

## Trade Area Analysis

*This section analyzes the size and shape of the trade area for Stevens Point businesses. The trade area defines the boundaries that will serve as the basis for further analysis in this report.*

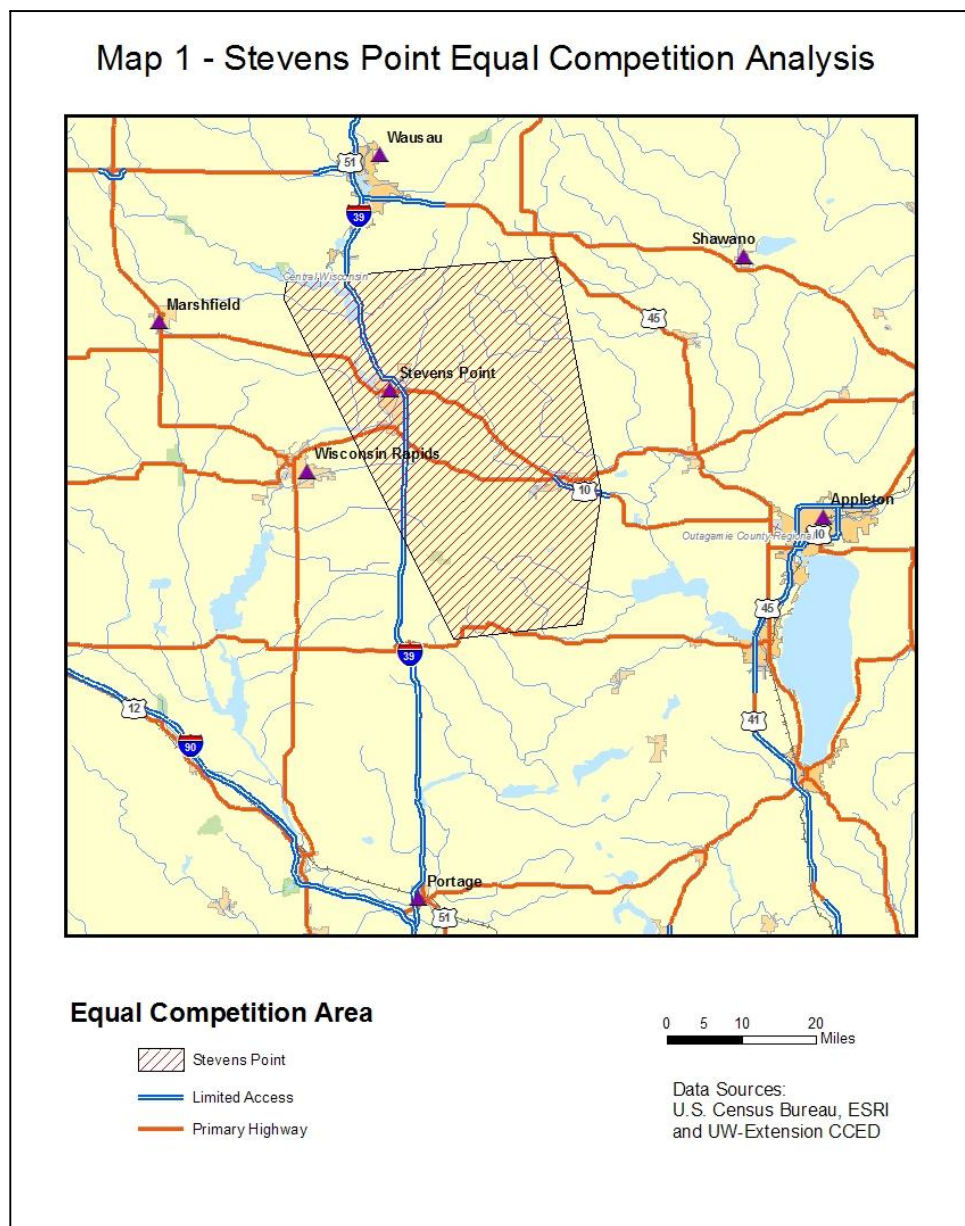
The trade area is the geographic region that generates the majority of customers for Stevens Point retail and service businesses. The analysis realizes that different business types have different trade areas. That is, some businesses will draw customers from a greater distance than others. While communities often have multiple trade areas (primary, secondary, convenience, etc.), a single trade area is defined for downtown Stevens Point. The decision to use a single trade area is based on the locations of regional retail centers to the north, west, and east of downtown Stevens Point. In general, the Stevens Point trade area is intended to mirror the overall market area for the community.

