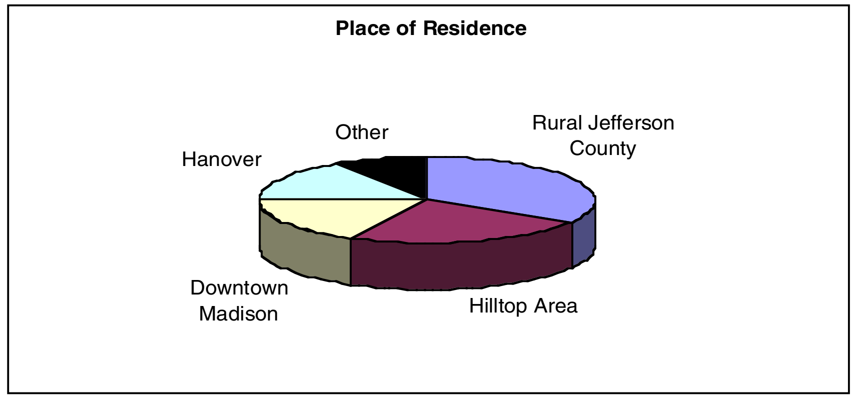
IV. SURVEY RESEACH

In the fall of 2001, the Collaborative Marketing Project oversaw the distribution of surveys to four groups central to the success of rebuilding the retail base of Jefferson County: Jefferson County residents, employees, business owners and farm owners/operators. The primary objective of this research was to gain an understanding of the perceptions, needs and motivations of local shoppers and businesses. Each of the surveys were distributed separately in Madison, the Hilltop area, Hanover and rural Jefferson County and tabulated accordingly to demonstrate variations among residents, employees and businesses in the four areas. The results of the surveys are located in Appendices I, II, III and IV. The following summarizes the findings of each of the four surveys.

A. Resident Survey



- Over 700 Jefferson County residents participated in the survey, one-third (33%) of whom reside in rural Jefferson County, 24% in the Hilltop area, 18% in downtown Madison, 15% in Hanover and 9% outside of the county.
- All of the respondent groups rely heavily on Wal-Mart for their grocery shopping needs. More than one-half of Hilltop and Hanover residents (52% and 57% respectively) surveyed do 'most' of their grocery shopping at Wal-Mart. Kroger is also a popular shopping destination among all groups surveyed. Not surprising, a large share of downtown Madison residents (46%) surveyed reported that they do most of their grocery shopping at JayC in downtown Madison.
- A large percentage of each of the groups surveyed, including residents of outside the county, do most of their non-grocery shopping in Hilltop area. With limited retail businesses close to home, residents of Hanover (73%) and rural Jefferson County (59%) rely greatly on the Hilltop area for their non-grocery shopping. Downtown Madison is most appealing to downtown residents surveyed, as 27% listed downtown Madison as the location for most of their non-grocery shopping. Only 5% or less of each of the other survey groups do most of their non-grocery shopping in downtown Madison.

Table SR-1

Primary Location of Non-Grocery Shopping

Location	Downtown Madison		Hilltop Area		Hanover		Rural Jefferson County		Other		Total	
Hilltop Area	45	35%	98	57%	80	73%	141	59%	13	20%	377	53%
Out-of-Town: Clarksville, IN	19	15%	29	17%	16	15%	45	19%	8	12%	117	16%
Other Shopping Center(s) unspec.	11	9%	11	6%	1	1%	17	7%	35	53%	75	11%
Downtown Madison	35	27%	6	3%	5	5%	10	4%	3	5%	59	8%
Mail Order Catalogue	8	6%	8	5%	8	7%	21	9%	0	0%	45	6%
Out-of-Town: Columbus, IN	4	3%	3	2%	4	4%	6	3%	4	6%	21	3%
Internet	2	2%	5	3%	4	4%	7	3%	0	0%	18	3%
Out-of-Town: Cincinnati	2	2%	4	2%	2	2%	6	3%	1	2%	15	2%
Out-of-Town: Florence, KY	1	1%	3	2%	2	2%	0	0%	9	14%	15	2%
Out-of-Town: Indianapolis	1	1%	4	2%	10	9%	1	0%	0	0%	16	2%
Out-of-Town: Jeffersonville, IN	3	2%	3	2%	1	1%	2	1%	0	0%	9	1%
Out-of-Town: Louisville	20	16%	30	17%	7	6%	18	8%	3	5%	78	11%
Total Respondents	128	100%	173	100%	109	100%	237	100%	66	100%	713	100%

