Municipality of Port Hope Downtown Revitalization Project

2013 Downtown Commercial Retail Survey Results Report

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June 2013

Introduction

The Municipality initiated a long-term, multi-faceted Downtown Revitalization (DTR) Project in June 2012 based on a community driven model developed by the Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA).

In September 2012 Council appointed a Downtown Revitalization Management Committee (DRMC), comprised of nine members representing a broad cross-section of the community.

The DRMC wanted to measure current business needs, marketing and sales information and retailers' perceptions of the downtown.

A Business Owner Survey was conducted in 2009 by the Economic Development and Tourism Department with the assistance of the Rural Economic Development Division of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). Using the 2009 survey as a benchmark, a similar survey was conducted during February 2013 to collect and update information on the attitudes and opinions of business owners and operators in the downtown core.

The survey results will help the DRMC determine specific goals, strategies, and project priorities in the upcoming months.

Business Survey

The DRMC targeted retail businesses within the central downtown core and developed a survey with the assistance of OMAFRA to collect information including consumer traffic, hours of operation, target markets and other data relevant to business retention and attraction.

Businesses were invited to participate in the project through a confidential survey interview, by completing the survey in hard copy, or online and submitting it back to the Downtown Revitalization coordinator.

All business operators were informed that information provided would be treated as confidential, subject to Freedom of Information legislation. During the survey business operators were advised to skip any questions they could not or did not want to answer. The project realized a 40% participation rate in comparison to 53% in 2009. To respect individual confidentiality, all responses from businesses are summarized as percentages or averages in the report to guarantee anonymity.

Business Survey Summary

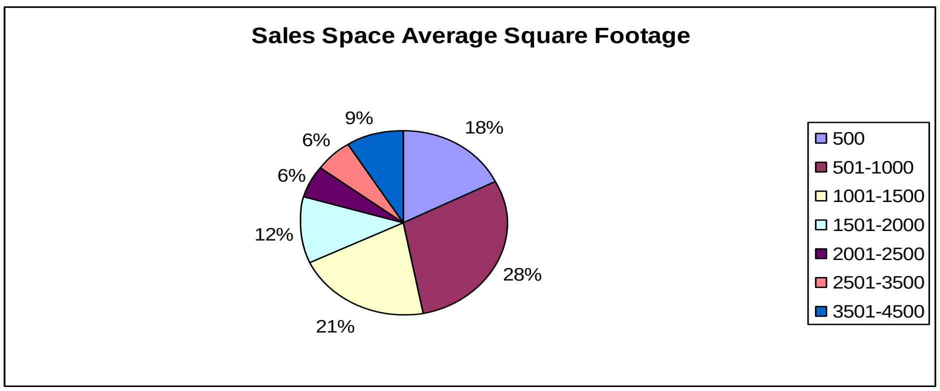
The following overview of the survey results has been compiled by the DRMC with the assistance of Economic Development staff and the Rural Economic Development Division of Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

General Business Information

The length of business ownership within the downtown reflects the sustainability of the downtown business area.

Ownership	2009	2013
Under 1 year	4.9%	16.0%
1-5 years	36.6%	28.0%
6-10 years	24.4%	12.0%
11-20 years	17.1%	12.0%
Over 20 years	17.1%	32.0%

Overall, Port Hope's downtown maintained respectable increase in new startup businesses with a decrease in the 1-5 year operations, the period in which most businesses struggle. Of note, 56% of businesses have been in operation over 5 years which is deemed a critical point for business survival. As well, 44% have been in operation for over 10 years, which indicates the business area is retaining business and offering sustainability over an extended period of time.



As detailed in the above chart, dedicated square footage for sales space varies from under 500 sq. ft to 4,500 sq. ft. The majority of businesses surveyed maintain 500 to 1,500 sq. ft. of floor space devoted to sales. These figures are exactly the same as in 2009.

Consumer Profile

Based on age and type of customer, business operators were asked to describe their consumer composition to determine the type of consumer that frequents the downtown. The intent was to utilize this information to assist in future targeted marketing initiatives. Businesses were asked to rate four age groups on a scale of 1 to 4, where 1 represented the largest market share and 4 the least. The tables below reflect the average ranking based on number of responses in each section. The boxes with more than one number in them are areas where there were an equal number of responses.

