Business Mix Analysis: Tilbury

January 2012

Downtown Market Analysis

Five Market Analysis Tools:

▶ **Building and Business Inventory** creates detailed list of your commercial space, creates business directories, and recognizes properties of cultural/heritage value.

▶ **Business Owner Survey** obtains entrepreneurs ideas for physical improvements, gains business' perception of your downtown, and provides knowledge on opinions issues of local business people.

▶ **Resident Survey** provides insight on residents' perceptions of downtown, why residents do, or do not come downtown, and what new businesses they would like to see.

▶ **Trade Area Analysis** answers the questions who is shopping in your downtown, where they are coming from, and what are their shopping habits?

▶ **Business Mix Analysis** helps you understand your town's retail and service functions and to identify business opportunities & gaps and clusters & niches.

Purpose of Business Mix Analysis

1. Structure and Commercial Function
2. Location Analysis

Identifies structure & function of the Downtown

3. Community Comparison
4. Market Threshold Analysis

Identifies potential business opportunities in the Downtown

Benefits of Business Mix Analysis

- Helps determine your downtown's strengths and weaknesses

- A useful exercise to determine the relative health of your downtown

- Helps identify clusters of opportunity

- Provides a means of determining possible retail and service opportunities
  - Is the community under-served or over-served in specific business categories?

- Informs business recruitment
  - before new businesses are recruited, there needs to be a determination about how particular businesses can compliment existing business and how they can share the same customer base

Understanding how the Structure Influences Downtown Performance

Downtown Tilbury's structure was determined using the following categories:

Retail Business	• businesses that sell physical merchandise, such as a grocery or shoe store
Service Businesses	• businesses that provide services to a consumer market, such as a hair stylist or lawyer
Food & Entertainment	• businesses include restaurants and theatres that sell goods that are consumed on-site
Public	• an establishment that receives the majority of funding through the government
Residential	• an area in which people primarily live, as opposed to commercial or industrial areas
Vacant	• for empty retail and service businesses
Green Space	• open, undeveloped land with natural vegetation

Understanding how the Structure Influences Downtown Performance

Experience has shown that for a downtown to be successful it must have a good mix of compatible land uses and activities. A mixture of different types of uses in a downtown encourage pedestrian traffic, maximize development potential and create an active environment.

Retail/Service	• the key traffic generators in the downtown, by providing local, regional and seasonal residents, as well as, tourists and employees with accessibility to goods and services
Food & entertainment	• important pedestrian generators that increase opportunities for daytime, evening, night time and weekend activities • can have positive benefits in the summer when their activities can spill into the street, adding ambience to a streetscape and creating a sense of community which helps to generates pedestrian traffic in the downtown
Public institutions and services	• contribute key traffic generation in your downtown by local or regional employees and residents

Understanding how the Structure Influences Downtown Performance

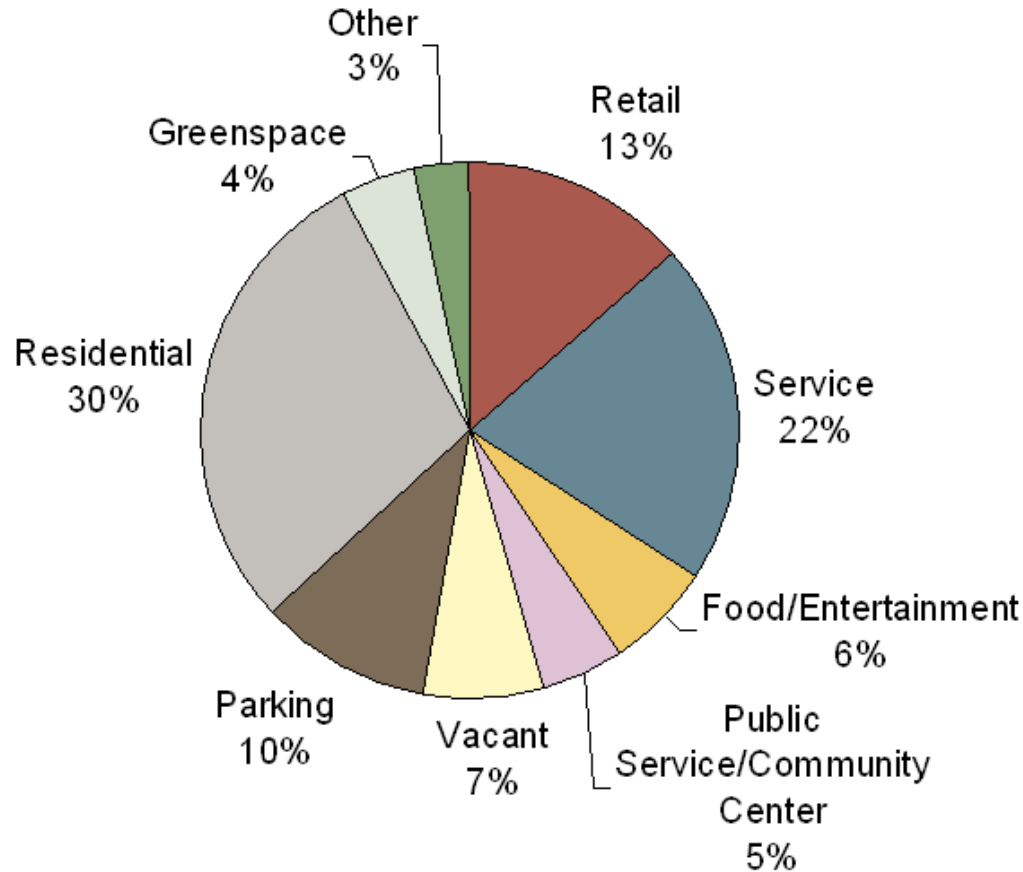| Residential	• people living downtown leads to an increase in foot traffic and purchasing downtown before and after work hours, which leads to a healthier commercial environment
Vacant spaces	• should be seen as opportunities because they enable emerging businesses or new public services to start or relocate in a downtown • can generate a negative image for a downtown if the properties are left in disrepair • a high vacancy rate sends a negative message to prospective businesses that your downtown offers little potential to open a business
Green Space	• improve the visual and environmental quality of the downtown • provide outdoor spaces for consumers, downtown employees and pedestrians to relax, socialize and attend events • a pleasing environment helps to generates pedestrian traffic in the downtown

