


2009-2010 Building Communities Educational Series

Revitalizing Downtowns with Niche and Innovative Small Businesses

Brought to you by the Center for Community & Economic Development,
University of Wisconsin Extension



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Today's Presenters

Bill Ryan, UW-Extension,
Center for Community & Econ Devel

Bill is a statewide educator in downtown and tourism business development. He assists local economic development and business leaders in identifying retail/service and real estate development opportunities that make "market sense." He has co-authored a number of online resources to help communities increase economic vitality.



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Today's Presenters

J.D. Milburn, Wisconsin
Department of Commerce

J.D. is the Small Business Specialist for the Wisconsin Main Street Program. Milburn provides one-on-one technical assistance to businesses in Wisconsin's Main Street communities, and also help communities with business retention and recruitment, special projects, and local economic returns.




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Learning Objectives

1. Why are Downtowns Important?
2. Roles of Downtown Organizations in Supporting Business Development
3. Market Analysis as a Tool to Help Revitalize Downtown's Economy
4. Developing a Niche for Downtown
5. Encouraging Innovative Downtown Businesses



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Part 1. Importance of our Downtown

- Serves as a prominent business center
- Reflection of how a community sees itself
- Significant community tax base comes from downtown
- Downtown is the historic core of your community
- Downtown represents vast public and private investment
- The central business district is often a major tourist draw
- Downtown is often the center of government
- Downtown provides a sense of community and place

Source: Wisconsin Main Street Program

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Question #1

Think of your downtown. What is its single biggest problem?

- Vacant and deteriorating buildings
- Poor retail and service mix
- Inconvenient parking and traffic
- Perceived unsafe environment
- Other?

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Sample Challenges Facing Downtown

- Most downtown are still overlooked by the chains and large-format stores
- Keeping public facilities downtown
- Providing diverse housing for changing demographics
- Providing comprehensive multimodal transportation
- Perceived safety and image
- Lifestyle shopping centers and new town center Leakage from downtown continues



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Question #2

Think of a downtown that is doing well. What makes its a quality place to visit?

What town? _____

- Revitalized historic buildings
- Unique retail and service mix
- Mixture of uses to live/work/play
- Pedestrian-friendly environment
- Community gathering place
- Other?

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What Makes a Downtown a Great Place to Visit?

Sense of Place

Downtowns often have a character and sense of place that cannot be replicated by suburban, highway-oriented locations where many hotels and restaurants have traditionally located.



Source: Wisconsin Main Street Program

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Continued – What Makes a Downtown a Great Place?

Adaptive Reuse of Buildings

Downtowns are positioned to reuse historic and unique buildings that can become “one-of-a-kind” lodging, dining and visitors experiences.



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Continued – What Makes a Downtown a Great Place?

Mixed-Use Environment

Downtown retail, services, housing, offices, restaurants and lodging create synergy; providing a steady stream of people that patronize the district day and night.



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Continued – What Makes a Downtown a Great Place?

Critical Mass

Clusters of businesses often help each other by creating locations with numerous alternatives for the consumer.



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Continued – What Makes a Downtown a Great Place?

Buy Local Orientation

Eco-friendly practices and local sourcing is growing in popularity, especially in many downtown food markets and restaurants. There is also increasing interest in buying from local entrepreneurs and their businesses that are found downtown.



Source: Pat Henry

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Continued – What Makes a Downtown a Great Place?

Experiential Retail

Unlike the national brands found in major shopping centers, downtown retail is unique and has the potential to become a destination by offering stores that entertain, celebrate local artists and educate.



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Continued – What Makes a Downtown a Great Place?

Alternative Dining Places

Downtowns offer spaces and places for dining and entertainment simply not available at the regional mall. Establishments ranging from coffee shops to bistros can line streets and sidewalks, courtyards, riverfronts and other uniquely urban settings.



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Continued – What Makes a Downtown a Great Place?