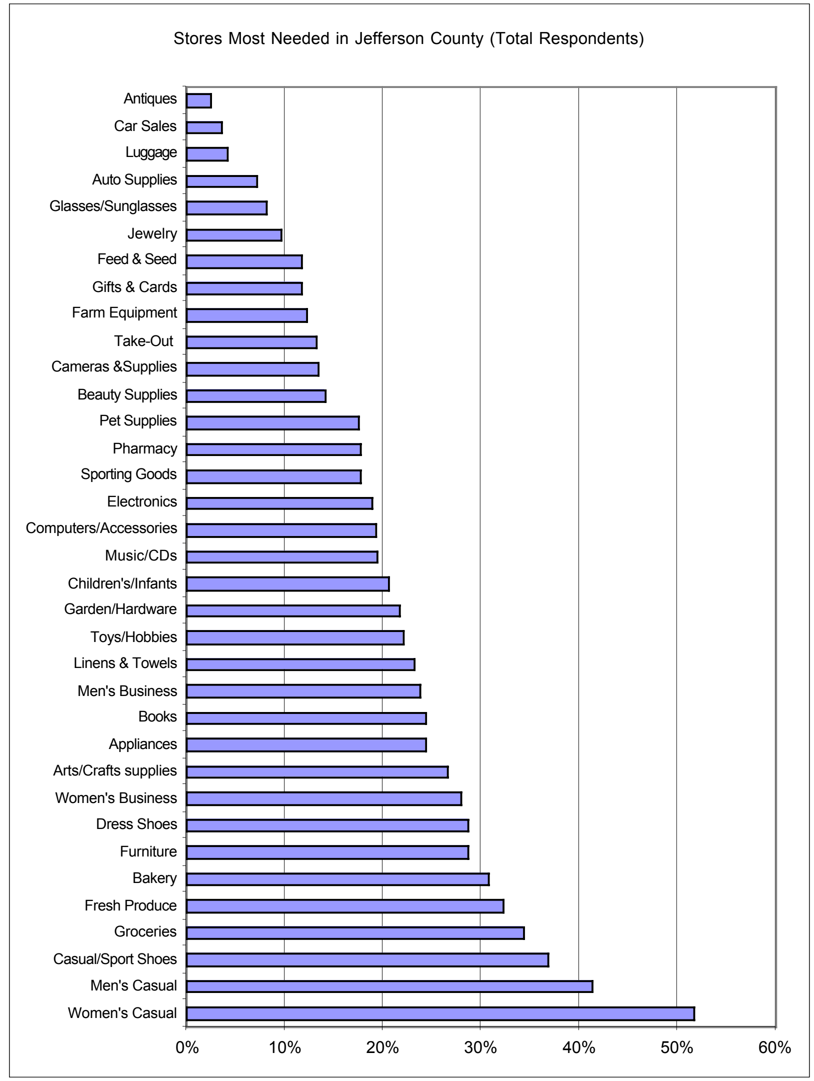
- Reflecting busy schedules and limited budgets, survey respondents are generally most concerned with selection, convenience and price in selecting a place to shop. Small town attributes such as familiarity, service and quality are also valued, just less so.
- When asked to identify the types of stores that are most needed or are in short supply in Jefferson County, survey respondents identified a strong need for casual apparel (men’s, women’s, casual/sport shoes), business apparel (men’s, women’s, dress shoes), food related convenience goods (groceries, fresh produce, a bakery), home related goods (furniture, linens & towels, appliances, gardening supplies/hardware) and specialty merchandise (books, toys & hobbies, arts/crafts supplies). Residents of rural Jefferson County also identified a strong need for farm equipment and feed & seed stores. The types of stores that residents surveyed are the least interested in seeing locate in Jefferson County include: antique stores, car dealers, auto supplies, luggage and glasses/sunglasses.

- Survey respondents were also asked to identify services that are needed or are in short supply in Jefferson County. Attracting entertainment-related businesses – especially new restaurants, concerts/live music, live theater and, to a lesser extent, bars/nightclubs – was popular among all of the groups surveyed. Other services appealing to residents surveyed include: shoemakers, tailor/ alterations, appliance repair, dry cleaner/laundry, day care and a copy center.
- As indicated in Table SR-2, survey respondents expressed a strong interest in attracting new restaurants to Jefferson County. When asked to specify the types of restaurants needed in the county, steakhouses, fine dining establishments, family restaurants, seafood and dinner theater were most frequently noted – generally upscale establishments. More casual and slightly less popular types of restaurants are delis, coffee houses, bar/grilles, bakeries and cafeterias.
- A large percentage of those surveyed believe that the major advantages of shopping in Jefferson County are convenience,

Table SR-2

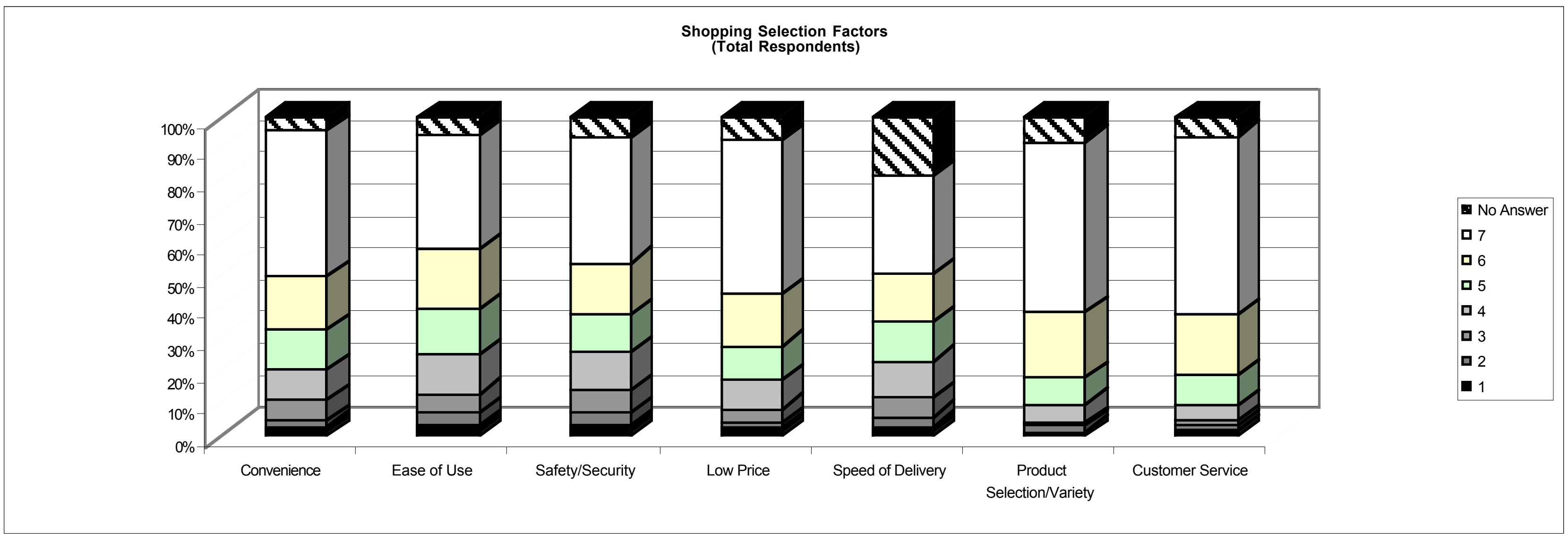
Services Desired/Needed in Jefferson County

Type of Service	Total Respondents
Restaurants	45%
Concerts/Live Music	41%
Shoemaker	30%
Tailor/Alteration	29%
Live Theater	28%
Appliance Repair	30%
Computer Repair/Training	21%
Nightclub/Bar	19%
Dry Cleaner/Laundry	17%
Copy Center	17%
Day Care	17%
Exercise Studio/Gym	15%
Movie Theater	12%
Pack & Mail	12%
Gasoline/Auto Repair	13%
Video Rental	8%
Hair/Beauty	10%
Car Wash/Detailing	7%
Insurance	7%
Legal/Accounting	5%
Banks/Financial Advisors	5%



avoidance of traffic/crowds and supporting local businesses. Relative to the other areas, residents of downtown Madison greatly value their ability to walk to local business as well as their relationship with local store employees.

