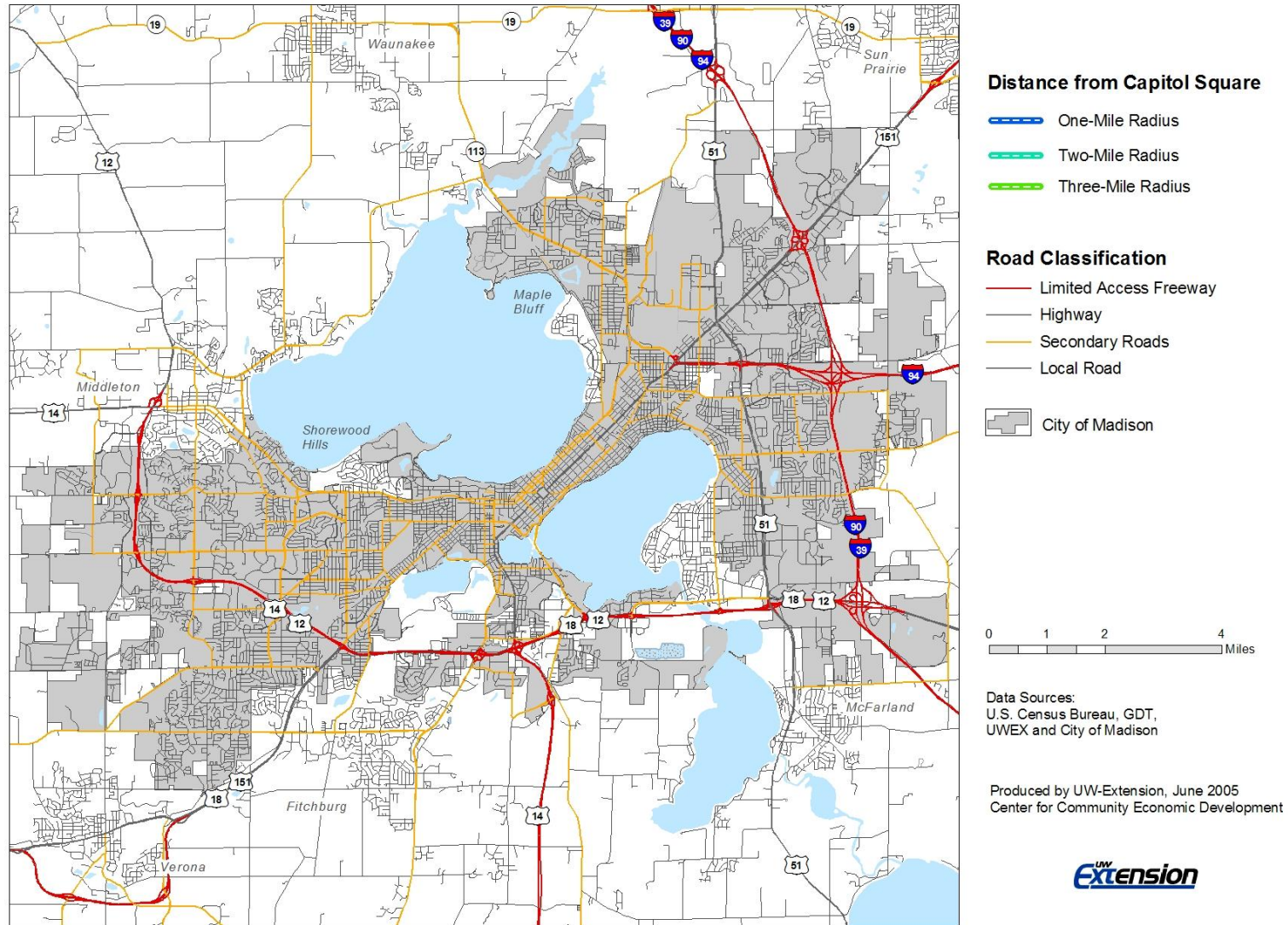
- Local residents and existing customers
- Day time employee population
- Tourists/Visitors

#### Market Defined Using:

- Gravity Modeling
- Street addresses
- Zip Codes
- License plate survey
- Drive-Time

