

Municipality of Port Hope Business Retention and Expansion Project



2009 Downtown Commercial Retail Survey Results Report

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Introduction & Project Overview

The Municipality of Port Hope Business Retention and Expansion Project for 2009 Downtown Retail Commercial Sector was initiated by the Economic Development & Tourism Department with the assistance of the Rural Economic Development Division of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

The purpose of the project was to access information about local market conditions and opportunities, to enable the municipality and its' partners to develop effective strategies to enhance the health of existing businesses, and identify efficient new business attraction opportunities.

The objectives for the project:

1. Identify the needs, concerns, and opportunities of existing downtown retail commercial businesses in order that local action can be taken where appropriate to respond to the businesses' needs or development opportunities.
2. Discover the future plans of local businesses with respect to expansion, relocation, and/or retention and assess where assistance can be provided.
3. Demonstrate the community's pro-business attitude and develop an effective means of communication with local businesses.
4. Identify sustainable opportunities to expand the commercial mix of downtown businesses and assist existing businesses to expand their markets.

Business Survey:

The Economic Development & Tourism Department 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 retention and attraction.

Businesses were invited to participate in the project through a confidential survey interview or by completing the survey in hard copy or online and submitting it back to the Economic Development and Tourism Office.

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 that they could not or did not want to answer. The project realized a 53 % participation rate and to respect individual confidentiality, all responses from businesses are summarized as percentages or averages in the report to guarantee anonymity.

Business Survey Summary

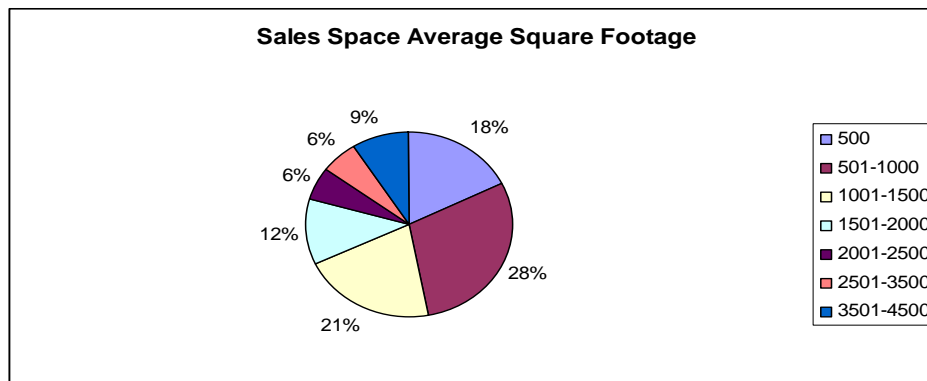
The following overview of the survey results has been compiled by the Economic Development & Tourism Department with the assistance of the Rural Economic Development Division of Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

General Business Information

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

Under 1 year	4.9%
1-5 years	36.6%
6-10 years	24.4%
11-20 years	17.1%
Over 20 years	17.1%

Port Hope's downtown is experiencing respectable growth at a rate of approximately 5% per year. Of note, 61% of businesses have been in operation over 5 years which is deemed a critical point for business survival. As well, 34% have been in operation for over 10 years, which indicates the business area is not only growing, but offers 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.

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	2	1	3
Rank these target markets in the order you think offers the most potential for sales growth in your business.	3	4	1	2
Indicate which of these target markets you think offers the most opportunity for growth in business for the downtown as a whole.	2	3	1	4

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	1	2 & 3	
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	