Other Factors

- Walkability
- Critical mass
- Way finding
- Adaptive reuse of buildings
- Parking
- Visitor amenities
- Authenticity
- Activities and experiences
- Operations and hours



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Part 2. Roles of Downtown Organizations in Supporting Business Development

We present some demographics to help you understand who's in the revitalization industry with you!

- From the report Feet on The Street, 1,600 downtown professionals were surveyed with 326 returning surveys.
- More than 75% of the Cities in the US have populations < 5,000, Over 90% have populations < 25,000
- 38% reported budgets less than \$100,000; 34% budgets of \$100,000-\$249,000; 14% budgets \$250,000-\$499,000;

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10 Most used strategies ranked by most effective

- | | |
|---|-----|
| 1. Keeping downtown clean | 80% |
| 2. Have stakeholder participation | 78% |
| 3. Develop a downtown Master plan | 77% |
| 4. Improve downtown streetscape | 76% |
| 5. Have downtown festivals & events | 75% |
| 6. Market downtown as a destination | 67% |
| 7. Encourage mixed use | 66% |
| 8. Encourage the development of restaurants | 66% |
| 9. Recruit businesses downtown | 64% |
| 10. Have a special Dtn financing mechanism | 63% |

From the report Feet on The Street

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Measuring Revitalization Effectiveness

- Economic
- # Businesses
 - # & type of Businesses
 - # of vacant storefronts
 - # of Biz's going in and out (churn)
 - Tax value increase
 - # New developments
 - % of downtown space used

- Feet
- # Of Events
 - # of restaurants/taverns
 - # Arts related activities
 - Budget and scope of DT
Org branding & adv \$\$
 - Frequency of website visits
 - # of museums/historical opportunities
 - Frequency of mass audience communication

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Questions to Consider

- Is money or strategy more important?
- Is size of community important?
- What strategies are you using? Are they effective, if so what is your measurement?
- Is it the organizations' responsibility to market effective for businesses or is the responsibility to market and advertise each individual business's?

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Successfully Measuring Marketing Effectiveness

- Organization
- KPI's key performance indicators
 - Email database #'s, target niche profiles, demographics
 - Facebook fans
 - LinkedIn group members
 - Website visits
 - Average click throughs per website visit
 - # of brochures, maps, and other written materials, sent, distributed ,etc

- Businesses
- KPI's key performance indicators
 - Sale increase
 - Profit
 - Facebook fans
 - LinkedIn group members
 - Website visits
 - Website click throughs
 - Customers coming into the district

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Continued

- Tools
 - Google analytics
 - Bounce back coupons
 - Facebook analytics
 - Tweets
 - Blog members, RSS feeds
 - Crazyyegg.com

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Part 3. Market Analysis as a Tool to Help Revitalize Downtown's Economy

- Available for Free On-Line
- 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



<http://www.uwex.edu/ces/cced/downtowns/dma/>

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Downtown Business District Market Analysis

Part I: Understanding Market Conditions

1. Building and Business Inventory
2. Business Owners Survey
3. Comparable Community Analysis
4. Analysis of Size and Shape of Trade Area
5. Analysis of Local Economics
6. Analysis of Demographics and Lifestyles
7. Focus Groups
8. Consumer Surveys

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Downtown Business District Market Analysis

Part II: Identifying Market Opportunities by Sector

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

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**Downtown
Business District
Market Analysis**

Part III: Developing Economic Development Strategies

16. Business Retention and Expansion
17. Niche Development
18. Space Utilization
19. Marketing Recommendations
20. Business Recruitment




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Part 4. Developing a Niche for Downtown

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




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Continued – Developing a Niche for Downtown

Corning, NY

Pop. 11,000
Home of:

- Corning, Inc.
- Corning Museum of Glass
- Rockwell Museum of Western Art



Niche: Art Glass:
Hot-glass studios, art galleries, apparel, antiques, home accessories, gifts, micro-breweries add restaurants

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Continued – Developing a Niche for Downtown

Saratoga Springs, NY

Pop. 26,000

Historic resort town:

- famed mineral spring spas
- horse racing
- Skidmore College
- Saratoga Performing Arts Center



Niche: Women's Clothing

Independent women's clothing stores, accessory stores, gift shops, spas, skincare, massage, salons, and cafes. A number of chains have located downtown (Eddie Bauer, The Gap, Borders, etc.).

