

Resident Trade Area Analysis

This section analyzes the size and shape of an overall trade area for many of Tomahawk's retail and service businesses¹. The trade area defines the boundaries that will serve as the basis for further demographic and consumer spending analysis.

A trade area is the geographic region that generates the majority of customers for a business district's retail and service businesses. Trade area analysis recognized that different business types have different trade areas. That is, some businesses will draw customers from a greater distance than others. While communities often have multiple trade areas (primary, secondary, convenience, etc.), a single trade area is defined in this section for Tomahawk.

Local residents of the Tomahawk area provide the greatest spending potential for most of the local retail and service business categories. For some convenience businesses, the trade area may represent 90 percent of its customers. For some destination shopping businesses, the trade area may represent less than 50 percent of its customers.

This section defines the local resident trade area using the following information:

- Customer origins from two representative businesses;
- Drive-Time Analysis of Competing Commercial Centers
- School District Boundaries

In addition to local residents, second home homeowners and visitors represent a sizable market segment for communities like Tomahawk. While many of these customers live outside of the trade area, they need to be recognized as an important market segment. An examination of the "non-resident" segments and their places of origin are discussed in a separate section. This section only examines data to define the local resident trade area.

¹ This analysis was completed by Alex Deley, graduate student in Urban and Regional Planning at the University of Wisconsin-Madison, under guidance from Bill Ryan, Center for Community & Economic Development, University of Wisconsin-Extension. This analysis was completed in consultation with Art Lersch, University of Wisconsin-Extension, Lincoln County.

Customer Addresses from Representative Businesses

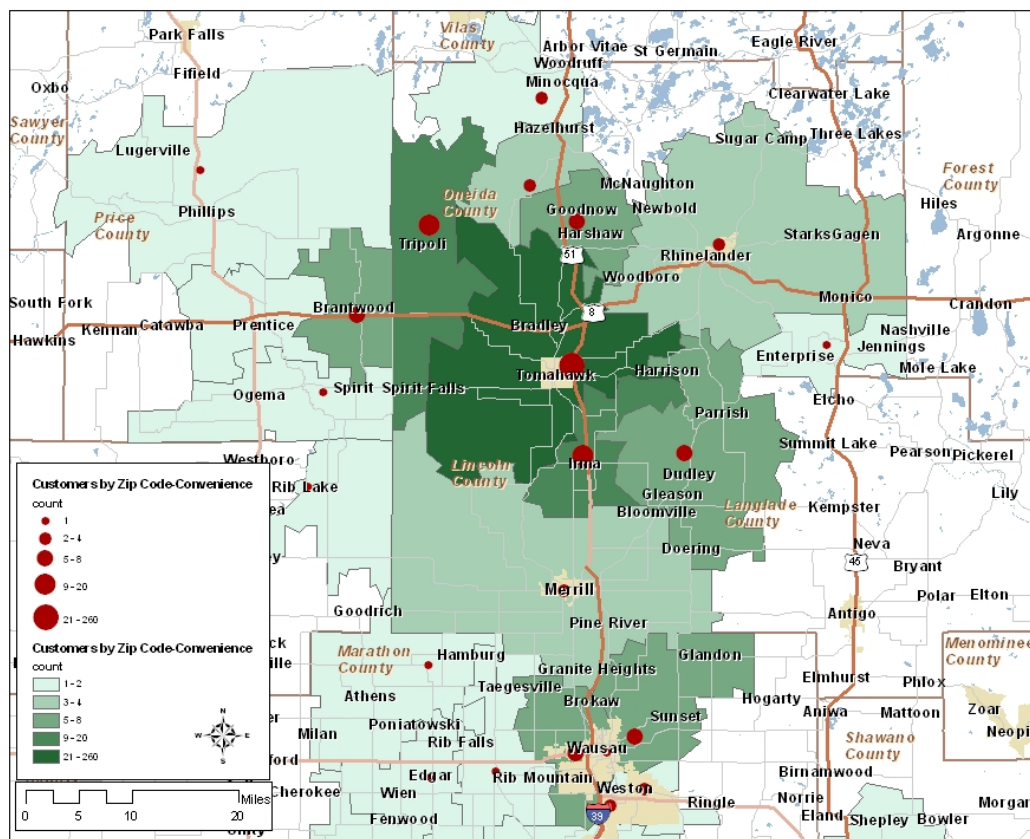
For this analysis, actual customer zip codes and/or addresses were used to analyze the drawing power of Tomahawk businesses. These zip codes and addresses were obtained from a sample of two local retailers: a convenience-oriented business serving everyday needs and a destination-oriented business representing infrequent, comparison shopping purchases. Neither of these retailers are located in downtown Tomahawk, but instead are located on North 4th Street.

