

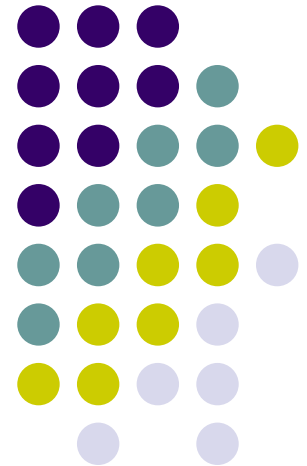
Niche Revitalization Strategies

N. David Milder
DANTH, Inc.

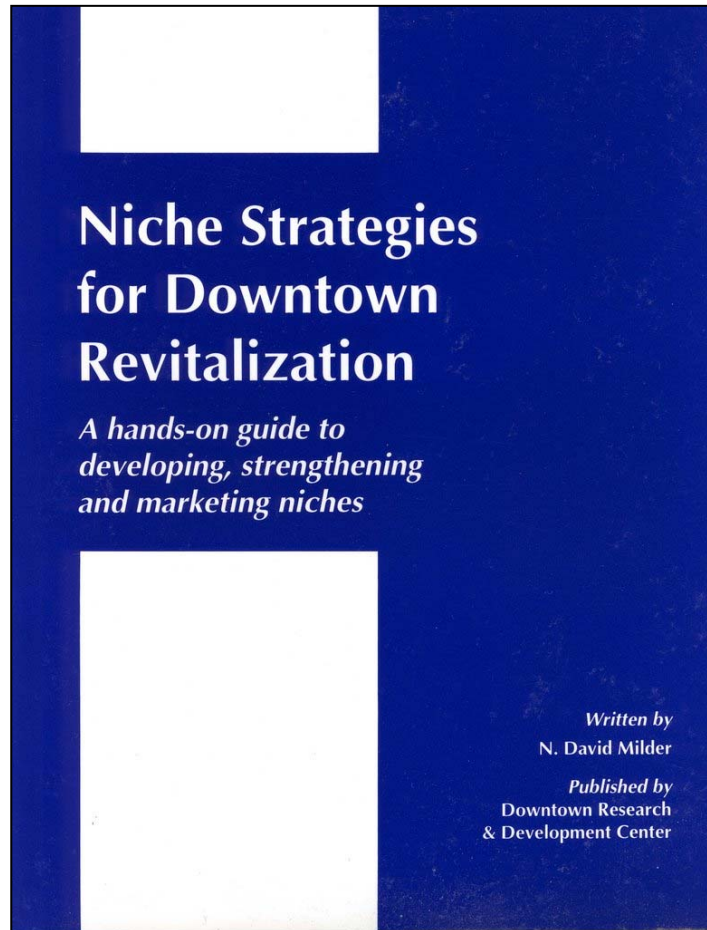
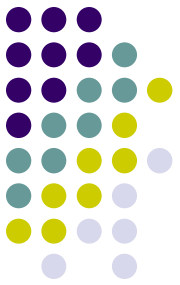
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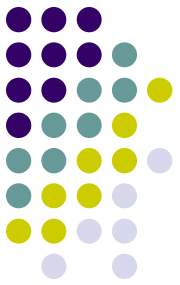
www.danth.com

danthinc@yahoo.com



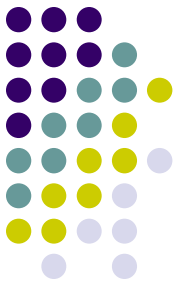
This presentation expands upon...





Some key concepts

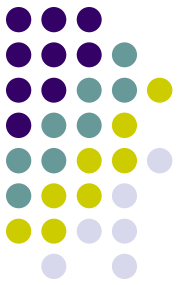
- Niches represent economic specialization, which generates **STRENGTH**
- They provide great choice within a limited range of goods and services PLUS 1 or 2 kinds of locational convenience
- Existing niches are defined, in part, by existing shops
 - they may offer diverse goods to specific market segments,
 - or they may offer a family of related goods and services
- Potential niches – defined by market segments
- Niches are marketing and recruitment tools



Some key concepts (cont'd)

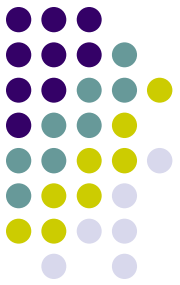
- Niches are “fungible,” not written in concrete
- Each retailer can belong to more than one niche
- Under niche strategies, unbalanced retail mixes are good!!!!
- Niches, functionally, can act as destinations and specialized shopping centers
- Niches can be “layered”

Finding Potential Niches



- Gap Analysis
 - often methodologically problematical
 - requires innovative methods and rigorous reasoning
 - also, surpluses often indicate strong, expandable niches!
- Consumer “under service” analysis
 - simplest and most accurate
 - but, survey research has become less reliable
- Knowing the customer base using lifestyle data
- Comparing your commercial center to others
- Knowing major socio-economic behavioral trends
- There are limits to how much market research can help because the niche marketing concept is critical

Gap Analysis Example: 15 min trade area, Meredith, NH, Motor Vehicles



INDUSTRY	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Firms
<u>NAICS</u>				
441: Motor Vehicle & Parts Dealers	\$33,641,394	\$53,476,368	22.8	27
4411: Automobile Dealers	\$17,355,056	\$43,965,609	43.4	9
4412: Other Motor Vehicle Dealers	\$15,250,035	\$6,422,031	-40.7	16
4413: Auto Parts, Accessories, and Tire Stores	\$1,036,303	\$3,088,728	49.8	2

Data source: ESRI

Carlisle, PA: Underserved Shoppers (1997)

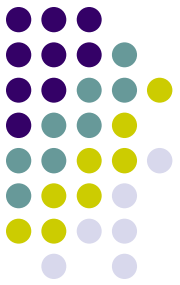


Table 21. How Many Shoppers Feel Underserved* By Stores Selling Various Types of Merchandise						
Stores Selling	All	Core	Men	Women	Have Kids	50K+
Shirts or blouses	32%	33%(39%W)	23%	35%	35%	32%
Suits or dresses	43%	45%(48%W)	33%	43%	46%	45%
Jeans and Khakis	23%	31%	21%	24%	28%	27%
Children's Clothing	21%	23%	18%	22%	34%	28%
Women's shoes	31%	(39%W)		37%	36%	34%
Major appliances	19%	25%(30%W)	13%	21%	24%	17%
Furniture	33%	38%	31%	35%	45%	47%
Major electronic equip	23%	29%	21%	23%	29%	24%
China, pots, housewares	29%	27%	28%	30%	40%	41%
Records, tapes, CDs	16%	19%	14%	17%	20%	13%
Books	18%	24%	17%	19%	22%	16%
Sports equip & Cloth	26%	34%	26%	28%	32%	27%
Gourmet foods	41%	41%	43%	41%	53%	57%
Source: DANTH 1997 Trade Area Telephone Survey. N=600						
indicates the most underserved merchandise categories in each column						
*Felt stores selling the specific type of merchandise were "bad" or "fair." W=women						

Lifestyle Analysis

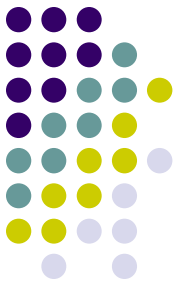


Table . MPI Scores of 2nd Home Owners, Hotel Guests and Residential Tapestry Segments						
Product, Service or Activity	Market Segments					
	2nd home owners	hotel guests	31 Rural resort dwell	33 Midlife junction	24 Main St	17 Green acres
Bought book in last 12 months	123	119	100	96	103	108
<u>Apparel:</u>						
Bought men's casual slacks	139	133	81	106	90	126
Bought men's necktie	148	141	96	98	107	113
Bought women's casual slacks last 12 months	132	128	108	124	99	134
Bought women's suit in last 12 months	126	118	81	105	61	94
Bought women's dress in last 12 months	108	106	110	94	86	100
Bought athletic apparel in last 12 months	146	136	53	99	99	93

Data source: ESRI

The Problems of Potential Niches



- They are potential niches, not real niches
- THE REAL NICHES HAVE TO BE CREATED, often from scratch!
- To turn potential niches into real niches you also need:
 - appropriate commercial spaces, security and parking
 - savvy entrepreneurs with capital
 - a viable marketing concept!