While tourism can provide an important customer base, local residents of the Stevens Point area provide the greatest spending potential for most business categories. For some convenience businesses, the primary trade area may represent 90 percent of its customers. For destination shopping businesses, the primary trade area may represent less than 50 percent of its customers. For purposes of this market analysis, an overall average of 70 to 75 percent of all customers is used to establish the trade area.

In addition to local residents, tourists and visitors represent a sizable market segment for communities like Stevens Point. While many of these customers live outside of the primary trade area, they need to be recognized as an important market segment. Tourists and visitors are attracted to Stevens Point for events such as the Family Fun Fair and Crazy Days. Furthermore, visitors take advantage of Stevens Point's proximity to museums, art centers, Wisconsin Riverfront Park, and many other recreational activities in the region. To examine these market segments, this section summarizes an analysis of equal competition polygons, drive times and other geographic boundaries that may influence the trade area.

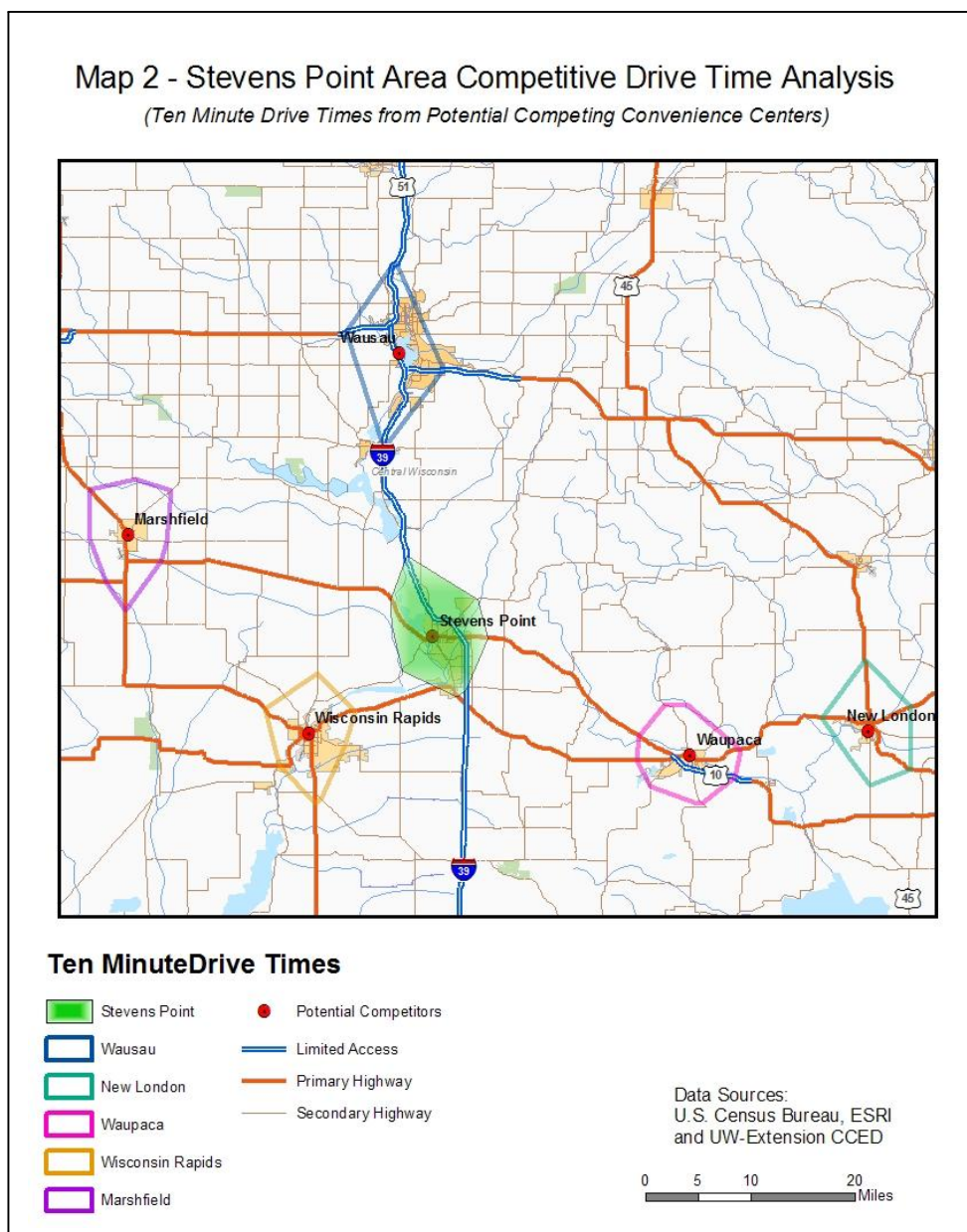
## Equal Competition

Equal competition or Thiessen polygons represent the area in which the travel distance to the subject (in this case, Stevens Point) is shorter than it is to other competing markets. This is done by drawing a line at the halfway point between the various competitors. For this analysis, equal competition polygons were created around Stevens Point and its major regional competitors: Wausau, Shawano, Appleton, Wisconsin Rapids, and Marshfield. The polygon associated with Stevens Point is shown on Map 1 and includes several communities the largest among which is Waupaca as well as more rural area surrounding Stevens Point. Residents of this area are closer to Stevens Point than to any other regional competitor, and therefore represent an important customer segment for local businesses.