# Why we Should Avoid Using Rings to Define a Trade Area...

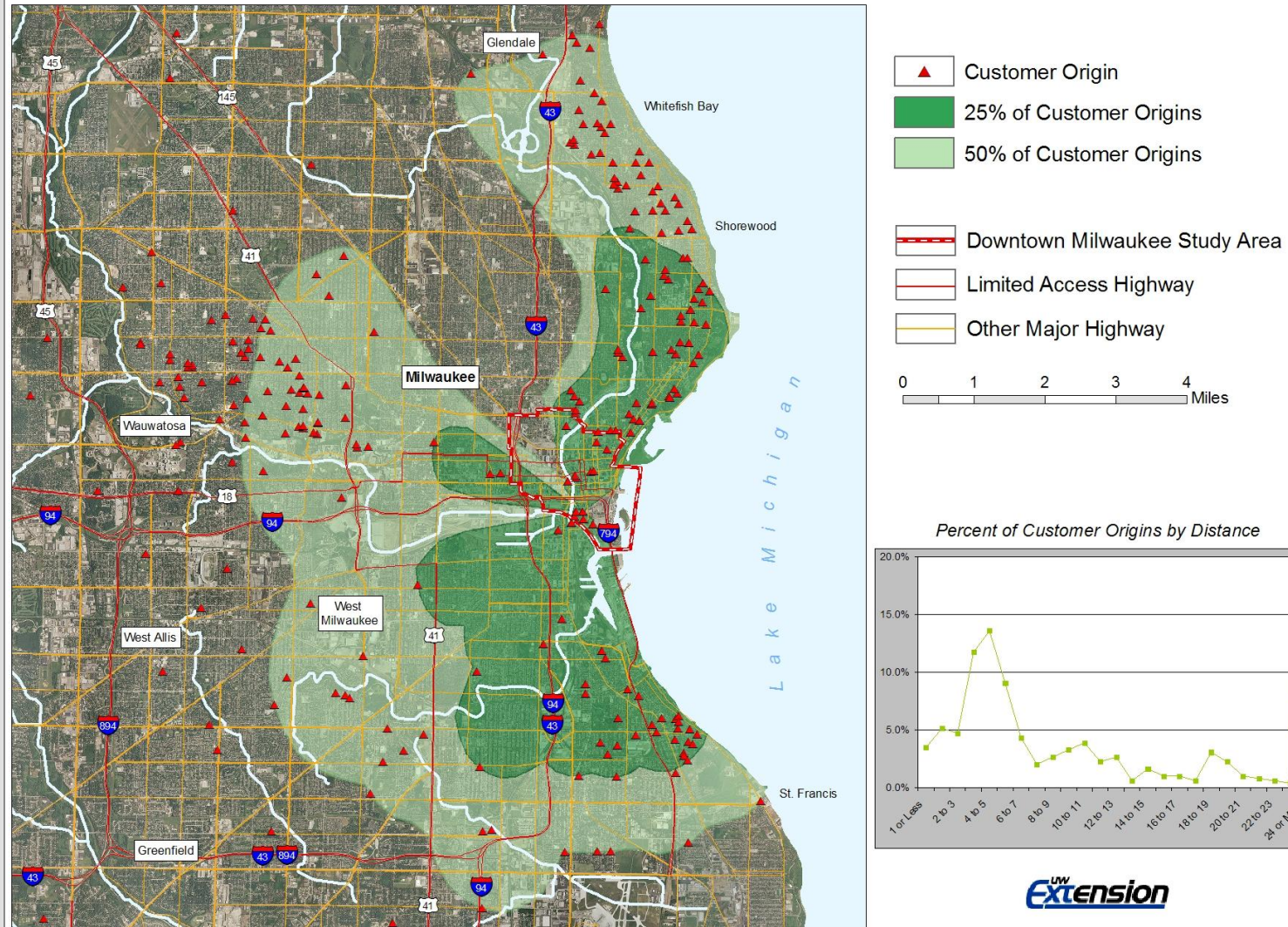
## Radius Analysis of Downtown Madison





# Better Methods For Trade Area Analysis – *Drive Time Analysis or Mapping of Customer Addresses*

Business # 1 Customer Origins By Street Address



# 4. Research your Primary Consumer Segments and Stakeholders

Understanding your consumers and stakeholders requires researching:

- Residents
- Tourists
- Employees
- Business/property owners
- Other special consumer groups

Toolbox includes methods for performing focus group research and downloadable business owner and consumer surveys

12. Which of the following events did you attend in the last 12 months? (● mark ALL that apply)

☐ Event A ☐ Event D ☐ Event G ☐ Event J  
☐ Event B ☐  
☐ Event C ☐

13. Where do you typically

☐ On the street right in front of the building  
☐ On the street within 1 block  
☐ On the street more than 1 block away

14. How far do you live from downtown

☐ live downtown  
☐ under 1 mile  
☐ 1-2 miles  
☐ more than 2 miles

15. How far do you live from work

☐ work at home  
☐ under 1 mile  
☐ 1-2 miles  
☐ more than 2 miles

16. By age, how many male

Age	Male
0-2 years	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3-4 years	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5-9 years	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

17. Have you ever lived downtown

☐ I am not interested in so  
☐ I might consider someday  
☐ I am interested in someday  
☐ I live downtown in City X

18. What is your opinion about downtown

☐ I am not interested in so  
☐ I might consider someday  
☐ I am interested in someday  
☐ I live downtown in City X

19. If you moved (or stayed) in City X, what type of downtown

☐ Single Family Home  
☐ Condominium

21. If you moved (or stayed) in City X, how many bedrooms/baths

☐ 1 Room Efficiency  
☐ 1 Bedroom/1 Bath

1. When do you typically shop on each of the following days? (● mark up to TWO times for each day)

	Before 8:00 a.m.	8:00 a.m. - 11:00 a.m.	11:00 a.m. - 1:00 p.m.	1:00 p.m. - 5:00 p.m.	After 5:00 p.m.	Seldom or never	OFFICE USE ONLY
Sunday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Monday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Tuesday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Wednesday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Thursday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Friday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Saturday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

2. What day of the week do you do most of your non-grocery shopping? (● mark ONE)

☐ Sunday ☐ Tuesday ☐ Thursday ☐ Saturday  
☐ Monday ☐ Wednesday ☐ Friday ☐ No special day

3. How often do you eat the following types of restaurant meals? (● mark ONE answer for each meal)

	5 or more times a week	2-4 times a week	Once a week	Once a month	Once every few months	Never
Breakfast	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lunch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dinner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fast food chain, dine-in	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Casual dining (café, diner, pizzeria, bar & grill, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fine dining (supper club, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carry-out/drive-through/delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. What two restaurants or types of cuisine would you most like to see come to downtown City X?

a. \_\_\_\_\_ b. \_\_\_\_\_

5. How often does your household do the following? (● mark ONE answer for each)

	More than once a week	Once a week	Twice a month	Once a month	Once every few months	Never
Watch movies at a theater.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rent movies to watch at home.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. When making the following purchases, what is most important to your decision? (● mark ONE reason for each)

	Name Brand	Service	Quality	Price	Other (specify)
Clothing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Furniture/Appliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gifts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groceries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



