

## VII. RETAIL DEVELOPMENT STRATEGY RECOMMENDATIONS

This section presents the key strategy recommendation for fulfilling Jefferson County's role as the regional commercial center for the 25-mile trade area. Marketek's goal is to assist the Jefferson County community in implementing a successful program to create a stronger retail base. The goals and strategies that follow are based upon Jefferson County's existing and unique assets and opportunities and an overall desire to enhance the community's competitiveness. They are organized into four broad categories or a 5-Point Program:

1. Retail Business Development
2. Promotion
3. Agri-Business Development
4. Shopping District Strategies
5. Organization and Management

### A. Retail Business Development

**GOAL:** Strengthen Existing Businesses & Improve Business Variety

Launch aggressive business expansion and recruitment campaign to target key opportunities. All successful businesses will need to work hard to serve multiple markets to succeed: i.e., local residents and Hanover College students or visitors and local residents. Quality and 'reasonably' priced merchandise will also be vitally important to successful retail establishments.

Using consumer expenditure potential data for various types of merchandise and services in the trade area, this research provides estimates of increases in supportable retail space that could potentially be captured by Jefferson County by the years 2006 and 2011. Exhibit RDS-1 shows that, statistically, Jefferson County can potentially support an additional 360,205 square feet of retail space by the year 2006 and another 347,635 square feet of new space by the year 2011. These estimates of supportable retail space for Jefferson County are based on the capture rates shown in Exhibit R-4, Section IV, *Retail Potential*.

A large share of the demand for convenience goods and personal services will be generated by Jefferson County residents as well as employees that commute through the county each day. The increases in sales of *shoppers goods* and food and beverages will be derived primarily from the trade area as a whole.

The estimate for new demand for retail space (Exhibit RDS-1) should be considered conservative based on the fact that visitors/tourism expenditures are not factored into the estimate.

Based on the characteristics of the trade area's lifestyle groups, the socioeconomic profile of trade residents, survey research (employees and residents) and the spending activity of trade area households, the most compelling retail business development opportunities appear to be:

- Mid-priced women's and men's casual and business apparel
- Grocery location west of the Hilltop area
- Nighttime entertainment (e.g., bar/nightclub, live theater/concerts, coffee/desserts, restaurants)
- Home-oriented specialty goods: housewares/home furnishings, gardening/ hardware, pet supplies and appliances
- Other specialty goods: toys/hobby, outdoor gear, books and auto related
- Personal services: appliance repair, dry cleaners/alterations, shoe repair and day care
- A variety of restaurants that appeal to local and trade area residents, to area employees for lunch and after work, and to visitors, including: inexpensive lunch spots, deli, bar & grille, cafeteria, family restaurants, steakhouse, fine dining and seafood.

Exhibit RDS-1

POTENTIAL SUPPORTABLE RETAIL SPACE  
Jefferson County Capture  
2001-2011

Merchandise/ Service Category	New Supportable Square Feet 2006*	New Supportable Square Feet 2011*	Total Square Feet
<b>Shoppers Goods</b>	195,036	188,204	383,241
Apparel	64,903	62,629	127,532
Home/Furniture	54,630	52,717	107,347
Misc. Retail	75,503	72,858	148,362
<b>Convenience Goods</b>	60,500	58,380	118,880
Grocery	51,362	49,563	100,924
Pharmacy/Drugs	9,138	8,818	17,955
<b>Food &amp; Beverages</b>	69,779	67,334	137,113
<b>Personal Services</b>	34,941	33,717	68,657
<b>Total</b>	<b>360,255</b>	<b>347,635</b>	<b>707,890</b>

\* Not cumulative

Source: Marketek, Inc.

2002 by Marketek, Inc.

Recommended businesses should be viewed as *suggestions* and are meant to serve as a guide for retail development. The following considerations should be made in retail business development:

- Consider unconventional approaches: retail incubators, mentor programs, incentives, young entrepreneurs program (YEP).
- Follow business clustering concepts to create unified shopping areas (discussed later in further detail).
- Continue to provide assistance to businesses (education, training, one-on-one assistance).
- Establish BEAT (Business Expansion & Attraction Team) contact systems where individuals stay in regular touch with businesses and property owners in identified blocks, shopping centers/areas and respond to their needs/opportunities.
- 'Package' the results of the retail market analysis to use in business development initiatives.
- Organize a Business Development Team with specific tasks, timelines, and accountabilities.