Finding Existing Niches

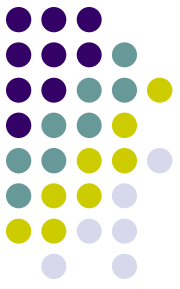
- LOOK AT and ANALYZE the current inventory of business establishments and activity centers
- Look beyond standard categories, such as those provided by NAICS or the Yellow Pages
- Look for a commonality that can be easily marketed and that represents strength of choice and locational convenience



Finding Existing Niches cont'd

- Most powerful definitions of existing niches are “synthetic”:
 - Wedding Niche
 - Home and Hearth Niche
 - Entertainment
- A good starting point is to ask: “Given the huge time pressures felt by today’s consumers, how can the shops we have make life easier for them?”

Existing Niches: Advantages and Problems



Advantages

- You can start to work immediately with existing niches
- Existing niches are assets that can be grown through marketing and recruitment
- They can project strength and help build a positive image

Disadvantages

- They may have reached their growth potentials, “topped out” – (doesn’t happen that often)
- Locals may complain about limited retail offerings

Some “Topped Out” Niches...



- “Little India,” E.6th Street, NYC
 - over 30 restaurants
 - all from same Bangladesh village
 - many owned by same extended family
 - “humorous” rumor of all using same underground kitchen
 - now reinventing itself
- Ridgewood, NJ
 - over 35 eateries
 - more want to come in
 - local leaders fear loss of key retail locations and reduced variety
- Bowery Lighting Niche, NYC
 - Population growth and redevelopment
 - Higher rents, fewer spaces



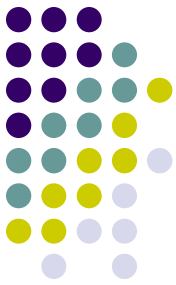
“Little India” -- NYC

V I Pts



- **IT IS USUALLY EASIER TO GROW AN EXISTING NICHE THAN TO CREATE A NEW NICHE FROM SCRATCH!!!!**
- **MANY DOWNTOWNS DON'T REALIZE THAT THEY HAVE STRONG NICHES!**

Niche Editorial Marketing (PR)



Bayonne Town Center is a hot spot for kids this summer!

Like most parents with school-aged kids, Nuala is always looking for ways to amuse her children on these dog days of summer. On many afternoons you'll find her and Meghan, 6, and Brian, 8, strolling along Broadway — also known as Kids' Row in Bayonne Town Center — enjoying the atmosphere.

"We're so fortunate to have Bayonne Town Center nearby," she says. "It's like Main Street in a small town. We bump into lots of friends they know from school and we know all of the people working in the stores. That's important when you're a kid."

If you ask Meghan about her favorite place to visit on a hot summer afternoon, she'll immediately point to Carvel, a Broadway mainstay for more than 32 years.

"I like getting an ice cream cone with rainbow sprinkles," she giggles one recent day outside Carvel. "Ice cream is my all-time favorite food. I wish I could eat it every day."

For her brother, Brian, a lunchtime trip to McDonald's is always a treat. After wolfing down his favorite kids' meal — chicken McNuggets, fries and a soda — he takes off to the indoor Playland, where he climbs and plays with friends both old and new.

"The McDonald's Playland is a God-send, especially on rainy days when you don't know what to do with the kids," says Nuala. "Besides getting a meal they like, they can burn off a lot of energy running and climbing. And it's always a plus when they get to play with other kids."

Bayonne Town Center's commitment to families is evident in the many activities the center's management corporation sponsors for kids year-round.

During the holiday season children delight in the tree lighting ceremony, when Santa Claus makes his dramatic entrance atop a hook and ladder truck and distributes candy canes to all of the kids. A few days later Santa is back at McDonald's to share breakfast with Bayonne children. And of course, the whole family can enjoy the horse and buggy rides over the holidays.

"We're dedicated to providing something for everyone at Bayonne Town Center," said David Milder, the center's economic development consultant. "Even the smallest shopper will find something to amuse and delight."

In addition to McDonald's and Carvel, chain stores such as Joyce Leslie, Marty's, Foot Locker,

Athlete's Foot, Subway, Mande and The Avenue abound in the center to please people of all ages.

Flexing Muscles and Creative Skills

At Bayonne Town Center, there are plenty of outlets for kids to exercise both their bodies and their minds.

Through classes at Bayonne Professional School, kids benefit from a wide variety of classes including tap, ballet and a full repertoire of other programs.

For the more sports-minded, check out Bayonne Karate for Kids, a family-owned business offering martial arts for all ages, from newcomers to black belts. There is also Sony's Taekwondo, Inc., another martial arts school offering classes for both children and adults.

A mainstay on Broadway for years, Eddy's Cycle City has provided many Bayonne youngsters with their first set of wheels. The shop features a full line of children's bikes, as well as bikes and mountain bikes for adults, accessories and services.

"I get a kick out of dealing with kids," says store owner Stephen Beckman. "Picking out a first bike is always a very special day. Kids are very particular about what they want. They have a lot of pride in that first bike. It always gives me a real charge when they drive by the shop on their new bike later and wave."



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BAYONNE TOWN CENTER

Mr. Beckman says former customers, now all grown up, are bringing their kids to his shop for their first bikes. "I can still remember the moms and dads as kids coming here to buy bikes or pick out a license plate or horn," he smiles. "Now we're into the next generation. It's really special."



In addition to more physical activities, Kids' Row offers opportunities for children to find a new hobby or polish a skill they've been developing.

Score Learning Center is an interactive educational hot-spot where children take part in "learning workouts" directed by full-time academic teachers. Through individual instruction, kids build both academic skills and self-confidence.

For the artistic set, check out The Studio Window, a new shop providing a full schedule of art classes for youngsters of all ages.

Shopping for the Small Set

Kids' Row has been carefully designed to offer a wide range of stores with everything from kids' apparel to video games.

Top-notch children's clothing can be found at Different Strokes for Little Folks, which features one-of-a-kind casual and formal wear for kids. Nearby, Sasson's Youthworld has also been a Bayonne mainstay for generations, with stylish clothing at affordable prices.

When back-to-school time rolls around, Bayonne parents turn to Irwin's Discount Department Store. The self-proclaimed "Back to

Small-pipe Cyberdistrict Springing up in Bayonne
Most people know Bayonne Town Center for its wide variety of shops, restaurants and family activities.

But the center is also developing a following as a small-pipe cyberdistrict, with small businesses flocking to Bayonne for reasonably-priced office space and access to broadband telecommunications.

In Bayonne, these companies have been quietly filling office space on Broadway between 27th and 30th streets, as well as north to 33rd Street.

These value office spaces cost roughly \$16 per square foot and provide comfortable, if not luxurious, physical conditions.

The firms, which usually have between one and five employees, hunt for good value, as well as amenities

for employees such as great restaurants and drinking establishments, low crime, reasonably-priced housing and a strong transportation network.