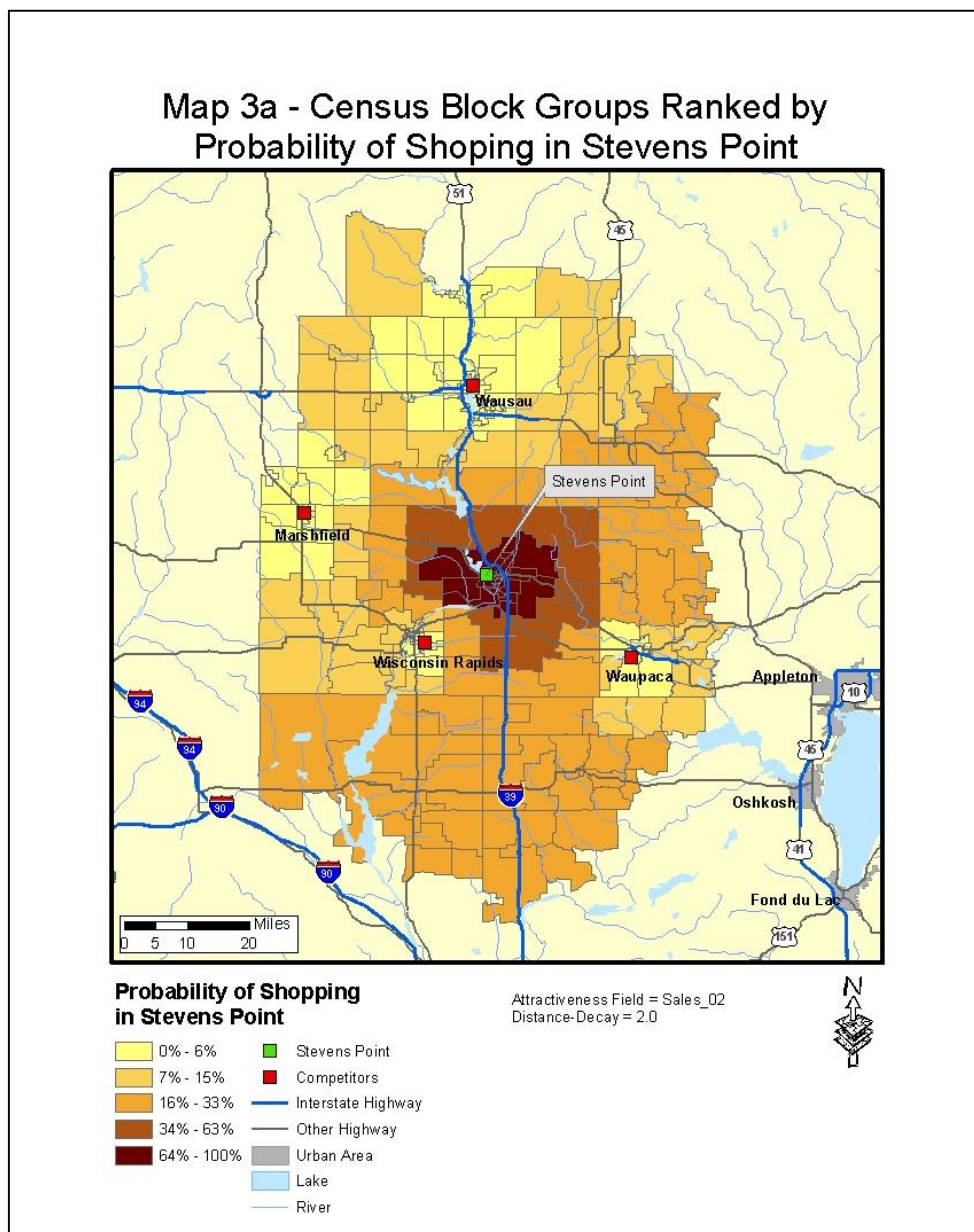
## Drive Time Analysis

Analyzing drive times around Stevens Point is useful in evaluating the market for those goods and services purchased on the basis of convenience (i.e. groceries). Analyzing drive times around Stevens Point relative to surrounding communities determines those areas closest to Stevens Point and the most likely origins of convenience-seeking customers. Map 2 shows ten-minute drive times around Stevens Point and several surrounding communities. Within this drive time, Stevens Point is isolated from other competing communities. No other community shows any overlap. While this analysis cannot predict shopping preferences for individuals, it does show that Stevens Point has at least the geographic potential to capture most of the convenience market segment.



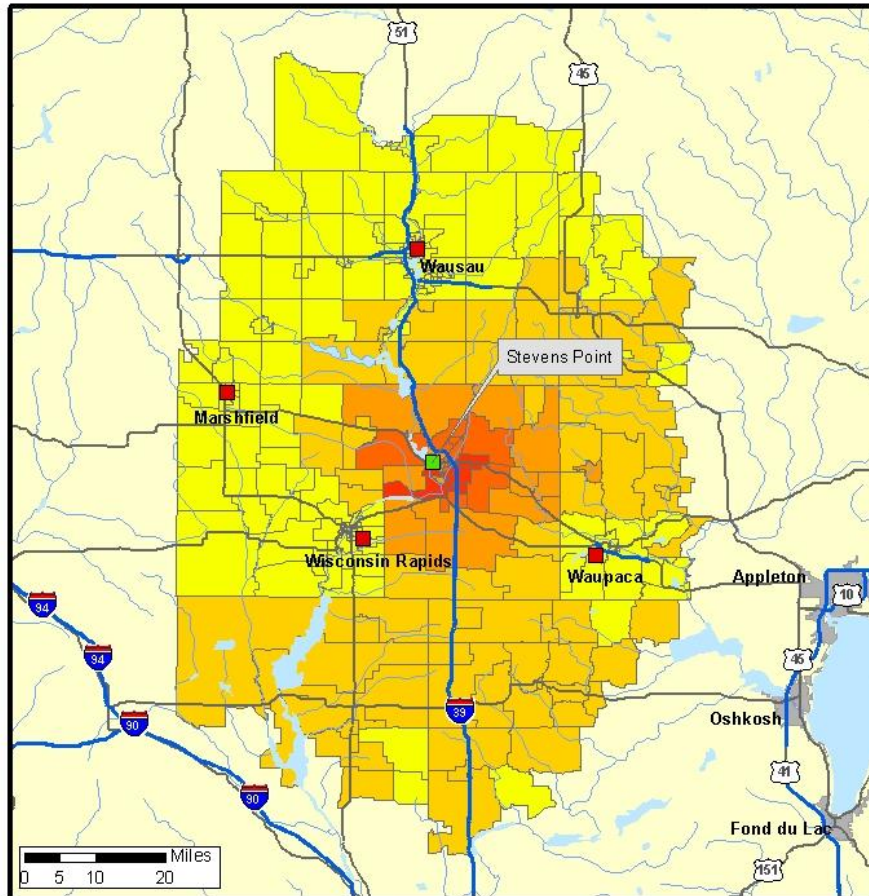
## Gravity Model

An additional way to examine the Stevens Point trade area is to employ concepts known as probability modeling and gravity modeling. Without going into extensive detail, these modeling concepts predict what areas will likely generate customers to a given shopping area. In this case, the analysis is predicting which areas will likely shop in Stevens Point as a destination more than in competing communities. To do so, the analysis used the Huff Gravity Model. The model takes traveling time and the attractiveness of the shopping opportunity into account. For the Stevens Point area, distance to competing centers, total retail sales in the community from the 2002 Economic Census, the number of retail establishments in the community according to the 2002 Economic Census, and the population of the community from the 2000 Population and Household Census were used as criteria. The results are shown in the maps below.