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Continued – Developing a Niche for Downtown

Stillwater, MN

Pop. 15,000

Historic River town 20 miles from St. Paul

- Highly educated
- Affluent



Niche: Antique and Niche Books

Five book stores downtown, drawing book collectors, librarians, and bibliophiles from throughout the world. There are 450,000 books in stock including scarce and collectable books, theology books, among current general interest books.

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Continued – Developing a Niche for Downtown

Sheboygan Falls, WI

Pop. 7,000

Historic and well-restored community near the Kohler factory. Five miles from Sheboygan and Lake Michigan.



Niche: Home Improvement

Paint, furniture, lighting, hardware, antique, landscape, and gardening stores along with interior design and art studios. An annual event called Home & Hearth promotes home improvements and decorating.

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Continued – Developing a Niche for Downtown

Waynesville, OH

Pop. 2,600

Waynesville is located in southwestern Ohio and calls itself "The Antiques Capital of the Midwest",



Niche: Antiques

25 downtown antique shops and a number of specialty gift shops, food & drink establishments, art galleries, and furniture stores.

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Continued – Developing a Niche for Downtown

New Glarus, WI

Pop. 2,100

New Glarus is located in south-central Wisconsin and calls itself "America's Little Switzerland". It has become famous for its authenticity, built on its Swiss heritage.



Niche: Ethnic Heritage

Businesses include a butcher shop, bakery, brewery, restaurants, lodging, and festivals related to its Swiss heritage.

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Continued – Developing a Niche for Downtown

Evanston, IL

Pop. 74,200

Downtown Evanston, IL, just north of Chicago and home of Northwestern University



Niche: Restaurants

84 restaurants of varying types and price points. This includes regional and local chains plus some impressive 'home-grown' operations. There are an additional 200 ground floor merchants within the downtown district.

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Continued – Developing a Niche for Downtown

Reading OH

Pop. 11,000

Reading is a suburb of Cincinnati



Niche: Weddings
Focuses on bridal shops and supporting businesses such as florists, photographers, jewelers, and stationary stores. There are 31 such stores.

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Part 5. Encouraging Innovative Downtown Businesses

Innovative businesses throughout the country are again drawing people back downtown. These businesses often build on downtown's sense of place and offer products and services not found in big box stores.

UW-Extension has developed an on-line database to share examples and highlight:

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

<http://www.uwex.edu/ces/cced/downtown/innovative/>

Email your nominations to:
bill.ryan@uwex.edu

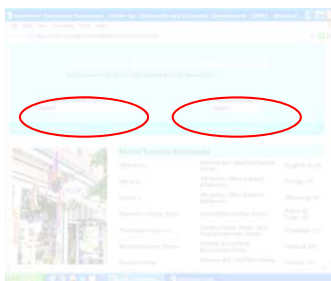
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Continued – Innovative Downtown Businesses

Online Clearinghouse

- Case studies of retail and service businesses that are innovative
- Searchable by
 - Type of business
 - Size of community
- Eventually include hundreds of businesses from small to medium sized downtowns



<http://www.uwex.edu/ces/cced/downtown/innovative/>

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Continued – Innovative Downtown Businesses



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Restaurants

Innovative Downtown Businesses



Titletown Brewing Company, Green Bay, WI

- Attracts locals and tourists alike
- Variety of home brews and quality food/pricing
- Anchors the downtown area/easily identifiable landmark
- Provides variety of spaces, both inside and out to meet specific needs of patrons both formal and informal.