"Many of these businesses are locating along Broadway in second story spaces above storefronts," notes David Milder, the center's economic development consultant. "With ample access to parking and Bayonne's three light rail stations, Bayonne is an attractive destination for these companies."

Parking is available in 10 nearby municipal lots, with permits costing a minimal amount per employee per year.

The new Light Rail stations at 22nd, 34th and 45th streets connect Bayonne with major office centers in Jersey City, Hoboken and Manhattan,

Verizon Cablevision W-Fi Technology DSL Networking Cafe

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Home & Hearth Ad Template



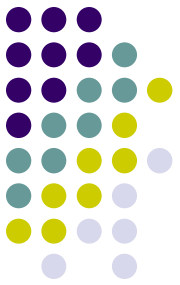
	<p>Shop in the Bayonne Town Center. Make your home more attractive, comfortable and entertaining without fighting traffic or wasting time, money and gasoline. Your Town Center's Home and Hearth Shops are less than 10 minutes away, have plenty of parking and offer a wide selection of paints, carpets, furniture, home appliances, home electronics, videos, etc. Shop the friendly Home and Hearth Shops in Your Town Center.</p> <h2>Home & Hearth</h2> <p>Bayonne Town Center Broadway between 17th & 30th Streets including East & West 22nd Street</p>	

Jewelry Niche Ad Template

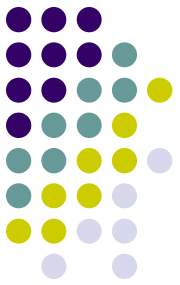


Your Town Center has 736 metered parking spaces within a 3 minute walk of the heart of the shopping district.			
<div>  <p>Shop in the Bayonne Town Center. Do you need an engagement ring? A watch for the new graduate? Or a bracelet, earrings, brooch or necklace for that special someone? Shop the seven Jewelry Shops in Your Bayonne Town Center. They offer a wide selection, service and quality merchandise. Many have been serving Bayonne for decades! They are less than 10 minutes away. Save time, gas and money. Shop Your Town Center's Jewelry Shops.</p> <h2>Jewelry Shops</h2> <p>Bayonne Town Center Broadway between 17th & 30th Streets including East & West 22nd Street</p> </div>			
Your Town Center is easy to reach by foot, car, bus or light rail.			

Kids Row Ad Template



Your Town Center has 736 metered parking spaces within a 3 minute walk of the heart of the shopping district.			
<div>  <div> <p>Shop Your Town Center. The Town Center's Kid's Row Shops offer lots of choice and unrivaled convenience. They feature apparel, school supplies, toys, learning centers, eateries and more. Kid's Row Shops are less than 10 minutes away. Avoid traffic. Same time and gas. Shop the Kid's Row in Your Town Center.</p> <h2>Kid's Row</h2> <p>Bayonne Town Center Broadway between 17th & 30th Streets including East & West 22nd Street</p> </div> </div>			
Your Town Center is easy to reach by foot, car, bus or light rail.			



Niche Ad Costs and Funding

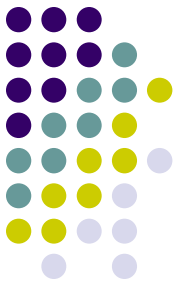
Table 1. Proposed Niche Marketing Costs and Funding

Year 1: cost of each ad for each merchant is \$94.89

Number of Retail Stores	Total Pages	Total Cost	UEZ	Merchants	Niche
8	6	\$ 10,248	\$ 6,832	\$ 3,416	Jewelry niche
21	12	\$ 20,496	\$ 13,664	\$ 6,832	Kids Row
16	12	\$ 20,496	\$ 13,664	\$ 6,832	Apparel & Accessories
44	28	\$ 47,824	\$ 31,882	\$ 15,942	Happy Home
89	58	\$ 99,064	\$ 66,043	\$ 33,021	Totals

Year 2: cost of each ad for each merchant is \$142.33

Number of Retail Stores	Total Pages	Total Cost	UEZ	Merchants	Niche
8	6	\$ 10,248	\$ 5,124	\$ 5,124	Jewelry niche
21	12	\$ 20,496	\$ 10,248	\$ 10,248	Kids Row
16	12	\$ 20,496	\$ 10,248	\$ 10,248	Apparel & Accessories
44	28	\$ 47,824	\$ 31,879	\$ 23,911	Happy Home
89	58	\$ 99,064	\$ 49,533	\$ 49,531	Totals



Niches We Will Discuss

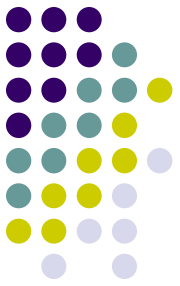
- **Wedding**
- **Food at home**
- **Antiques**
- **Home & Hearth**
- **Entertainment**
 - Restaurants
 - Formal Entertainments
 - Informal Entertainments
 - Work As Entertainment
- **Pamper**
- **Ethnic-Minority**
 - Urban Wear / Gen Y
 - Special Ethnic Customers

Diversity of Potential Businesses in a Wedding Niche

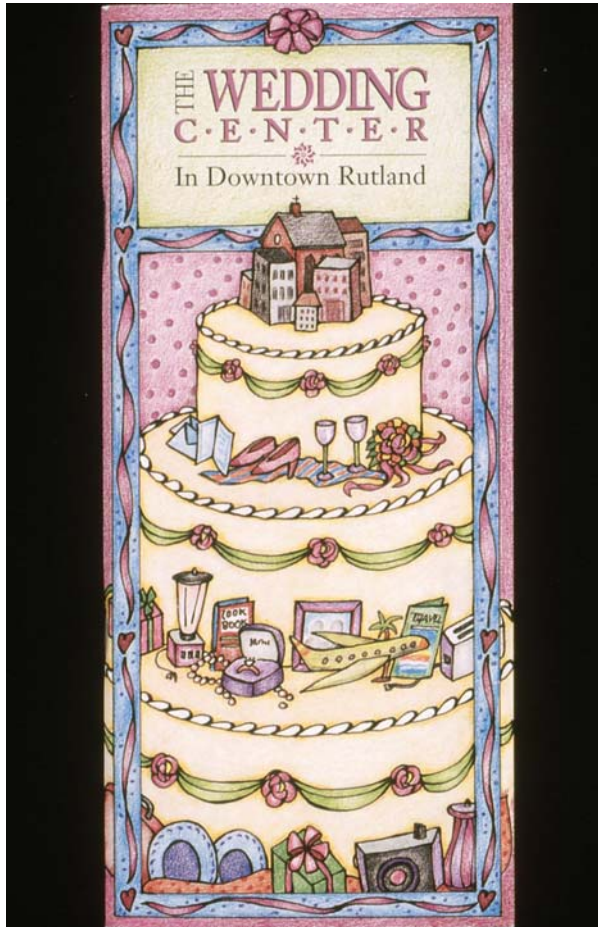


- Shops selling bride and bride's maid dresses
- Shops renting/selling tuxedos
- Shoe shops
- Shops selling apparel for wedding guests
- Jewelry Shops
- Florists
- Caterers
- Gift shops
- Disc Jockeys
- Banquet halls
- Hotels
- Restaurants
- Printers
- Photographers
- Limo services
- Travel agencies
- Banks
- Insurance Agencies
- Realtors
- Lawyers

Wedding Niche: Rutland, VT



Wedding Niche, Rutland cont'd

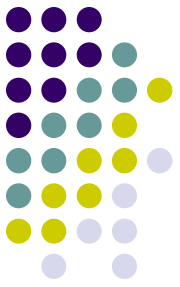




Food at Home Niche

- Average HH in 2005 spent \$3,297 on food at home, much more than on apparel, home furnishings or entertainment
- Households average 2.1 supermarket shopping trips a week, making supermarkets potentially huge generators of downtown and Main Street customer traffic
- DANTH's research in Rutland, VT, showed 62 % of supermarket shoppers also shop in other nearby shops
- For small and medium-sized downtowns, food at home is their most important niche!
- Surveys often show that residents feel very “under-served” by the shops available to them in the food at home niche (e.g., see Carlisle data on Slide 7)

Some supermarkets can have an adverse impact...