Structure of Downtown Tilbury

Pie chart: Structure of Downtown Tilbury
- Retail 13%
- Service 22%
- Food/Entertainment 6%
- Public Service/Community Center 5%
- Vacant 7%
- Parking 10%
- Residential 30%
- Greenspace 4%
- Other 3%

- 178 Properties Classified

- **Residential 30%** and **Service 22%** are the largest category in the downtown

- 12 Vacant Properties

Commercial Function

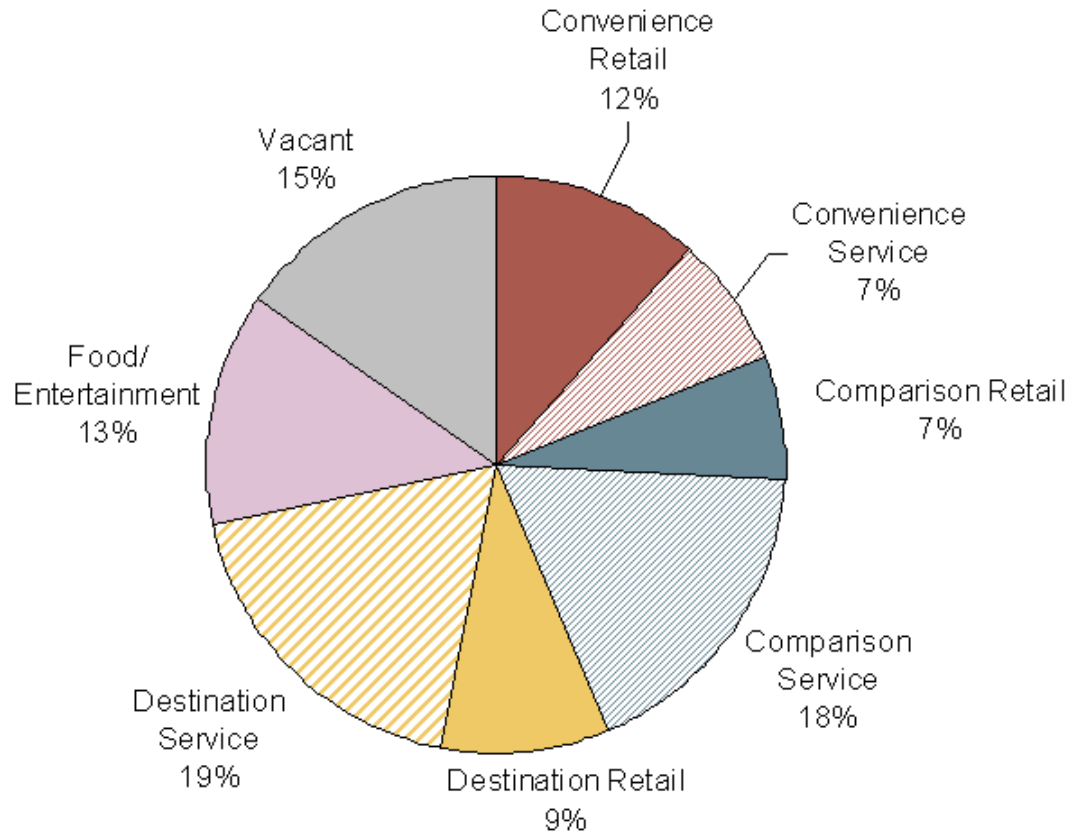
Convenience Purchases

Comparison Purchases

Destination Purchases

Restaurants/Entertainment

Classification	Description	Examples
Convenience purchases	• Frequent purchases • Impulse purchases • Minimum effort required • Nearby	Retail – grocery store Service – bank
Comparison purchases	• Frequent purchases but less on impulse • Businesses visited to compare price and selection	Retail – clothing store Service – hair stylist
Destination purchases	• Infrequent purchases, more expensive, require greater thought beforehand • Willing to travel farther as distance is less important • Purchases are kept for a long period • Comparisons are made with respect to the merchandise's appearance, quality, price, style, and the need for it	Retail – furniture store Service – lawyer
Food and entertainment purchases	• Goods consumed on-site	Coffee shop or theatre

Commercial Function of Downtown Tilbury

Pie chart: Commercial Function of Downtown Tilbury
- Convenience Retail 12%
- Convenience Service 7%
- Comparison Retail 7%
- Comparison Service 18%
- Destination Retail 9%
- Destination Service 19%
- Food/Entertainment 13%
- Vacant 15%

- 85 Businesses Classified

- **Destination Service 19%** is the dominant commercial function of downtown Tilbury

- Vacancy Rate 15%

Location Analysis

- Serves to highlight spatial relationships among stores and shopping patterns

- Serves to highlight potential business clusters or niches that exist in the downtown

- Facilitates the analysis of vacant land and building space to identify opportunities and constraints for different types of stores

