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# DOWNTOWN BELOIT ASSOCIATION DOWNTOWN BUSINESS SURVEY REPORT SUMMER 2014

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# I. Executive Summary

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Downtown Beloit is the home of over 160 businesses, big and small, with a variety of options such as boutiques, restaurants, salons, academics and bookstores. The Downtown Beloit Association (DBA) is committed to keep Beloit's Central Business District a lively and active part of the city. The purpose of this report is to create an idea and starting point for the DBA to analyze and further develop efforts to maintain the integrity of Downtown Beloit

In June and early July of 2014, the DBA interns designed and collected surveys through an online survey and in person. Eighty-eight responses were collected from various businesses in the downtown area. The aim of this survey was to collect general information about the businesses in the downtown Beloit district for the DBA to analyze and further develop plans to efficiently allocate its resources where it is needed.

Each of the eleven questions were grouped into one of three categories:

- I. **Economic Growth and Development Information** examines the type of business, years active as well as the number of employees hired in a company. It also looks at future plans of business and the number of vacant spaces in Downtown Beloit.
- II. **Issues Facing Businesses** examines challenges associated with each business such as parking, training and other issues.
- III. **Advertising and Promotional** examines various media in which respondents use to promote their business and willingness to participate in marketing and promotional campaigns and events such as "First Fridays".

## II. Economic Growth and Development Information

The economic growth and development questions aim to determine the years active and number of employees in each business as well as vacant spaces for possible development. This report will also display a comparative analysis of responses collected from patrons of the farmers' market.

Appendix B shows a breakdown of the type of business, years active, number of employees, vacant spaces and future plan of respondents. There are currently around 160 businesses in Downtown Beloit. Eighty-eight of these responded to the survey recently conducted. Figure A shows that of those 88 respondents, 77% are in the service sector while 35% responded to being in the shopping sector. Table 1 shows the total numbers of years each business has been active as well as the number of years they have spent at their current location. According to the table, less than 22% of businesses have been active for more than 50 years in total and only 3% responded being active in their current location for more than 50 years. On the other hand, 32% of respondents reported that they have been in business for no more than 10 years and 51% reported that they have been at their current location for no more than 10 years. This data suggest that there are numerous businesses in the Downtown Beloit area that are new or just new to the district which could greatly benefit from the help and resources of the DBA. Additionally, according to the data collected, there are 2,113 people employed in the downtown district with an average of 21 full time workers per business. Figure 2 and 3 show that 67% of business employ no more than 5 full time workers while 72% employ no more than 5 part time workers suggesting that the majority of the businesses in Downtown Beloit are small businesses.

Of the total respondents, 50 (57%) businesses reported to having no plans to expand, add business lines or sell the business in the next five years while 20 (22%) businesses said that they were planning on expanding or adding more products. Additionally, four businesses reported that they were planning on selling in the next few years. The survey also captured how many vacant spaces there were in various buildings. Figure 3 shows that

there are 16 (18%) businesses with a vacant upper floor. With this information, the DBA can anticipate future businesses or tenants to occupy these empty spaces.

### III. Issues Facing Businesses

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The survey questions regarding issues facing businesses aim to determine what changes might support further business developments in the downtown district.

#### Parking issues

The downtown district sees an especially high concentration of businesses, and between employees and customers, there is a high level of traffic in the area. For this reason we included a question about parking in the survey. We asked where employees parked, where customers parked, and if there were any specific challenges related to parking. Because this question was responded to with answers other than 'yes' or 'no', we analyzed the results by breaking the responses down into two sections.

The first section is parking location, which we simply organized by 'street', 'parking lot', and 'both'. We found that the number businesses that use street parking is nearly equal to those that use parking lots (fifty-six and fifty-five, respectively). Twenty-eight businesses make use of both street and lot parking, which means that about one third of business use only street parking and another third use only parking lots. Five respondents did not mention any parking locations. These same five said they have no challenges related to parking.

The second section is what issues were specified by respondents. Twenty-seven respondents mentioned challenges related to parking. The majority (sixteen respondents) simply said there were not enough spaces, and that customers especially were challenged during the day. Six respondents included parking time limits as a problem. Both customers and employees are challenged by the time limits, and several respondents said their employees and customers were receiving parking tickets. Parking time limits interfere with business services, like classes, and with the work of employees as they have to move their cars frequently during the day to avoid being ticketed. Three respondents said they compete with events (like weddings, funerals, other church services) and other nearby businesses for parking. Another

three respondents mentioned the Farmer's Market as a parking challenge, and one respondent included winter parking and snow as a seasonal problem. To alleviate problems with parking in the downtown area, two possible solutions were mentioned by respondents: a parking ramp and extending time limits.