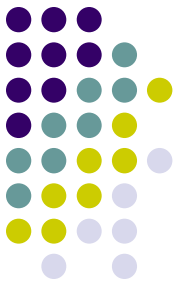


- For many years, downtown revitalization efforts brought in large supermarkets located in self-contained, pedestrian hostile shopping centers occupying several acres
- A 60,000 sf market will require about 105,000 sf for parking, constituting a total land requirement of roughly four acres
- Cross shopping with shops outside of the center was very low, so projects' ripple effects were negligible



Great Neck Plaza, NY

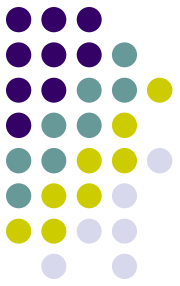
But, some supermarket chains are downtown friendly ... and more are joining them



- Whole Foods has squeezed 25,000 sf to 35,000 sf stores into many tight urban locations
- Many, like the one in Beverly Hills (shown on right) are in multi-use projects, without surface parking and no pedestrian discontinuities



Downtown friendly supermarkets...cont'd

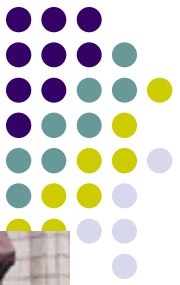


- **Kings, aiming at upscale shoppers, only has small to medium-sized markets, roughly 10,000 sf to 25,000 sf.**
- **Sutton Place Gourmet also has stores in this size range (chain has had problems)**
- **Supervalu is experimenting with several chains having similarly sized markets.**
- **Tesco, the British supermarket giant, plans to enter the US with markets in the 10,000 sf range.**
- **Aldi is another chain with 10,000 to 15,000 sf markets.**



Kings in Maplewood, NJ

Specialty food shops are very important, too



- Fish markets, such as the very popular Freeman's in Maplewood Village, can be strong draws. This shop also supplies fish to over 40 restaurants and many caterers.
- Organic food stores, such as Linda's in Kew Gardens, NY, also can be strong destinations
- Other important specialty food shops are delis, wine stores, cheese shops, green grocers and bakeries



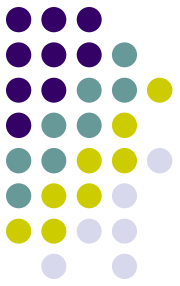
Some specialty food shops become local icons



- Town Meat Market in Garden City, NY, occupies about 3,000 sf of street-level and basement space, sells the best quality meats, fish, game and prepared foods.
- It not only draws many customers to the 7th St shopping node, but is considered a “quality of life” asset by many local residents

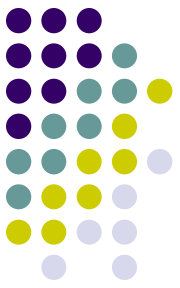


How do you attract quality specialty food operations?



- You have to search for them!
- Look at comparable locations within a 15-minute to 45-minute drive. That will diminish the problems of cannibalization, travel times and managerial control
- Ask people in this zone who are residents or successful business operators or “foodies” for recommendations
- Look for businesses with strong “backdoor” operations (How does a Carvel shop make it through the Winter?)
- Probably will require an operator to invest \$500,000+. Can your organization provide financial incentives?
- Locations close to commuter rail stations will be highly desirable to specialty food operations

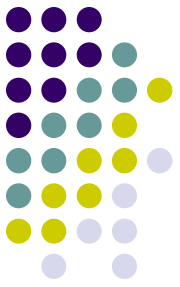
Ethnic food shops can bring in “crossover” shoppers



- La Grande in WNY, NJ, spilled over on to the sidewalk, but it had wonderful meats, fish and specialty foods that could attract coop owners from Blvd East
- City “encouraged” owner to “improve” his façade. Was this for the better?



Public markets can be strong assets for food at home niches



Union Square Mkt, NYC

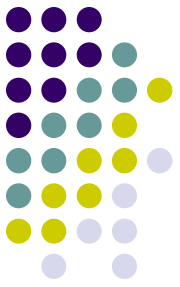


Pike Center Mkt, Seattle



Reading Mkt, Philadelphia

Farmers markets also are strong assets for food at home niches



Farmer's Market, Maplewood, NJ



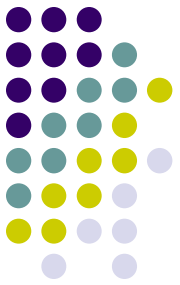
Farmer's Market/The Grove, L.A.



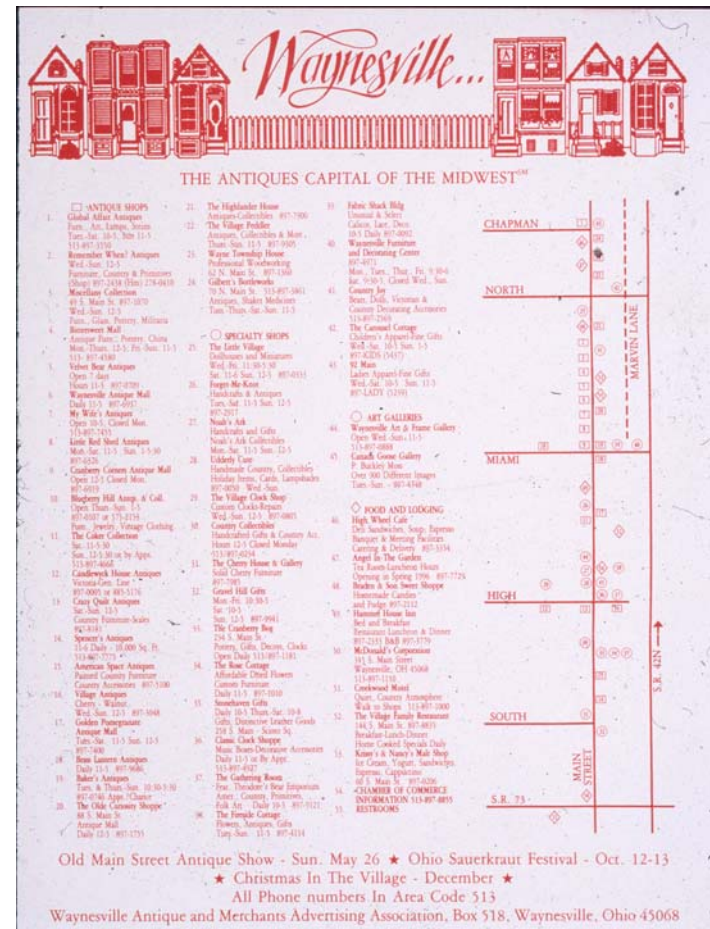
Antiques Niches

- Need relatively day-safe, “acceptable,” inexpensive spaces -- about \$10 to \$15 in the NY Met region
- Live-work opportunities also can reduce space costs
- Mesh well with restaurant and home & hearth niches – encourages destination trips
- Antiques malls and internet sales are altering business practices
- Antiques niches have long been the model for niche marketing

