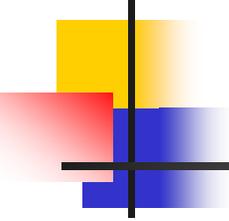


# Market and Capacity Analysis for Commercial District Planning

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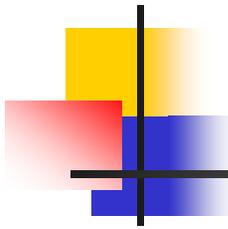
11.439 Revitalizing Urban Main  
Streets



# Uses of Market Analysis

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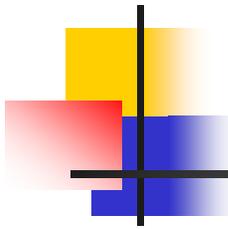
- Understand the economics of a district
- Assess market potential to support new stores or existing business expansion
- Gain insight into how to better serve existing customers
- Identify under-served or growing segments and how to attract them
- Define competitive strengths and weaknesses



# Market Analysis Audiences

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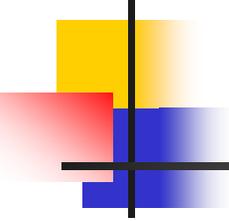
- District planners and managers
  - Main Street program board & committees
- Business owners and business groups
- Property owners and developers
- Other non-profit organizations
- City agencies



# Three Approaches

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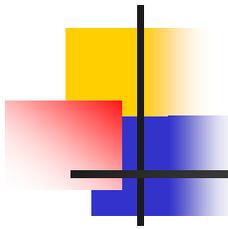
- Quantitative analysis of district demand, sales gap & competitive niches
  - Brattleboro report exemplifies this method
  - Integrates several secondary data sources
- Customer-driven analysis: lifestyles, values, consumption preferences
  - Demographic data, surveys, focus groups
- Niche or store-based analysis
  - Assess demand, competition and expansion potential for specific business type



# District Quantitative Analysis

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- Define trade area and “visitor” segments supporting the commercial district
- Calculate number of households, income and spending by product/service type
- Estimate annual “visitor” spending by product/service
- Convert product spending to demand by store type
- Estimate total sales based on square feet and sales per square foot for comparable stores
- Project district sales gap/leakage by store type
- Potential applications of this analysis?

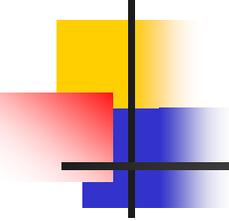


# Sample Results: Brattleboro

**Table 8. Brattleboro Sales Gap Analysis**

Store Type	1999 Estimated Total Annual Spending (\$000)	1999 Estimated Annual Sales (\$000)	Sales Gap (\$000)	Spending Capture Rate
Furniture and Home Furnishings	\$ 21,156	\$ 3,883	\$ (17,274)	18%
Electronics and Home Appliances	\$ 12,986	\$ 8,129	\$ (4,857)	63%
Bldg Materials, Garden Equip. & Supplies	\$ 16,378	\$ 12,824	\$ (3,554)	78%
Food and Beverage Stores	\$ 98,870	\$ 63,878	\$ (34,992)	65%
Clothing and Clothing Accessories	\$ 28,455	\$ 13,628	\$ (14,827)	48%
Sporting goods, hobby, book and music	\$ 12,856	\$ 5,238	\$ (7,618)	41%
Services (restaurants)	\$ 75,833	\$ 26,825	\$ (49,008)	35%
Arts, Entertainment and Recreation.	\$ 24,867	\$ 9,083	\$ (15,784)	37%
Suppressed Retail Sales	\$ -	\$ 31,610		
<b>TOTAL</b>	<b>\$ 353,949</b>	<b>\$ 175,097</b>	<b>\$(178,852)</b>	<b>49%</b>

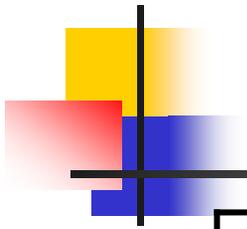
Source: Consultant calculations from Claritas, US Consumer Expenditure Survey, University of Vermont



# Customer-Based Analysis

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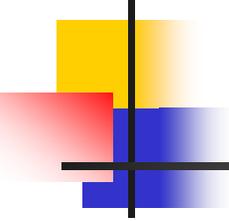
- Demographics of the market area, key customer types and impact on demand
- Shopping patterns & preferences
  - What consumers do & do not shop for in a district & how it varies by segment
  - Competition by product/store type
  - Options to expand district visitors & shopping
- Secondary data, surveys & focus groups
- How to apply this analysis?