Market Share by Age Group:	Youth 14-25	Young families 25-40	Baby Boomers 40-60	Retirees & Seniors 60+
Rank the following in order of market share for your business (1 is the most important and 4 the least)	4	3	1	2
Rank these target markets in the order you think offers the most potential for sales growth in your business.	4	3	1	2
Indicate which of these target markets you think offers the most opportunity for growth in business for the downtown as a whole.	4	1	2	3

Market Share by Type of Customer:	People working downtown	Local Residents in Northumberland	Visitors/Tourists outside Northumberland Area	Seasonal Residents & Boaters
Rank the following in order of market share for your business (1 is the most important and 4 the least)	4	1	2 & 3	
Rank these target markets in the order you think offers the most potential for sales growth in your business.	4	2 & 3	1	
Indicate which of these target markets you think offers the most opportunity for growth in business for the downtown as a whole.	4	1	2 & 3	

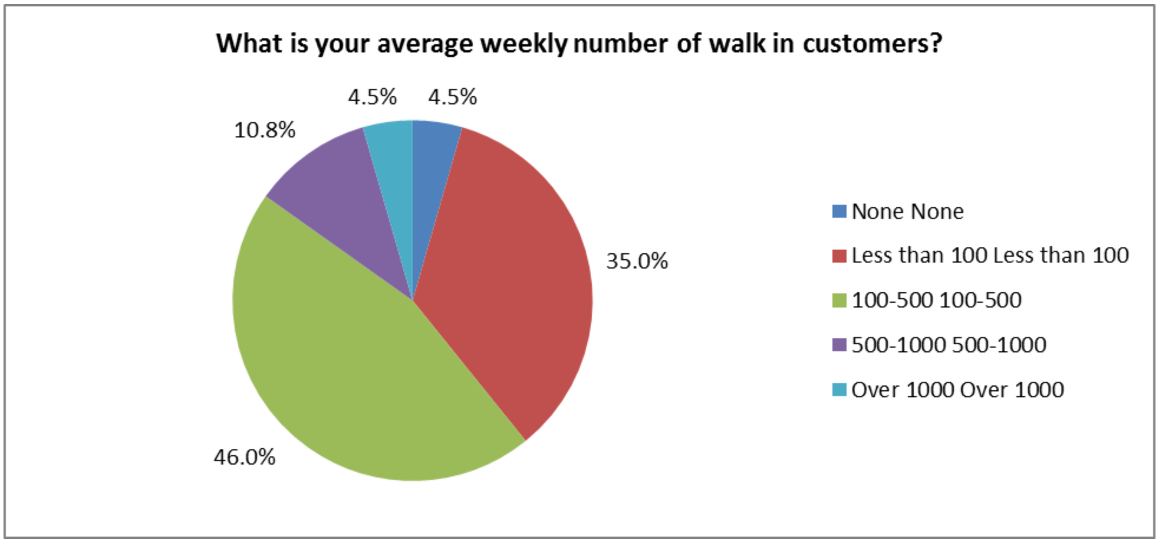
Business operators were asked to estimate the percentage of clients they felt lived within a certain radius of their business. Similar to 2009, on average, the results reflected that 30% resided in Port Hope's urban area, 25% in Port Hope's rural area, 28 % in Northumberland County and the remaining 17% outside of the Northumberland area. This validates the chart above in that the number 1 ranked client is local to Northumberland County, while visitors/tourists ranked 2 & 3 and account for only 21% of current business. Although tourism does account for approximately one-quarter of the client base, the survey results highlight the significance of the local client base and the potential value of initiating a cooperative marketing campaign targeting the local and regional consumer.

Typical Business Activity

Customer Traffic

The consumer profile for a typical downtown customer for the majority of businesses remains consistent with the 2009 results remaining as a 40-60 year old from the Northumberland area. Combined with the findings that the majority of customer traffic is walk-in, this further validates the importance of local marketing and the value of a strategic and cooperative marketing plan.