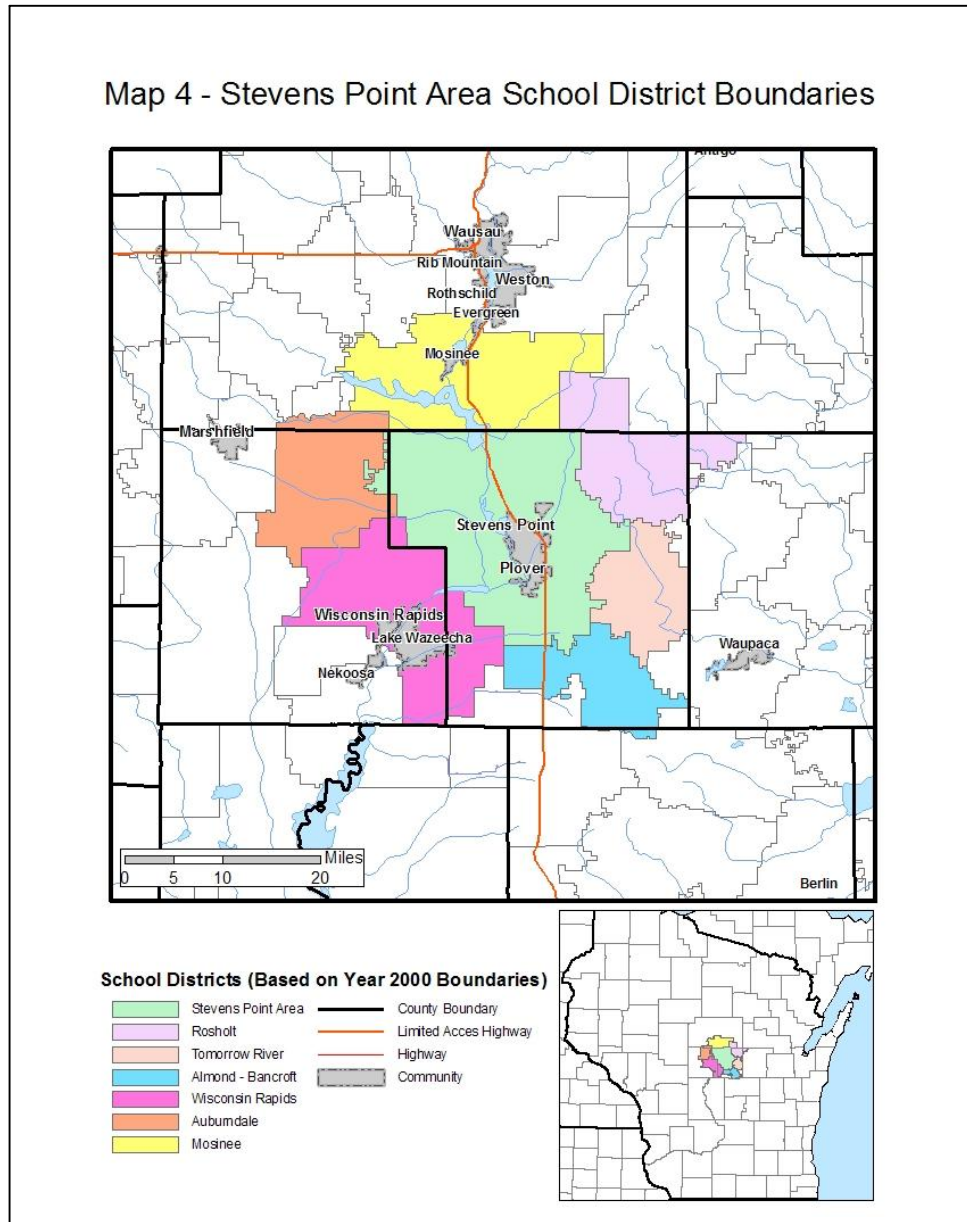


Map 3b - Census Block Groups Ranked by Total Potential Retail Sales



## School District Boundaries

School district boundaries provide an additional method for examining people traveling into and out of the Stevens Point area. Parents of students within the district travel into Stevens Point when shuttling their children to school or when attending school functions. Accordingly, these people associated with the school district have an inherent attachment to the area and provide a potential customer segment for area businesses. The district boundaries are shown on Map 4 and include Stevens Point and Plover along with the surrounding rural areas.



