

DOWNTOWN BELOIT ASSOCIATION BUSINESS DEVELOPMENT SURVEY REPORT 2017

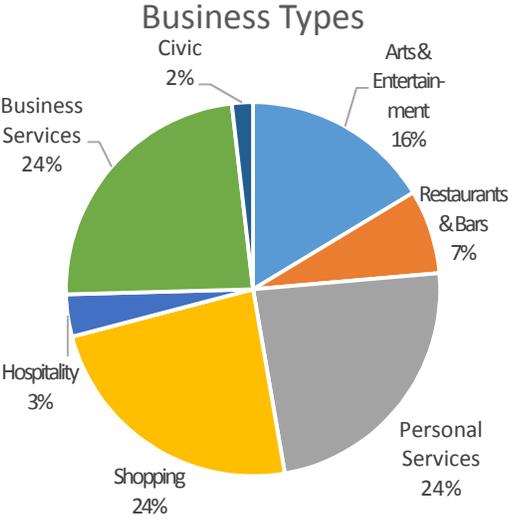


Surveys compiled by the Economic Vitality Committee and Staff of the Downtown Beloit Association.

Report compiled by Errin Welty, Downtown Development Account Manager, WEDC

In order to identify economic trends and better serve downtown businesses and property owners, the Downtown Beloit Association conducts an annual business survey. In 2017, the survey generated 42 responses, or 25 percent of businesses responding. Although the percentage of businesses responding was slightly lower than last year, responses still represent a large share of workers, with 996 full-time and 288 part-time employees represented.

Similarly, 2017 respondents represent a diverse group of business types, as shown in the graph at right. This is fairly representative of the business mix, although shopping and personal services are slightly over-represented. On average, businesses have been in existence for 36 years, and in downtown for 31. However, this number is skewed by several long-standing downtown businesses, as 21 percent have been in business for 5 years or less, and 12 percent for 6-10 years.



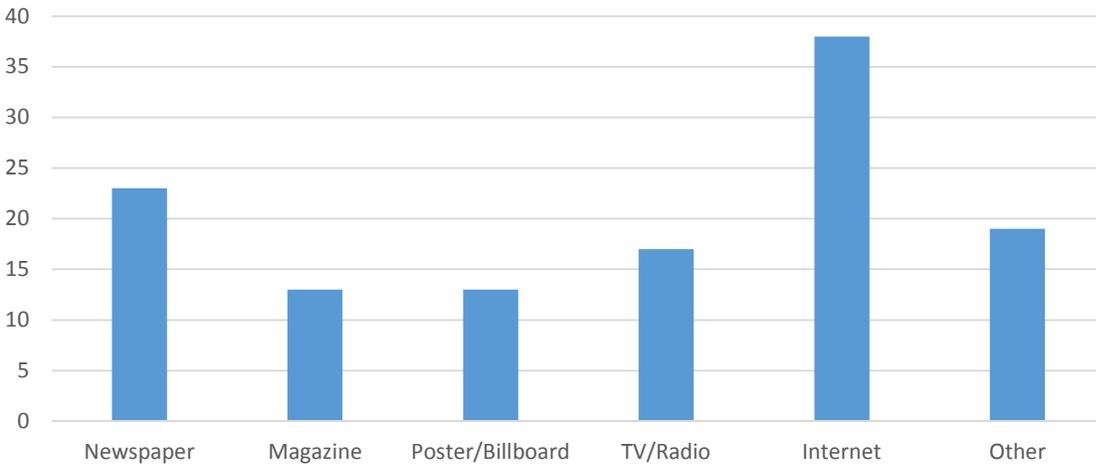
In addition to the size, type and longevity of business, respondents were also asked to provide their business hours. As an increasingly popular weekend or business travel destination, providing sufficient dining and shopping activities for visitors is important. The following table indicates the number and type of businesses which are open during critical non-weekday periods. Note that categories were determined based on the primary segment selected, as businesses could select more than one category.

	Open after 6 pm	Open Saturday	Open Sunday
All Businesses	9 (21%)	19 (45%)	4 (10%)
Personal Services	33%	50%	8%
Dining	100%	100%	100%
Shopping	25%	88%	0

Marketing is a common topic of conversation for downtown businesses. Currently, businesses use a wide variety of mediums to promote themselves. The most referenced marketing tools, along with the number of businesses reportedly utilizing each, is illustrated in the graph below. Responses in the 'other' category includes primarily direct mail and email newsletters, word of mouth and customer referrals.

Social media is broken out into several categories due to the large number of users and changing face of the medium. This segment has continued to increase for the third year in a row, with the number of businesses utilizing Facebook rising from 53 percent in 2015 to 78 percent in 2016 and 83 percent this year. Other platforms such as Twitter and Instagram also gained popularity, rising from 10 and 8 percent use in 2016 to 21 percent each today. A select few businesses also indicated that they are using YouTube, LinkedIn, Pinterest or Snapchat, but these numbers have not increased. While newer businesses dominated the alternative social media space in previous years, businesses of all ages and types are adopting additional platforms if it makes sense for their business.

Marketing Tools Utilized



As opposed to last year where there was a fairly consistent issue of workforce recruitment as a primary challenge, this year's respondents offered a more diverse array of challenges. While workforce recruitment was still a challenge for 19 percent of businesses, parking also was reported by 18 percent, and marketing by 12 percent. Other common issues mentioned include financing and logistics of property improvements or addressing expansion needs, concerns about safety and cleanliness, and the ability to generate additional sales and local awareness. This is comparable with prior years, where parking was mentioned by 17-20 percent of businesses in each of the past two years, and marketing has also consistently been a top concern.

Looking to the future, businesses continued to have a positive outlook, with more than half anticipating positive sales or other growth. Three envision adding additional locations as a result, while 5 anticipate expansion of products or services, and one plans a physical expansion. Several also plan to remodel or renovate their spaces. A growing number are looking to sell or retire in the next five years (4 businesses). Not surprising based on business growth, just shy of one-third (31%) would be interested in applying for a façade or sign grant in the near future.

Exactly half of respondent businesses indicated that they have previously attended a DBA meeting. Topics of interest for those that currently attend meetings include murals, labor laws, public safety issues (including police updates, conceal and carry laws, etc), parking, marketing/advertising, and succession planning. Many also indicated they do not know what is currently discussed. When asked what training they would be interested in receiving from DBA, marketing and customer service were mentioned by 18 percent of businesses, while legal/HR information was identified as a need by 10 percent. Other suggested topics included self defense and downtown/Beloit awareness.

Although there is limited first floor vacancy, respondents identified several business types that they felt would complement the downtown business mix when spaces are available, including specialty shops, men's clothing, additional lodging, family friendly shops (including toys) and recreation (splash pad or arcade), a kitchen store, wine bar, a greasy spoon diner, places offering classes (cooking, arts) and a hookah bar. Given the limited first floor vacancy downtown, increasing upper floor utilization is one way to provide expansion opportunities for businesses downtown, and/or to increase local customer traffic.

However, the DBA and the City have been successful in working with property owners to reduce these vacancies, with only three businesses this year indicating that they have a vacant upper floor, and only two are partly used for storage, with the rest fully occupied by commercial or residential tenants.