Convenience Purchases

Housing?
Employer?
Parking?
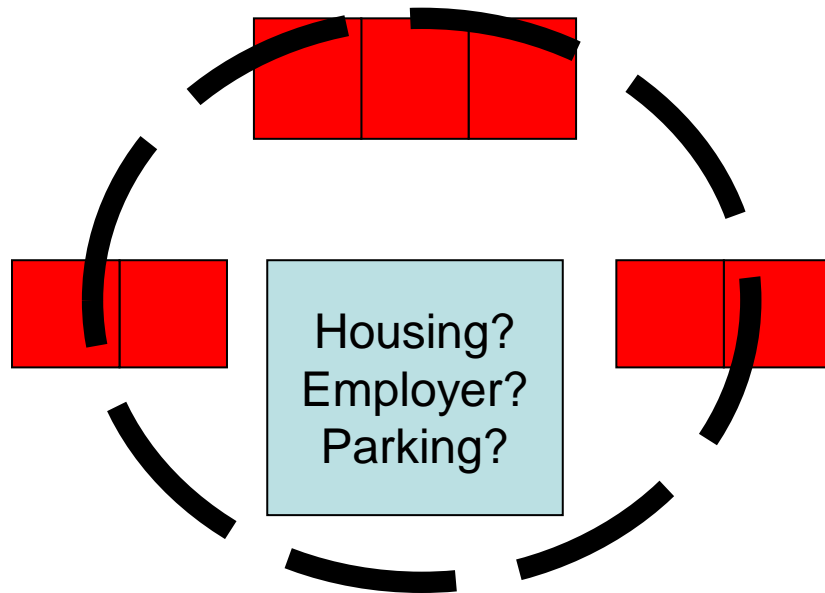
- Convenience purchase businesses work best when located near major hubs

- Convenience-based businesses demand easily accessible locations

- Short-term parking required

Comparison Purchases
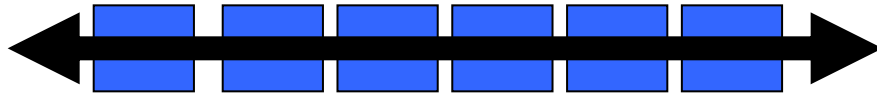
- Comparison purchase businesses benefit from proximity to other comparison businesses

- Comparison businesses benefit from effective pedestrian circulation

- Require longer term parking

Destination Purchases
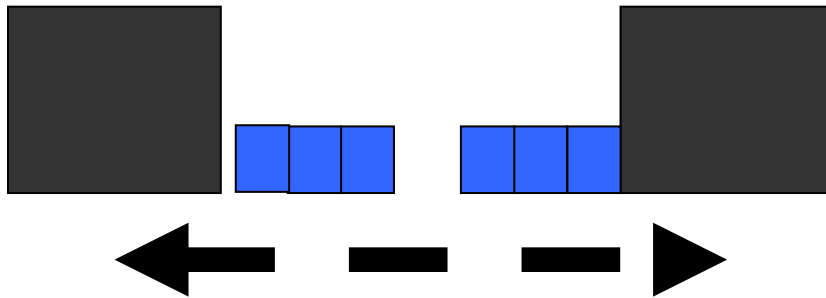
- Destination purchase businesses benefit other businesses when they are not located too close together

- Long term parking required

DOWNTOWN TILBURY (North)

Ontario
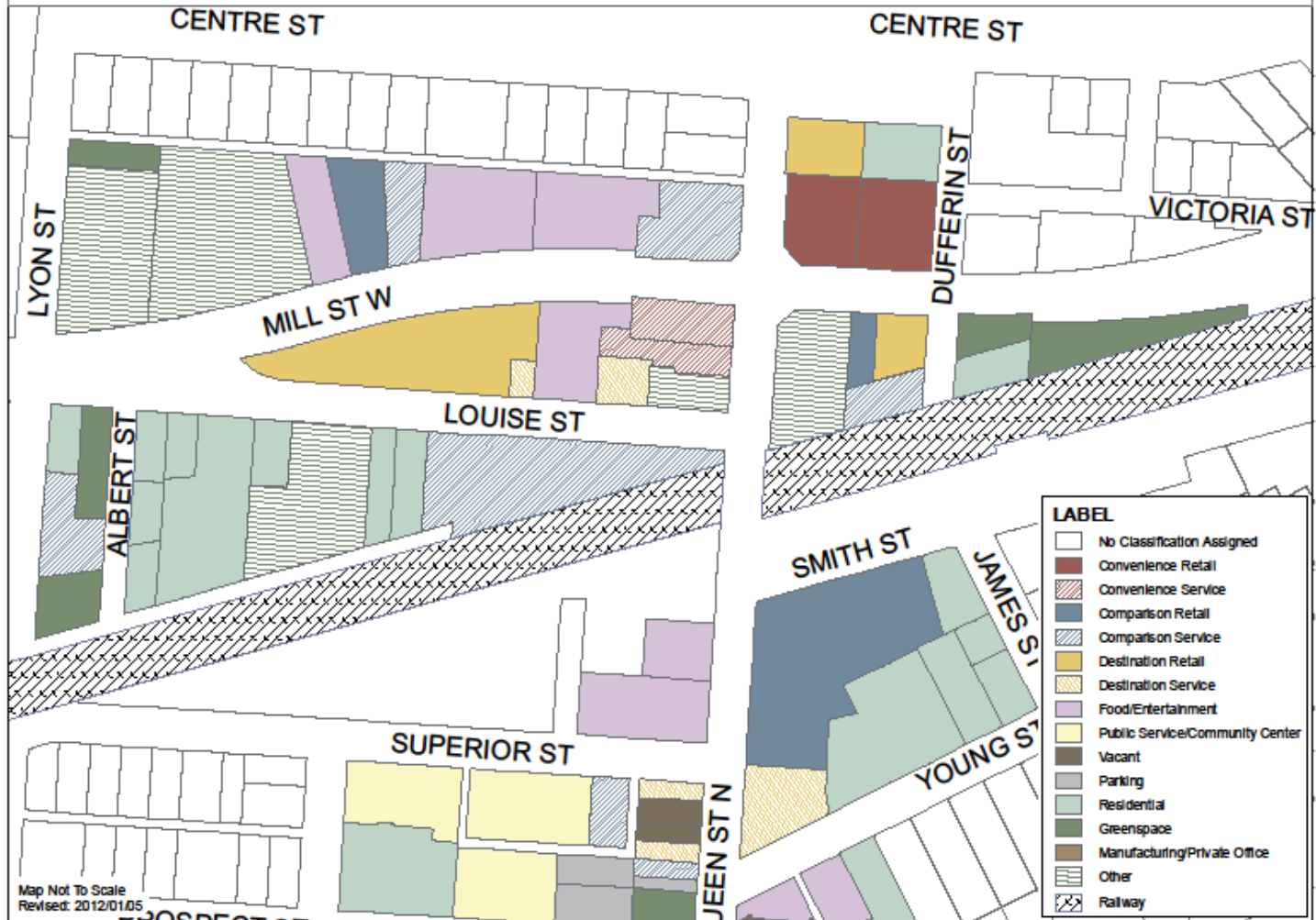
DOWNTOWN TILBURY (Midtown)