## Conclusion – Size and Shape of Trade Area

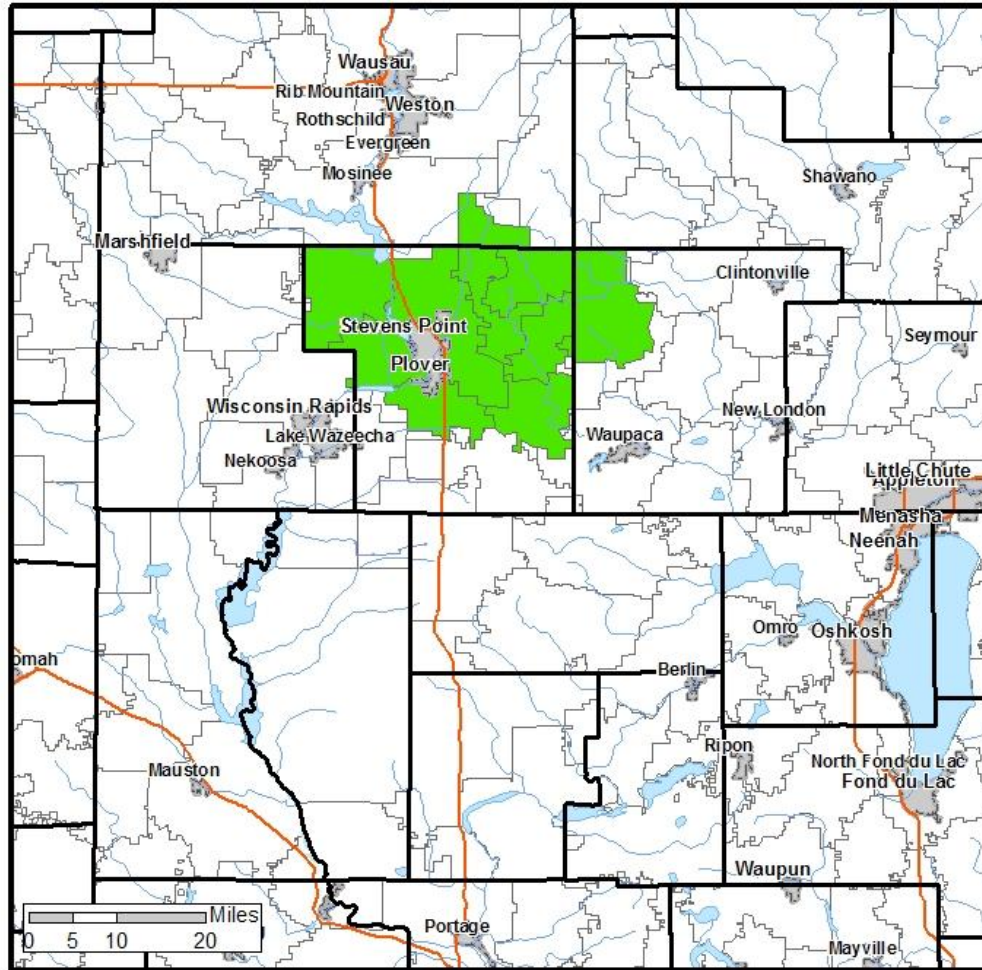
Upon analysis of the preceding maps and data, the trade area shown in Map 5 (following page) was constructed. This trade area recognizes the surrounding competition, especially from Wisconsin Rapids and Marshfield to the west and Wausau to the north. This trade area will be used in the remainder of the study and is comprised of the zip codes listed below.

54481 – Stevens Point	54443 – Junction City
54406 – Amherst	54467 – Plover
54407 – Amherst Junction	54473 – Rosholt
54423 – Custer	54945 – Iola

The primary trade area is located mostly in Portage County, but includes small portions of southern Marathon County and western Waupaca County. When evaluating the trade area, a number of factors should be considered:

- The trade area recognizes the surrounding competition in Wisconsin Rapids, Marshfield, Wisconsin Rapids, Wausau, and Waupaca.
- The trade area approximates those areas that may provide the best opportunities for capturing convenience-based shopping opportunities.
- Certain businesses in the Stevens Point trade area draw from a much larger distance than the community trade area. These destination businesses may include the community's automobile dealerships and various tourist attractions. *Accordingly, unique destination-type businesses may want to consider a broader market when assessing market opportunities.*

## Map 5 - Stevens Point Primary Trade Area



### Stevens Point Primary Trade Area

- Primary Trade Area
- Community
- County Boundary
- Limited Access Highway
- Highway