# Sample Results

Improvement	% of Shoppers Likely to Increase Shopping
More sales/promotions	71%
Special events/festivals	64%
Cleaner public spaces	58%
Attractive storefronts	52%
Better lighting	42%

***Responses Varied By Age: 63% of 18 to 35 year olds were positive about attractive storefronts vs. 48% for those 36 and older***

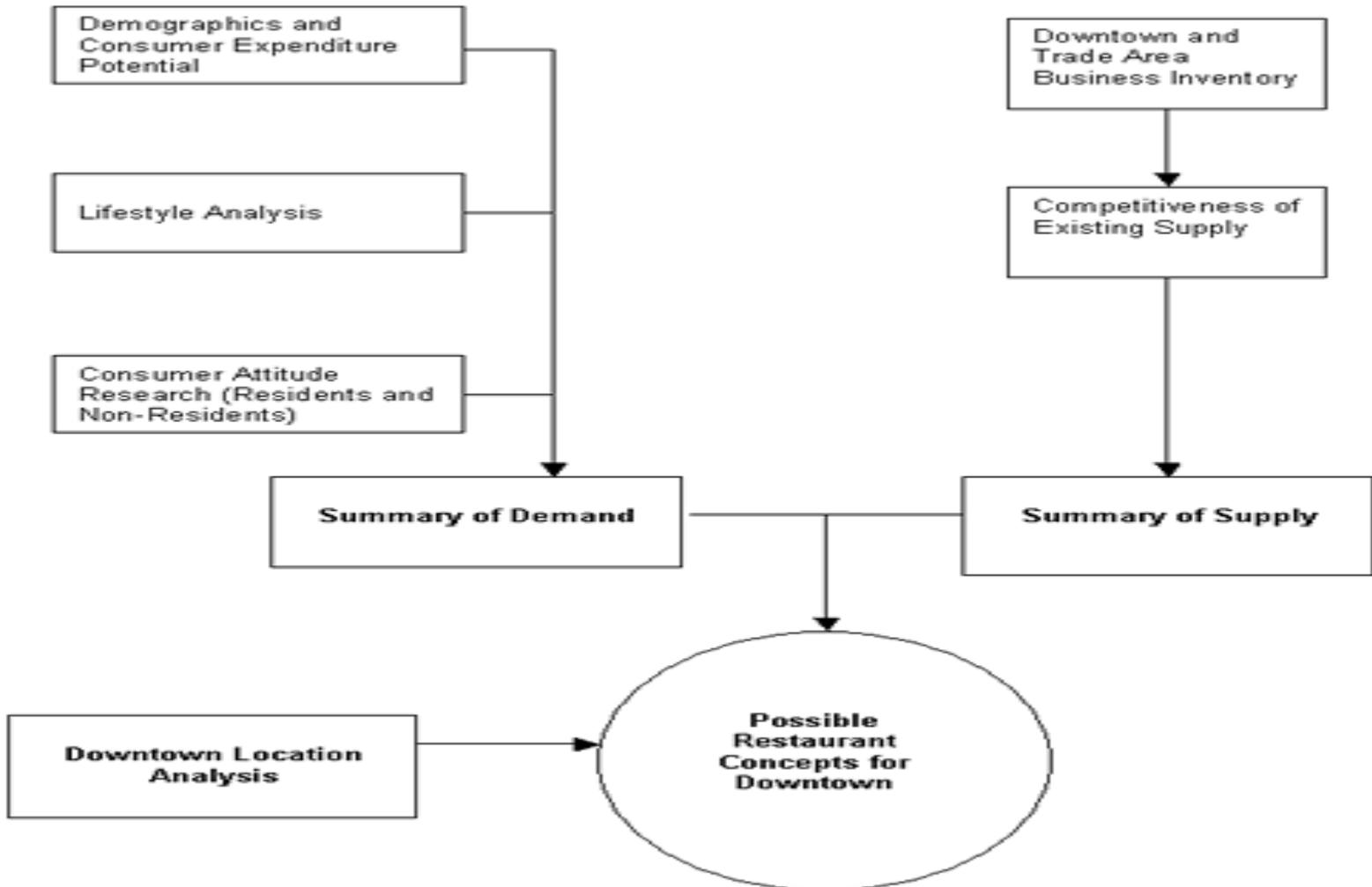


# Niche or Store-Based Analysis

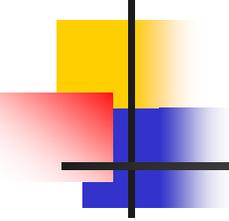
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- Identify strongest district niches
  - Concentration of stores
  - High sales and capture rates
  - Anchor or destination stores
  - Market share as a shopping destination
- New store and expansion potential
  - Position versus competition
  - Available locations and space

## Evaluating Restaurant Opportunities



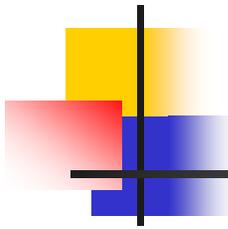
Source: <http://www.uwex.edu/ces/cced/dma/11.html>



# Hyde Park Market Analysis

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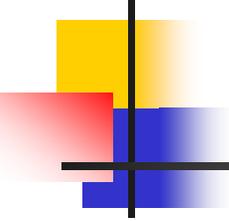
- Study used several analytical tools:
  - Shopper survey, ACORN profiles, cluster analysis
- What did you find most valuable? Why?
- Was anything missing that would have made the report more helpful?
- What were major conclusions? How were applied to Hyde Park Main Streets?
- What would you like to duplicate or change in the market analysis for your district?



# Asset and Capacity Analysis

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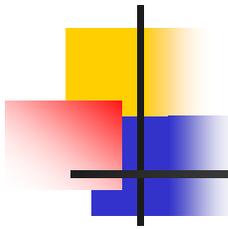
- Capacity: the ability to get things done, to achieve one's mission & goals
- Asset: a resource to help achieve one's goals; something of potential value in improving a neighborhood