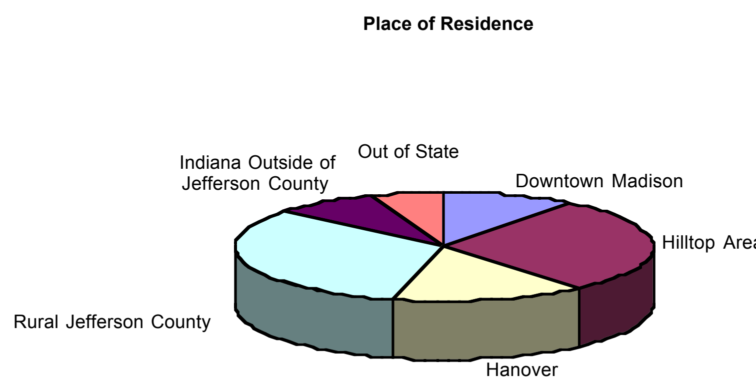
- Survey respondents identified a poor selection of goods and services, limited store hours, a lack of entertainment/restaurants and high prices as being the major disadvantages of shopping in Jefferson County. Downtown residents also stressed that a lack of parking is a drawback of shopping at local businesses. Across the board, the various resident groups suggested that Jefferson County merchants should improve their selection of goods, expand their hours of operation and, to a lesser extent, be friendlier.
- Survey respondents were asked to rate a variety of shopping selection factors on a scale of 1 to 7, with '1' indicating minimal importance and '7' being very important. Consistent with previous responses, customer service and product selection/variety are most valued as well as customer service. Clearly Jefferson County residents would like to see a greater variety of goods and services in the county. Low prices and convenience are also important.



- The desire to maintain and build upon Jefferson County's historic, 'small town' character was repeatedly confirmed by survey respondents. First, when survey respondents were asked to name one thing about the county they would like to maintain as it continues to grow, the historic character, small town atmosphere and friendliness were most frequently noted. Later when asked to articulate an image or identity for the county's developing business base, a 'small town business center,' 'traditional, historic small town' and 'friendly, caring, good place to raise a family' were the predominate themes.
- In terms of qualities that respondents would like to see change, a better variety of businesses and more youth activities are primary.