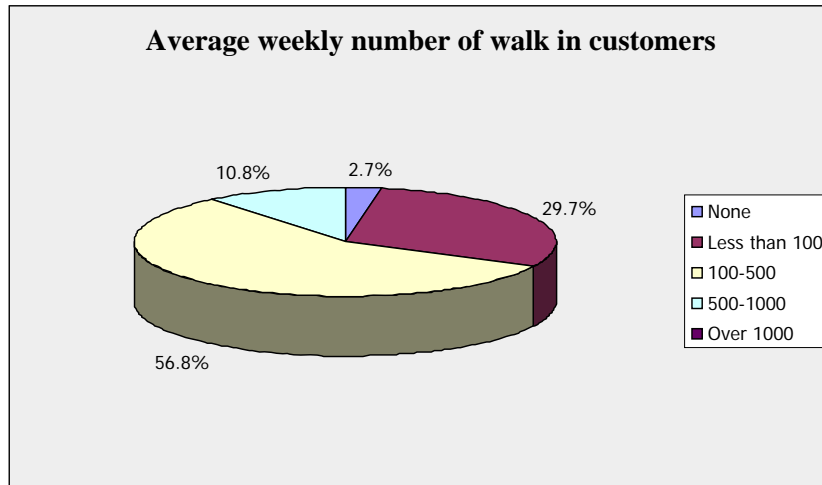
Business operators were asked to estimate the percentage of clients they felt lived within a certain radius of their business. On average, the results reflected that 26 % resided in Port Hope's urban area, 26% in Port Hope's rural area, 27 % in Northumberland County and the remaining 21% outside of the 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 was a 40-60 year old from the Northumberland area. Combined with the finding 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. The majority of businesses (87 %) realize up to 500 walk-in customers per week.



Hours of Operation

The lack of standard hours of operation for businesses in the downtown was identified as an issue and several respondents commented on the need for standardized hours.

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

DAY	Variations Of Store Hours	Most Common Hours of Operation		
		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 %

The surveys highlighted the lack of coordination of hours, as the results revealed an average of 20 different daily variations. Moreover, survey comments identified

inconsistent hours of operations is viewed as an impediment to customer attraction and retention. It is worthy of note that both Tourism Information and Chamber of Commerce staff have also received numerous complaints from visitors and residents about uncoordinated store hours and survey comments have noted customer frustration with inconsistent hours in the downtown.

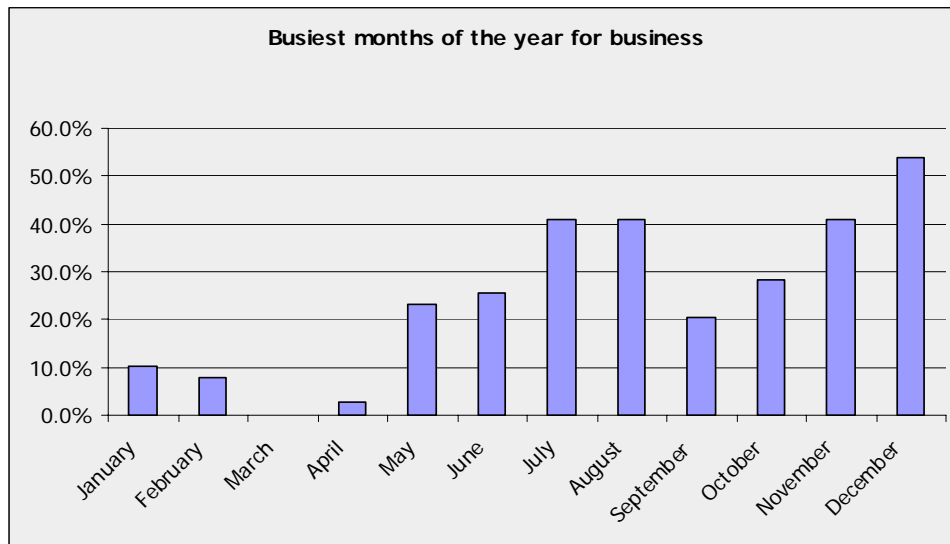
The survey identified that on average 18% of businesses remain open after 6 p.m., on Friday evenings.

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

Over 50% of businesses 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.