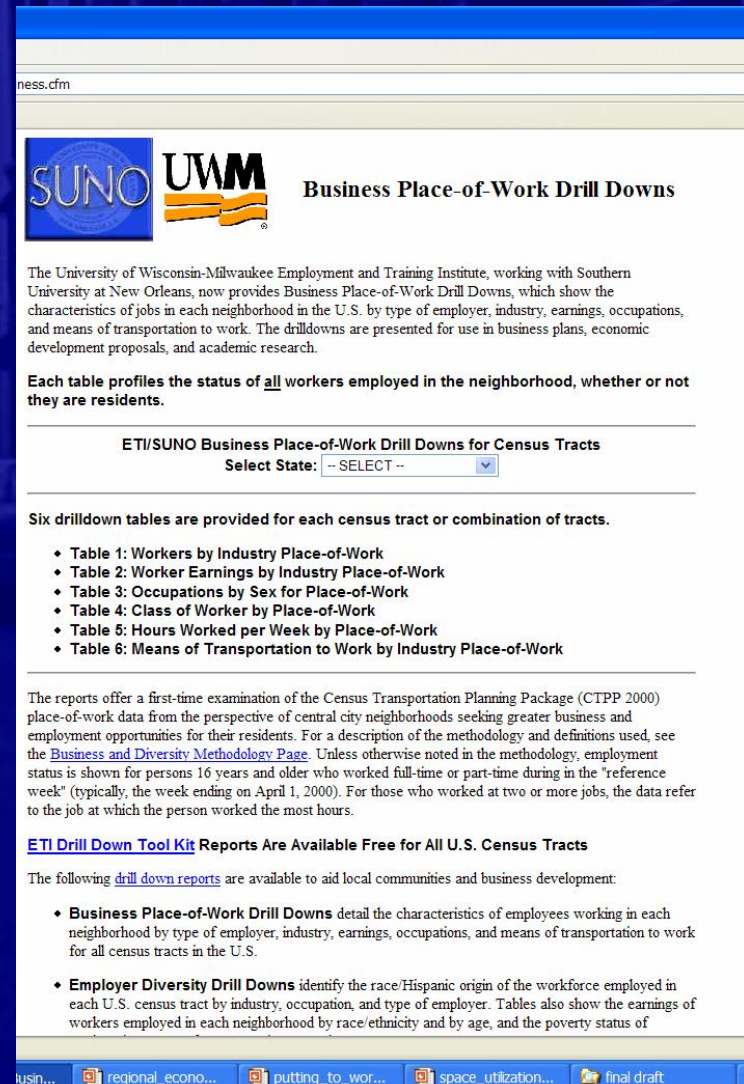
# Who Works Downtown?

## *Business Place of Work Drill Down Tool*

www3.uwm.edu/Dept/ETI/workforce/business.cfm

For any census tract in the Nation, the tool includes information on:

- Number of people working in the tract
- Worker earnings
- Worker occupations
- Hours worked
- Means of transportation to work



The screenshot shows the web interface of the Business Place-of-Work Drill Down Tool. At the top, there are logos for SUNO and UWM, followed by the title "Business Place-of-Work Drill Downs". A paragraph explains that the University of Wisconsin-Milwaukee Employment and Training Institute, in partnership with Southern University at New Orleans, provides this tool to show job characteristics by neighborhood. Below this, a note states that each table profiles the status of all workers, regardless of residence. A dropdown menu is set to "Select State: --SELECT--". A section titled "Six drilldown tables are provided for each census tract or combination of tracts." lists six tables: Workers by Industry Place-of-Work, Worker Earnings by Industry Place-of-Work, Occupations by Sex for Place-of-Work, Class of Worker by Place-of-Work, Hours Worked per Week by Place-of-Work, and Means of Transportation to Work by Industry Place-of-Work. A detailed paragraph follows, explaining the data source as the Census Transportation Planning Package (CTPP) 2000 and providing a description of the methodology. At the bottom, a link for "ETI Drill Down Tool Kit" is provided, along with a statement that reports are available free for all U.S. census tracts. The final section lists two types of reports: Business Place-of-Work Drill Downs and Employer Diversity Drill Downs, each with a brief description of the data they provide.

ness.cfm

**SUNO UWM** Business Place-of-Work Drill Downs

The University of Wisconsin-Milwaukee Employment and Training Institute, working with Southern University at New Orleans, now provides Business Place-of-Work Drill Downs, which show the characteristics of jobs in each neighborhood in the U.S. by type of employer, industry, earnings, occupations, and means of transportation to work. The drilldowns are presented for use in business plans, economic development proposals, and academic research.

Each table profiles the status of all workers employed in the neighborhood, whether or not they are residents.

ETI/SUNO Business Place-of-Work Drill Downs for Census Tracts  
Select State: --SELECT--

Six drilldown tables are provided for each census tract or combination of tracts.

- Table 1: Workers by Industry Place-of-Work
- Table 2: Worker Earnings by Industry Place-of-Work
- Table 3: Occupations by Sex for Place-of-Work
- Table 4: Class of Worker by Place-of-Work
- Table 5: Hours Worked per Week by Place-of-Work
- Table 6: Means of Transportation to Work by Industry Place-of-Work

The reports offer a first-time examination of the Census Transportation Planning Package (CTPP 2000) place-of-work data from the perspective of central city neighborhoods seeking greater business and employment opportunities for their residents. For a description of the methodology and definitions used, see the [Business and Diversity Methodology Page](#). Unless otherwise noted in the methodology, employment status is shown for persons 16 years and older who worked full-time or part-time during in the "reference week" (typically, the week ending on April 1, 2000). For those who worked at two or more jobs, the data refer to the job at which the person worked the most hours.