Although walk-in traffic was identified as significant, telephone and internet-based traffic also contributed, but on a smaller degree to the overall customer activity. Although slightly less than 2009, the majority of businesses (60 %) realize up to 500 walk-in customers per week.



Hours of Operation

The lack of standard hours of operation for businesses in the downtown continues to be highlighted as an ongoing issue and a number of respondents commented on the need for standardized hours.

The following chart reflects the most common hours of operation based on variations:

		Most Common Hours of Operation		
DAY	**Variations Of Store Hours**	**Opening Time**	**Closing Time**	**% Closed**
Sunday	10	12:00 pm (35%)	4:00 pm (45%)	22 %
Monday	20	10:00 am (30%)	5:00 pm (32%)	18 %
Tuesday	22	10:00 am (30%)	5:00 pm (35%)	10 %
Wednesday	20	9:00 am (22%)	5:00 pm (35%)	7 %
Thursday	20	10:00 am (25%)	5:30 pm (38%)	0
Friday	20	10:00 am (30%)	5:00 pm (42%)	0
Saturday	18	10:00 am (43%)	5:00 pm (48%)	7 %

As in 2009, the surveys highlighted the lack of coordination of hours and revealed the continuation of an average of 20 different daily variations. More so, survey comments identified inconsistent hours of operations has being viewed as an impediment to customer attraction and retention. It is worthy of note that both Tourism Information and Chamber of Commerce staff continue to receive complaints from visitors and residents about uncoordinated store hours, and survey comments have noted customer frustration with inconsistent hours in the downtown.

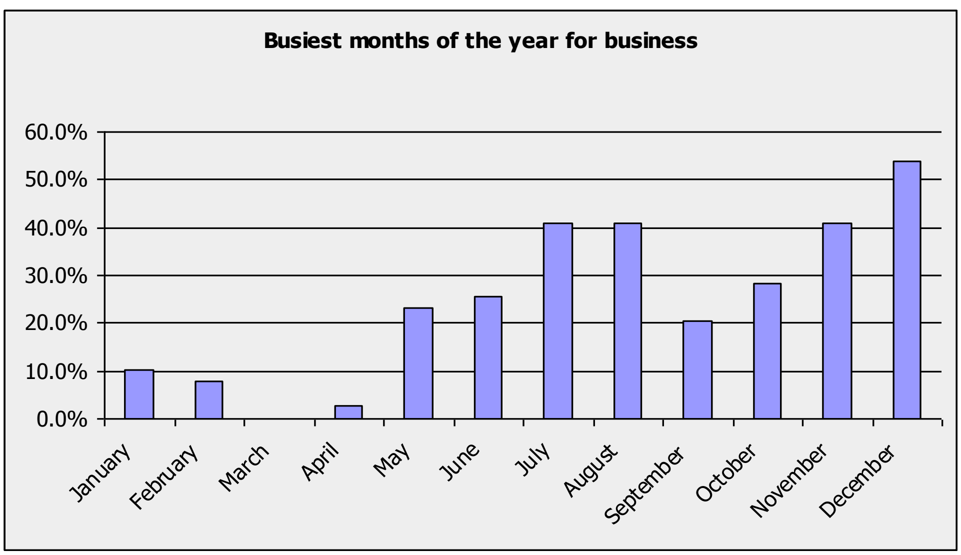
The survey identified that on average 18% of businesses remain open after 6 p.m. on Friday evenings.

Businesses recognized Fridays and Saturdays as the busiest days of the week with Tuesdays and Wednesdays as the slowest.

The following chart reflects the busiest times of day. The ranking is based on the highest number of responses for each time frame, with 1 indicating highest-traffic time and 6 the lowest.

Busiest Times of Day:	**8am to 11am**	**11am to 1pm**	**1pm to 5pm**	**After 5pm**	**Varies**	**Closed**
Sunday	5	2	1	6	4	3
Monday	2	4	1	6	3	5
Tuesday	2	3	1	5	4	6
Wednesday	3	2	1	5	4	6
Thursday	2	3	1	5	4	6
Friday	4	2	1	3	5	6
Saturday	4	2	1	5	3	6

Consistent with 2009, over 50% of businesses continue to plan major sales or specials for the month of January and 30% target July, November and December. It is worth noting that the slow business months of March and April indicate a potential opportunity to increase traffic by scheduling promotional events during this time period.