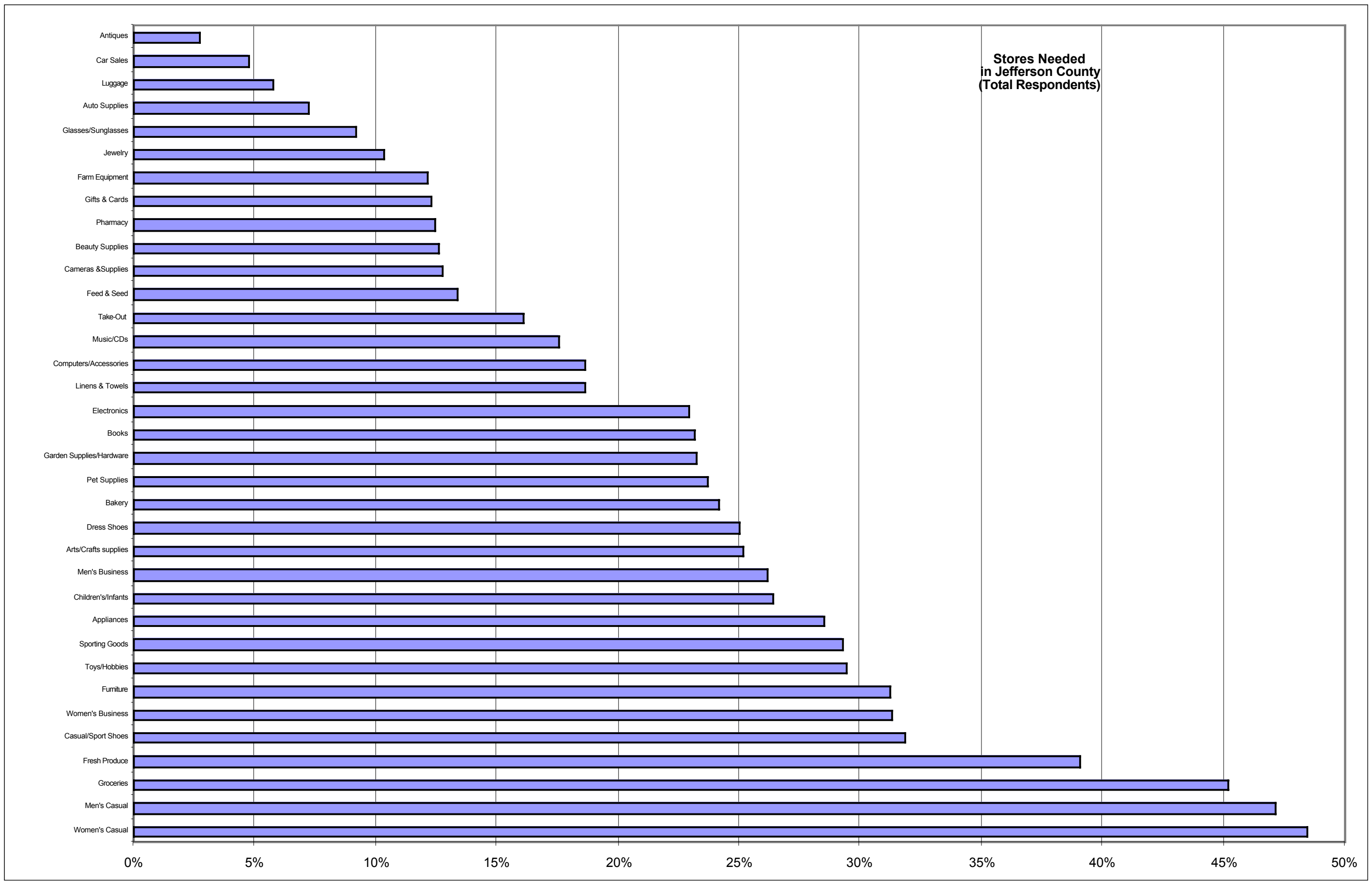
B. Employee Survey

- Understanding the existing shopping habits, preferences and needs of employees will play a key role in strengthening Jefferson County's retail base as this target market is physically present in the county five days a week and, therefore, looks to Jefferson County for shopping, conducting business and entertainment/dining out. Over two thousand (2,319) employees in Downtown Madison, the Hilltop area and Hanover participated in the employee survey. Three-quarters (75%) of the survey respondents work in the Hilltop area, 15% work in downtown Madison and 10% work in Hanover. Fourteen percent (14%) of survey respondents live outside of Jefferson County – either out of state or in state but outside the county. Approximately one-half work in skilled labor (27%) or professional (22%) positions.

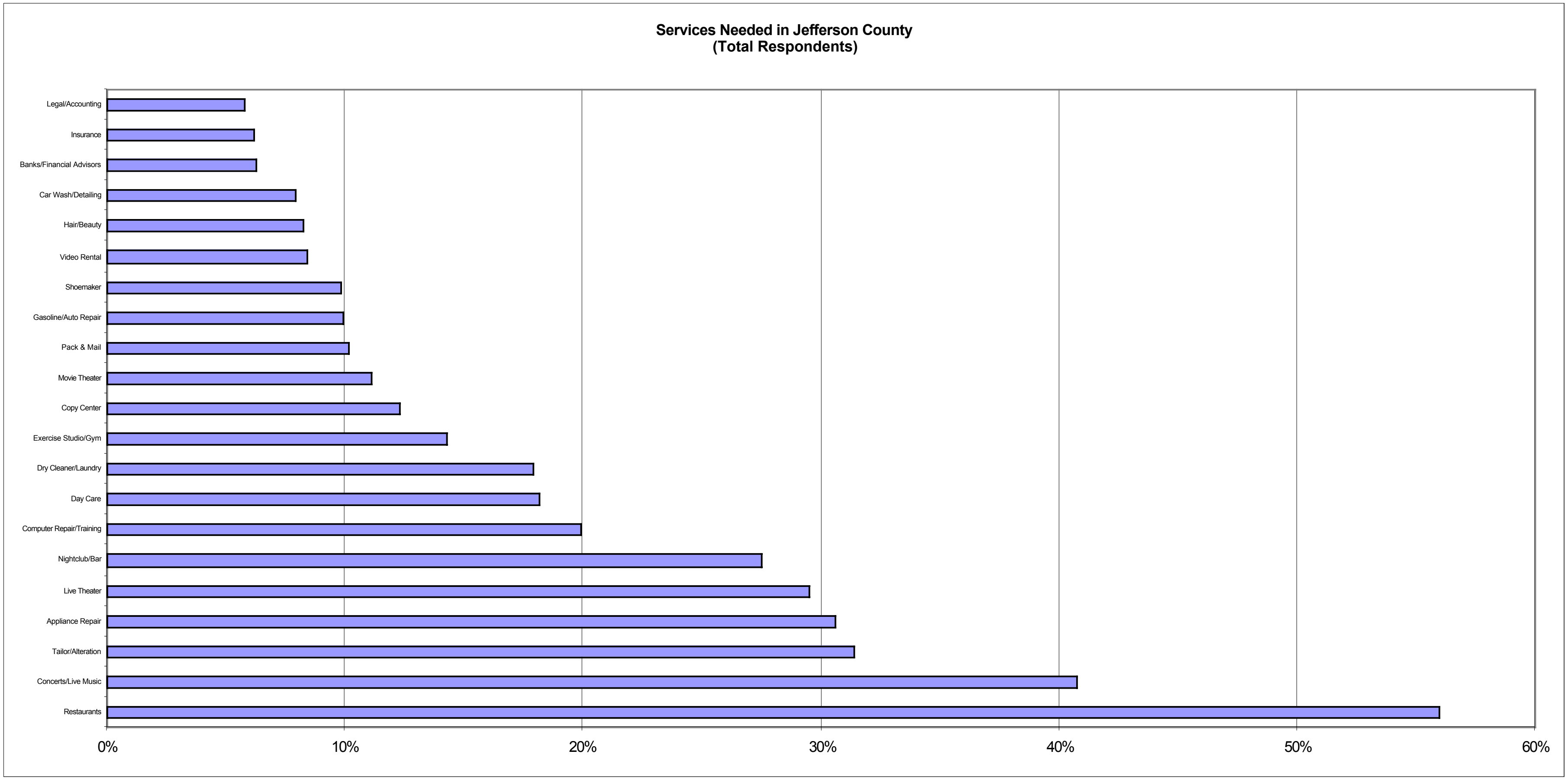


- Consistent with the Resident Survey, a large proportion of employees (52% of all respondents) do most of their non-grocery shopping in the Hilltop area. Clarksville and Louisville are also major draws, attracting 25% and 17%, respectively, of total respondents. Only 3% of all respondents rely on downtown Madison for most of their non-grocery shopping.

- Selection, convenience and price are the primary factors in selecting a place to shop among the three employee groups surveyed.
- The top types of stores considered needed or in short supply in Jefferson County include: casual apparel (men's, women's, casual shoes), convenience goods (groceries, fresh produce), business apparel (men's, women's), household merchandise (furniture, appliances, garden supplies) and specialty goods (toys & hobbies, sporting goods, pet supplies, arts & crafts supplies, electronics, books). Identical to the Resident Survey, antiques, car sales, auto supplies and luggage are deemed least needed in the county.



