



## Trade Area Analysis

*This section analyzes the size and shape of the trade areas for downtown Manitowoc. The trade areas define the boundaries that will serve as the basis for further study in this market analysis.*

The trade area is the geographic region that generates the majority of customers for Manitowoc's 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.

Each individual business in Manitowoc has a unique trade area. The distinct trade area for an establishment will depend on factors ranging from the type of business, to the variety of products and services sold. Certain business types will only attract local customers, while other categories have the potential to draw customers from a broader region. For purposes of this analysis, two types of trade areas are examined: convenience and destination.

In recognizing the potential influences on regional shopping patterns, the following factors are considered when defining the convenience and destination trade areas for Manitowoc:

- *Geographic location of Manitowoc relative to other competing commercial centers* – Other shopping destinations compete with Manitowoc and impact the shopping habits of local and regional residents.
- *Actual Customer Addresses* – The places of origin of customers to representative businesses or attractions indicates actual customer behavior.

These factors are examined on the following pages. They lead to conclusions at the end of this section that define the convenience and destination trades areas, by zip code, available to downtown Manitowoc businesses.

## Convenience Trade Area for Downtown Manitowoc

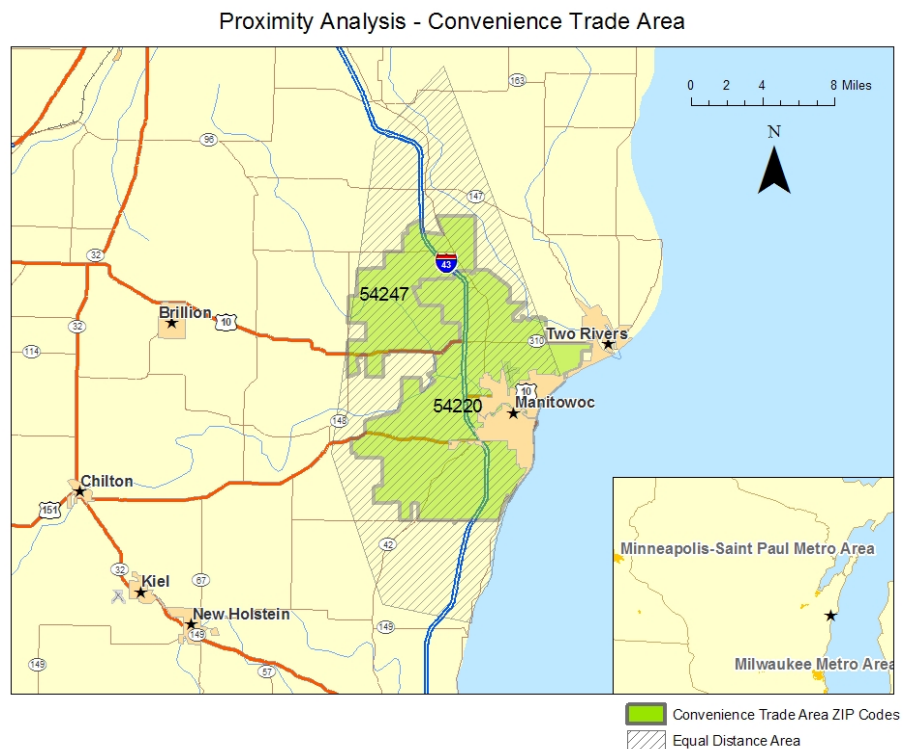
Convenience businesses sell goods and services that consumers purchase with minimal effort and often at the most accessible store. Convenience goods are characterized by relatively low costs and frequent purchases. Gasoline, drug store items and groceries are examples.

### Geographic Location of Competition

For grocery stores, restaurants, drug stores and other convenience businesses, downtown Manitowoc's primary competition includes several area towns and cities. They are listed below.

- Two Rivers
- Brillion
- Chilton
- Kiel
- New Holstein
- Sheboygan

Equal competition or "Thiessen polygons" represent the area in which the travel distance to the subject (in this case, downtown Manitowoc) is shorter than to other competing markets. This is done by drawing a line at the midpoint between Manitowoc and the surrounding communities. Residents of this area are closer to Manitowoc than to other regional competitors, and therefore they represent an important customer segment for local convenience businesses. It is important to note that while Equal Competition analyses show a potential trade area, other attractiveness factors such as retail mix and accessibility may play a more important role than distance.



## Destination Trade Area for Downtown Manitowoc

Destination businesses offer goods and services that consumers typically purchase after comparing price, quality, and brands. Automobiles, furniture, and appliances are examples of destination goods. Other retailers, services, entertainment venues and attractions that offer a unique regional consumer draw are also considered destination-type businesses.