As previously mentioned, we must recognize that each business in the community has a unique trade area. Furthermore, people residing in the trade area purchase certain goods and services outside the area (particularly in Merrill, Wausau and Rhinelander).

Convenience-Oriented Business

A total of 500 zip code records were used to map customers of the convenience-oriented business. Customer origin points are presented on the following map. The symbol sizes and shading represent the relative weighting of customers. Based on this map, the Tomahawk zip code area (54487) is clearly the most significant place of customer origin, representing 52-percent of customers.

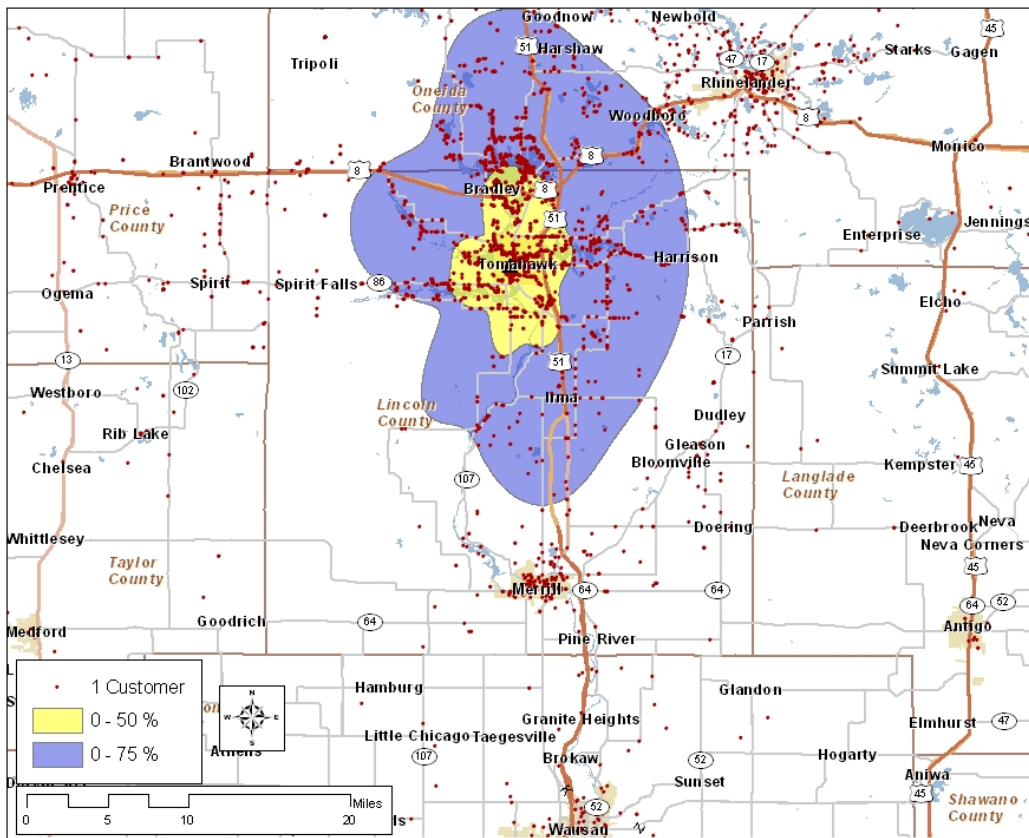
Customer Origin - Convenience Business



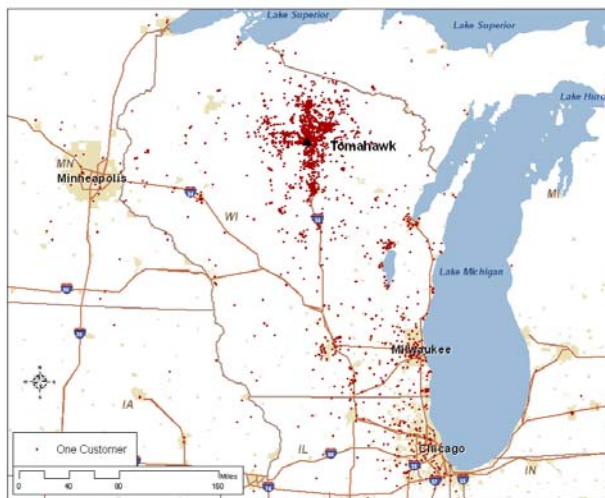
Destination-Oriented Business