Ontario

LABEL

	No Classification Assigned
	Convenience Retail
	Convenience Service
	Comparison Retail
	Comparison Service
	Destination Retail
	Destination Service
	Food/Entertainment
	Public Service/Community Center
	Vacant
	Parking
	Residential
	Greenspace
	Manufacturing/Private Office
	Other
	Railway
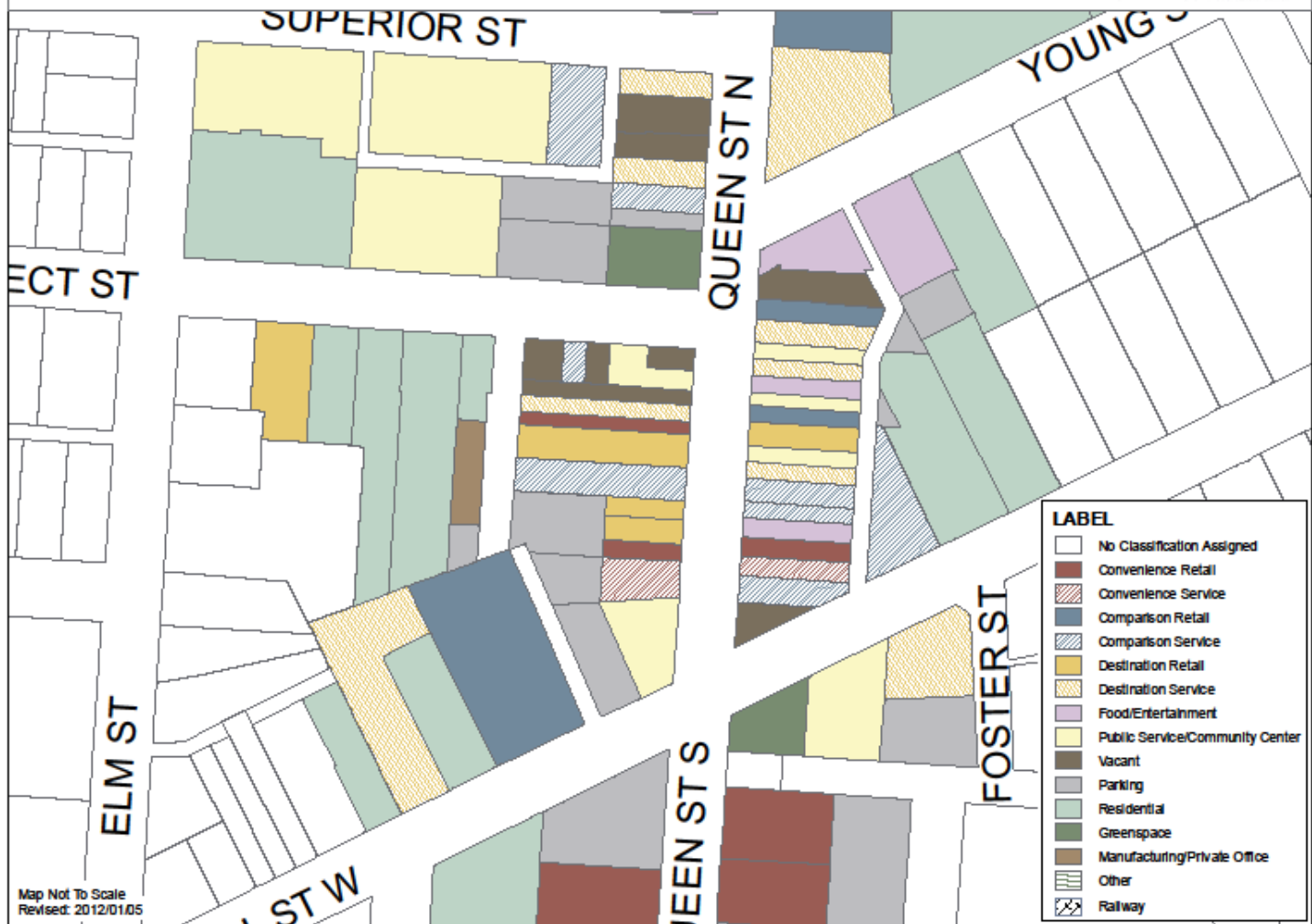
Map Not To Scale
Revised: 2012/01/05

DOWNTOWN TILBURY (South)

Community Business Mix Comparisons

- Compares the number and type of businesses in Tilbury to other similar communities to identify business gaps and potential opportunities

- Characteristics used to select comparison communities included:
  - **Population Size**: communities were chosen that are similar in size
  - **Demographic Characteristics**: communities were chosen that have similar incomes, education, age levels, etc
  - **Distance from Urban and Metropolitan Areas**: communities that are closer to metropolitan areas may have different retail mixes than those at greater distances

- The right comparison communities can set a standard of economic vitality for your downtown