[ETI Drill Down Tool Kit](#) Reports Are Available Free for All U.S. Census Tracts

The following [drill down reports](#) are available to aid local communities and business development:

- **Business Place-of-Work Drill Downs** detail the characteristics of employees working in each neighborhood by type of employer, industry, earnings, occupations, and means of transportation to work for all census tracts in the U.S.
- **Employer Diversity Drill Downs** identify the race/Hispanic origin of the workforce employed in each U.S. census tract by industry, occupation, and type of employer. Tables also show the earnings of workers employed in each neighborhood by race/ethnicity and by age, and the poverty status of

usih... regional\_econo... putting\_to\_wor... space\_utilization... final draft




# Demographics of Trade Area Residents

Demographics can provide insight into consumer buying behaviors

- Use Updated Demographics (2000 Census Demographics are now historical records)
  1. [www.esribis.com](http://www.esribis.com)
  2. [www.claritas.com](http://www.claritas.com)
- Compare the trade area to *other geographic areas for context* (i.e. compare the trade area to the county, the State, or the U.S.)

# Market Profile

## Sample

	123 Main Street Any City, USA Radius: 3.0 miles	123 Main Street Any City, USA Radius: 5.0 miles	123 Main Street Any City, USA Radius: 10.0 miles
Latitude: 38.8828			
Longitude: -77.1175			
	2000 Total Population 211,784 2000 Group Quarters 9,375 2005 Total Population 218,707 2010 Total Population 227,719 2005 - 2010 Annual Rate 0.81%	520,759 19,449 537,713 557,921 0.74%	1,651,899 46,935 1,698,592 1,757,053 0.68%
	2000 Households 88,912 2000 Average Household Size 2.28 2005 Households 92,000 2005 Average Household Size 2.28 2010 Households 95,950 2010 Average Household Size 2.28 2005 - 2010 Annual Rate 0.84% 2000 Families 44,042 2000 Average Family Size 3.06 2005 Families 43,503 2005 Average Family Size 3.12 2010 Families 43,325 2010 Average Family Size 3.16 2005 - 2010 Annual Rate -0.08%	234,711 2.14 243,033 2.13 251,974 2.14 0.73% 106,232 2.99 105,885 3.03 105,945 3.07 0.01%	693,554 2.31 718,864 2.3 745,813 2.29 0.74% 374,766 3.06 377,404 3.08 380,312 3.11 0.15%
	2000 Housing Units 92,394 Owner Occupied Housing Units 44.2% Renter Occupied Housing Units 52.0% Vacant Housing Units 3.8% 2005 Housing Units 95,454 Owner Occupied Housing Units 45.6% Renter Occupied Housing Units 50.8% Vacant Housing Units 3.6% 2010 Housing Units 99,549 Owner Occupied Housing Units 45.4% Renter Occupied Housing Units 51.0% Vacant Housing Units 3.6%	245,106 43.9% 51.9% 4.2% 253,234 45.2% 50.8% 4.0% 262,539 45.3% 50.7% 4.0%	734,768 47.8% 46.6% 5.6% 758,813 49.7% 45.0% 5.3% 786,717 45.3% 44.5% 5.2%
<b>Median Household Income</b>			
	2000 \$62,207	\$61,779	\$57,687
	2005 \$78,874	\$77,172	\$70,857
	2010 \$101,566	\$97,808	\$87,343
<b>Median Home Value</b>			
	2000 \$237,962	\$239,291	\$203,949
	2005 \$428,529	\$436,698	\$387,434
	2010 \$599,109	\$610,940	\$547,136
<b>Per Capita Income</b>			
	2000 \$35,016	\$39,830	\$34,629
	2005 \$47,340	\$51,784	\$44,821
	2010 \$61,983	\$67,299	\$57,941
<b>Median Age</b>			
	2000 33.6	34.4	35.7
	2005 34.9	35.6	37.0
	2010 36.8	37.4	38.6

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by total population. Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.

©2005 ESRI

On-demand reports and maps from Business Analyst Online. Order at [www.esri.com](http://www.esri.com) or call 800-795-7483