- In terms of services needed or in short supply, entertainment is top ranked including: restaurants, concerts/live music, live theater and nightclub/bars. Employees also identified a need for various convenience/personal services (e.g., tailor/alterations, day care, dry cleaning/laundry) that they could patronize during their lunch hour or before/after work. A high percentage of employees surveyed also noted a need for appliance repair and computer training/repair. Shoemakers are in high demand among downtown Madison and Hanover employees but not among Hilltop employees. Professional services such as legal, accounting and banks/financial advisors are the least in demand among survey respondents.

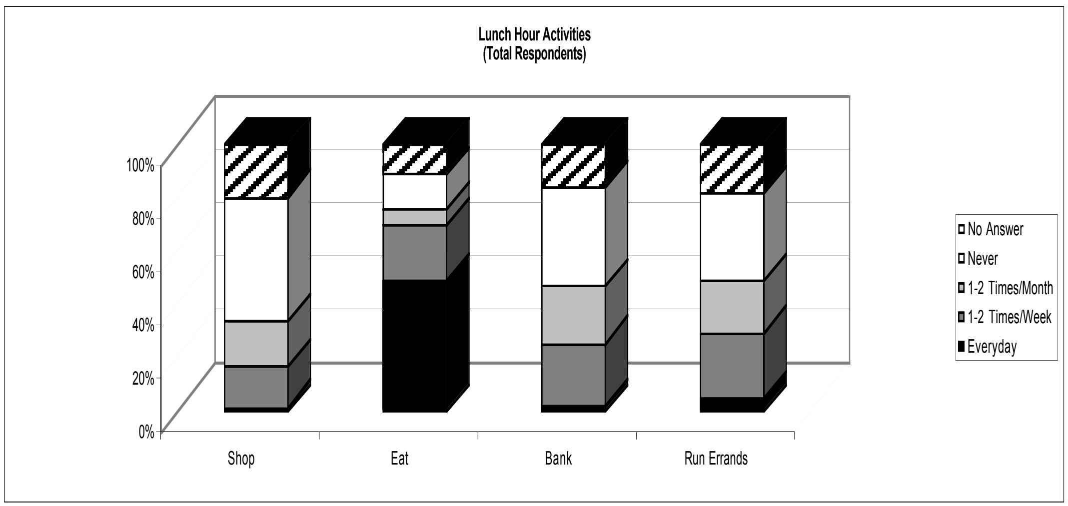


- Employees are a prime target group for restaurants, not only for lunch but also for dinner/drinks after work. Similar to the Resident Survey, employees expressed the greatest interest in more upscale restaurants, including: steakhouses, seafood, and fine dining. Family restaurants are also desirable, with 45% of respondents indicating that they would like to see more family restaurants locate in the county. Restaurants that offer entertainment (e.g., dinner theaters, bar/grilles) are also popular.
- Employees in all of the three geographic areas surveyed eat out for lunch on a regular basis. Among all employees surveyed, 35% eat out for lunch one to two times per week; 17% three times per week, 12% four times per week; and 16% five times per week. Five percent (5%) of those surveyed eat out for lunch six to seven days per week. When they eat out for lunch, respondents most frequently spend, on average, between $5.00 to $7.50 (48%) – 24% typically pay less than $5.00. Not surprising, employees look to the Hilltop area for places to eat lunch, most likely at fast food establishments located along Clifty Drive. Downtown Madison was the second most popular location for employees to eat out for lunch, drawing 20% of all employees surveyed.

Table SR-3

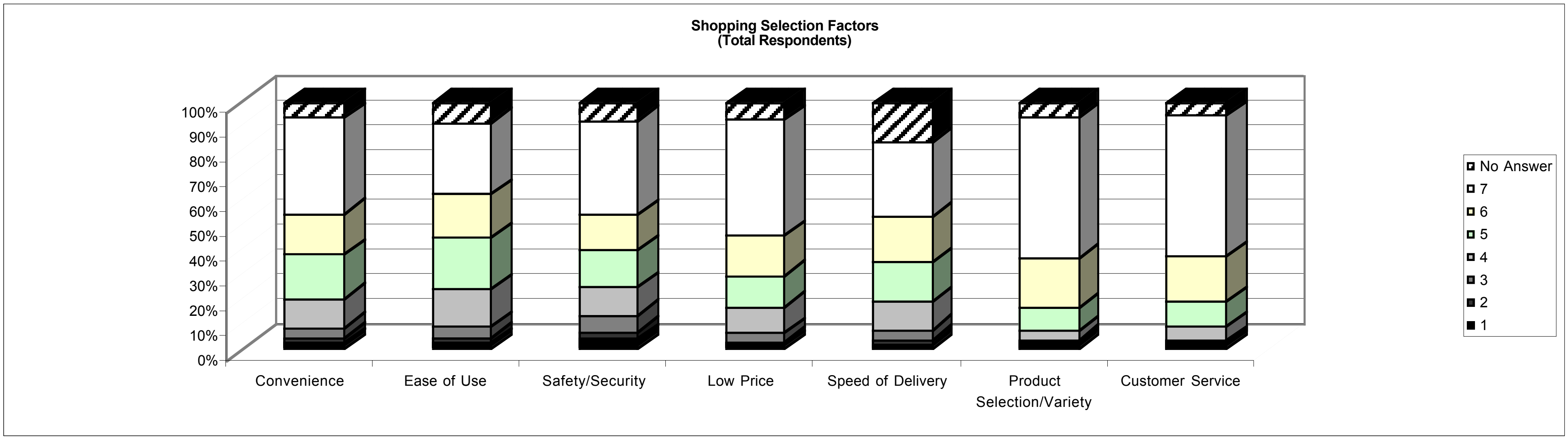
Restaurants Needed in Jefferson County

Type of Restaurant	Total Respondents
Steakhouse	57%
Seafood	45%
Family	45%
Fine Dining	39%
Bar/Grille	34%
Dinner Theater	28%
Coffee House	19%
Deli	19%
Brew Pub	17%
Cafeteria	13%
Pizza/Italian	12%
Bakery	13%
Mexican	13%
Other Ethnic	5%
Fast Food	3%
Other: Buffet	4%
Tearoom	3%
Chinese	2%



- Eating out is the most popular lunchtime activity among employees surveyed, followed by running errands, banking and shopping. Although a large percentage (47%) of employees surveyed said that they 'never' shop during their lunch hour, part of their reluctance to shop can be attributed to the perception/ reality that there is a limited variety of merchandise in Jefferson County. As the county expands its retail base, however, employees may be increasingly motivated to shop during their lunch hour and/or after work.