#### Training needed and other issues facing businesses

Question number nine in the survey was presented as an open-ended prompt, which led to a variety of answers. These answers were broken down into five general categories: none, marketing, training needed, not enough staff, and other (see Figure 3). Respondents who answered "no", "n/a" or otherwise were counted as not in need of training, etc. Respondents expressing interest in increasing foot traffic, word-of-mouth promotion, networking, signage and social media were grouped together as "marketing". Respondents looking to hire for a specific position as well as hiring in general were grouped together as not having enough staff and looking hire additional employees. Figure 4 shows the "other" section as including seven miscellaneous answers given by nine respondents.

## IV. Promotion and Marketing

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### Online promotion

Belmark Associates' 2013 survey found only 45% of 53 respondents use "non-traditional or new media" advertising. Our survey specifically asked about online promotion, finding almost 90% of our 88 respondents use some sort of online promotion. Of this, the two largest online, promotional platforms are independent websites (68%) and Facebook (61%). Further research on these businesses' online platforms should determine whether they merely provide web-presence or are actively used for promotion and marketing (see Figure 1).

### Façade and sign grants

While the Main Street Four-Point Approach would classify this under "Design" rather than "Promotion," we see exterior appeal as a crucial element of a business's marketable image, particularly in a small downtown area catering to street traffic. Question 12 asked businesses if they wanted the DBA's help securing façade or sign grants. From our respondent pool, 20 businesses requested assistance, 8 expressed potential interest, and 3 requested more information. The overwhelming interest our survey found in this opportunity may indicate that a significant portion of these businesses were previously unaware such an opportunity exists.

### Interest in Collaborative Marketing

Question 13 gauged interest in participating in collaborative marketing efforts. Responses are categorized and listed in Table 2. Then, Response groups "Yes," and "No" are each broken down by business type, using results from question 3. Of 88 businesses surveyed, 37 (42%) fell into the "Yes" response category and another 17 (19%) into "Maybe." While these results may not show overwhelming interest on behalf of businesses to participate in collaborative marketing efforts, they indicate that a significant number of businesses are interested.

Shockingly, 100% of responses in the “No” category came from businesses classifying themselves as service, although an equal number (27) of service businesses responded yes and no, and the largest number of “Maybe” responses (10) came from service businesses. The lack of collaborative marketing in the service sector may be due to the fact that a large number of these businesses do not serve the general public and function merely as office spaces. Further research should classify these businesses separately.

# V. Conclusion and Recommendations

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This survey successfully collected basic information on over half of the business in the Business Improvement District (BID) as well as information regarding future development and current issues in the district. As stated before, the majority of the businesses in the downtown district are small and fairly new. In the process of conducting this survey, several new businesses were found that were unknown to the DBA, and can now benefit from the work of the DBA. Thirty-one businesses expressed interest in the sign and façade grant program. The DBA learned that while parking is not a widespread problem, it has a profound effect on the businesses who do struggle with it. As a result of this survey's discoveries, the DBA can now further develop plans to efficiently allocate its resources to benefit the small business owners, many employees, and patrons downtown Beloit.

## Recommendations

### Economic Growth and Development

- 16 businesses reported to having vacant space in their upper floors which can be use to occupy more dining and shopping stores.

### Issues Facing Businesses

- The survey's results suggest that hourly parking limits be raised to alleviate ticketing and stress related to parking.
- The DBA can boost traffic to new businesses in the district by prioritizing sign grants and social media promotion for these new businesses.
- The DBA could partner with businesses looking to hire for specific skill-sets, so that the businesses can take advantage of the DBA's wide networking power.