5/17/2005

Page 1 of 8



# Analyzing Lifestyle Segments (Psychographics)

**Demographic segments tell us about purchasing preferences, but...**

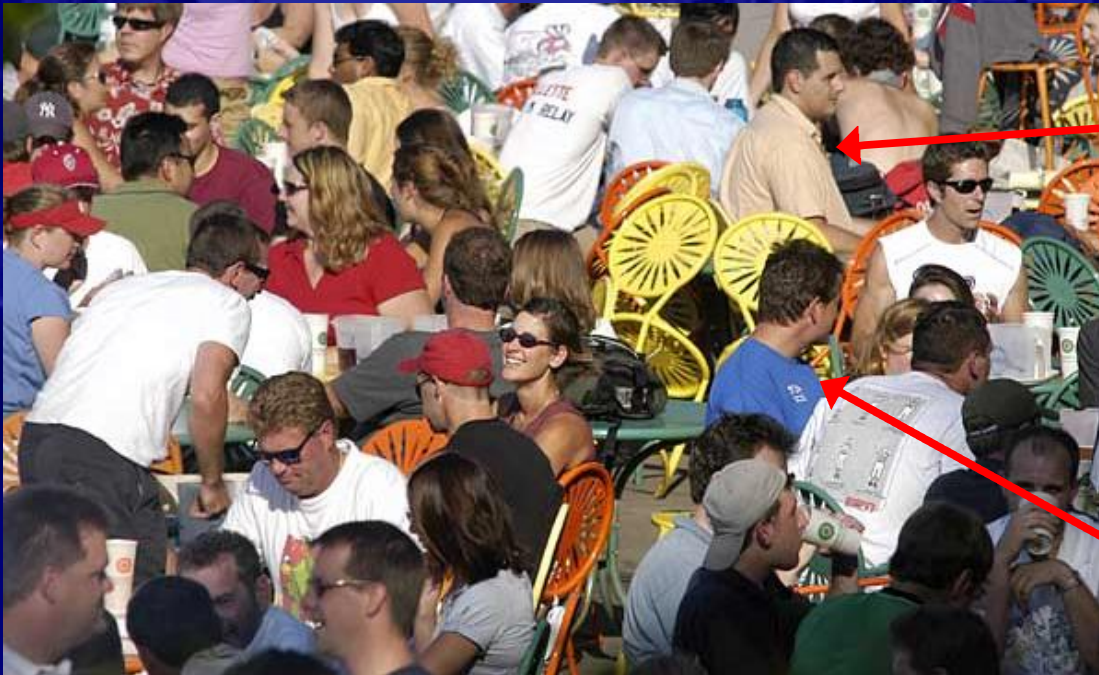


Photo © UW-Madison University Communications, Jeff Miller

**home owner,  
enjoys live  
music, drives  
a Volkswagen**

**renter, buys  
two books a  
month, drives  
a Pontiac**

# Analyzing Lifestyle Segments

- Lifestyle Segmentation Systems, such as *Community Tapestry*, can help in explaining psychographic differences and determining purchasing preferences
- Households in a trade area are segmented into unique clusters that describe their demographic, lifestyle, media and purchasing characteristics
- Includes Market Potential Indices that examine spending propensity for a wide variety a goods and services (useful for both potential and existing establishments)



## 5. Look for Market Gaps and Niches *Assess Market Opportunities*

Retail is usually the focus, but downtown synergy requires a mixed use approach that could also include:

- Service Businesses
- Residential
- Office Market
- Lodging
- Restaurants
- Entertainment / Theater
- The existence and quality of these establishments make Downtown a more desirable place to live, visit, and operate a business.
- Many of these services may be ideal tenants for downtown properties (potential upper floor and B-Street tenants)
- Generate multiple types of consumer traffic at different times

# Example of the Retail Analysis Process

*Trying to find an “intersection of opportunities”*





# Innovative Downtown Businesses

## *An On-Line Clearinghouse of Unique Ideas*

Vibrant downtowns often have a few innovative businesses that draw people downtown. These businesses often build on downtown's sense of place and offer products and services not found in big box stores

### ***On-line Database will include:***

- Products sold/niche developed
- Market segments served
- Synergy created downtown



# Innovative Business Examples Drawing People to Your Downtown?

Let us showcase them in a new website soon to be available.

Email your nominations to:  
[bill.ryan@uwex.edu](mailto:bill.ryan@uwex.edu)

## Innovative Downtown Businesses

enterprises that are bringing people back downtown ...



### Pick & Shovel

**Store Name** Pick & Shovel, Doit Best Building Materials

**Business Type** Building Materials

**NACIS Code** 44419

**Location** 54 Coventry St., Newport, VT 05855

**Nearby Businesses** (Data not in)

**Owner/Manager** Greg Hamlett

**Special Store Activities** Ice cream stand

**Years in Operation** 30 years

**Website** <http://pickandshovel.doitbest.com/DoitBest/home.aspx>

**Phone** (802) 334-8370

**E-mail** [pick.shovel@adelphia.net](mailto:pick.shovel@adelphia.net)

### Community Profile:

Population of City ~ 5,000. Population of 10-mile ring ~ 15,800. Community serves a local residential base as well as seasonal tourism visitors to the Northeast Kingdom region of Vermont. Significant downtown redevelopment efforts have occurred such as the construction of a state office building and a major waterfront project that allows downtown visitors access to beautiful Lake Memphremagog. This family-owned and operated business is an example of a downtown hardware store that has expanded over the years by diversifying its product line in response to what local customer say they need. It has grown from 5,000 SF thirty years ago to 30,000 SF today (65,000 SF including warehouse space). The store includes a number of multi-story connected buildings and serves as a downtown anchor store. The store's growth is a reflection of its commitment to customer service and its ability to listen to and respond to needs and gaps in the community.

### Products Sold & Niche Developed

From the outside, the business appears much like a regular hardware store. Once in the door, you are greeted by helpful and friendly staff dressed in red shirts and eager to direct you to departments that provide day-to-day necessities often lacking in a small town. In addition to a fully stocked hardware store, Pick and Shovel includes a building materials center, appliance store, clothing, sporting goods, toys, pet store, laundromat, and more. In response to resident requests, the store offers a wide selection of socks, jeans, boots, shirts and other apparel items. In addition, they have focused on many quality times such as Carhart boots and offer very competitive pricing. A stop in the store isn't complete without stopping for a soft serve cone at the ice cream stand located on the street as a landmark feature of the storefront.

### Market Segments Served

Pick & Shovel focuses primarily on serving do-it-yourself home improvement customers. As a result, it focuses on the residential base as well as second-home owners in the region. Accordingly, its diversified product lines have a community-serving focus.

### Contributions to the Business Community

The community-serving focus of the store has established it as an anchor business downtown. Its location across the street from the post office and a block from the library has contributed to a diversified main street with jewelry, clothing, gift, sporting goods and other locally owned stores. While Pick & Shovel is bracing for the potential opening of the first Wal-Mart in the region, their diversification efforts will help it co-exist as a truly home-town business that has been a genuinely good, community-serving neighbor.