#### B. Promotion/Customer Attraction

GOAL: Increase Customer Traffic & Spending

- Develop targeted promotions and campaigns to: area workers, Hanover College students, local residents, and senior citizens. There are literally hundreds of examples of successful retail and public relations promotion campaigns that communities have implemented. Two excellent sources are: National Main Street Center and the Downtown Promotion Reporter, Alexander Communications Group.
- Build on existing promotion events/activities and make them community-wide (i.e., take the Old Fashioned Bargain Days Campaign beyond downtown Madison to all shopping districts).
- Develop a community retail promotion calendar that all commercial businesses will participate in.
- Promote One Stop Shopping, hometown customer service and keeping the dollars at home. As part of this, educate the community about the role of commercial (in supporting and attracting industrial) and the interdependence of all business within the community.
- To help bridge the divide between Hilltop and downtown shoppers, work hard to get Hilltop residents into downtown businesses during special events like Free Movie Night, Music in the Parks, etc. Pass out coupon books, offer discounts, something free, etc.

### C. Agri-Business Development

GOAL: Enhance the agricultural base and encourage farm diversification

- Host a conference on agri-tourism. The purpose is to exposure local farmers to the multitude of opportunities in this industry and to provide hands-on training and education to get them to take 'the next step.' Strive to create a Jefferson County agri-tourism marketing brochure within the next two years. Send a team of local representatives to national agri-tourism conference(s).
- Start an agri-business entrepreneurial group and/or marketing forum exclusively focused on farm operations seeking to diversify into 'new agriculture' venues.
- Form one or more business assistance/ advisory teams to assist entrepreneurial farmers in '*getting to the next level.*' These teams would be made up of a handful of diverse professionals who would 'go to the farm' to help assess opportunity, potential and the business plan for diversification. The USDA has funded rural business assistance programs in other locations and may provide seed money.
- Consider a purchasing cooperative (ex: farm supplies) to leverage and retain local spending power in Jefferson County.
- To continue to serve the needs and interests of the remaining Jefferson County farm community, also consider recruiting/opening a parts & service satellite from a neighboring equipment dealer to help keep the business local and convenient
- Conduct a local public relations campaign re: the benefits and contributions of Jefferson County agriculture. This may happen in the schools already, but what about among the adult population.
- Organize a 'Celebrate Jefferson County Farmers' Week or Harvest Festival. Include a series of demonstrations, farm tours, hayrides, barbeques and other special events throughout the week and throughout the county to involve the entire community.
- Organize a Jefferson County 'Save our Farmland' task force. Significant concern and interest exists among local residents to generate support for organized action. It's time to stop talking and start doing. The State of Indiana offers direct assistance through the Indiana Land Resources Council and should be tapped for support.

## D. Shopping District Strategies

GOAL: Encourage Each Shopping District to be as Successful as Possible

A critical component of successful retail development in each of the three retail centers (i.e., downtown Madison, Hanover and the Hilltop area) will be the creation of unified shopping districts with complementary businesses that benefit from each other's sales, customers and markets. The primary vehicle for developing unified groups of stores and businesses is clustering. Business clustering demonstrates how the location of businesses in a shopping district or center can create mutual advantages in terms of pedestrian flow and shared markets. All successful shopping centers utilize clustering techniques. Educating business owners, property owners and real estate professionals about the importance of using this management tool is critical.

Successful clustering is dependent upon having the appropriate mix of businesses in any cluster that will create market synergies and an uninterrupted grouping of businesses that draw customers to and through the entire cluster. A direct result of successful clustering is that it creates a critical mass of businesses that encourages customer traffic. When businesses are clustered together so that they enhance one another, the likelihood increases that customers will go to more than one business and spend more money by making multiple purchases. "One purchase leads to another" is a time-tested, fundamental principle of consumer behavior.

Although opportunities, issues and success tactics unique to each of three retail centers were identified earlier in this report, several specific strategies were discussed at the project wrap-up meeting with the Collaborative Marketing Project. These are outlined below to encourage deeper and broader thinking about 'what could be.' Many of these are not *directly* tied to enhancing the retail base, but can have a significant impact on the long term success of commercial development.

