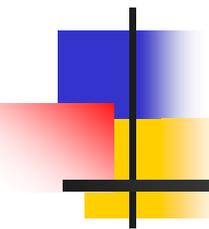


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11.439 Revitalizing Urban Main Streets  
Spring 2009

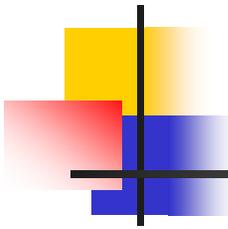
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# Market and Capacity Analysis for Commercial District Planning

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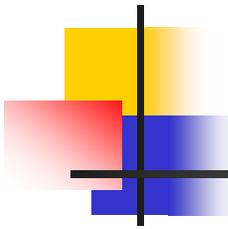
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Streets



# Uses of Market Analysis

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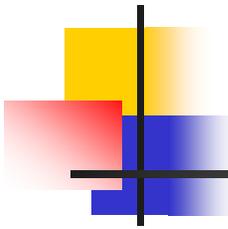
- Understand the economics of a district
- Assess market potential to support new stores or existing business expansion
- Gain insight into how to better serve existing customers
- Identify under-served or growing segments and how to attract them
- Define competitive strengths and weaknesses



# Market Analysis Audiences

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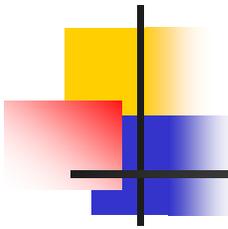
- District planners and managers
  - Main Street program board & committees
- Business owners and business groups
- Property owners and developers
- Other non-profit organizations
- City agencies



# Three Approaches

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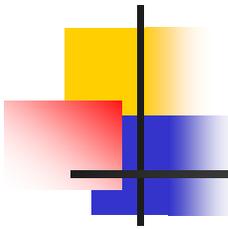
- Quantitative analysis of district demand, sales gap & competitive niches
  - Brattleboro report exemplifies this method
  - Integrates several secondary data sources
- Customer-driven analysis: lifestyles, values, consumption preferences
  - Demographic data, surveys, focus groups
- Niche or store-based 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?

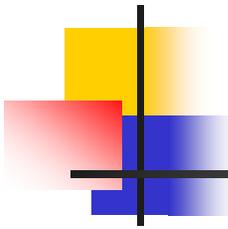


# Sample Results: Brattleboro

**Table 8. Brattleboro Sales Gap Analysis**

| Store Type                               | 1999 Estimated<br>Total Annual<br>Spending (\$000) | 1999 Estimated<br>Annual Sales<br>(\$000) | Sales Gap<br>(\$000) | Spending<br>Capture<br>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>                  |

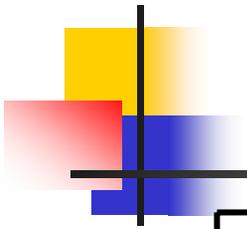
Source: Consultant calculations from Claritas, US Consumer Expenditure Survey, University of Vermont



# Customer-Based Analysis

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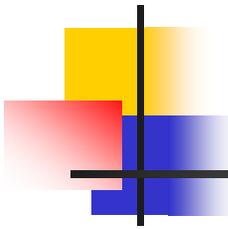
- Demographics of the market area, key customer types and impact on demand
- Shopping patterns & preferences
  - What consumers do & do not shop for in a district & how it varies by segment
  - Competition by product/store type
  - Options to expand district visitors & shopping
- Secondary data, surveys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

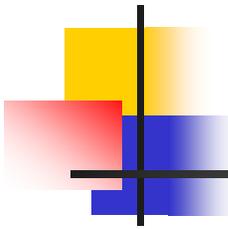
***Responses Varied By Age: 63% of 18 to 35 year olds were positive about attractive storefronts vs. 48% for those 36 and older***



# Niche or Store-Based Analysis

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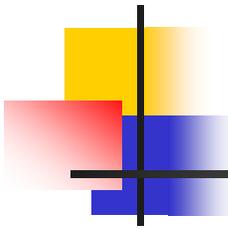
- Identify strongest district niches
  - Concentration of stores
  - High sales and capture rates
  - Anchor or destination stores
  - Market share as a shopping destination
- New store and expansion potential
  - Position versus competition
  - Available locations and space



# Hyde Park Market Analysis

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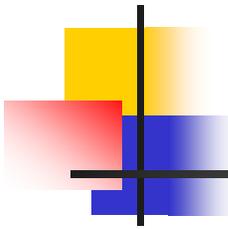
- Study used several analytical tools:
  - Shopper survey, ACORN profiles, cluster analysis
- What did you find most valuable? Why?
- Was anything missing that would have made the report more helpful?
- What were major conclusions? How were applied to Hyde Park Main Streets?
- What would you like to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



# Asset and Capacity Analysis

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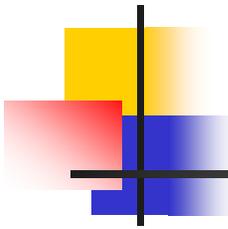
- Capacity: the ability to get things done, to achieve one's mission & goals
- Asset: a resource to help achieve one's goals; something of potential value in improving a neighborhood
- Both contribute to effective revitalization plans
  - Understanding capacity is key to plan for feasible implementation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



# Capacity Assessment

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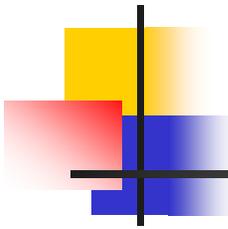
- Glickman/Servon 5-Point Framework:
  1. Resource: raising and managing funding
  2. Organizational: staff, board, systems
  3. Network: nature & extent of relationships
  4. Programmatic: type of services provided
  5. Political: mobilize support & affect policy
- How useful is this for Main Street 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?