# Looking for Market Niches

A *niche* is a critical mass of businesses serving a common market segment(s) that is also jointly marketed and promoted

- Niche strategies allow a downtown to gain a dominance in certain business categories
- Niches work well in highly competitive business environments (market differentiation)
- Niches require cooperation between local businesses (education about niches)
- Niches can be based on consumer segments or product segments

## 6. Understanding the Physical Layout of a Downtown and its Impact on Market Synergy

- Many mall and shopping center development principles (such as clustering) can be applied to a downtown or a Main Street
- One of the largest factors in a business' success is its neighboring establishments and property uses – *Downtowns need to consider the locations of businesses relative to one another and to other physical features*
- Want to develop *synergy* among different commercial types. Some commercial types work well together, others do not...



# Compatibility of Mixed Uses

<ul style="list-style-type: none"> <li>● = Strong</li> <li>△ = Weak or Uncertain</li> <li>- = Neutral Compatibility</li> <li>✕ = Potential Conflict</li> </ul>	Theaters	Bars & Restaurants	Retail: Comparison	Retail: Specialty	Retail: Convenience	Hotel	Offices	Residential
Residential	✕	△	△	△	●	✕	●	
Offices	-	●	△	△	△	●		●
Hotel	△	●	△	●	△		●	✕
Retail: Convenience	△	△	△	✕		△	△	●
Retail: Specialty Stores	●	●	●		✕	●	△	△
Retail: Comparison	●	●		●	△	△	△	△
Bars & Restaurants	●		●	●	△	●	●	△
Theaters		●	●	●	△	△	-	✕