### Promotion and Marketing

- With a majority of businesses reporting they are promoted online, including 61% reporting Facebook promotion, it seems they are catching on to web-based marketing. Businesses should continue to be encouraged to expand online:

- More internet/social media platforms mean reaching a wider audience. Many platforms like Facebook, Twitter, and Instagram can be easily synced so anything posted on one platform is posted on the other platforms.
- Advertisements on social media websites like Facebook are relatively inexpensive and are the best at reaching target demographics with factors including geographic location, age, and interests.
- Given significant interest in collaborative marketing, the DBA should facilitate some of these efforts as well as encourage businesses to take their own initiative.
  - Businesses in the district should be provided the list of other businesses interested in collective marketing, so that these collaborations can be taken on independently from the DBA. This is even likely to raise the interest of those businesses who were not interested at the time of the survey.

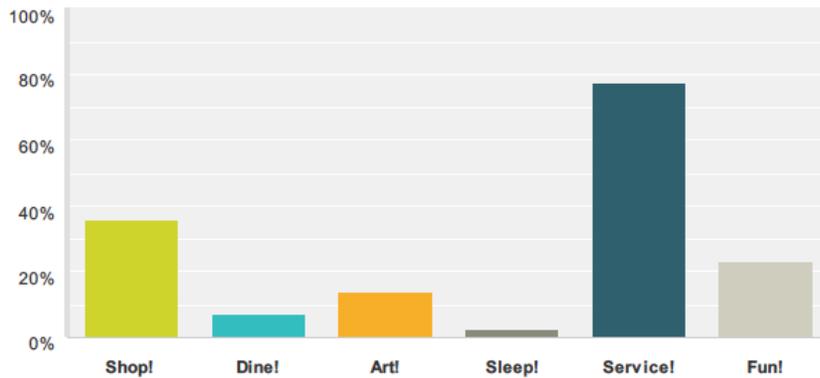
# Appendix A: Question Bank

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1. Years in Business
  - a. Total
  - b. In Current Location
2. Type of Business
3. How many employees currently work for your company?
  - a. Full Time
  - b. Part Time
4. Where do employees park, where do customers park, and are there any specific challenges related to parking?
5. Training needed/ wanted/ issues facing your business
6. Is your business promoted on any website(s) or social media outlet(s)?
7. Do you plan to expand, add business lines, or sell business in the next five years?
8. Would you like assistance securing facade or sign grants
9. Would you consider participating in a collaborative marketing campaign, magazines, or commercials?
10. Is your upper floor vacant?
11. The Downtown Beloit Association has a goal of stimulation evening business and would like to begin a monthly event called "First Fridays". On the first of Friday of every month, we would like as many businesses as possible to remain open until 9:00 pm. The Beloit Fine Arts Incubator has already seen success hosting an artist reception every first Friday. Participating businesses will be included in a joint marketing campaign organized by the Downtown Beloit Association. Below please reflect on this idea and your business's willingness to participate in "First Fridays".

# Appendix B: Economic Growth and Development

Figure 1: Type of Business



| Answer Choices               | Responses |    |
|------------------------------|-----------|----|
| Shop!                        | 35.23%    | 31 |
| Dine!                        | 6.82%     | 6  |
| Art!                         | 13.64%    | 12 |
| Sleep!                       | 2.27%     | 2  |
| Service!                     | 77.27%    | 68 |
| Fun!                         | 22.73%    | 20 |
| <b>Total Respondents: 88</b> |           |    |

Table 1: Years in Business

| Years in Business   | 0-10     | 11- 25   | 26-50    | 51-99    | 100+   |
|---------------------|----------|----------|----------|----------|--------|
| Total               | 28 (32%) | 20 (22%) | 18 (20%) | 13 (15%) | 6 (7%) |
| In Current Location | 45 (51%) | 22 (25%) | 8 (9%)   | 3 (3%)   | 0 (0%) |

Table 2: Number of Employees

| Number of Workers | 0-5 | 6- 15 | 16-25 | 26-49 | 50+ | N/A | # of Respondents | Total |
|-------------------|-----|-------|-------|-------|-----|-----|------------------|-------|
| Full Time         | 59  | 13    | 0     | 5     | 9   | 2   | 86               | 1,772 |
| Part Time         | 60  | 8     | 2     | 2     | 1   | 10  | 78               | 341   |

Figure 2:

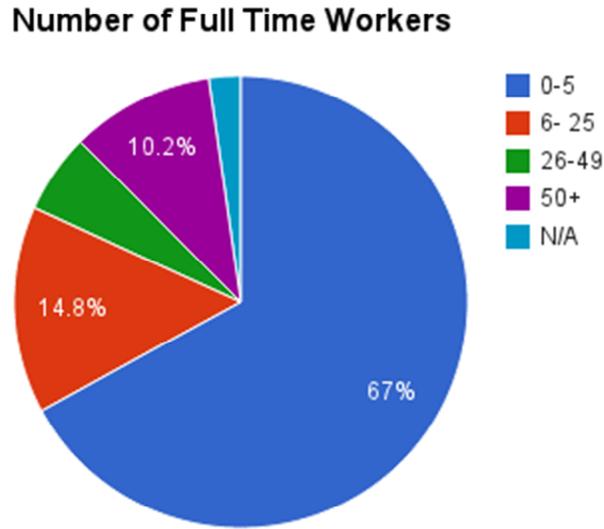


Figure 3:

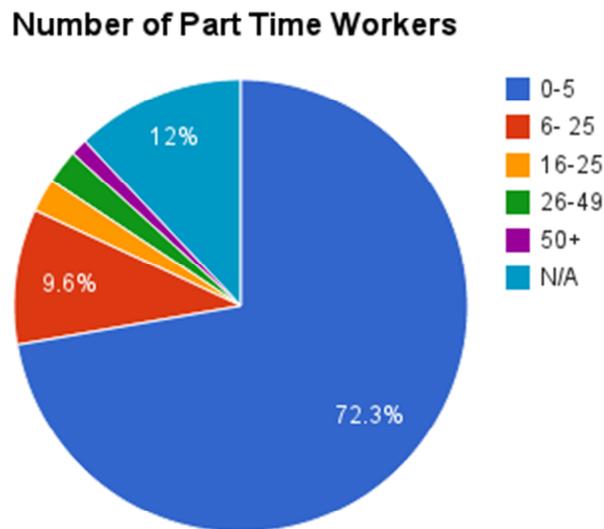


Figure 4:

**Businesses planning to expand, add business lines or sell**

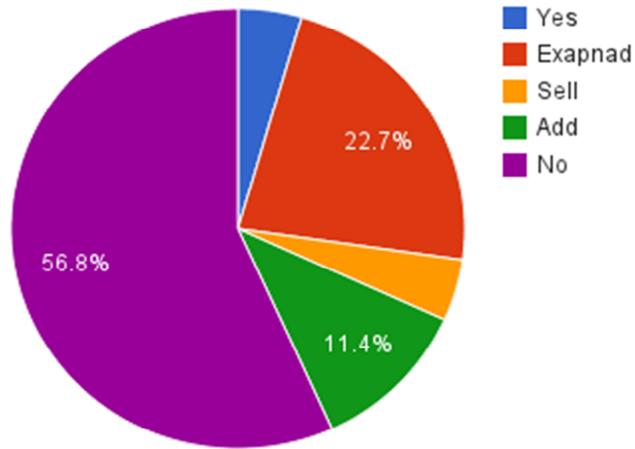
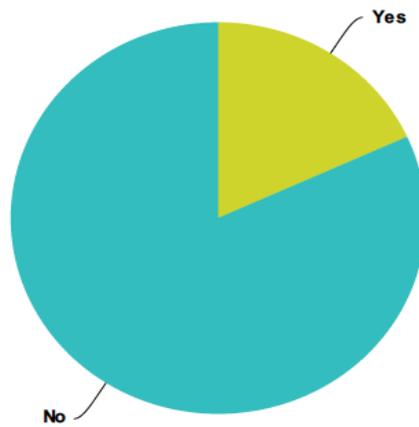


Figure 5:

**Q14 Is your upper floor vacant?**

Answered: 88 Skipped: 0



| Answer Choices | Responses | Count     |
|----------------|-----------|-----------|
| Yes            | 18.18%    | 16        |
| No             | 81.82%    | 72        |
| <b>Total</b>   |           | <b>88</b> |

# Appendix C: Issues Facing Businesses

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Figure 1:



Figure 2:

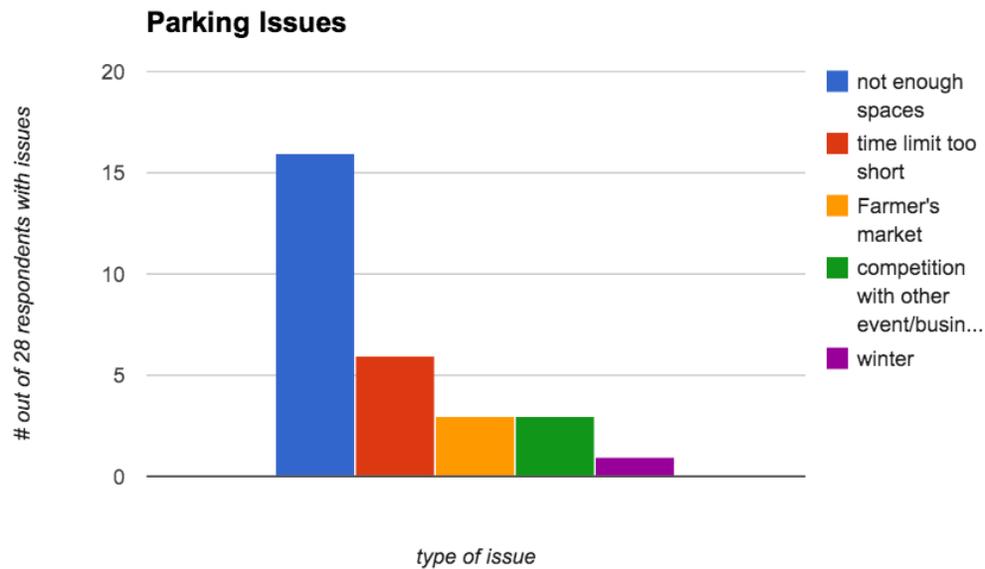


Figure 3:

### Training needed and other issues

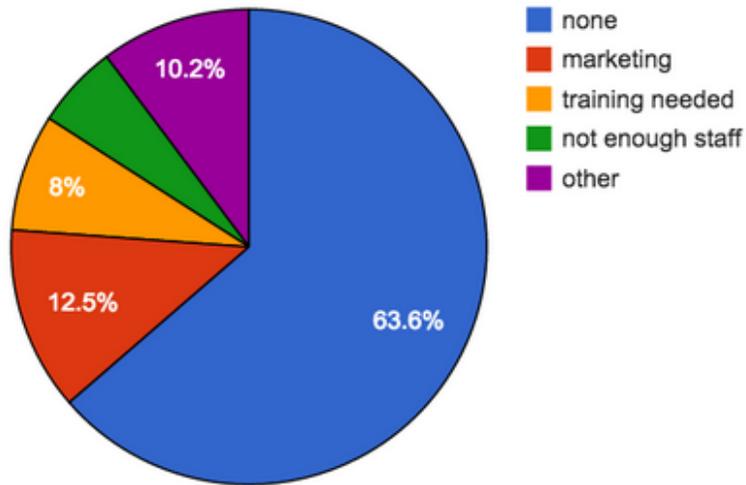
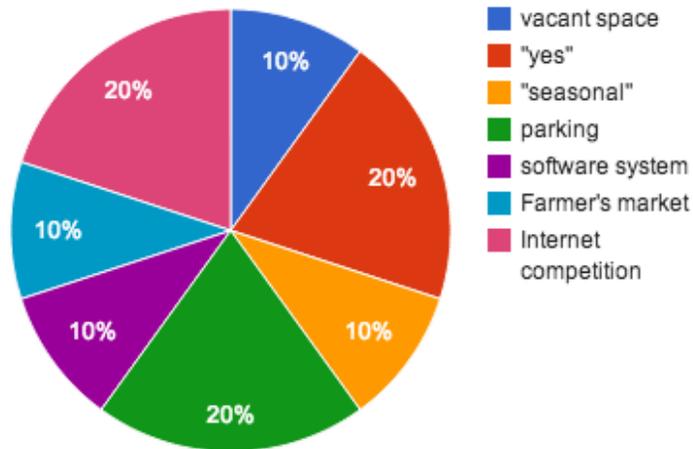


Figure 4:

### Other issues



# Appendix D: Promotion and Marketing

Figure 1: Online Promotion

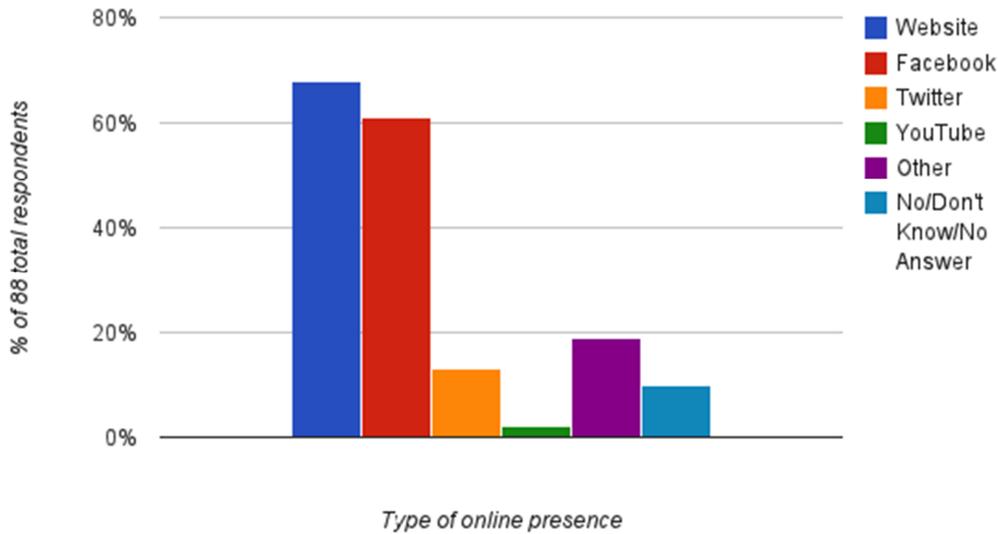


Table 1:

| Requested grant assistance - 20  | Potentially interested in grant assistance - 8   |
|--|--|
| Acculynx<br>Beloit Bicycle Company<br>Beloit College (president specifically requested for CELEB)<br>Beloit Family Eye Care<br>Beloit Fine Arts Incubator<br>Beloit International Film Festival<br>Center for Entrepreneurship in the Liberal Education at Beloit (CELEB)<br>Edward Jones Investments (Strong building)<br>Hansen-Gravitt Funeral Home<br>House of Lexx Tattoos<br>Jagger Bay Properties*<br>Jagger Bay Tanning Co.*<br>Novedades Castillo<br>Pure Gravity Fitness<br>Rising Stars<br>Rivals Sports Bar & Grill<br>Stainless Tank and Equipment<br>Suds O'Hanahan's<br>Tin Dog Records<br>WM Day Spa | The Brass Rail<br>Bryden Motors<br>Century 21 Affiliated Beloit<br>College Inn Apartments<br>Nest Egg Gifts & Home Décor*<br>Pizzazz<br>Totally Tan of Beloit, LLC<br>United Country Beloit Auction & Realty Inc.* |
|  | Requested more information - 3   |
|  | Beloit Regional Hospice<br>Rock River Philharmonic<br>The Salvation Army   |

Figure 2: Collaborative Marketing Interest

**Q: would you consider participating in a collaborative marketing campaign, magazines, or commercials?**

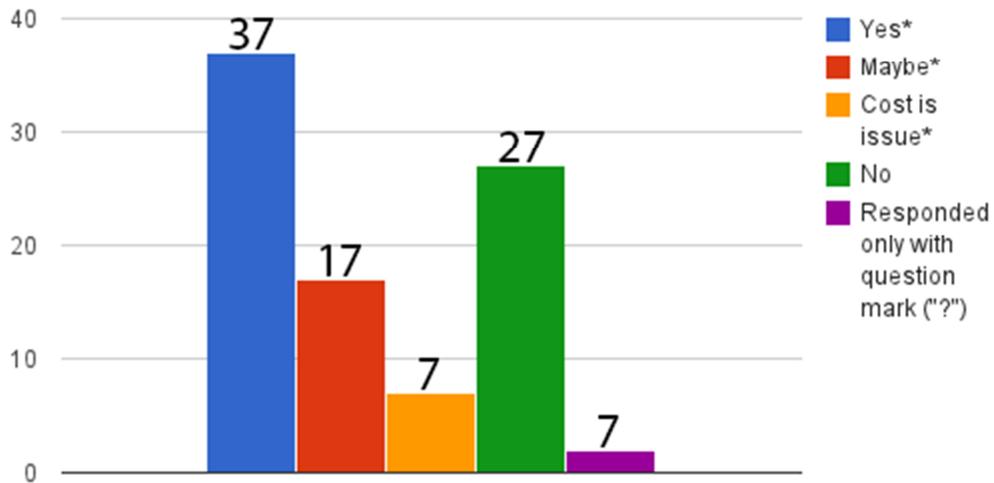


Figure 3: Collaborative Marketing Interest Breakdown- “Yes”