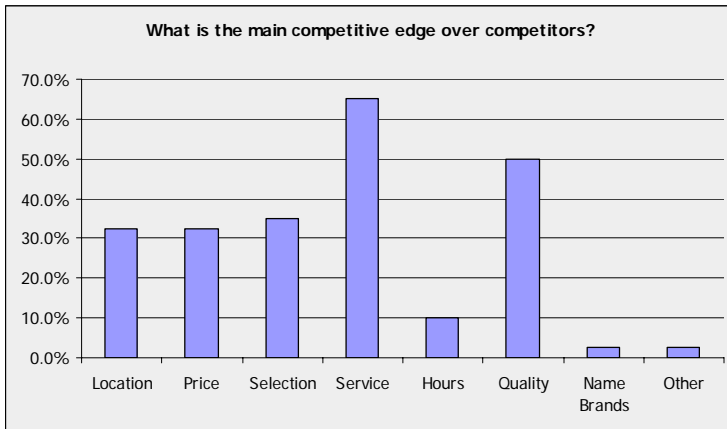


Advertising Opportunities

The survey revealed that 74% 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 further suggested that partnerships and cooperative efforts should be led by the Heritage Business Improvement Area, working collaboratively with partners such as the Municipality and Port Hope businesses organizations. It is interesting to note that 14 % of respondents are comfortable relying solely on word of mouth for their advertising.

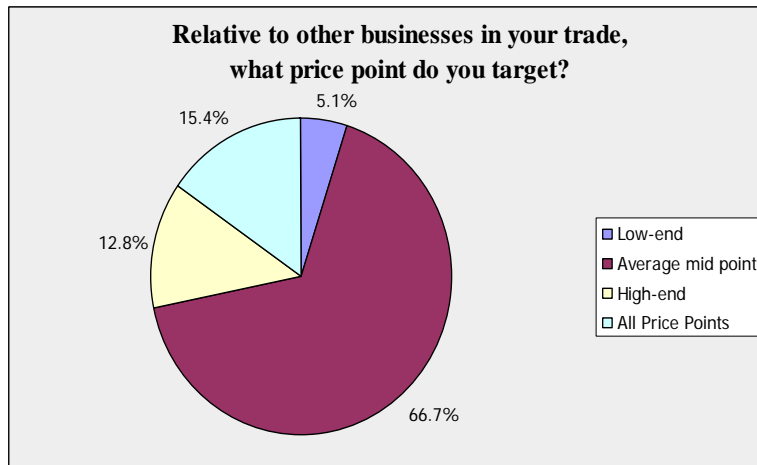
Most business operators (58%) said they believed community events and festivals did not increase their sales, however most noted events do increase traffic and may result in return visits and future sales. The remaining 42% of business operators felt that events did increase their sales noting however that only certain events had a significant positive impact such as House Tour, Jazz Festival, Estival and Sidewalk Sale. It was also noted by several respondents that street closures during events had a negative impact.

Competition



Close to 65% of businesses listed their staff and/or their business’s high-quality, friendly customer service as their greatest competitive advantage. This was followed by quality of product with 50% 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 46% 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.

Yes	33.3%
No	46.2%
Don't know	20.5%

Over 50% of business owners said they were **not aware** of grant/loan programs available, indicating a need for increased education to improve awareness of funding opportunities.

Program Name	Awareness Level					
	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	67.6%
Vandalism, Graffiti Storefront Appearance/Window Displays/Signage	24.3%
Accessibility	18.9%
Loitering	18.9%
Shop lifting	16.2%
Public Safety Services (lighting, security, police presence, etc)	16.2%
Other * <i>see notes below</i>	16.2%
Transit Availability	2.7%

* 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.	88%
I always direct customers to other downtown businesses.	100%
Downtown is an excellent place to have a business.	80%
There are plenty of good workers available here.	70%
The look and feel of downtown helps this business.	80%
My building facade draws customers into this business.	75%
My window and store displays help this business.	90%
The business is open when customers want to shop.	92%
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.	84%
I would support a new retail promotions event.	89%

Overall, the services provide by local government, community and business organizations were deemed satisfactory, however, communication of current and ongoing activities directly related to business requires improvement.

Specific items identified by the majority of respondents as needing improvement included parking, development of a cooperative marketing plan and improvements to the current waste and recycling receptacles in the core.

Business owners expressed they would like to see a more collaborative advertising campaign including various agencies (e.g. HBIA, Chamber, Municipality). It is worthy of note that, although the Capitol Theatre was generally identified as important to the health of the downtown, approximately 25% of business operators surveyed expressed a desire to see a broad marketing approach with a stronger emphasis on businesses and less on tourism (i.e. Capitol Theatre).