# Compatibility goes beyond mixed uses...



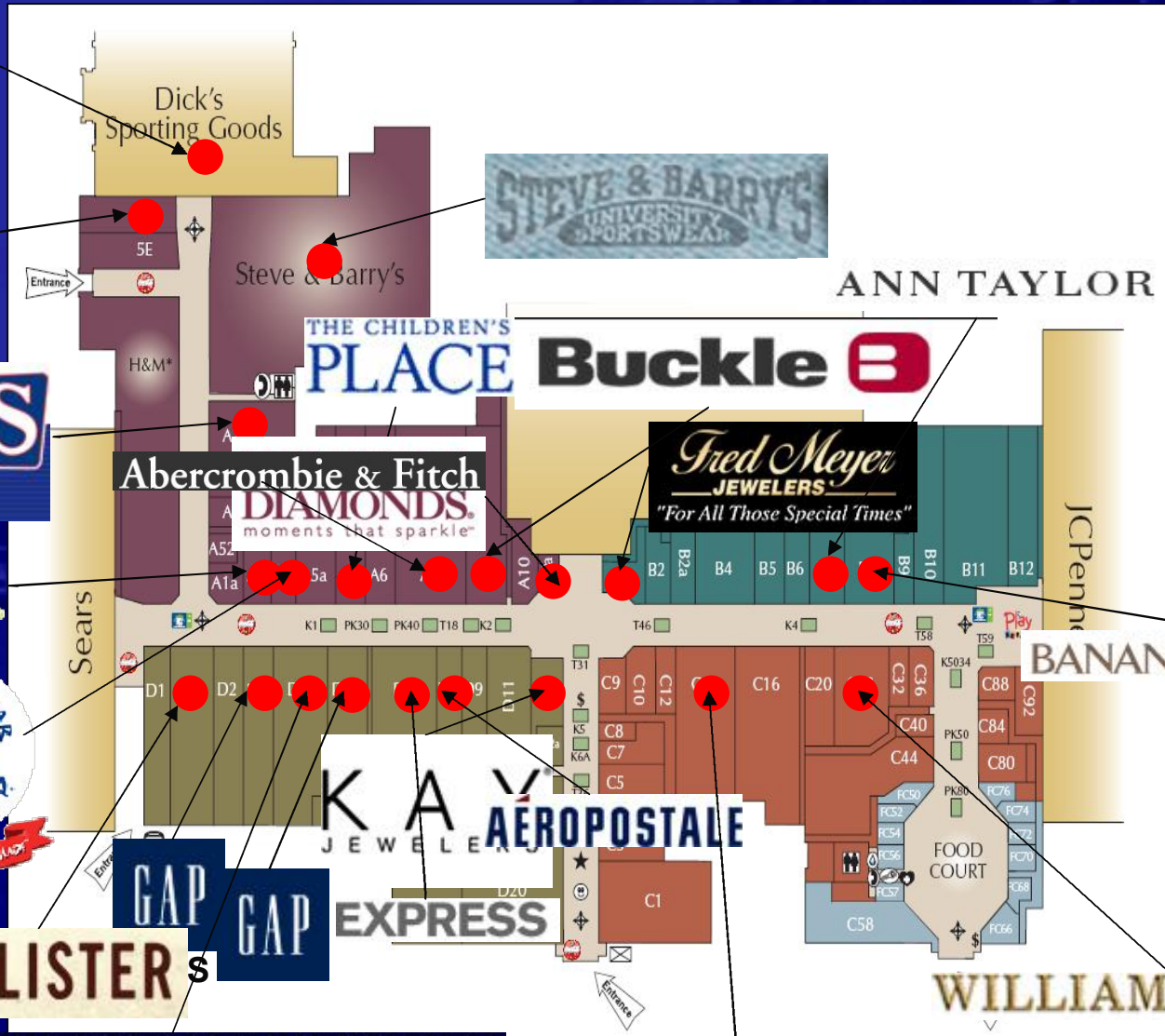
HOLLISTER

AMERICAN EAGLE OUTFITTERS



EXPRESS

POTTERY BARN



Sears

JCPenney

WILLIAMS-SONOMA

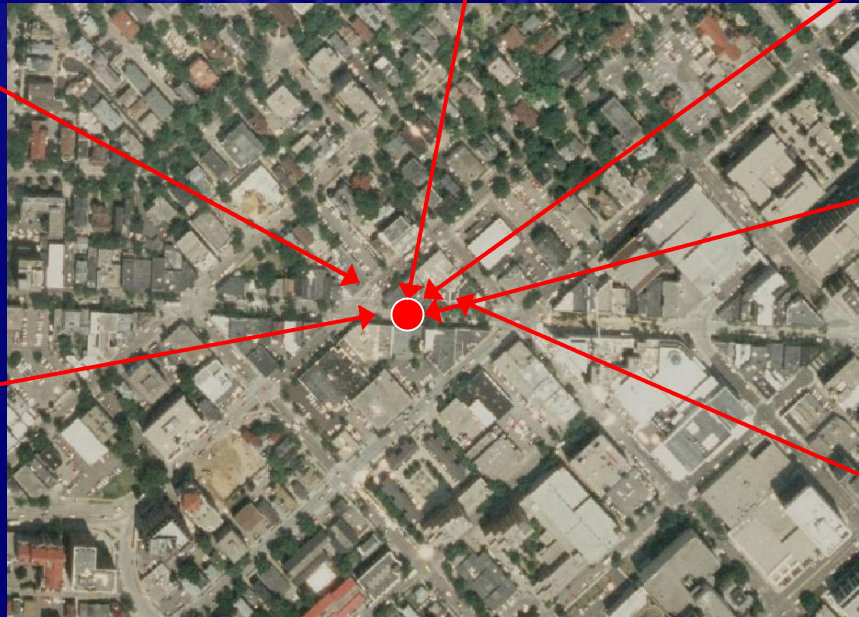


# Main Street as a Mall - *Business Clustering*

- Clustering involves grouping certain businesses together so that both the customers and business operators benefit (**creates critical mass and retail synergy**).
- For clustering to be successful *individual businesses must be able to effectively serve the same or overlapping segments of the market.*
- *Benefits of Clustering:*
  - provides consumers with a broad selection and variety at a single, convenient location (comparison shopping)
  - enables consumers to chain trips (convenience)
  - increases spending - the appropriate mix of businesses will offer more goods and services that appeal shoppers in the same consumer segment (impulse buying)



# Developing Cluster Strategies in Downtowns





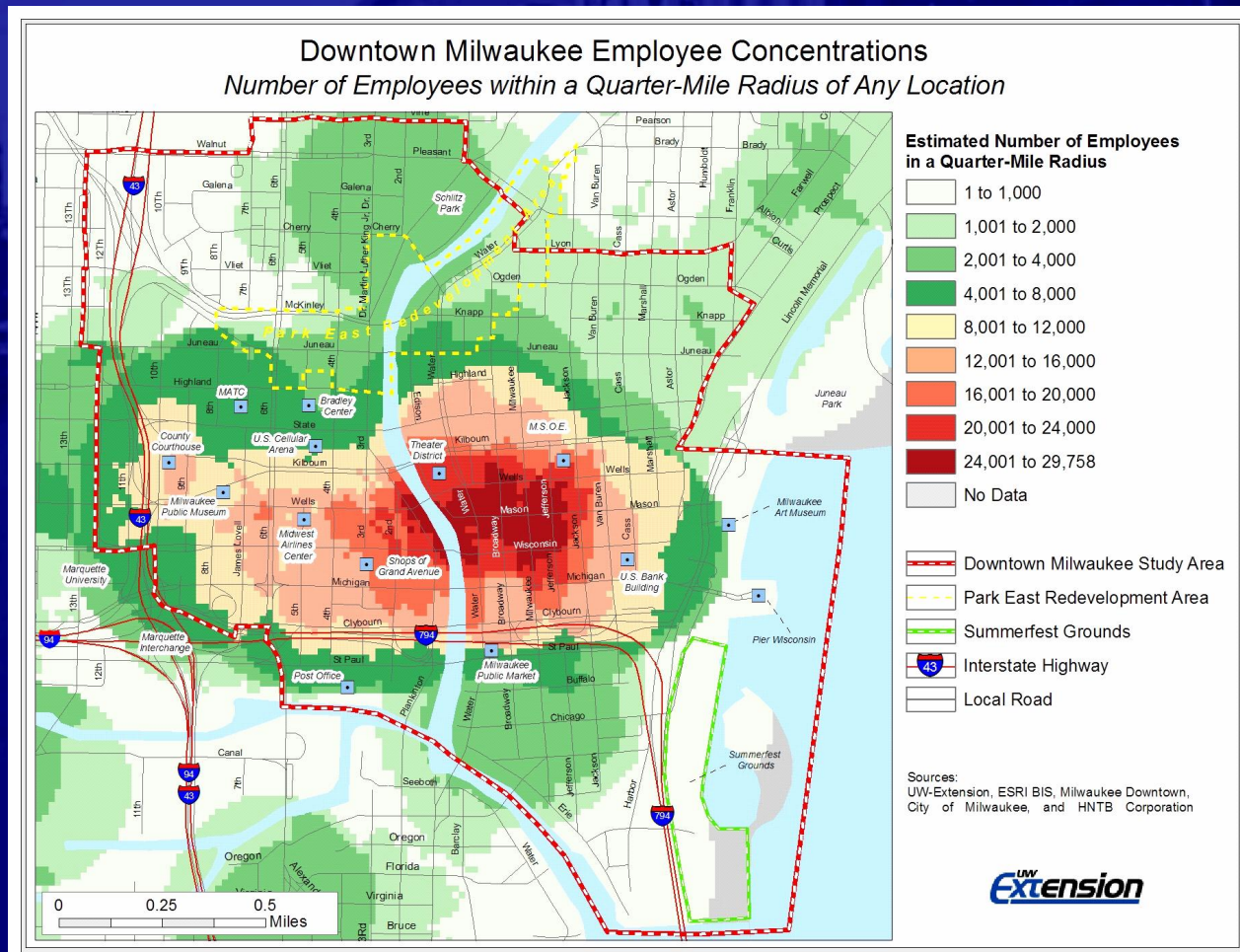
# The Impact of Business Arrangement – *Additional Physical Considerations*

- *Convenience* – Overcoming Parking Perception Problems
- *Retail Continuity* – Avoiding Dead Space
- *Street level vs. Upper level* – Directing Store Types
- *Traffic generators* – Matching stores with the type of traffic generated
- *A and B Streets* –  
What types of businesses belong on each?