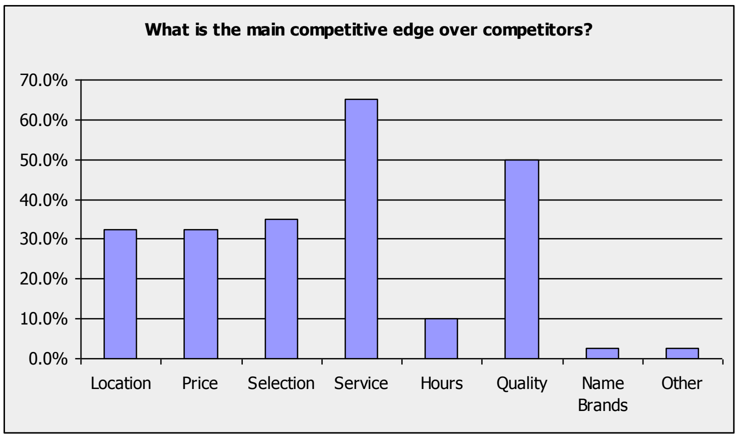


Advertising Opportunities

The survey revealed that 80% (an increase from 74% in 2009) of business operators believe there are adequate opportunities and venues for advertising currently available in the Port Hope region. Several respondents indicated individual budget restrictions and the need for collaborative advertising programs. It was noted that partnerships and cooperative efforts should be led by the Heritage Business Improvement Area. It is interesting to note that 15 % of respondents are comfortable relying solely on word of mouth for their advertising.

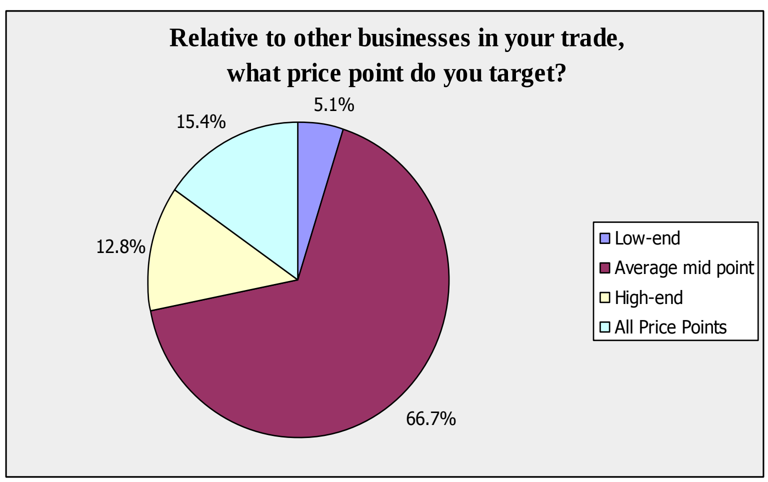
Most business operators (65%) said they believed community events and festivals helped increase their sales, however that only certain events had a significant positive impact such as House Tour, Jazz Festival, and Sidewalk Sale. Most noted events do increase traffic and may result in return visits and future sales. The remaining 35% of business operators felt that events did not increase their sales and several noted street closures during events had a negative impact. This was similar to findings of the 2009 survey results.

Competition



As in 2009, close to 65% of businesses listed their staff and their high-quality friendly customer service as their greatest competitive advantage.
This was followed by quality of product with 60% of respondents noting it was also important to their businesses competitive edge.

Respondents listed product/service price point as being only a 30% competitive advantage. Approximately 67% of businesses target an average to mid-point price range. This may indicate an opportunity for businesses to target low and high price ranges, if those reflect their customers' expectations.



Incentives

Approximately 48% of business operators surveyed felt the Heritage District designation and incentives were not beneficial. They further identified the heritage component of the sign by-law as a cost disadvantage to businesses operating in the downtown. However, 21% did not know about heritage designation/incentives and 33% felt designation/incentives were a benefit to their business, noting refurbishment of facades increased the draw from the Greater Toronto Area.