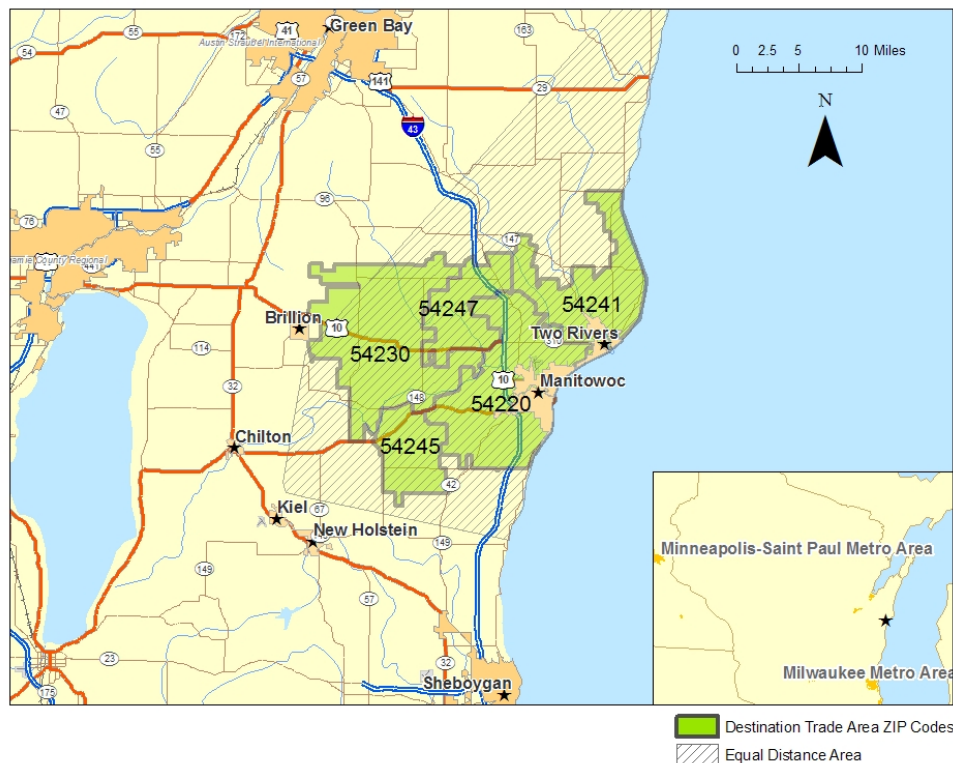
### Geographic Location of Competition

For apparel stores, furniture stores, car dealerships and other destination businesses, Manitowoc's primary competition includes larger regional cities. They are listed below.

- Green Bay
- Appleton
- Fond du Lac
- Sheboygan

Similar to the convenience trade areas, an equal competition polygon can be drawn around Manitowoc and its regional destination shopping competitors. Residents of this area are closer to Manitowoc than to the other regional competitors, and therefore they represent an important customer segment for destination businesses. Again, it is important to note that while Equal Competition analyses show a potential trade area, other attractiveness factors may play a more important role than distance.