Source of data: MapInfo 2011, based on community not municipal boundaries

TILBURY COMPARISON COMMUNITIES

Stayner

Walkerton

Shelburne

Mount Forest

Mitchell

Delhi

Crystal Beach

Tilbury

Revised: 2011/07/01

0   20   40   80 Kilometers

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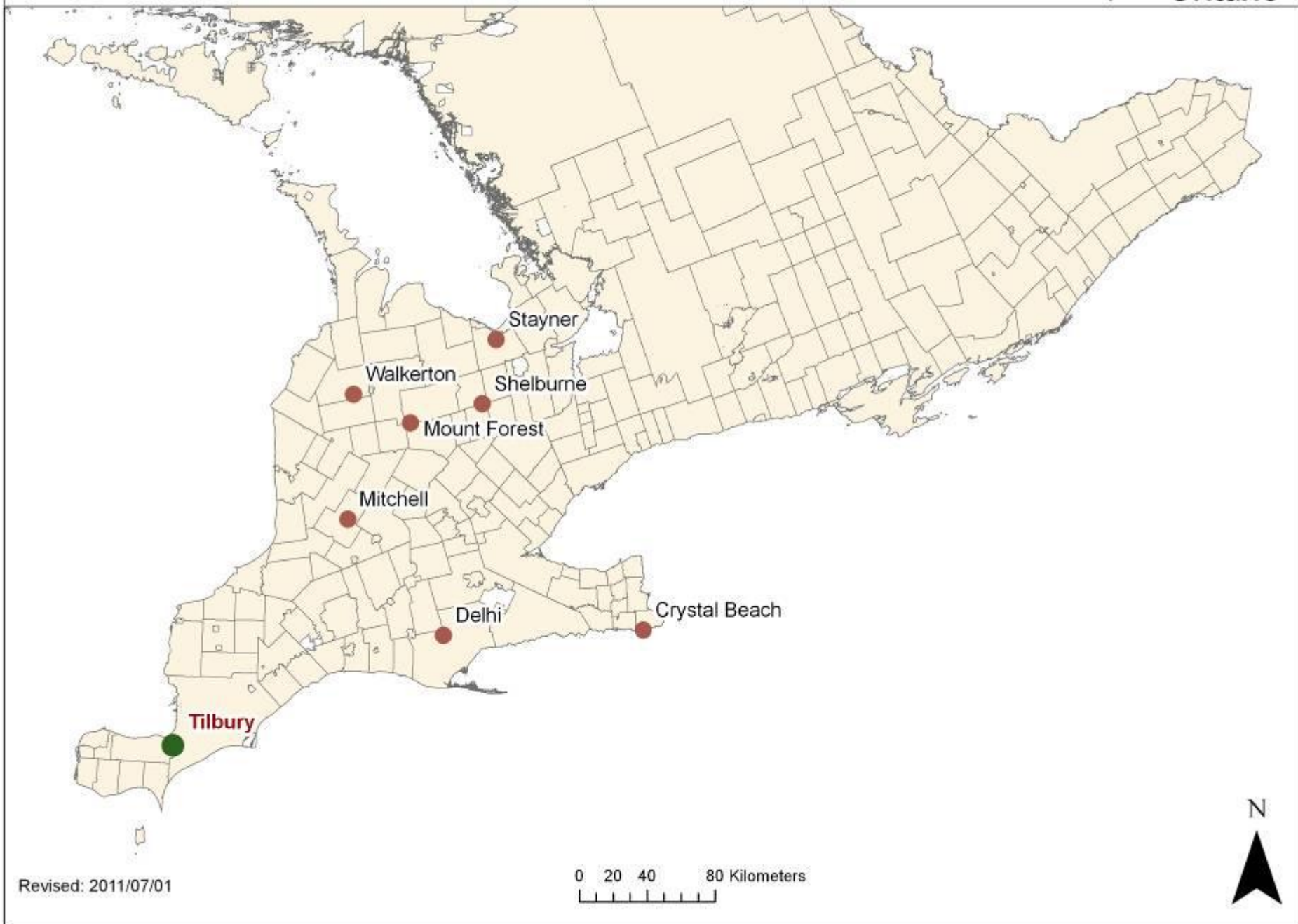
Community Business Mix Comparisons

- Make note of each business category that is lower or higher in your community than the comparison communities.

  - Allows for the identification of categories that may provide opportunities for recruitment or expansion.

  - Furthermore, business categories that have greater numbers in your community also may provide a recruitment tool for other businesses, as they may point to a unique niche in the downtown area.

Neutral
Anything between +0.4 to -0.4

Retail/Service Business Description	Number of Businesses								Theoretical Capacity of Community (Average)	Variance
	TILBURY	CRYSTAL BEACH	DELHI	MITCHELL	MOUNT FOREST	SHELBURNE	STAYNER	WALKERTON		
Bowling Centers	0	0	0	1	1	0	0	1	0.4	-0.4
Office supplies and stationery stores	0	0	0	0	2	1	0	0	0.4	-0.4
Other home furnishings stores	0	0	0	0	1	1	1	0	0.4	-0.4
Book stores and news dealers	0	0	0	0	1	0	1	0	0.3	-0.3
Children's and infants' clothing stores	0	0	0	0	0	2	0	0	0.3	-0.3
Computer Related Services	1	0	1	2	1	3	0	2	1.3	-0.3
Laundry and Cleaners	0	0	0	0	1	0	0	1	0.3	-0.3
Museums and Art Galleries	0	0	0	1	1	0	0	0	0.3	-0.3
Chiropractor Offices	3	0	3	5	3	2	5	4	3.1	-0.1
Family clothing stores	0	0	0	0	0	0	0	1	0.1	-0.1
Musical instrument and supplies stores	0	0	0	1	0	0	0	0	0.1	-0.1
Photocopying and Duplication	0	0	0	0	0	1	0	0	0.1	-0.1
Video Rental	1	0	1	0	1	3	1	2	1.1	-0.1
Beer, wine, and liquor stores	2	0	3	3	2	2	2	2	2.0	0.0
Photographic Studios	1	0	0	0	1	1	2	3	1.0	0.0
Appliance, television, and other electronics store	2	0	2	1	3	1	2	4	1.9	0.1
Other health and personal care stores	1	1	1	0	0	1	1	2	0.9	0.1
Hobby, toy, and game stores	1	0	0	0	3	1	1	0	0.8	0.3
Jewelry stores	1	0	1	0	1	1	0	1	0.6	0.4
Used merchandise stores	3	2	2	1	1	3	8	1	2.6	0.4