- Convenience is considered the greatest advantage of shopping or doing businesses in Jefferson County among employees surveyed. Supporting local businesses and less traffic/crowds are also highly valued. Disadvantages mirrored those noted in the Resident Survey, with a poor variety of goods/services and limited store hours prevailing. Other disadvantages frequently sighted include: lack of restaurants, lack of entertainment and high prices.
- When selecting a place to shop, survey respondents most value customer service and selection/variety. Respondents value 'ease of use' (i.e., the effort required to shop) the least.



- As the county continues to grow, respondents would like to see its friendly, historic, small town qualities preserved. Survey respondents also identified Jefferson County's rural character as an asset that should be preserved.

Qualities that respondents would like to see change are limited shopping, activities for youth and more/better grocery stores to the west of the Hilltop area.

- Predominate images of Jefferson County among respondents include: traditional, historic small town; small town business center; and a friendly/good place to raise a family – almost identical to the Resident Survey.

C. Business Owner/Operator Survey

- One hundred ninety-six (196) Jefferson County businesses responded to the Business Owner/Operators Survey, 52% in the Hilltop area, 30% in downtown Madison and 19% in Hanover. As shown in Table SR-4, 40% of total businesses that responded to the survey are retail, 20% are service, 12% are professional and the remaining 28% fall into other categories. The purpose of the Business Owner/Operators Survey is as follows:
  - To identify ways in which Jefferson County could assist local businesses
  - To spot improvements that might assist in the continued growth of county businesses
  - To gather business perceptions concerning under-supplied business categories
  - To discover business practices, e.g., store hours, advertising budgets, Internet usage, etc.

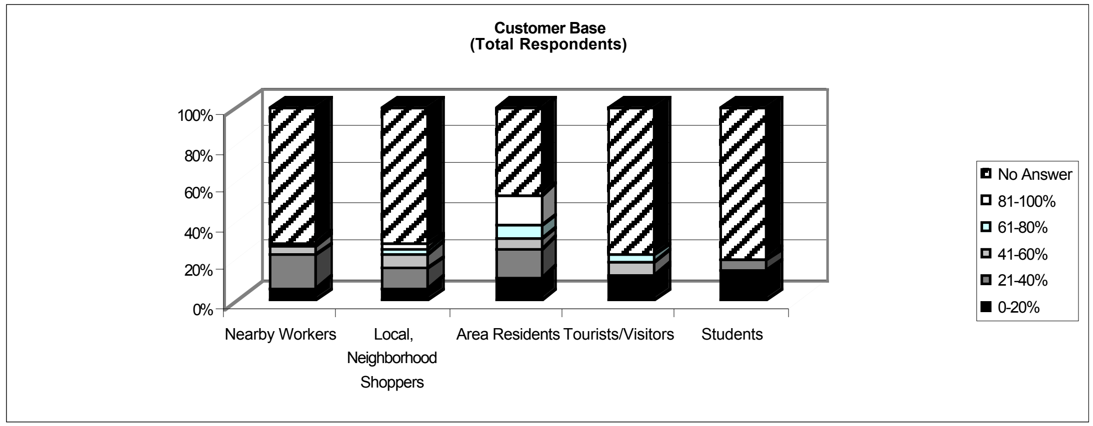
Table SR-4

Business by Type by Area

Business Type	Downtown Madison	Hilltop Area	Hanover	Total
Retail	55%	38%	24%	40%
Service	21%	17%	27%	20%
Professional	16%	8%	16%	12%
Restaurant	7%	10%	11%	9%
Manufacturing	0%	15%	3%	8%
Institutional	0%	7%	14%	6%
Farm Related	0%	0%	3%	1%
Other	2%	6%	3%	4%

- Almost one-half (49%) of respondents have been in business for ten or more years. Downtown Madison has the highest percentage of respondents in operation for less than one year (22%) – only 11% of all businesses surveyed have been in operation for less than one year.
- Most (62%) of the businesses surveyed were small, employing five or less full time employees: 40% employ two to five full time employees: 14% one employee and 8% are sole proprietors. Not surprising, businesses responding to the survey in downtown Madison are generally small, with only one respondent employing over 10 full time employees. Hilltop businesses that responded to the survey have the greatest range in size (e.g., 4% employ over 100 full time employees) among the three geographic areas. The same was true for part time employees, which are most prevalent among Hilltop businesses.
- Foot-traffic was healthy among the businesses surveyed but most intense at Hilltop businesses where 20% reported that they have more than 100 customers daily.

- Businesses tended to be the most busy in the mornings and least busy after 6:00 pm. In the case of downtown Madison, mid afternoon is extremely busy while lunchtime and after 6:00 pm is slow. Only 11% of the businesses surveyed are open after 6:00 pm Monday through Friday – in downtown Madison, 55% of businesses surveyed closed after 6:00 pm. Clearly, limited store hours are a reality, especially in downtown Madison where evening hours are important.
- Two-thirds (67%) of businesses surveyed are open on the weekend, 47% of which are open Saturday and Sunday and 53% are open just Saturday.
- Monday, Friday and Saturday are the busiest days of the week for businesses surveyed in each of the three areas.
- Area residents are the largest customer group of businesses surveyed, followed by nearby workers, tourists/visitors and local/neighborhood shoppers. Relative to the other areas, Hanover has a stronger reliance on the student population while downtown Madison attracts a greater number of tourists.