Proximity Analysis - Destination Trade Area

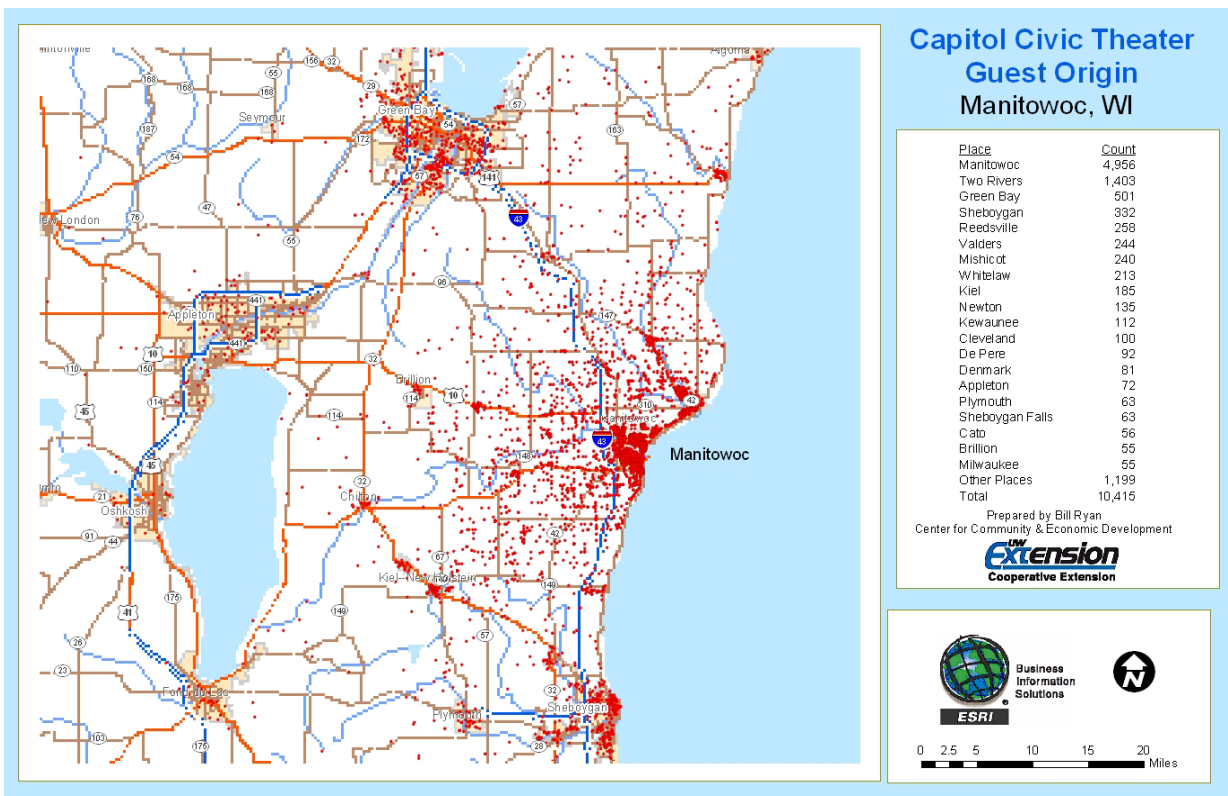


## Geographic Location of Sample Customers

Another method to determine the destination trade area is to map actual customers to a sample destination business. It is important to recognize that each business has a unique trade area. Furthermore, people residing in the destination trade area purchase certain goods and services outside the area. Nevertheless, mapping actual customer addresses helps to understand actual customer behavior.

For downtown Manitowoc, the patron mailing list of the Capitol Civic Centre was used to map a destination trade area for Manitowoc. This facility is located in the middle of downtown and is used for local productions as well as live stage performances of nationally renowned shows. Patron street addresses were used to analyze the drawing power of this downtown destination using Geographic Information Systems (GIS).

The map that follows indicates that over 50-percent of theatre patrons come from the Manitowoc and Two Rivers areas. However, a significant number also reside in Green Bay and Sheboygan.



## Conclusions

The Manitowoc trade areas proposed below reflect the potential convenience and destination-type drawing power of the overall Manitowoc business community, not the exact trade areas of individual businesses. The trade areas proposed reflect future potential, not necessarily what is captured today. Furthermore, the boundaries of these trade areas are considered to be fluid in nature. Specifically, customers within these trade areas will travel to other shopping destinations, while customers from outside the trade areas may shop in Manitowoc.

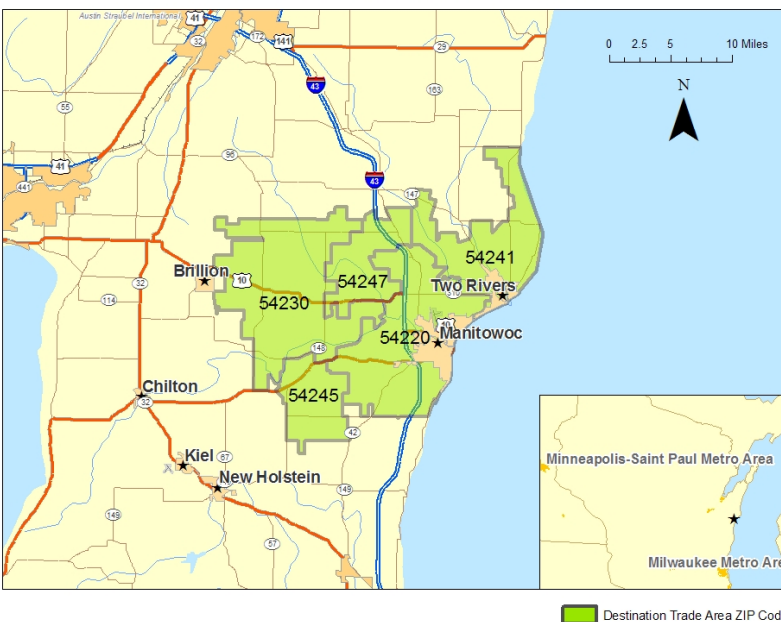
Based on the above, the following zip codes provide a reasonable geographic definition for Manitowoc's convenience and destination trade areas. These trade areas are used throughout the remainder of this study.

Convenience Business Trade Area ZIP Codes



Convenience Trade Area
54220 – Manitowoc
54247 – Whitelaw

Destination Business Trade Area ZIP Codes



Destination Trade Area
54245 – Valders
54247 – Whitelaw
54241 – Two Rivers
54220 – Manitowoc
54230 – Reedsville