- Both contribute to effective revitalization plans
  - Understanding capacity is key to plan for feasible implementation
  - Identifying assets may uncover resources for the plan and fosters strategic decisions on where to act



# Capacity Assessment

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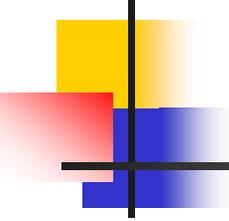
- Glickman/Servon 5-Point Framework:
  1. Resource: raising and managing funding
  2. Organizational: staff, board, systems
  3. Network: nature & extent of relationships
  4. Programmatic: type of services provided
  5. Political: mobilize support & affect policy
- How useful is this for Main Street programs? What capacities are most critical for MS organizations?
- Can it apply to an entire district?
- Any gaps in this framework for a MS district?



# Civic Capacity

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- A community's ability to address problems and achieve goals
- Reflects the entire community's stake in commercial district
- Critical components:
  - Shared vision and goals
  - All key stakeholder are actively engaged
  - Supportive government
  - Effective and appropriate partnerships



# Assets for Revitalization

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- Asset framework can help change neighborhood perceptions and image
- Assets underlay & support improvement plans
- Risk is that almost everything can be an asset
- Focus on critical assets for revitalization:
  - Most valuable to achieve key goals
  - Are unique or provide advantages for the district
  - Improve its image or are valued by customers
- What are these assets for your districts?