Potential Strengths in the Business Mix

Anything equal or above 0.5

Retail/Service Business Description	Number of Businesses								Theoretical Capacity of Community (Average)	Variance
	TILBURY	CRYSTAL BEACH	DELHI	MITCHELL	MOUNT FOREST	SHELBURNE	STAYNER	WALKERTON		
Used car dealers	6	0	2	1	0	2	4	2	2.1	3.9
Other gasoline stations	6	0	2	4	2	3	3	2	2.8	3.3
Beauty Shops/Barber Shops	12	4	10	6	9	9	12	9	8.9	3.1
Motorcycle, boat, and other motor vehicle dealers	4	0	1	1	0	0	2	0	1.0	3.0
Child Care Services	5	1	1	3	1	3	2	1	2.1	2.9
Department Stores	5	1	3	1	6	2	1	2	2.6	2.4
Florists	4	0	4	1	1	1	1	1	1.6	2.4
Auto Repair Services	16	0	18	17	14	17	10	18	13.8	2.3
Automotive parts and accessories stores	5	0	3	4	1	4	3	3	2.9	2.1
Insurance Agents and Brokers	8	1	10	8	7	6	3	4	5.9	2.1
Real Estate Agents/Managers	7	1	6	5	8	3	7	3	5.0	2.0
New car dealers	3	0	0	1	2	1	1	5	1.6	1.4
Auditing, Accounting, Tax	5	1	3	3	5	5	1	7	3.8	1.3
Convenience stores	3	1	1	1	1	3	2	2	1.8	1.3
Pharmacies and drug stores	3	0	3	1	2	2	1	2	1.8	1.3
Banks and Credit Unions	4	0	3	5	3	2	2	4	2.9	1.1
Optometrist Offices	3	0	1	2	1	2	7	1	2.1	0.9
Recreational vehicle dealers	2	0	0	2	2	1	1	1	1.1	0.9
Supermarkets & other grocers (not convenience)	3	0	0	1	5	2	3	4	2.3	0.8
Tire dealers	1	0	1	0	0	0	0	0	0.3	0.8
Home centers	1	0	0	0	1	0	0	1	0.4	0.6
Dental Offices	3	0	1	2	3	4	5	2	2.5	0.5
Other clothing stores	1	0	1	0	0	2	0	0	0.5	0.5

Potential Gaps in the Business Mix

Anything equal or below -0.5 (1 of 2)

Retail/Service Business Description	Number of Businesses								Theoretical Capacity of Community (Average)	Variance
	TILBURY	CRYSTAL BEACH	DELHI	MITCHELL	MOUNT FOREST	SHELBURNE	STAYNER	WALKERTON		
Health Clubs and Fitness	2	2	6	6	5	4	1	6	4.0	-2.0
Lodging Accommodations	0	1	4	1	1	1	2	5	1.9	-1.9
Nursery and garden centers	0	0	0	2	2	4	4	0	1.5	-1.5
Specialty food stores	0	0	0	2	3	1	4	2	1.5	-1.5
Gift, novelty, and souvenir stores	1	0	2	0	2	7	5	2	2.4	-1.4
Outdoor power equipment stores	0	0	0	0	3	2	3	1	1.1	-1.1
Computer and software stores	0	0	0	0	2	3	1	2	1.0	-1.0
Employment Agencies	0	0	0	0	0	3	2	3	1.0	-1.0
Physician Offices	4	0	7	10	3	4	4	8	5.0	-1.0
Floor covering stores	0	0	0	2	1	1	1	2	0.9	-0.9
Other building material dealers	1	0	1	2	1	4	3	3	1.9	-0.9
Security/Commodity Brokers	0	0	0	1	1	2	2	1	0.9	-0.9
Furniture stores	0	0	0	0	1	0	4	1	0.8	-0.8
Hardware stores	1	0	2	1	2	3	1	4	1.8	-0.8

Potential Gaps in the Business Mix

Anything equal or below -0.5 (2 of 2)

Retail/Service Business Description	Number of Businesses								Theoretical Capacity of Community (Average)	Variance
	TILBURY	CRYSTAL BEACH	DELHI	MITCHELL	MOUNT FOREST	SHELBURNE	STAYNER	WALKERTON		
Paint and wallpaper stores	0	0	2	1	1	0	1	1	0.8	-0.8
Sporting goods stores	1	0	3	2	5	2	1	0	1.8	-0.8
Travel Agencies	0	0	2	1	1	0	1	1	0.8	-0.8
All other general merchandise stores	1	2	3	1	2	2	0	2	1.6	-0.6
Misc. Personal Services	3	1	7	6	2	6	2	2	3.6	-0.6
Pet and pet supplies stores	0	0	0	1	1	1	2	0	0.6	-0.6
Sewing, needlework, and piece goods stores	0	0	0	1	2	1	0	1	0.6	-0.6
Women's clothing stores	1	0	0	1	2	2	3	4	1.6	-0.6
Legal Services	5	0	12	2	3	5	8	9	5.5	-0.5
Men's clothing stores	0	0	0	1	1	0	1	1	0.5	-0.5
Rental Services	0	0	0	0	1	0	1	2	0.5	-0.5
Shoe stores	0	0	1	0	0	0	1	2	0.5	-0.5

Community/Community Business Mix Comparisons Limitations

Cautions

- number of businesses does not account for size, only registered businesses

- analysis is for the whole community, not the downtown

- location specific characteristics which influence market potential, such as income and average age within the community, are ignored

Market Threshold Analysis

- While several factors contribute to the vitality of the local retail market, the most fundamental factor is the relative size of the market in terms of potential customers.

- Given a retail market of a particular population size the natural question is what types of establishments can it support.

- Provide insight into the size of the market, as measured by population, required to support different store types: barber shop, a used car dealership, or a hardware store, etc..