Although the percentages of knowledge regarding programs increased, there are business owners that remain unaware, or have not used grant/loan programs available, indicating a continued need for education to improve awareness of funding opportunities.

Program Name	Awareness Level 2013					
	Know Available	**Have Used**	**Have Not Used**	**Plan to Apply**	**Won't Apply**	**Don't know**
Heritage Incentive - Building Façade Improvements	38%	12%	15%	4%	12%	19%
ACO Heritage Grants & Loans	38%	5%	16%	4%	12%	25%
Community Futures Development Corporation	21%	8%	22%	0%	8%	41%

Program Name	Awareness Level 2009					
	Know Available	**Have Used**	**Have Not Used**	**Plan to Apply**	**Won't Apply**	**Don't know**
Heritage Incentive - Building Façade Improvements	10%	14%	23%	1%	1%	51%
ACO Heritage Grants & Loans	17%	7%	22%	2%	2%	50%
Community Futures Development Corporation	4%	8%	22%	2%	0	64%

General Downtown Business Atmosphere

The following list reflects areas/issues weighted in order of importance to business:

Parking Availability	66.6%
Storefront Appearance/Window Displays/Signage	37.9%
Accessibility	32.9%
Vandalism, Graffiti	16.3%
Loitering	16.3%
Shop lifting	16.3%
Public Safety Services (lighting, security, police, etc.)	5.2%
Transit Availability	0.0%
Other * *see notes below*	38.2%

** Note: Other issues listed included most notably litter; signage restrictions and merchants parking on street;*

General Business Atmosphere	**Agree**
I always try to buy products and services locally.	96%
I always direct customers to other downtown businesses.	84%
Downtown is an excellent place to have a business.	88%
There are plenty of good workers available here.	88%
The look and feel of downtown helps this business.	80%
My building facade draws customers into this business.	88%
My window and store displays help this business.	92%
The business is open when customers want to shop.	68%
Employees of this business show great customer service.	100%
I would recommend another business to locate here.	88%
There is plenty of green space/parkland in the downtown.	92%
I would support a new retail promotions event.	84%

As in 2009, the services provide by local government, community and business organizations were deemed satisfactory with continued emphasis on communication of current and ongoing activities directly related to business.

Specific items identified by the majority of respondents as needing improvement included development of a collaborative and cooperative marketing plan and access to financial support such as incentives for building upgrades and improvements.

It was generally felt that Port Hope's strengths as a place to do business include its close proximity to the GTA coupled with Port Hope's small-town friendliness.

Weaknesses identified remain similar to 2009 including a lack of merchant collaboration and uniform business hours, along with perceived inadequate customer parking.

Local Initiatives to Improve Business

The following chart, weighted by percentage response, reflects topics/initiatives in order of importance that business owners believe would assist them in improving their operations are very similar to the 2009 survey results:

Topic of Importance to Business	Response
1. Joint advertising and marketing	65.0%
2. Website development	40.0%
3. Marketing seminars	33.0%
4. Business networking sessions	33.3%
5. E-marketing	32.0%
6. Creation of a small business development centre for expanded services and support	32.0%
7. Pro-active visitations and communications to identify needs	32.0%
8. Mentoring/coaching	28.0%
9. Attraction of related supply and services businesses	19.4%
10 Customer service employee training	16.7%
11 Trade Shows	16.7%
12 Access to capital seminars	13.9%
Other – *Retail roundtables; access to capital; window display seminars; retail temp employee service*	5.6%

The top FIVE actions businesses believe should be pursued in the downtown core of Port Hope are:

1. Joint marketing and promotion of the downtown
2. Hours of operation to be resolved
3. Financial assistance, access to funds/capital for building upgrades 2nd/3rd floors
4. Bring new business to the core
5. Increase downtown activities and events.

The top THREE businesses/services that respondents would most like to see opening in downtown Port Hope include:

1. Green Grocer/Market
2. More restaurants
3. More clothing stores

Work is currently underway to produce the following documents and actions:

1. Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) detailed Port Hope Business Gap Analysis data and findings.

2. DTR Opportunities and Actions Moving Forward Recommendations