# The Impact of Business Arrangement – *Meeting the Needs of the Employee Market Segment*

Capturing sales from downtown employees can be assisted by offering desirable amenities (restaurants, personal services, health clubs, banking, etc.) within 1/4 mile.





# The Impact of Business Arrangement – *Strolling Distances*

*A. Alfred Taubman designed his malls using a 2x3 principle...*





# The Impact of Downtown Business Arrangement

## *Strolling Distances*





## 7. Create a Business Retention, Expansion and Recruitment Strategy

Business retention and expansion efforts utilize market analysis to help existing businesses become more profitable. Steps include:

- Establishing a business retention team
- Recognizing early warning signs of business failure
- Identifying key businesses
- Offering needed business assistance
- Helping businesses identify opportunities for growth
- Creating a market position statement
- Promoting downtown businesses to targeted markets
- Planning for business transition

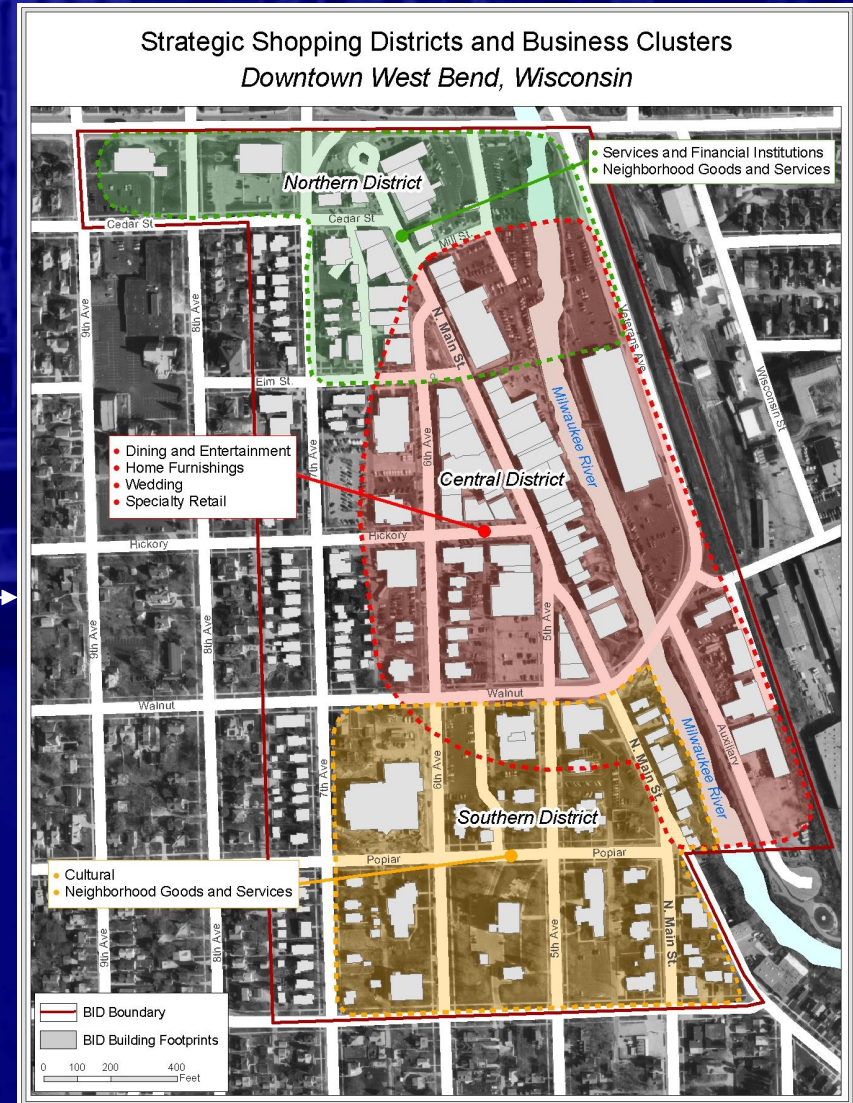
Source: 10 Steps to a Comprehensive Business Retention Program by Valecia Crisafulli of the National Main Street Center

# Create a Business Retention, Expansion and Recruitment Strategy

## *Business recruitment involves:*

- Assembling a recruitment team
- Creating an attractive and supportive business environment
- Assembling recruitment and marketing materials
- Generating leads and courting prospects

*Recruited businesses should fit properly into a downtown physical and clustering plan*





# Strategies for Fostering Business Placement

- *Create a centralized retail management group of property owners and retailers* - Group is responsible for coordinating leasing plans developed from the market analysis process.
- *Obtain the right of first refusal for new tenants* – Allows the downtown to have control over the leasing of property
- *Educate and property owners about the value of strategic business placement* - As with all aspects of business recruitment, property owners need to be fully involved.
- *Create zoning restrictions and regulations*

# For More Information

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