Determining Tilbury's Market Threshold

- Population of Ontario is divided by the # businesses in a sector = population supporting each business in that sector

- Compares # of businesses in Tilbury to Tilbury's population to determine the theoretical capacity of Tilbury to support different businesses
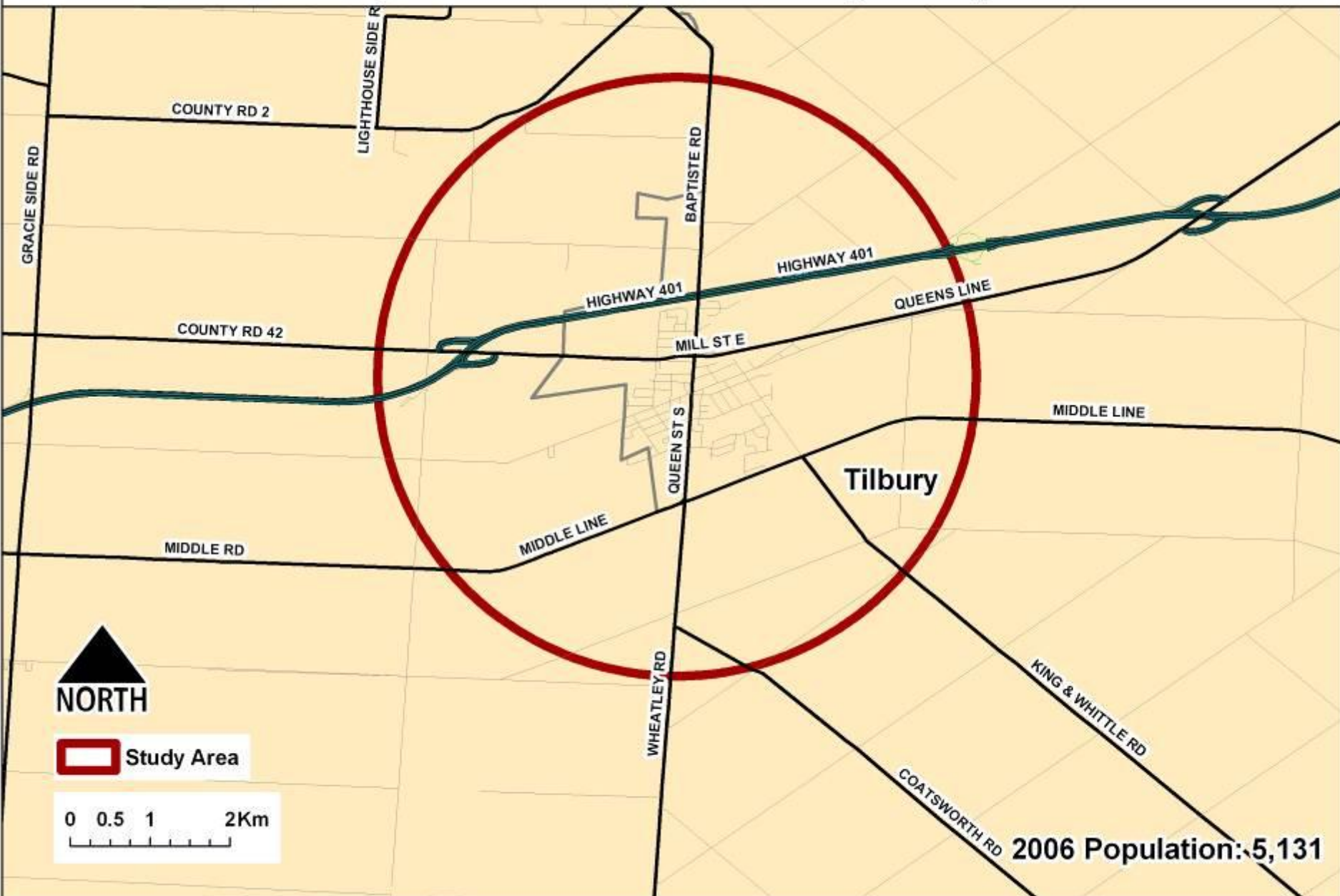
Source of data: Map Info, Canadian Business Locations, 2011

Benefits of Market Threshold Analysis

- Tool which can be used to help "rule-out" or "rule-in" potential businesses for a commercial center.

- Market threshold estimates can begin to help the entrepreneur think through the market potential of his or her business idea (in conjuncture with the tools of Trade Area Analysis and a host of other market analysis tools).

- In short, market threshold analysis helps frame the basic marketing question: can a community of a given size support a particular type of establishment?

Tilbury's Market Threshold Analysis
Boundary Used to Profile Tilbury's Population

COUNTY RD 2

LIGHTHOUSE SIDE R

GRACIE SIDE RD

BAPTISTE RD

HIGHWAY 401

HIGHWAY 401

QUEENS LINE

COUNTY RD 42

MILL ST E

QUEEN ST S

MIDDLE LINE

Tilbury

MIDDLE RD

MIDDLE LINE

NORTH

Study Area

0   0.5   1   2Km

WHEATLEY RD

KING & WHITTLE RD

COATSWORTH RD

2006 Population: 5,131

Community: Tilbury	Population: 5,131				
Retail/Service Business Description	# Businesses (Ontario)	# people per business (Ontario)	*Theoretical capacity of the community (Population Averaging)*	Actual number in community	**+ Greater than capacity - fewer than capacity (Population Averaging)**
Art dealers	987	12,320	0.4	0	-0.4
Clothing accessories stores	948	12,827	0.4	0	-0.4
Men's clothing stores	935	13,006	0.4	0	-0.4
Pet and pet supplies stores	935	13,006	0.4	0	-0.4
Cosmetics, beauty supplies, and perfume stores	869	13,993	0.4	0	-0.4
Other building material dealers	3165	3,842	1.3	1	-0.3
Office supplies and stationery stores	718	16,936	0.3	0	-0.3
Museums and Art Galleries	685	17,752	0.3	0	-0.3
Children's and infants' clothing stores	651	18,679	0.3	0	-0.3
Sewing, needlework, and piece goods stores	565	21,523	0.2	0	-0.2
Paint and wallpaper stores	531	22,901	0.2	0	-0.2
Musical instrument and supplies stores	524	23,207	0.2	0	-0.2
Gift, novelty, and souvenir stores	2837	4,286	1.2	1	-0.2
Outdoor power equipment stores	412	29,515	0.2	0	-0.2
Motion Picture Theaters	367	33,134	0.2	0	-0.2
Luggage and leather goods stores	329	36,961	0.1	0	-0.1