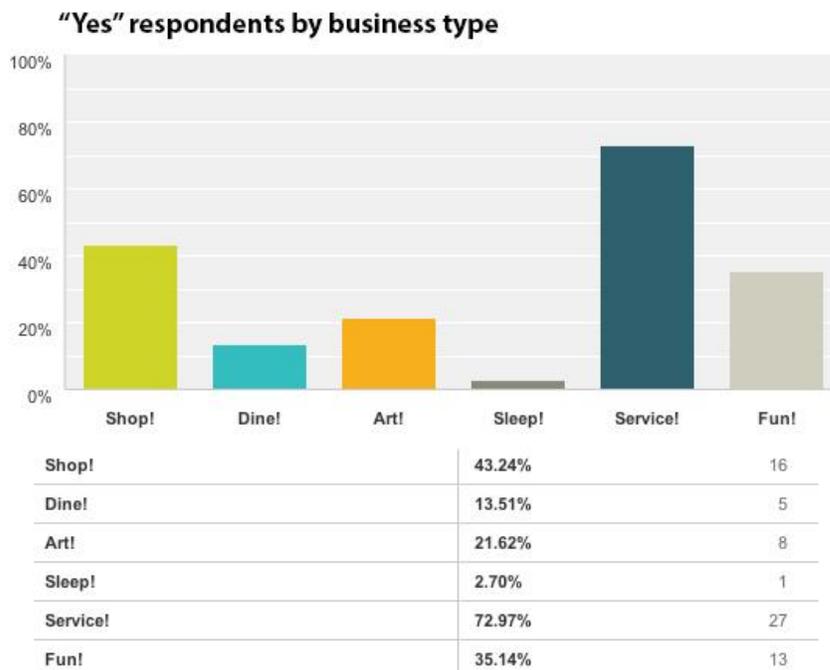


Figure 4: Collaborative Marketing Interest Breakdown- “No”

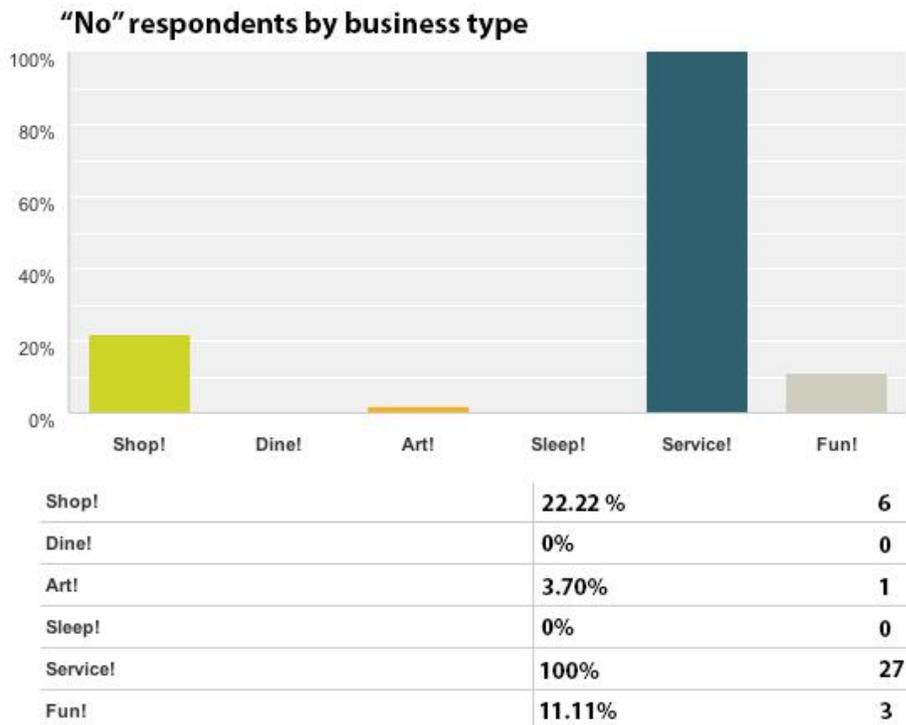


Figure 5: Collaborative Marketing Interest Breakdown- “Maybe”