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 included a lack of merchant collaboration and uniform business hours, along with perceived inadequate parking 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:

Topic of Importance to Business	Response
1. Joint advertising and marketing	61.1%
2. Website development	58.3%
3. Marketing seminars	36.1%
4. Business networking sessions	33.3%
5. E-marketing	30.6%
6. Creation of a small business development centre for expanded services and support	30.6%
7. Mentoring/coaching program	22.2%
8. Pro-active visitations and communications to identify needs	22.2%
9. Attraction of related supply & services businesses	19.4%
10 Customer service employee training	16.7%
11 Trade Shows	16.7%
12 Access to capital seminars	13.9%
Other – <i>Retail roundtables; access to capital; window display seminars; retail temp employee service</i>	5.6%

Currently the Municipality through partnerships with Port Hope & District Chamber of Commerce and the Business Advisory Centre Northumberland, hosts Retail Roundtables and events targeted specifically to the Retail Sector. The Municipality also sponsors the Business Advisory Program “Zero to Three” a support program for new businesses. When asked, approximately 80% stated they were not aware of these initiatives, clearly identifying the need to improve communications.

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

1. Resolve parking
2. Fill empty store fronts
3. Marketing;
4. Recycling and waste receptacles
5. Beautification (trees)
6. Banner program (promotion of seasonal events)

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

1. Green Grocer/Market
2. Bakery
3. Restaurants
4. Arts & Crafts outlet

MapInfo Business Gap Analysis

The following information was compiled by the Ontario Ministry of Agriculture, Food and Rural Affairs through information collected using MapInfo. The data may not reflect the actual number of businesses for each category but it gives an idea of potential gaps and strengths for the urban area and the downtown core in relation to population and compared to other communities.

Port Hope Ward One Market Threshold – Gap Analysis

Business Description	# Businesses in Ontario	# people per business (Ontario)	Theoretical capacity of the community (Population Averaging)	Theoretical capacity of the community (Distance + Population based)	Actual number in community	+ Greater than capacity - fewer than capacity (Population Averaging)	+ Greater than capacity - fewer than capacity (Distance + Population)
Insurance agents and brokers	6630	1,834	6.9	11.5	6	-1	-6
Full-service restaurants	24294	501	25.2	35.2	30	5	-5
Beauty shops/barber shops	13503	901	14.0	19.8	15	1	-5
Womens clothing stores	4880	2,492	5.1	6.1	2	-3	-4
Computer and software stores	4474	2,718	4.6	4.2	1	-4	-3
Security/commodity brokers	3977	3,058	4.1	3.5	1	-3	-2
Floor covering stores	1369	8,883	1.4	2.1	0	-1	-2
Other building material dealers	3587	3,390	3.7	6.1	4	0	-2
Computer related service	3289	3,697	3.4	3.1	1	-2	-2
Motorcycle, boat, and other motor vehicle dealers	1388	8,761	1.4	3.1	1	0	-2
Sporting goods stores	2443	4,978	2.5	4.1	2	-1	-2
Department stores (not leased depts.)	2459	4,945	2.5	3.8	2	-1	-2
Beer, wine, and liquor stores	1502	8,096	1.6	3.3	2	0	-1