The destination-oriented business data used in this analysis was comprised of 7,777 sample customer addresses. This business is unique in the community as it generates customers from all over the Midwest. Approximately 50-percent of these customers come from within the inner (yellow) ring. The outer (blue) ring represents an additional 25-percent of customers (for a total of 75-percent). Each dot represents one customer address.

Customer Origin - Destination Business



Customer Origin - Destination Business

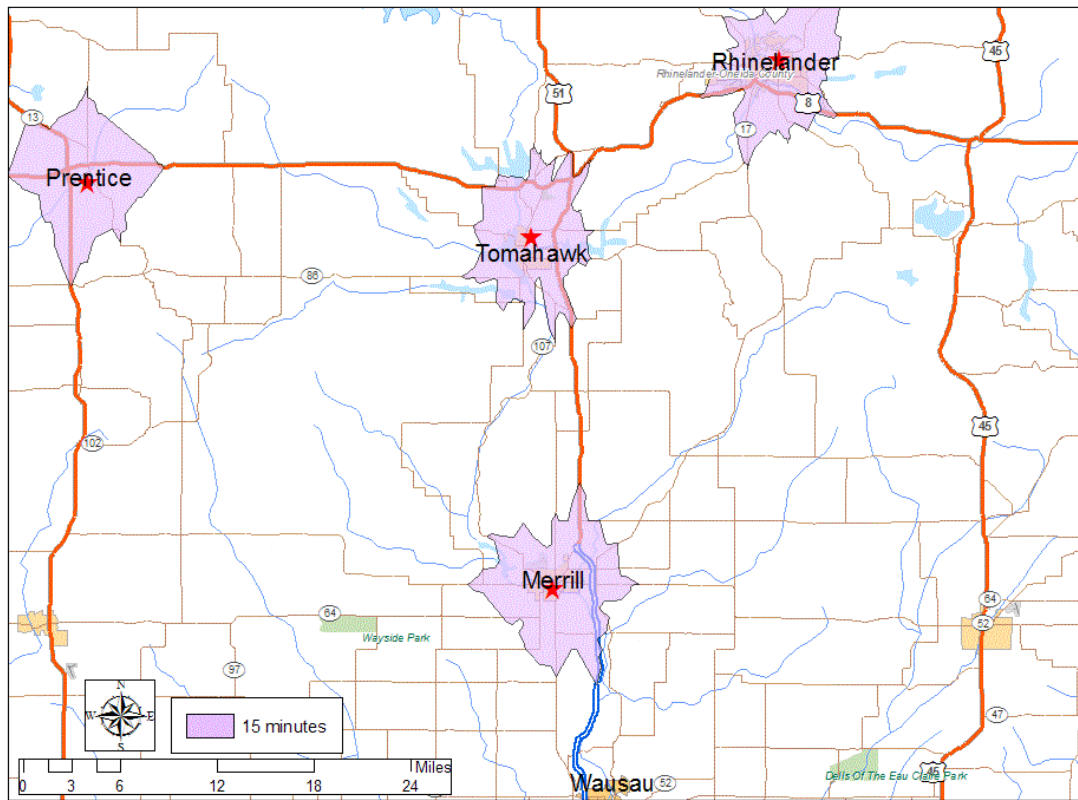


Drive Time Analysis of Competing Commercial Centers

Analyzing drive times around Tomahawk and competing commercial centers is especially useful in evaluating the market for goods and services purchased on the basis of convenience (i.e. groceries).