### Downtown Madison

- Market Position: *An Historic, riverfront mixed-used community with a variety of shopping, entertainment and housing options*

- Primary Target Markets: Local and trade area residents, tourists, employees and students
- Examples of target businesses:
  - Restaurants: steakhouse, fine dining, dinner theater, deli, café, seafood, bakery, bar & grille, coffee, desserts
  - Live music/theater (indoors & outdoors)
  - Fresh produce/outdoor market
  - Specialty sporting goods
  - Toys & hobbies
  - Apparel – affordable casual and business
  - Music store
  - Antiques/architectural antiques
  - Drug store
  - Home furnishings/housewares
- Key success factors:
  - Conduct a Parking Management Study to tackle this concern head on. In most instances, parking availability is not the actual issue, but rather, managing, enforcing, packaging and promoting available parking is the key.
  - Encourage upper story development (residential, in particular) by showcasing what has worked, targeting key properties for redevelopment, packaging special incentives if possible and promoting the opportunity to local and out of town developers.
  - Organize a Secret Shopper Program to encourage ‘tired’ downtown businesses to upgrade and improve. Another approach may be to conduct a seminar on ‘Selling your Business’ or ‘How to Develop an Exit Strategy.’

### Hilltop

- Market Position: *A regional shopping destination where national chains and local merchants satisfy shopper’s everyday needs*
- Primary Target Markets: Local residents, trade area residents and employees

- Examples of target businesses:
  - Restaurants: inexpensive lunch spots, deli, bar & grille, cafeteria, family
  - Personal services (dry cleaner/ laundry, day care, tailor/alterations)
  - Auto related
  - Home improvement
  - Home furnishings/housewares
  - Bookstore
  - Pet supplies
  - Gardening supplies
  - Affordable apparel & shoes
  - Computer training/repair
  - Appliances/appliance repair
  - Outdoor gear
  
- Key success factors:
  - The overall goals are to: make the Hilltop a unique shopping destination; create a friendlier, more attractive shopping strip; encourage safe pedestrian crossing and movement; increase the density of existing development and identify specific locations for new and infill commercial to locate.
  - Develop a corridor plan for the core commercial area of Clifty Drive. Create unifying visual elements that may include everything from signage and landscaping to consistent design codes, unique street lighting, underground utility wires, sidewalks in selected places and landscaping surface parking lots. The Indiana Department of Transportation likely has funds that could be tapped for such an initiative.
  - Look beyond strip development. Strip development is one-dimensional, encouraging customers to complete their tasks and leave as quickly as possible without any interaction with the community itself. Shopping centers that lack a sense of place, that fail to connect with other aspects of daily life and that do not to heighten the joy/experience of shopping, are ones that will loose in the long run.
  - Limiting the amount of land available/zoned for retail development will encourage development of underutilized commercial space and help define high-intensity commercial nodes with multiple uses – a higher quality environment. Consider rezoning land currently zoned for retail to accommodate low-intensity uses such as greenspace, recreational activities, outdoor market, cultural activities and civic uses to buffer more intense centers.

## Hanover

- Market Position: *Hometown shopping district catering to local residents, students and tourists*
- Primary Target Markets: Local residents, students, faculty pass-through
- Examples of target businesses:
  - Restaurants: family, bakery, deli, bar/ grille, home cooking, brew pub, coffee
  - Nightclub/bar
  - Drugstore
  - Shoe maker/repair
  - Gardening supplies
  - Dry cleaner/alterations
  - Community activities (concerts, theater, festivals, weekend market)
  - Day care
  - Attractive market/grocery
- Key success factors:
  - Develop a physical concept plan for the commercial area. This will help determine where future infill development will occur and the character and quality it will be. It should help establish where the town center and/or public plaza is and how it will develop. Design standards may be considered as part of this process. Encourage pedestrian-oriented shopping, particularly to get students downtown.
  - Consider redeveloping 'old town' Hanover into a small commercial center. The historic buildings have charm. Their proximity to the College make them ideal for businesses such as: coffee house, deli, music, convenience grocery, etc.
  - Host a 'Vision Hanover' community event – ice cream social, etc. Invite the entire community to share their desires and hopes for the future of this growing town.

## E. Organization/Management

GOAL: Ensure that the plan is carried out!

Organize a diverse group of stakeholders for each implementation team. Consider starting with three teams and growing to five or six over time. The team focus areas are:

- Retail Business Development
- Promotion
- Agri-Business
- Hilltop Redevelopment
- Vision Hanover
- Farmland Preservation

Develop an operational plan & establish *priorities* for each team. Have 'all team' meetings on a quarterly basis to share progress, ask for help/support and cheer each other on!