Tire dealers	749	16,235	0.8	1.3	0	-1	-1
Outdoor power equipment stores	478	25,440	0.5	1.3	0	2	-1
Men's clothing stores	923	13,175	1.0	1.3	0	8	-1
Appliance, television, and other electronics stores	4300	2,828	4.5	6.2	5	1	-1
Health clubs and fitness	3583	3,394	3.7	5.2	4	0	-1
Home centres	633	19,211	0.7	1.2	0	-1	-1
Florists	2020	6,020	2.1	3.1	2	0	-1
Automotive parts and accessories stores	1932	6,294	2.0	4.1	3	1	-1
Other clothing stores	1787	6,805	1.9	2.1	1	-1	-1
Auditing, accounting, tax	6649	1,829	6.9	8.1	7	0	-1
Family clothing stores	1116	10,896	1.2	1.1	0	-1	-1
Physician offices	13084	929	13.6	12.9	12	-14	-1
Bowling centres	275	44,219	0.3	0.9	0	0	-1
Optical goods stores	1285	9,463	1.3	0.8	0	-1	-1
New car dealers	1843	6,598	1.9	3.8	3	1	-1
Musical instrument and supplies stores	535	22,729	0.6	0.8	0	-1	-1
Hardware stores	738	16,477	0.8	1.8	1	0	-1
Office supplies and stationery stores	782	15,550	0.8	0.8	0	-1	-1
Convenience stores	1849	6,577	1.9	2.8	2	0	-1
Fruit & vegetable markets	477	25,493	0.5	0.7	0	0	-1
Furniture stores	2636	4,613	2.7	3.7	3	0	-1
Books stores and news dealers	1167	10,420	1.2	1.6	1	0	-1
Cosmetics, beauty supplies, and perfume stores	1054	11,537	1.1	0.6	0	-1	-1
Theatre companies & dinner theatres	304	40,001	0.3	0.5	0	0	-1

Community to Community Comparisons

OMAFRA through the 2008 MapInfo analysis, identified several Port Hope business strengths including general merchandise stores, novelty and gift stores, antique shops and pharmacy and drug stores.

Business Description	PORT HOPE	ALLISTON	ARNPRIOR	CARLETON PLACE	INGERSOLL	INNISFIL	PARIS	TILLSONBURG	Theoretical Capacity of Port Hope (Average)	Variance
Computer and software stores	1	5	6	4	5	2	1	6	4	-3
Women's clothing stores	2	3	7	5	4	1	4	6	4	-2
Other clothing stores	1	3	5	4	0	0	1	6	3	-2
Radio and TV Repair Services	0	1	2	0	0	3	1	2	1	-1
Sporting goods stores	2	2	3	3	1	0	6	6	3	-1
Florists	2	3	2	3	2	4	3	4	3	-1
Musical instrument and supplies stores	0	1	2	1	1	0	0	1	1	-1
Optical goods stores	0	3	1	0	0	2	0	0	1	-1
Convenience stores	2	6	2	5	1	3	0	3	3	-1
Fruit & Vegetable Markets	0	0	0	0	1	3	0	0	1	-1
Men's clothing stores	0	0	2	2	0	0	0	0	1	-1
Paint and wallpaper stores	1	2	0	2	1	0	1	5	2	-1
Family clothing stores	0	2	0	0	0	0	0	2	1	-1

Note: Further analysis is required to ensure opportunities do exist.
 For example: business numbers do not account for the size of the business, a community may have 6 Sporting Goods stores that are relatively small in nature while another community may only have 3 but they are large and equally serve the needs of the community.

Market Analysis by Population Drive Time

Having identified that the majority of businesses draw from the Northumberland area (typically a 30-minute drive time) and as the majority of businesses identified 40-60 age group as their prime customer, a further analysis was conducted to breakdown the population by age as well as population by drive time to downtown Port Hope.