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Theater, Arts and Entertainment

Innovative Downtown Businesses



Fergus Theatre, Fergus, MN


- Renovated 1921 theatre seats 400
- Programming includes live theatre, independent and foreign films, documentaries, live music, professional and local dance performances, visual art exhibitions, workshops and literary events, arts classes.
- Renovated 1914 Kaddatz Hotel as mixed use building with theatre offices, apartments, and market retail space

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Innovative Downtown Businesses
with special thanks to the City of Mount Carroll


Retail - Antique Shops



Ideas N' Designs, Mount Carroll, IL

- Upon entering this store, you are given a "Welcome" by owner Linda Anderson, alias the Mad Hatter.
- Store sells old car parts, toys, clocks, vintage and new clothing, books, coffee tea and desserts drapes, chandeliers, cushions and designer fabrics
- The items are hand picked to fit into the many displays throughout the store, giving the customer ideas of how to incorporate their finds into their collecting motif.
- Organizes downtown events including a series of "Cruise to Mount Carroll Cruise Nights" that attract antique car enthusiasts.

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Innovative Downtown Businesses
with special thanks to the City of Mount Carroll

Retail - Recreation and Sporting Goods



Earth Rider Bike Shop and Hotel

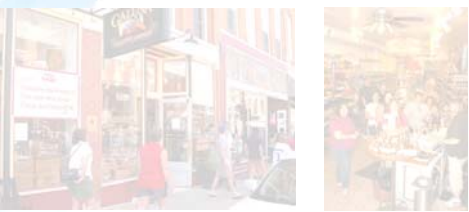
- Combination bike shop and B&B,
- Packages bicycling experiences for visitors. Organizes bike tours of the back roads and trails of Green County, Wisconsin and nearby communities. Tours are designed for various cycling skill levels and have various theme such as farm tours and history tours.

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Innovative Downtown Businesses
with special thanks to the City of Mount Carroll


Retail - Local Specialty Foods and Indulgences



Galena Canning Company, Galena IL

- Produces over 350 old fashioned canned and sauce items
- Purchased and renovated 1942 hotel in 2006, noted a 400% increase in sales
- Added a small bakery and coffee shop, which is a vibrant draw throughout the entire day

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Innovative Downtown Businesses
with ideas for new, old, and growing businesses

Retail - Coffee Shop/Gathering Places



Red Mug Coffeehouse, Superior, WI


- Organic and Fair-trade drink and food
- Local meeting and leisure place
- Promotes social activism in their community
- Cooperation with other businesses in the arts community

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Innovative Downtown Businesses
with ideas for new, old, and growing businesses


Retail - Unique One-of-a-Kind Retail



Hoffman's Patterns of the Past, Princeton, IL

- Known throughout the world for extensive china selection
 - Over 175,000 pieces
- Special store events coincide with local festivals

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Innovative Downtown Businesses
with ideas for new, old, and growing businesses

Retail - Local Arts & Craft Shops



Wind, Water & Light, Champaign, IL


- Features 180 local and national artists in a variety of mediums.
- Educates the shopper about the art, the process and the artist.
- Appeals to a wide range of economic backgrounds.
- Complements other existing market niches in downtown.

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Retail - Variety Store

Innovative Downtown Businesses



Pick & Shovel Building Materials, Newport, VT

- Attends to daily needs of residents and visitors
- Sensitive to local preferences regarding inventory and pricing
 - Makes downtown a must-stop
- Provides a friendly community gathering place (ice cream stand)

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For More Information on Today's Presentation

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Next session

May 18, 2010 – Matching Customers and Businesses: How to Understand and Capitalize on the Market

Community & Business Development Specialist Bill Pinkovitz, University of Wisconsin-Extension Center for Community & Economic Development


Why do some businesses survive and others don't? How come we can't shop in our area for all of the things we need? Often there is a miss-match between the needs and wants of customers and the availability of the goods and services offered by local businesses. But we don't have to guess or leave this to chance! Using readily available data, we can learn a lot about the local market and help existing businesses expand to meet opportunities and recruit in others to fill the voids.

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