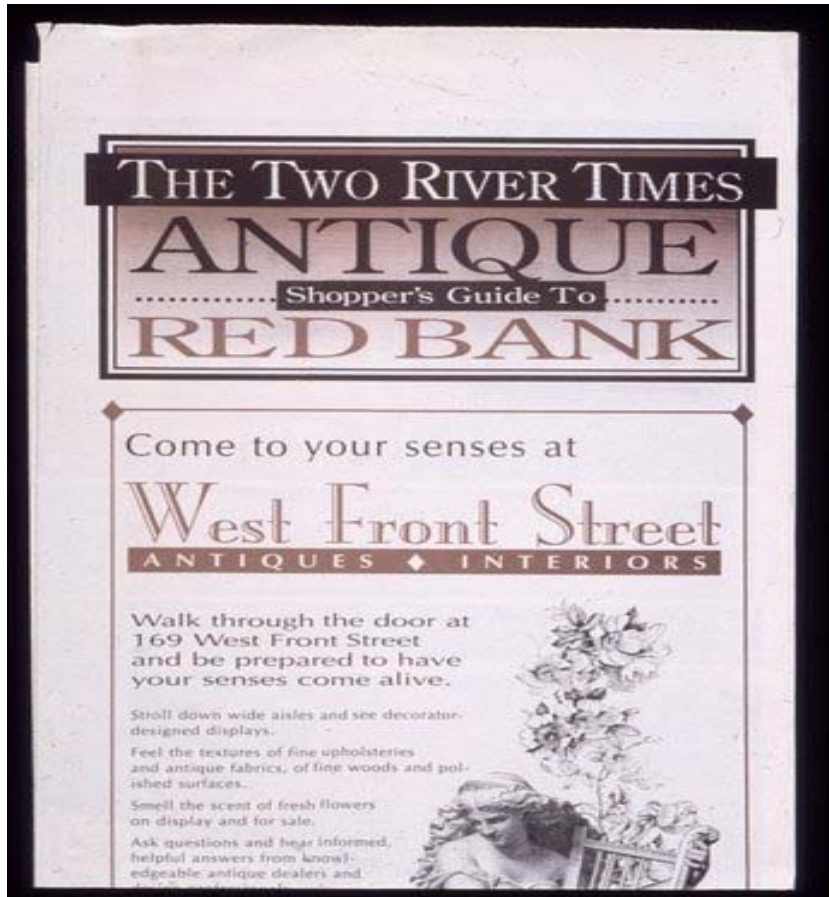
Antiques Niche: Waynesville, OH



- Population: 2,500
- 39 antiques shops now listed by Google Maps
- Shops draw from Ohio, Indiana and Kentucky
- Antiques niche has “layered” growth of hospitality and home & hearth niches
- Antiques niche is at least 40 years old



Antiques Niche: Red Bank, NJ

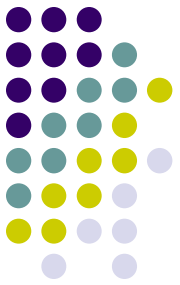




Home & Hearth Niches

- Home and hearth niches contain a very diverse set of business operations -- including any that *help make a home attractive, comfortable and safe*.
- Besides retailers, it can include plumbers, electricians, sanitation specialists, roofers, carpenters, architects, landscapers and landscape architects, etc.
- Antiques can also be part of this niche
- The key to success is “servicing to death” time-starved customers

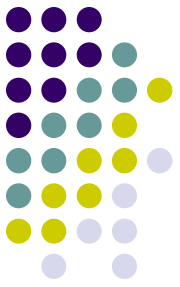
Home & Hearth: Forest Hills, NY



- Home Depot opened 5 years ago 500 ft away
- Yet, today, this strip is strong
- A flourishing 24 store "home and hearth" niche that includes: an 80 yr old hardware store; a paint and wallpaper store; two appliance stores; two plumbing and plumbing supply stores; two furniture shops; one kitchen cabinet store, etc.
- The strip is near the famed Forest Hills Gardens residential area

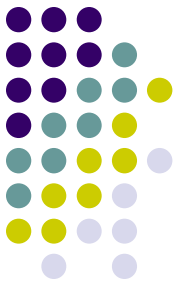


Home & Hearth: Forest Hills, NY cont'd



- Consumer expenditures:
157,459 households live within a seven-minute drive and they spend over \$321 million annually on home furnishings and equipment
- Shops are strong because of quality products and, especially, their strong customer service. They never competed on price.
- Many target time-pressed, affluent shoppers who are not do-it-yourselfers and who place a high priority on design, paint selection systems and installation being parts of the purchase package.
- Such services are definite keys to success.





Home & Hearth: Meredith, NH

- Population: 6,000
- 14 retail shops including a hardware store, a lumber yard, and two furniture shops
- 29 construction firms and about six professional firms that provide related services
- \$28 million spent annually on home furnishings by residents in the 30-minute drive shed



Home & Hearth: Englewood, NJ 1997 (pop:26,000)



- 30+ shops in the areas of home remodeling, home furnishings and decorative design.
- Most of these shops are strong independents such as Eagle Paints, Mitchell Simon Hardware, Englewood Hardware, Wohner's Doors and Mantels, Michealangelo's World of Marble
- An analysis of the market area's lifestyles showed that there over 12,500 upscale households are avidly engaged in home furnishing and decorating activities.



Home & Hearth: West Hollywood, CA:

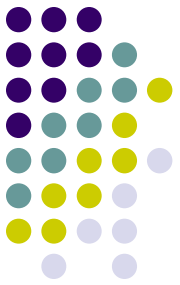


This is a regional center, that goes on block after block, with its spine along Robertson and on Beverly



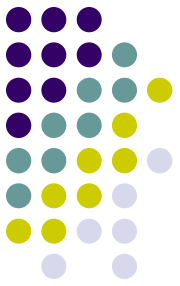
Pacific Design Center

Latino Home & Hearth Niche, Elizabeth Avenue, Elizabeth, NJ

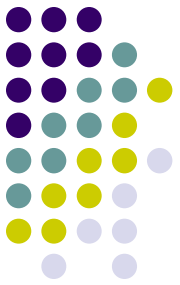


% of Retail	Business Type	# of Businesses	Percent
3.5%	Hardware	6	1.9%
1.2%	Florist	2	0.6%
5.2%	Electronic	9	2.9%
2.9%	Flooring	5	1.6%
4.0%	Furniture	7	2.3%
2.3%	General Gifts	4	1.3%
2.9%	Glass/Mirrors	5	1.6%
1.2%	Housewares	2	0.6%
2.3%	Music/Video/Audio	4	1.3%
25.4%		44	14.1%

Elizabeth Ave did not market its H&H niche



- SID board felt it's ads always had to be open to all members
- Other niche and other coop ads could have resolved this issue
- The niche has weakened dramatically and now will require a huge effort to revive



ENTERTAINMENT

Has four components:

- Restaurants. Diners and staff are performers, diners are the audience
- Formal entertainments – designated or hired performers: cinemas, concert halls, theaters, arenas, stadiums, etc. Public is just the audience
- Informal entertainments – public provides both performers and audience. *Foundation stone of Agora/CSD niches!*
- People working – workers are performers, public is audience

Often, there is unmet demand for entertainment activities

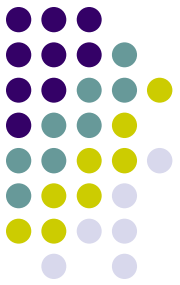
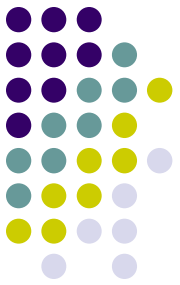


