

6. Existing Market Conditions

Consumer Demographics and Market Analysis Report

As part of the Strategic Plan for Downtown Arcade, the Village contracted with the Cornell Institute for Social and Economic Research (CISER) at Cornell University. CISER prepared a Consumer Demographics and Market Analysis Report as a separate component of the Strategic Plan. The Consumer Demographics and Market Analysis Report can be found, in its entirety, in Appendix A.

Some of the major concepts from the report are:

- Downtown will not likely succeed by competing head-to-head with big box retailers in the area.
- A farmer's market, offering quality produce is an example of the type of 'event' that can distinguish the village from the routine shopping experience offered by competing retailers.
- Business recruitment, expansion, and consumer attractions will require a coordinated effort. In Arcade, this includes the Downtown Merchants Association, the Arcade Area Chamber of Commerce, and the Wyoming County-Livingston County Downtown Revitalization Program.
- Measuring the market is an early and often repeated step in the process. Downtown merchants need to determine who their current customers are, where they are from, what they are buying, and how much they are spending. This data collection may seem tedious or intrusive, but it is the sort of information that national chain stores have at their disposal to plan their business development.
- Arcade should consider hiring a person (even part time) to coordinate Main Street revitalization efforts and complement the activities of the Wyoming-Livingston Downtown Revitalization Plan. If grant funding is used it should ideally ensure a stable position for at least two years. Monetary contributions from the Village and Chamber of Commerce to fund this position are funding option, instead of, or in addition to, any grants received.
- No single retail establishment, new or existing, is going to accomplish downtown revitalization by itself. A combination of developments must take place that could involve the location of businesses with office workers, especially those that generate additional traffic such as health and professional services; convenience oriented establishments such as drug stores that meet the essential needs of consumers on a frequent basis, and gathering spots such as cafes and libraries.
- Demographic analysis shows several different types of residential neighborhoods within the Arcade trade area, defined as a 30 minute drive-time radius from Arcade. Almost 120,000

people live within a 30 minute drive of Arcade; collectively they spend over \$1 billion annually on consumer goods and services. Certainly, much of this spending is occurring in suburban Buffalo, or other smaller regional centers such as Springville, East Aurora, or Warsaw. However, by understanding the consumer preferences of people living in this area, and targeting them with appropriate marketing, Arcade can work on increasing its percentage of this spending.

- The profiling system used by Cornell University for this report (see Appendix A) is produced by ESRI Business Solutions and is called ACORN (A Classification Of Residential Neighborhoods). While many readers will bristle at the thought of being pigeonholed and stereotyped, the neighborhood types are a useful shorthand method for summarizing the hundreds of variables that can be examined to characterize a neighborhood. A marketing strategy that appeals to the majority of consumers in one neighborhood may not appeal to those in a different neighborhood. Chain stores use similar data to identify where their best customers come from and which types of neighborhoods surround their best performing stores. Since chain stores have a fixed marketing strategy, they search out locations where there are concentrations of their best customers and develop stores in these locations. By contrast, the location of Arcade's downtown is fixed but merchants can modify and adapt their strategies to appeal to customers living in the trade area.

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