- Most businesses reported making some investment in their business in the past year, with 54% of all businesses having made physical improvements and 57% providing new or expanded products or services. Systems improvements, new or expanded marketing/promotional activities and new/additional employees were also popular. Twenty-eight percent (28%) reported investing more than $20,000 in their business last year. The highest level of investment occurred in the Hilltop area.
- Almost one-half (48%) of all businesses surveyed reported modest or significant growth in sales during the last year. Downtown Madison businesses experienced the strongest growth. Twenty-five percent (25%) experienced modest or significant decline with general uniformity among the three areas.

- The three most common forms of marketing and promotion utilized are: word-of-mouth, newspaper ads and the Internet. The use of the Internet is encouraging as it has the ability to reach external markets.
- When asked if they plan to expand or reduce operations in the next year, 49% of all respondents replied they had no plans for change. Forty-three percent (43%), however, noted they plan to *expand* operations – either in their existing space or in a new location. The greatest level of expansion is planned for businesses in downtown Madison and the Hilltop area.
- When asked to rate their overall confidence in the economic future of Jefferson County, 23% of business owners rated it high, 57% rated it moderate and only 7% rated it low (Table SR-5). Downtown Madison businesses were the most optimistic of the three areas surveyed.
- A limited number of businesses expressed interest in receiving assistance in the areas of marketing and finance – particularly in downtown Madison.
- Respondents are generally satisfied with their present location. Fifty-seven percent (57%) of the respondents are 'very satisfied' with their present location and 33% are 'satisfied.'

Table SR-5

Confidence in Economic Future of Jefferson County

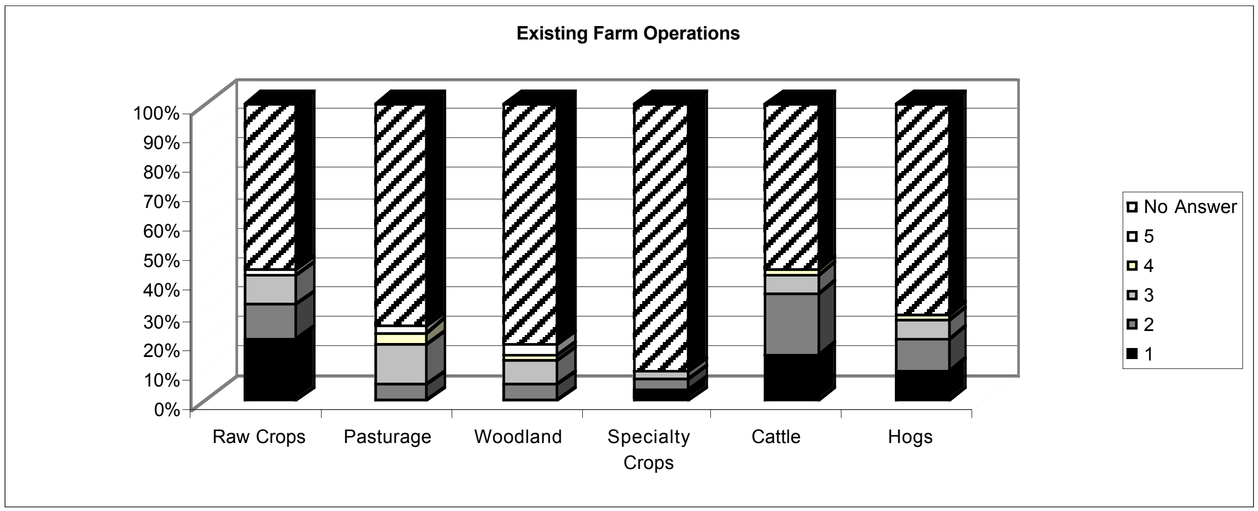
Confidence Level	Downtown Madison	Hilltop Area	Hanover	Total
High	33%	22%	11%	23%
Moderate	43%	65%	57%	57%
Low	9%	3%	16%	7%
Don't Know	5%	10%	11%	9%
No Answer	10%	0%	5%	4%

- Business respondents noted that the major advantages of their location are: customer familiarity, visibility, proximity to customers and good parking (Hilltop only). Customer's familiarity was considered an asset among Hilltop and Hanover businesses more than downtown Madison businesses surveyed where many of the respondents are newly established.
- Disadvantages cited most frequently include: limited parking (especially in downtown Madison) and limited foot traffic (especially in the Hilltop area). A better variety of stores and assortment of merchandise, convenience, expanded store hours and better prices are perceived as being the primary reasons that people shop in other areas by businesses surveyed. Respondents believe that local stores must work to eliminate these weaknesses to discourage people from shopping in other areas.
- According to survey respondents, restaurants, clothing stores and a mega store are most needed in the county.
- Regarding the identity or image business owners want Jefferson County to develop, the following themes emerged (some of which coincide with those provided by residents and employees):
  - Small town business center
  - Tourist destination

- Town with everything to offer
- Shopping destination

D. Farm Owner/Operator Survey

- Fifty-two (52) Jefferson County farm owners and operators participated in the survey.[1] The majority (44%) have operated their farm for more than 30 years. Another 27% have operated their farm for 20 to 30 years. Almost one-third (31%) of respondents are full time farmers. Fifty percent (50%) of survey respondents indicated that they have a part or full time job off the farm. Another 35% are retired.
- When asked how many people the farm employs, 62% did not respond; 33% checked 'none.' Most survey respondents did not reply to questions regarding weekly wages, benefits and part time employees. Twenty-nine percent (29%) noted that they have seasonal employees.
- When asked about the acreage farmed, 48% replied that they farm up to 100 acres. Twenty-three percent (23%) farm between 201 and 500 acres. The majority of farm operators own the acres that they farm, with very similar distributions to the acres farmed.



- However, 42% of the respondents reported leasing some of their acreage, with the majority leasing less than 100 acres. Of the 22 who responded to questions about

[1] Survey respondents were instructed to fill out only one survey per household. The small number of *Farm Owner/Operator Surveys* can be largely attributed to limited farming activity in Jefferson County and that some farmers completed a *Resident Survey* rather than a *Farm Owner/Operator Survey*.

leasing land, 41% replied that they lease to more than one tenant and 73% replied that all of their tenants are residents of Jefferson County.