The map below shows fifteen-minute drive times around Tomahawk, Rhinelander, Prentice and Merrill. The larger competing commercial centers are in Rhinelander and Merrill. Accordingly, the trade area will be geographically limited going northeast and south.

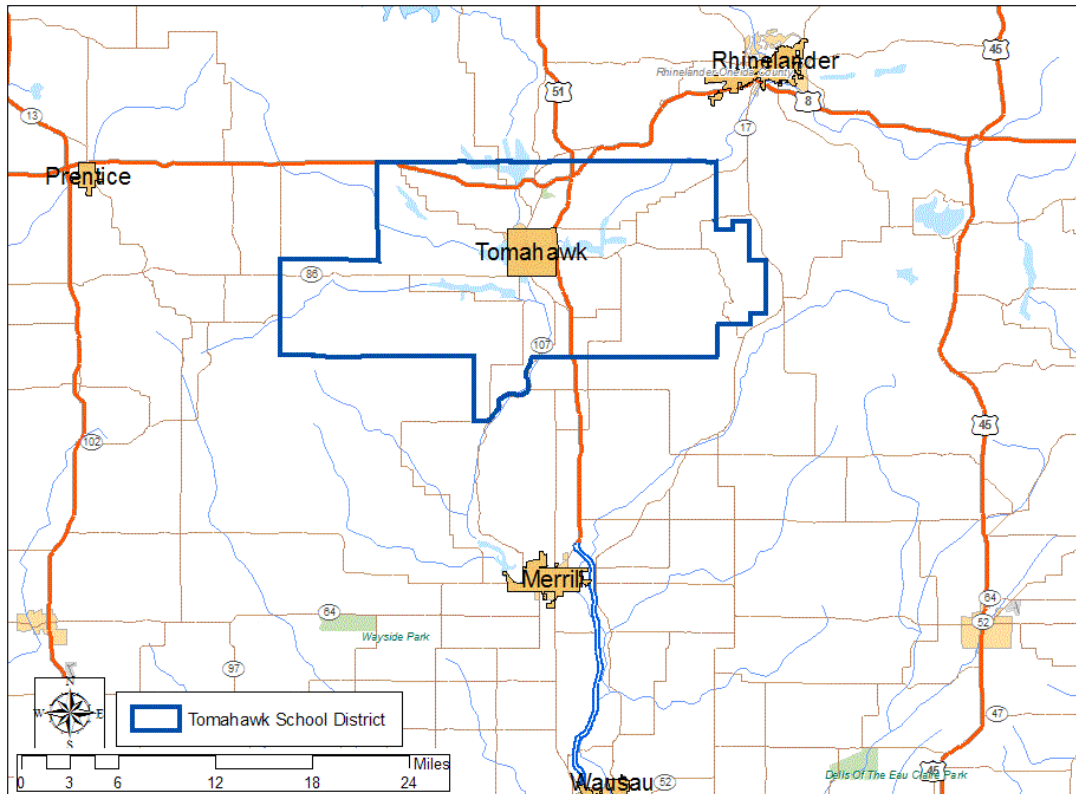
15-Minute Drive Time Analysis



School District Boundaries

School district boundaries provide another method for examining people traveling into and out of the Tomahawk area. Parents of students within the district travel into Tomahawk when shuttling their children to school and when attending school functions. Accordingly, people associated with the school district have an inherent connection to the community and provide a potential customer segment for area businesses. The district boundaries are shown on the map and include the City of Tomahawk along with surrounding rural areas.

Tomahawk School District



Regional Trade Areas

Wausau and Rhinelander represent large umbrella regional trade areas that extend into the Tomahawk trade area. These regional trade areas draw customers to their specialty and large format retail stores. Rhinelander is slightly closer to Tomahawk, while Wausau has a larger selection of retail and services.

Wausau & Rhinelander Regional Trade Areas w/ 60 Min Drive Time Analysis

