

LET'S TALK BUSINESS

Ideas for Expanding Retail and Services in Your Community

Issue 69
May 2002

Downtown and Business District Market Analysis

On-line Toolbox Now Available

Over the last several decades, small cities across our country have experienced economic leakage from downtown to outlying edge locations. Once the center for community and economic activity, downtowns have suffered the loss of retail and other business activities to shopping centers and commercial strips. As a result of intense competition from category killers, large discount stores, and regional shopping centers, many small city downtowns face high vacancy rates and a poor mix of businesses.



In addressing these problems, downtowns typically lack the market research support available to large retailers and shopping center developers. As a response, the University of Wisconsin-Extension and the Wisconsin Department of Commerce - Main Street Program have developed a comprehensive

web-based market analysis toolbox. The toolbox is designed to help local business leaders, entrepreneurs, developers, and economic development professionals understand the changing marketplace and identify business and real estate development opportunities that are both realistic and sensible for their communities. It introduces and guides the user through numerous analytical techniques used in evaluating specific development opportunities for a downtown area.

The on-line toolbox is compartmentalized so that a community can focus on the market sectors most applicable to their needs. Each section is designed to provide a community with analytical techniques that can be utilized immediately in their economic revitalization efforts. The process requires input from local

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Extension

residents so that the recommendations reflect both market conditions as well as community preferences. To involve the community, the toolbox provides numerous sample press releases that assist in publicizing the analysis. The guidebook's sections are divided into three major parts:

Part I: Understanding Market Conditions

Part I provides a series of tools needed to develop a broad and basic overview of the competitive environment. It includes tools for analyzing current building uses, business mix, trade area size, economic and consumer data, consumer attitudes and business operator needs. Special features of the toolbox include downloadable business and consumer survey templates and building/business inventory database tools, developed by the Wisconsin Main Street Program. Part I provides the necessary foundation for in-depth analysis of different business and real estate sectors.



Part II: Identifying Market Opportunities by Sector

Part II extends beyond typical market studies by providing tools used to analyze specific business and real estate development opportunities raised in Part I. Market analysis techniques are presented for seven sectors including retail, service businesses, restaurants, entertainment and theater, residential units, office space, and lodging facilities. Techniques for quantifying demand and supply conditions are presented for each sector. These advanced tools can be used as part of a full market analysis or on an as-needed basis.

Part III: Developing Market-Driven Strategies

In addition to Part II, this section also extends beyond typical market studies. Part III guides the user in developing conclusions and recommendations that are practical in the current marketplace. The intent is to look outside of traditional market analysis findings that attempt to create a one-stop shopping center. As a result, the toolbox employs a new downtown market analysis approach that looks beyond solutions solely driven by the retail sector. Instead, niche market, clustering and mixed-use strategies are suggested and emphasized as realistic solutions for revitalizing downtown.

Downtown and Business District Market Analysis Toolbox Contents

Part I: Understanding Market Conditions

1. Getting Started
2. Surveying Business Operators
3. Creating a Building and Business Inventory
4. Analyzing Your Business Mix
5. Analyzing Your Trade Area
6. Analyzing Local Economics
7. Analyzing Customer Demographics and Lifestyles
8. Assessing Consumer Attitudes

Part II: Identifying Market Opportunities by Sector

9. Evaluating Retail Opportunities
10. Evaluating Service Business Opportunities
11. Evaluating Restaurant Opportunities
12. Evaluating Entertainment and Theater Opportunities
13. Evaluating Residential Opportunities
14. Evaluating Office Market Opportunities
15. Evaluating Lodging Opportunities

Part III: Conclusions and Recommendations

16. General Conclusions
17. Niche Recommendations
18. Clustering Recommendations
19. Mixed-Use Recommendations
20. Putting Your Market Analysis to Work

Additional Market Analysis Assistance for Communities

The online toolbox is intended to provide a concise, yet comprehensive process for completing a market analysis in a small city downtown. However, there are many occasions when communities need outside expertise and assistance in completing the market analysis process. Wisconsin Main Street communities receive this direct assistance through the Wisconsin Department of Commerce. Other Wisconsin communities can contact UW-Extension for help.

Working with a core study group of 6-8 dedicated community and business leaders, educational and technical assistance is provided over a half to one year period. The group participates in a series of work sessions that include analysis and interpretation of data about the community. Each work session is focused on learning and sharing of ideas for the betterment of the community. The end products are recommendations that will lead to a more active and vibrant downtown area.

The market analysis guidebook and its compartmentalized tools take advantage of the wealth of market data and technology currently available. To extend an understanding of market opportunities, readily available public and private data (secondary data) and locally collected survey and research information (primary data) are combined to drive the market analysis. Furthermore, various database software products, including geographic information systems (GIS), are used to enhance the analysis and provide new insight.

Whether communities utilize the online toolbox or the educational and technical assistance of Main Street and UW-Extension faculty and staff, the market analysis process should result in conclusions and recommendations for improving the economic vitality of a downtown or business district. Local study groups should be able to draw conclusions and make recommendations regarding business expansion and recruitment, downtown niche development, business clustering, and increasing performance of existing businesses.

Access the Downtown and Business District Market Analysis toolbox on-line at www.uwex.edu/ces/cced/dma/

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