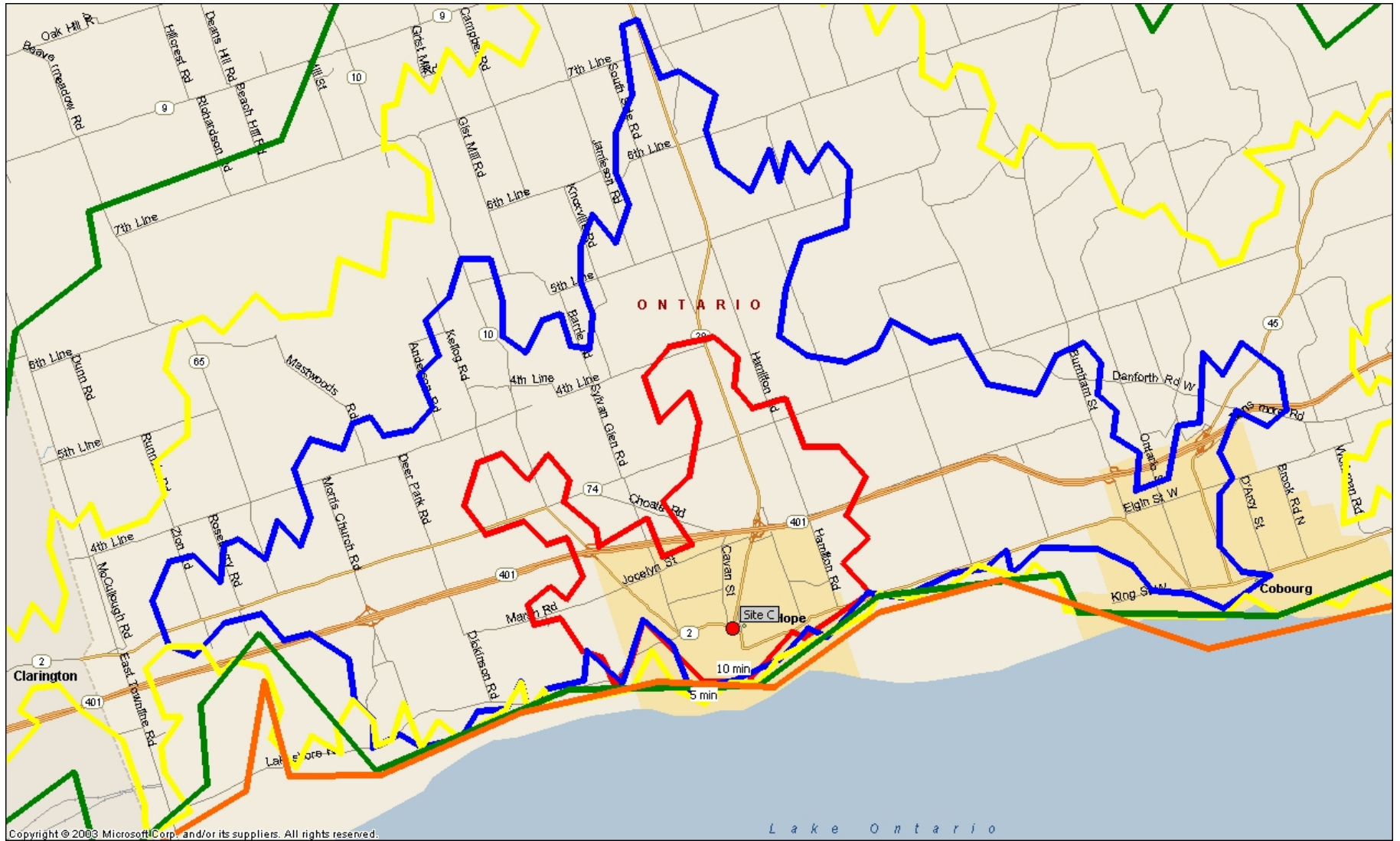
As reflected in the following 2006 Census Snapshot the percentage of population in the 35-64 age group is reflective of the prime customer age group identified by business owners. It also shows opportunities for businesses to target-market a younger age group.