Table 28. Activities Trade Area Residents Want To Do More Of In Downtown White Plains					
Activity	All	Core	Outer	<\$50k	\$100k+
Go to movies	21%	26%	15%	21%	25%
Go to play,concert,dance re	18%	20%	15%	14%	25%
Go to art gallery	5%	5%	6%	3%	6%
Go to museum	4%	3%	5%	2%	5%
Shopping	9%	11%	8%	8%	13%
Dining out	9%	10%	7%	5%	13%
Night life	9%	10%	7%	14%	7%
Sports activities	8%	9%	7%	13%	7%
Children's activities	3%	3%	2%	4%	2%
Other	1%	1%	2%	1%	1%
Don't know/refused	34%	30%	39%	37%	28%



Restaurants

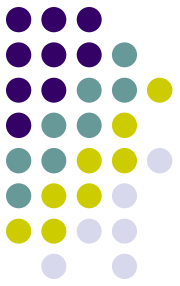
- Average U.S. household spends \$2,634 on food away from home
- That equals about 44% of its total food expenditures
- Or, put in another way, about \$1.00 is spent in eateries for every \$1.25 spent in grocery stores
- Big growth areas in restaurants are in take-out and delivered meals; can reach 30% to 40% of gross
- Most restaurants need at least two meals to succeed



Restaurants cont'd

- Most new restaurants (60%) fail after 3yrs; 40% fail after one year (not 9 of 10)
- Restaurants are often urban pioneers: research has shown that a “poor” location can be overcome by a great product and operation
- Restaurants are “amenities” that help other niches grow; sometimes help attract them
- Cost of space is very important
- Outdoor dining adds vitality to an area’s image
- Many aspects of a restaurant’s normal activities have entertainment value – e.g., wine service, flambéed foods, cheese and dessert carts, open ovens, open kitchens

Restaurant niches often have provided revitalization spines

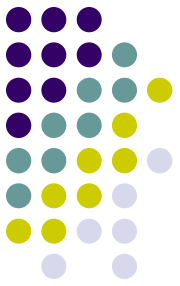


Old Pasadena, CA



Manayunk, PA

Restaurants feed and entertain



Joel Robuchon's restaurants in Paris and NYC place diners close to chefs and servers (see above). Many other restaurants feature chef's tables, cooking tables, open kitchens and brick ovens.



Outdoor dining on Church St. in Burlington, VT, brings activity and energy to the district

Dining as entertainment: Benihana



- Restaurants styled after a Japanese farmhouse.
- The food is prepared before the customers at their tables in the teppanyaki style
- Founder believed showmanship and entertainment was of great importance. Chefs taught not only to cook food, but to do so with flair
- Emphasis placed on high customer contact
- Kids are a targeted market!



Outdoor cafes are often squeezed in...



Rittenhouse Square, Philadelphia



Rue de Sèvres, Paris, across from
Le Bon Marche dept store.

Outdoor cafes are often squeezed in... cont'd



At this café in Coconut Grove, FL, outdoor seating is just a foot or so away from passing traffic. This café has been around for many years.



Outdoor cafes are wildly popular along Ocean Drive in South Beach, even if the seating is often cramped and next to cars.

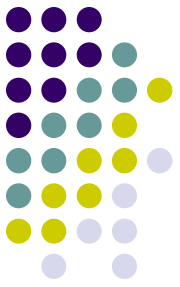
Some formal entertainment venues



- Weston, VT, population 630, is home to The Weston Playhouse Theatre Company, (top right), the oldest professional theater company in the state. Every summer it presents Broadway plays and musicals in a beautiful white-columned building on the village green
- The Paramount (bottom right) has been completely restored and is regarded as the “Jewel of Downtown Rutland.”



More formal entertainment venues



Carlisle



Albany



White Plains

DANTH, Inc.



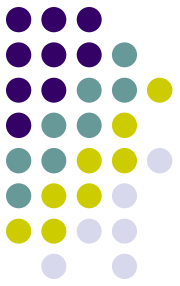
Charlotte

Bayonne: Formal entertainment with a temporary venue



A performance of *The War of the Worlds* by the Radio Theater preceded a showing of the original movie at the Bayonne Town Center's Film Festival

Problems with formal entertainment venues



- Many are dark almost everyday
- Many are dark most evenings
- Many are costly to create, renovate, maintain
- Many require a strong fund raising operation
- The future of cinemas is now in question

Agora/CSD/Village Well Niche: Chicago, Millennium Park - A great public space costing about \$460 million.

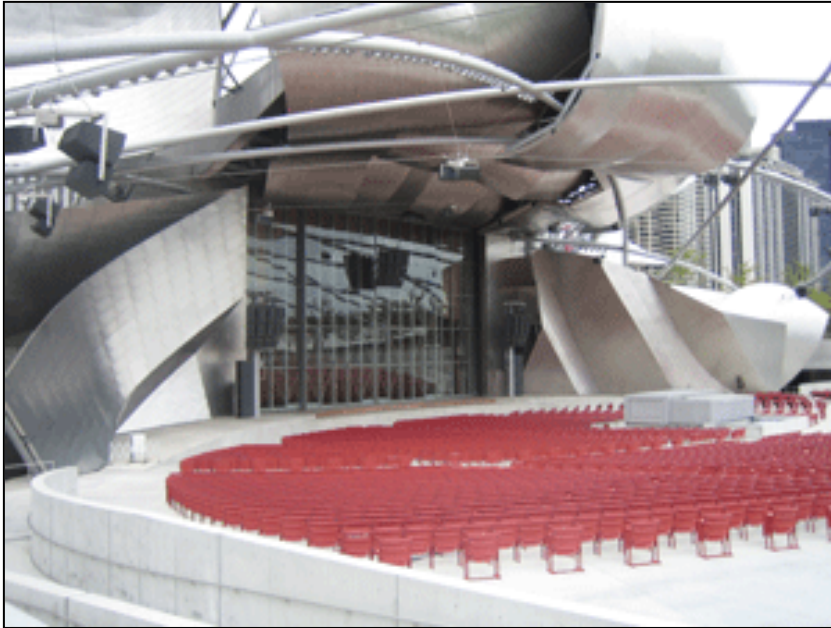


Crown Fountain, a.k.a. “The
Puddle”



Restaurant summer, ice rink winter

Millennium Park cont'd



Frank Gehry designed amphitheater



Interactive sculpture

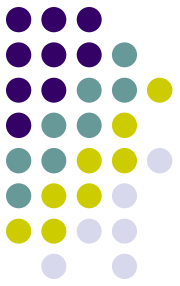
Millennium Park cont'd.

Cloud Gate, a.k.a. “The Bean”

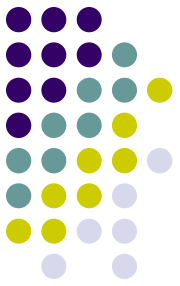


Millennium Park cont'd.

Family Fun Festival Tent



Agora/CSD: Downtown Greenport, NY, Mitchell Park: Project Characteristics



- Town population: 2,500
- Cost of project: approximately \$14 million
- Time to complete: 12 years
- Phase I of the park was completed in June 2001, Phase II in 2005
- Attracted 390,000 visitors in first year
- Physical features:
 - Size of park: 3.2 acres
 - A hardwood boardwalk and bluestone-and-gravel path crosses along the waterfront
 - A landscaped amphitheater
 - An open-air ice-skating rink which becomes a “mist plaza” in the summer
 - A roundhouse for the town’s historic carousel
 - Shade arbors,
 - A camera obscura,
 - Harbormaster’s building.
 - Marina
 - Pier

Mitchell Park cont'd



Carousel and round house



Amphitheater

Mitchell Park cont'd



Boardwalk and Pier >



Street action just outside park



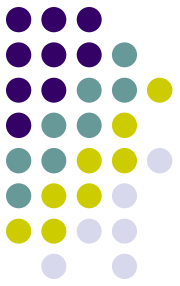
Agora/CSD/Village Well: Bryant Park, Manhattan



During lunch hours in warm weather months, the park typically hosts over 5,000 business people, and counts 20,000 visitors by the end of the day.