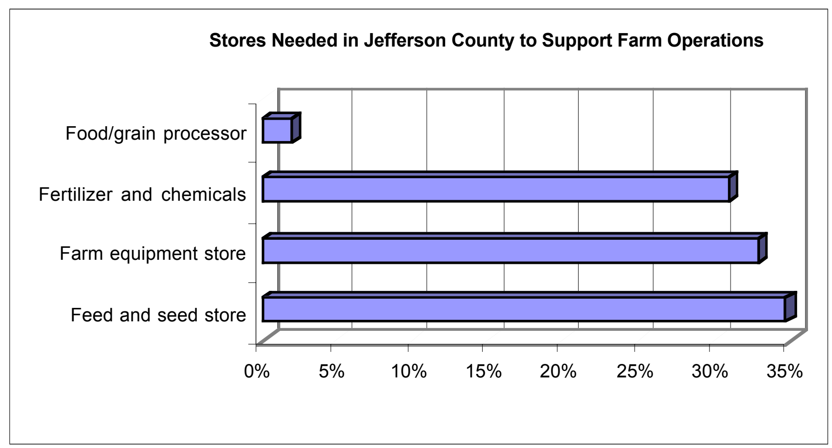
- A question asked farm operators to rank the revenue contribution of various farm operations contributing the greatest revenue, with '1' being an operation that produces the most revenue and '5' being an operation that contributes the least revenue. NA indicates 'no answer.' The chart on the previous page shows that raw crops, cattle and hogs are the primary operations of survey respondents.
- When asked to identify the types of investments made in their farm operations in the last year, the highest response was 'physical improvements' (44%), followed by 'equipment' (38%), and 'none' (23%). Survey respondents also estimated the dollar value of their investment in the last year. Of the 40 who responded, 30% checked 'none;' 28% checked between $1,001 and $5,000; and18% indicated between $10,001 and $50,000.
- Farm operators were asked to estimate how much they spent last year on supplies in Jefferson County. Thirty-eight percent (38%) responded between $1,001 and $5,000; 27% checked up to $1,000; 19% replied no answer; 13% checked between $5,001 and $10,000; and 2% said between $10,001 and $50,000. When asked how much they spent on supplies outside of Jefferson County, 42% of farm owners/operators did not reply. Of the remainder, 40% checked up to $5,000; 8% indicated between $5,000 and $10,000; another 8% checked between $10,001 and $50,000; and 2% checked over $100,000.
- When asked a similar question regarding spending on farm equipment in Jefferson County, 37 of 52 respondents did not reply. The greatest amount spent on equipment was between $1,001 and $5,000, as indicated by 13% of respondents. For those who spent money outside of Jefferson County on equipment, the distribution of respondents was virtually the same. Thirty-nine (39) did not reply; 12% spent between $1,001 and $5,000. Dollars spent on livestock in or outside Jefferson County appear to be insignificant based upon the responses to this question.
- Most farm operators/owners (48%) reported no change in their sales during the past year. Eight (8) reported modest growth and 13 noted modest decline.

Table SR-6

Investments Made Inside and Outside of Jefferson County

Investment	Supplies		Equipment		Livestock	
	Inside	Outside	Inside	Outside	Inside	Outside
Up to $1000	27%	13%	8%	6%	12%	15%
$1,001-$5,000	38%	27%	13%	12%	10%	2%
$5,001-$10,000	13%	8%	4%	0%	2%	2%
$10,001-$50,000	2%	8%	4%	6%	2%	2%
$50,001-$100,000	0%	0%	0%	2%	0%	0%
Over $100,000	0%	2%	0%	0%	0%	0%
No Answer	19%	42%	71%	75%	75%	79%
Total	100%	100%	100%	100%	100%	100%

- The majority of survey respondents (69%) reported that they have no plans to change their operations in the year ahead. Fifteen percent (15%) indicated they would expand their operations and 12% reported they would reduce operations. Twenty-three percent (23%) of respondents indicated they do not presently have enough acreage to expand operations.
- Respondents were asked to list anticipated purchases for the coming year and indicated if they were available locally or not. A total of 27 responses were gathered. Eight (8%) respondents noted the intent to buy fertilizer, equipment or building supplies totaling $103,700 NOT available locally. Fifteen (15) individuals intend to purchase $37,000 worth of goods locally during the next year. Another $210,000 total of fertilizer and chemicals is expected to be purchased by two farms, but without indication of where those purchases will be made.
- Farmers were asked to estimate the geographic distribution of their sales. Forty-eight percent (48%) indicated that the majority (between 81% and 100%) of their sales occur within Jefferson County; 25% did not reply. Eight percent (8%) of farmers indicated that the majority of their sales occur in surrounding Indiana counties. Only 6% of farmers noted that the majority of their sales occur out of state.
- Of the farm operators surveyed, 14 (27%) had gross farm revenue of less than $5,000 in the last year; 16 (31%) grossed between $5,000 and $20,000. Only six farmers indicated gross revenues in excess of $100,000. Five (5) did not respond to the question.
- Farm operators were asked about special assets or expertise they possessed and how, if possible, these assets or expertise could possibly be leveraged into other business opportunities. Less than one-half responded to either question. Top assets listed were feedlots (17%), greenhouses (10%), special equipment (8%) and hog facilities (8%). Assets/expertise mentioned included: rotation grazing (29%), confinement feeding (6%) and GPS (6%).
- Farmers were asked what types of businesses they want to see in Jefferson County to support farm operations. The replies included: farm equipment stores (33%), feed and seed stores (35%) and fertilizer and chemicals (31%).
- When asked to rate their overall confidence in the economic future/vitality of Jefferson County as a place to do business, 44% said 'moderate,' 42% noted 'low,' 4% said 'high' and 10% did not know.



- Many farmers indicated an interest in receiving more information about: cooperative marketing activities (29%), a farmers market (29%), cooperative purchasing activities (23%), farm tours (15%), and valued added processes (15%).
- Farmers were split regarding their interest in an agri-business roundtable with 44% checking 'yes' and 44% checking 'no.'