2006 Census Snapshot of Population by Drive Time to Port Hope Downtown

Drive Time →	0-5 Minutes		0-10 Minutes		0-15 Minutes		0-20 Minutes		0-30 Minutes		Port Hope		Ontario	
		%		%		%		%		%		%		%
Total Population	12,558		23,502		39,819		45,618		100,577		16,390		12,160,280	
Males	5,944	47%	11,182	48%	18,990	48%	21,883	48%	49,054	49%	7,905	48%	5,930,700	49%
Females	6,613	53%	12,320	52%	20,829	52%	23,735	52%	51,522	51%	8,485	52%	6,229,580	51%
2006 Population by Age	12,558		23,502		39,819		45,618		100,577		16,390		12,160,280	
0 to 4 years	604	5%	1,096	5%	1,792	4%	2,041	4%	5,280	5%	785	5%	670,765	6%
5 to 19 years	2,290	18%	4,264	18%	7,371	19%	8,639	19%	20,994	21%	3,085	19%	2,373,145	20%
20 to 24 years	668	5%	1,290	5%	2,201	6%	2,488	5%	5,510	5%	875	5%	797,255	7%
25 to 34 years	1,321	11%	2,255	10%	3,548	9%	3,986	9%	10,434	10%	1,605	10%	1,535,640	13%
35 to 44 years	1,719	14%	3,134	13%	5,265	13%	6,163	14%	15,267	15%	2,275	14%	1,916,395	16%
45 to 54 years	1,911	15%	3,581	15%	6,302	16%	7,390	16%	15,766	16%	2,635	16%	1,861,375	15%
55 to 64 years	1,690	13%	3,058	13%	5,214	13%	6,036	13%	11,871	12%	2,210	13%	1,356,510	11%
65 to 74 years	1,070	9%	2,199	9%	3,811	10%	4,257	9%	7,738	8%	1,355	8%	868,185	7%
75 to 84 years	893	7%	1,790	8%	2,986	7%	3,244	7%	5,616	6%	1,080	7%	589,175	5%
85 years +	433	3%	756	3%	1,238	3%	1,294	3%	2,099	2%	490	3%	191,810	2%
Average age of population	42.5		42.7		42.8		42.5		39.8		42		38.7	
Median age	43.5		44.1		44.5		44.3		40.9		43.4		39	
Median Estimated Household Income	\$62,115		\$59,696		\$61,870		\$63,054		\$70,190		\$63,269		\$65,026	



Map Area - DRIVE TIMES



Map Area - DRIVE TIMES

Opportunities and Actions – Moving Forward

The following areas have been identified through the Municipality of Port Hope Downtown Commercial Retail Study project as opportunities for action:

1. Downtown Parking
2. Downtown Marketing Strategy
3. Communication Business Visitations
4. Hours of Operation
5. Business Attraction Opportunities

1. Downtown Parking

Directed by Council resolution No 81/2008 in June 2009 a Working Group was struck to oversee the development of a comprehensive downtown parking study and strategy. Following an RFP selection process, IBI Group was contracted to develop a Comprehensive Downtown Parking Study & Strategy for the Municipality of Port Hope. Leading the project the Working Committee is comprised of representatives from Council; HBIA; Port Hope & District Chamber of Commerce; Police Services Board; Economic Development; Public Works and Parking Authority.

It is anticipated the final Downtown Parking Study & Strategy will be completed presented to Council in January 2010 for budget considerations for implementation.

2. HBIA Downtown Marketing Strategy

The HBIA Board, in July 2009 authorized a committee to be struck in cooperation with the Economic Development & Tourism Department to source funding and to develop RFP to contract services to develop a marketing strategy for the HBIA business district. The strategy is to include exploring partnership opportunities inclusive of all businesses and organizations within the Municipality of Port Hope.

3. Communications through Pro-Active Business Visitations

A Business visitation program is being developed in cooperation with Port Hope Economic Development staff, the Business Advisory Centre Northumberland and the Port Hope & District Chamber of Commerce to enhance awareness of business educational events and activities. The purpose is to provide enhanced opportunities for communication and interaction with the retail and commercial sector businesses.

Current programs available to business include:

- Zero-2-Three - Business Assistance Program
- Retail Roundtable Sessions
- Business After Five Networking

- E-Marketing

Events relevant to topics of importance as identified through the survey will be supported by the Economic Development & Tourism Office through partnerships.

The following seminars are currently being organized:

- Website Development
- Marketing Your Business
- Social Marketing

4. Hours of Operation

The topics of store hours of operation will be taken to the Heritage Business Improvement Area for consideration and further discussion.

5. Business Attraction & Expansion Opportunities

The opportunity exists to expand the commercial mix of downtown businesses including expansion of markets for existing businesses. The survey results and detailed analysis provided by OMAFRA identified businesses that would have a net positive impact on the community and existing businesses in the downtown core, if they locate here.

The Economic Development & Tourism Department is exploring several opportunities as identified through the survey and analysis including, but not limited to, a green grocer/market, a bakery, a arts and crafts outlet and complimentary restaurants.

A targeted attraction program is currently being developed for implementation and 2010 budget consideration.



Municipality of Port Hope
Economic Development & Tourism Office
905-885-2004