- Sitting, sunning
- People watching
- Concerts
- Film festival
- Chess
- Restaurant and snack kiosks
- Boule board
- French-style carousel
- Outdoor reading room
- Free wireless
- Flower kiosk
- Tickets kiosk
- Ice skating during the winter

Bryant Park cont'd



French-style carousel



Chess players

Bryant Park cont'd



Witchcraft Kiosk



Free Wi-Fi access

Bryant Park cont'd



Outdoor reading room



Sittin, sippin and snackin

More informal entertainments



Miniature golf, Bayonne Twn Ctr



Model boat sailing, Paris



Slot car racing, Bayonne Twn Ctr



Water spray, Hoboken

More informal entertainments: temporary ice rinks



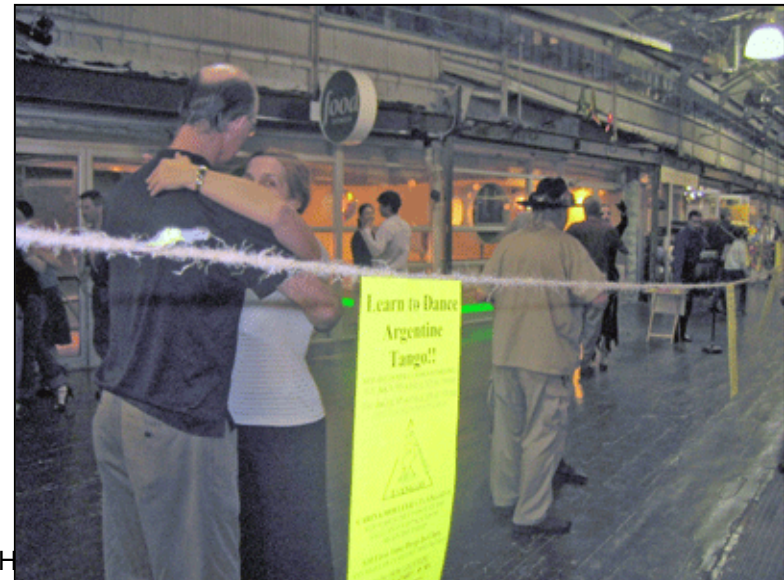
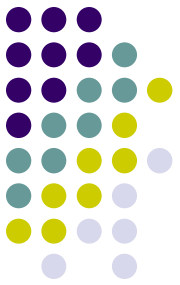
Above: Penn Ave, Washington, DC.
Upper right: Horton Plaza, San Diego.
Lower right: Mitchell Park, Greenport,
NY

Work as entertainment



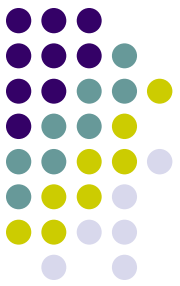
Above Miami Ballet class. Top right: cigar-makers, Coconut Grove, FL. Bottom right: knife sharpener, Chelsea Mkt, NYC.

Work as entertainment cont'd



Above: shoppers watching bakers at Amy's Bread, Chelsea Mkt. Top right: glass-blowing shop, Old Town, San Diego. Bottom right: tango lessons, Chelsea, Mkt.

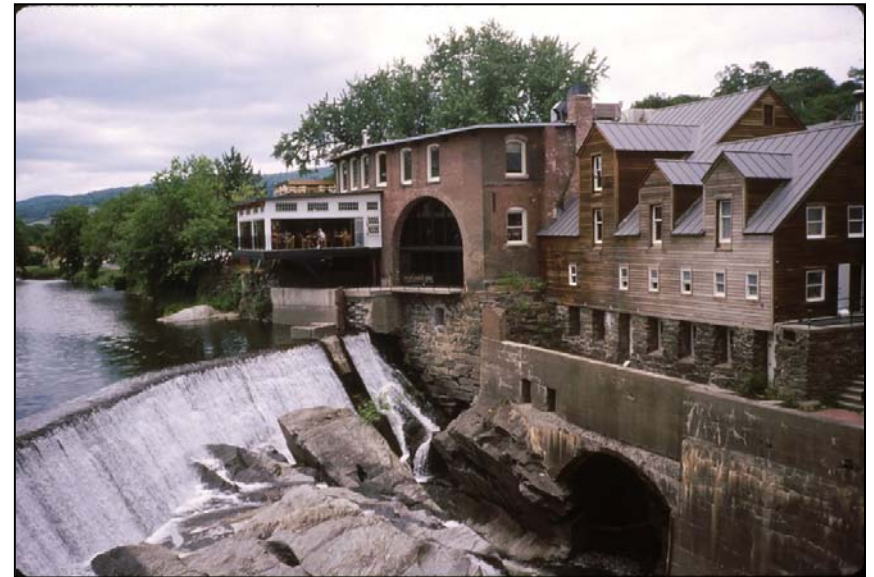
Arts and Craft as Entertainments: Torpedo Factory, Alexander, VA



The Mill at Quechee, VT: retail, food and performing crafts



- Historic mill
- Three star restaurant, overlooking waterfall and river
- Glass- blowing
- Ceramics making
- Weaving
- Retail operation featuring Simon Pierce glassware, Charles Shakleton furniture, etc.





Pamper Niche

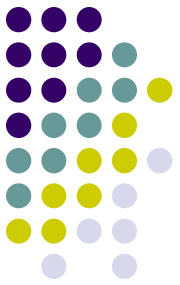
- What downtown needs more nail, hair and skin salons?.....**Maybe yours!**
- Pamper niches are composed of: gyms and spas; cosmetics and perfume shops; hair, nail and skin salons
- Posh Beverly Hills, CA (pop. 33,780) has well over 35 Pamper Niche street level operations
- In the blue collar Bayonne Town Center, a “pamper niche” containing 30+ businesses based on gyms, spas, hair salons and nail salons draws lots of people with disposable income from Bayonne -- and beyond.



Pamper Niches are growing

- According to the U.S. Census Bureau, between 1997 and 2002, revenues from hair, nail and skin care services jumped by 42 percent nationwide.
- Revenues from "other personal services" increased 74 percent over the same time period.
- Meanwhile, retail revenues have been stagnant at best.

Pamper Niche: Bayonne



Pamper Niche: Bayonne ²



Pamper Niche shops draw more affluent customers than the district's retail shops.

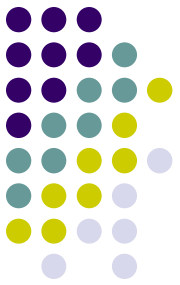
Pamper Niche customers often come from out of town.



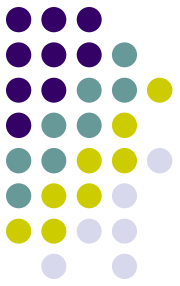
Pamper Niche: Beverly Hills 1



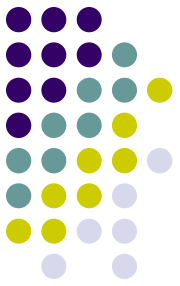
Pamper Niche: Beverly Hills 2



Pamper Niche: Beverly Hills 3



Pamper Niche: Beverly Hills 4

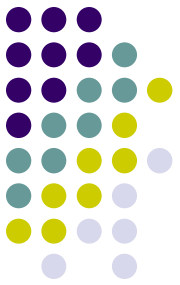


Ethnic downtowns can be very successful!