Community: Tilbury		Population: 5,131			
Retail/Service Business Description	# Businesses (Ontario)	# people per business (Ontario)	*Theoretical capacity of the community (Population Averaging)*	Actual number in community	**+ Greater than capacity - fewer than capacity (Population Averaging)**
Shoe Repair and Shine	299	40,670	0.1	0	-0.1
Photocopying and Duplication	271	44,872	0.1	0	-0.1
Prerecorded tape, CD, and record stores	261	46,591	0.1	0	-0.1
Bowling Centers	244	49,837	0.1	0	-0.1
Camera and photographic supplies stores	157	77,454	0.1	0	-0.1
Warehouse clubs and superstores	41	296,592	0.0	0	0.0
Sporting goods stores	2399	5,069	1.0	1	0.0
Jewelry stores	2123	5,728	0.9	1	0.1
Other health and personal care stores	2057	5,912	0.9	1	0.1
All other general merchandise stores	1988	6,117	0.8	1	0.2
Photographic Studios	1722	7,062	0.7	1	0.3
Other clothing stores	1686	7,213	0.7	1	0.3
Appliance, television, and other electronics store	3781	3,216	1.6	2	0.4
Health Clubs and Fitness	3740	3,251	1.6	2	0.4

Community: Tilbury	Population: 5,131				
Retail/Service Business Description	# Businesses (Ontario)	# people per business (Ontario)	*Theoretical capacity of the community (Population Averaging)*	Actual number in community	+ Greater than capacity - fewer than capacity (Population Averaging)
Auto Repair Services	16688	729	7.0	16	9.0
Beauty Shops/Barber Shops	12488	974	5.3	12	6.7
Insurance Agents and Brokers	6274	1,938	2.6	8	5.4
Used car dealers	2619	4,643	1.1	6	4.9
Other gasoline stations	2861	4,250	1.2	6	4.8
Automotive parts and accessories stores	1621	7,502	0.7	5	4.3
Department Stores	2334	5,210	1.0	5	4.0
Motorcycle, boat, and other motor vehicle dealers	1305	9,318	0.6	4	3.4
Child Care Services	4143	2,935	1.7	5	3.3
Florists	1835	6,627	0.8	4	3.2
Real Estate Agents/Managers	10096	1,204	4.3	7	2.7
Banks and Credit Unions	3884	3,131	1.6	4	2.4
New car dealers	1633	7,447	0.7	3	2.3
Auditing, Accounting, Tax	6462	1,882	2.7	5	2.3

Community: Tilbury	Population: 5,131				
Retail/Service Business Description	# Businesses (Ontario)	# people per business (Ontario)	*Theoretical capacity of the community (Population Averaging)*	Actual number in community	+ Greater than capacity - fewer than capacity (Population Averaging)
Convenience stores	1755	6,929	0.7	3	2.3
Used merchandise stores	1909	6,370	0.8	3	2.2
Optometrist Offices	2050	5,932	0.9	3	2.1
Recreational vehicle dealers	321	37,882	0.1	2	1.9
Chiropractor Offices	3143	3,869	1.3	3	1.7
Pharmacies and drug stores	3534	3,441	1.5	3	1.5
Beer, wine, and liquor stores	1504	8,085	0.6	2	1.4
Misc. Personal Services	5263	2,311	2.2	3	0.8
Supermarkets & other grocers (not convenience)	5425	2,242	2.3	3	0.7
Home centers	748	16,257	0.3	1	0.7
Hardware stores	791	15,373	0.3	1	0.7
Tire dealers	838	14,511	0.4	1	0.6
Hobby, toy, and game stores	1008	12,064	0.4	1	0.6
Video Rental	1166	10,429	0.5	1	0.5

Community: Tilbury			Population: 5,131		
Retail/Service Business Description	# Businesses (Ontario)	# people per business (Ontario)	*Theoretical capacity of the community (Population Averaging)*	Actual number in community	+ Greater than capacity - fewer than capacity (Population Averaging)
Employment Agencies	8811	1,380	3.7	0	-3.7
Security/Commodity Brokers	4431	2,744	1.9	0	-1.9
Lodging Accommodations	4267	2,850	1.8	0	-1.8
Legal Services	15979	761	6.7	5	-1.7
Computer and software stores	3703	3,284	1.6	0	-1.6
Physician Offices	12966	938	5.5	4	-1.5
Travel Agencies	3144	3,868	1.3	0	-1.3
Laundry and Cleaners	2736	4,445	1.2	0	-1.2
Specialty food stores	2536	4,795	1.1	0	-1.1
Furniture stores	2421	5,023	1.0	0	-1.0
Computer Related Services	4439	2,739	1.9	1	-0.9
Women's clothing stores	4282	2,840	1.8	1	-0.8
Other home furnishings stores	1744	6,973	0.7	0	-0.7
Shoe stores	1600	7,600	0.7	0	-0.7
Optical goods stores	1437	8,462	0.6	0	-0.6
Rental Services	1421	8,558	0.6	0	-0.6
Dental Offices	8490	1,432	3.6	3	-0.6
Family clothing stores	1187	10,245	0.5	0	-0.5
Floor covering stores	1148	10,593	0.5	0	-0.5
Book stores and news dealers	1112	10,936	0.5	0	-0.5
Nursery and garden centers	1080	11,260	0.5	0	-0.5

Market Threshold Analysis Limitations

Cautions

- number of businesses does not account for size, only registered businesses

- analysis is for the whole community, not the downtown

- location specific characteristics which influence market potential, such as income and average age within the community, are ignored

Identifying Business Opportunities

- Mixed use positive
- Vacancy rate (13%)
- Are there gaps?
- Are there complementary businesses in sectors where downtown Tilbury is well represented?

Things to consider:
- Resident survey results
- Business survey results
- The function of your downtown
- Customer demand/spending potential
- Business in neighbouring communities