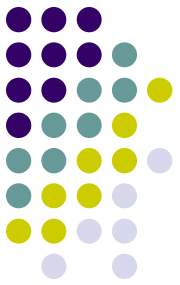


- Queens Center has sales of over \$930/sf
- Modell's, years ago, reported sales of over \$1,300/sf in Fulton Mall (Bklyn)
- There are retail chains that specialize in ethnic downtowns
- Chinatowns are major destinations in NYC, SF, Philly, DC, Vancouver

National & Regional Chains in Jamaica Center in Oct. 2002



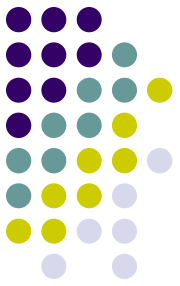
- Toys 'R Us
- Kids 'R Us
- Payless
- Parade of Shoes
- Gap
- Old Navy
- Jennifer Convertibles
- Footlocker
- Jimmy Jazz
- Porta Bella
- Athlete's Foot
- Rainbow
- Shoppers World
- Wertheimers
- Gothic Furniture
- Vim
- Modell's
- Dr. Jays
- Strawberry's
- Ashley Stewart
- Tick Tock
- Youngworld



Major Strategic Questions

1. Do you have market support? And what is it specifically –what are your niches?
2. Who is your downtown competing with?
3. What is your “unique marketing proposition? What could it be?
4. What kind of space do you have? What do you need? What can you get built?
5. How are you dealing with quality of life issues?
6. What does your district look like? And what does it need to look like to achieve your objectives?
7. Ethnic downtowns are often seen as risky places to invest in – what will your organization do to reduce the risk of investing in your district?

Ethnic does not always mean a lack of spending power



Aggregate Spending Power

Within a 7-minute drive shed of Elizabeth Ave:

- 41,130 households with an average HH income of \$46,094 and a median income of \$36,934 – compared to \$78,218 and \$57,216 for NJ
- But an aggregate income of \$1,915,100,000, more than \$551,000,000 in shopping center inclined expenditures, and \$275,000,000 in GAFO expenditures

Ethnic markets are complex



- The Latino/Hispanic category contains many different cultures and an array of tastes
- First generation immigrants and those in second generation who want to participate in the larger culture differ in their shopping tastes and behaviors
- Females often have a stronger identification with “Latinas” than their country of origin
- Age differences have a big impact on shopper behavior. Many downtowns are dominated by shops catering to the Gen Y hip-hopppers, while more middle-class ethnic shoppers want to go to regional malls
- Often, there are lots of middle-income households
- Incomes are often unreported and under-reported



Three income segments

Within a 10-minute walk of the Jerome Ave BID in the Bronx:

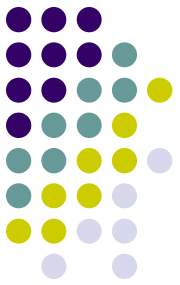
- there are 14,625 households
- 4,918 make under \$25,000
- 4,525 earn between \$25,000 and \$49,999
- 5,182 have incomes of \$50,000+

Within a 7-minute drive of the heart of the EAP:

- there are 41,130 households
- 14,214 make under \$25,000
- 12,806 earn between \$25,000 and \$49,999
- 14,110 have incomes of \$50,000+

Which segment do you think spends the most on retail?

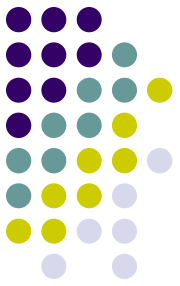
Who do the merchants target?



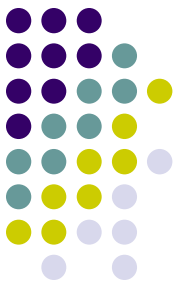
Some existing ethnic niches

- Gen Y in Jamaica, Midtown Elizabeth, Jerome Ave, Downtown Bklyn
- Children's goods in WNY
- Restaurants in Port Chester, Iron Bound; not as easy to do as you might think
- Food for the home: Yoahan, Mi Bandera
- Home and hearth: Elizabeth Ave, Eliz

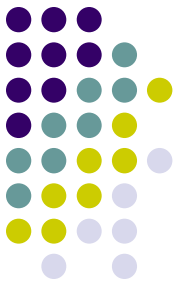
Children's Niche in WNY



Urban Wear/Gen Y in Jamaica Center, NY



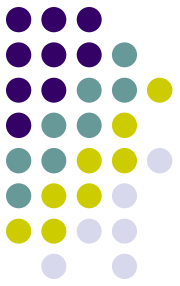
Urban Wear/Gen Y in Jamaica Center, NY ₂



- Prices are not low
- Some items may exceed \$500
- Store facades do not have typical “Main Street” designs
- Shops tend to have loud music and young staff

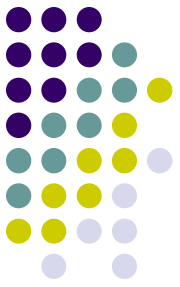


Urban Wear/“Gen Y” Marketing Strategy for Midtown Elizabeth



- Brand name the niche
- Co-op niche ad campaign
- Advertise in ways that reach teens
 - HS newspaper
 - HS fashion shows
 - Website
- Teen Board for “niche apostles,” buzz and credibility
- Skateboard/bike park
- Concerts for teen audiences
- Cross promotions

Food At Home: Mi Bandera in Union City, NJ



A Japanese regional supermarket that was in Edgewater, NJ

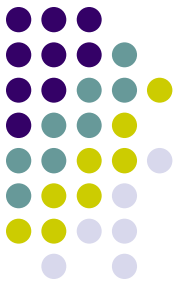




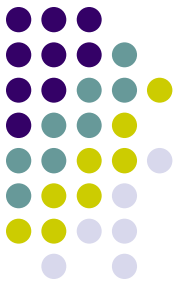
Plaza Mexico, Lynwood, CA

- Not in a downtown, but we can still learn from it
- The 36-acre site will have over 450,000 sq. ft. of retail, food, and office space
- Design follows the basic principles of the ancient city of Monte Alban
- Intended to be the preeminent Mexican themed shopping center in the United States
- Combination of retail center and cultural attraction will appeal to people of all ages and backgrounds
- Cultural experience of walking through a small village is brought to life with the use of plazas which are park-like settings, the "Alameda" which is the main pedestrian walkway, the "Zocalo" which is the principle gathering place, and open spaces

Plaza Mexico, Lynwood, CA ₂



Plaza Mexico, Lynwood, CA ₃



Towns discussed

Alexandria, VA
Bayonne, NJ
Beverly Hills, CA
Burlington, VT
Carlisle, PA
Charlotte, NC
Chicago, IL
Coconut Grove, FL
Edgewater, NJ
Elizabeth, NJ
Englewood, NJ
Forest Hills, NY
Great Neck Plaza, NY
Greenport, NY
Kew Gardens, NY
Los Angeles, CA
Lynwood, CA
Manayunk, PA
Manhattan, NY

Maplewood, NJ
Meredith, NH
Paris, France
Pasadena, CA
Philadelphia, PA
Quechee, VT
Red Bank, NJ
Rutland, VT
San Diego, CA
Seattle, WA
South Beach, FL
Union City, NJ
Washington, DC
Waynesville, OH
West Hollywood, CA
West New York, NJ
Weston, VT
White Plains, NY

