

Local Consumer Attitudes

This section summarizes focus group findings from sessions conducted in the community in 2003. Four groups of consumers were studied to assess opinions and emerging trends related to the business community.

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Introduction

The Community Planning & Resource Committee (CPR) was established by the New Richmond Area Chamber of Commerce & Visitors Bureau in the second quarter of 2002. The purpose of this committee was to study the business districts within New Richmond, Wisconsin. Through a partnership with the University of Wisconsin – Extension, it was determined that a business district market analysis would be conducted.

While much demographic and geographic data regarding New Richmond and its location within St. Croix County was readily available, the CPR Committee determined that the study could benefit from a number of primary data collection activities. Specifically, the Committee was interested in capturing the emerging trends occurring within the New Richmond business districts.

It was determined that focus groups would be a preferred method for obtaining the type of information desired by the Committee. Four populations were identified as being of interest to the market analysis process. They included local government officials, area business professionals, new residents of the area, and long-time residents of New Richmond.

The Marketing Department of Wisconsin Indianhead Technical College was contacted to conduct and report the results of the New Richmond focus group research. Focus groups were convened in January of 2003. The following sections outline the methodology, results, limitations, and conclusions of the research effort.

Research Methodology

The purpose of this research was to capture the emerging trends occurring within the New Richmond business districts. While many forms of primary data collection were considered, it was determined that focus groups would yield the most desirable results. Focus groups allow for the spontaneous interaction of the participants. This group process was believed to be the most effective way to capture the perceptions and beliefs of the four population groups.

It was established that four focus group sessions would be conducted in January of 2003. Invitations were extended by the New Richmond Area Chamber of Commerce & Visitors Bureau to assemble one group each of local government officials, area business professionals, new residents of the area, and long-time residents of New Richmond.

Focus groups were scheduled to meet the needs of the participants. While the area business professionals group met in the morning, the remainder of the focus group sessions met on weekday evenings. The CPR Committee authored a customized set of questions for each of these distinct groups. Each focus group was recorded on audio tape. Tapes were summarized and evaluated to detect recurring themes. This report of the analysis was prepared by the Marketing Department of Wisconsin Indianhead Technical College.

Analysis of Results

The analysis of results is divided into 3 sections. These sections are devoted to the responses of local government officials, area business owners, and finally the consumer groups. In that a similar question set was used for both of the consumer groups, an expected correlation occurred between the responses from the new residents and long-time residents of New Richmond. That correlation is summarized in the third section.

Section One: Government Officials

Local government officials were asked about their perceptions of the New Richmond business environment.

COMMERCIAL AREAS

When asked about the commercial areas within the City of New Richmond, the north, downtown, and south areas were frequently mentioned. One participant mentioned a “small strip on the west.”

GENERAL LOOK OF THE COMMERCIAL AREAS

Downtown is seen as a place to pass through on the way from north to south. Retail seems to be becoming a smaller and smaller part of the downtown business mix. There is still a commercial base including many professional services.

The south side businesses were described as “generic” in nature. Although generic, the group believed that the south end commercial district was growing most rapidly. A key strategy seemed to be to get the traffic moving to all parts of town and not just the south.

UNIQUE FEATURES OF NEW RICHMOND

Items listed in this category included the airport, golf course, college, hospital, and the overall look of the City. Specific references were made to the housing, streets, and bodies of water.

POSITIVE ASPECTS OF THE COMMERCIAL DISTRICTS

Accessibility seemed to be a favorable characteristic of the commercial districts.

OPPORTUNITIES FOR IMPROVEMENT OF THE COMMERCIAL DISTRICTS

Business hours were mentioned as a problem. Consistency and publicity of business hours were discussed at length. It was suggested that more clustering of similar businesses was necessary to attract customers. Brand names needed to be emphasized in order to attract local consumers.

BUSINESSES THAT COULD BENEFIT NEW RICHMOND

Focus group participants named a number of chain businesses that they felt could be a good fit for the commercial areas of New Richmond. The group felt that many local dollars are lost to neighboring discount stores. Clothing, electronics, office supplies, and sporting goods all seemed to be in short supply. The suggestion of additional restaurants and specialty food retailers was also made.

THE ROLE OF THE CITY

It was suggested that the City supports the commercial planning and development process. The City offers services to new businesses that make contact with its resource person. It was made clear that the City only responds to inquiries. It does not “market” itself. The Chamber of Commerce seemed better suited for the “marketing” role.

Local businesses should shape the commercial areas through their own marketing and promotion. The City could assist by attempting to influence the “clustering” process. This was the term used for the co-location of complementary businesses.

THE COMMERCIAL AREAS IN 20 YEARS

It seemed unanimous that there must be planned growth. Examples of good and bad growth processes were discussed. The look and pace of growth was subject to disagreement amongst the group.

Section Two: Area Businesses

Members of the local business community were asked for their perceptions of the New Richmond business environment.

COMMERCIAL AREAS

Businesses grouped at the north, south, and downtown areas were described as the main commercial areas. A discussion ensued regarding the benefits of the co-location of complementary businesses. Special mention was made of the car dealership cluster on the northern edge of the City.

NEW DEVELOPMENT AREAS

The group suggested that the north and south ends of New Richmond were the most attractive for growth. The access to a new highway from the north was felt to be a catalyst for growth on the north side. The downtown district was cited as an area of concern. Successful downtowns in comparable communities were described.

CONTROL OF BUSINESS LOCATIONS

The focus group preferred to see a combination of private and public initiatives attempt to control the growth of the commercial and residential areas. Planning was considered as an important factor. The group shared examples of successful private and public initiatives.

THE IMPACT OF A BIG BOX RETAIL IN NEW RICHMOND

The focus group seemed to favor the location of a big box store in New Richmond. It was felt that the large store would “bring additional business to area stores and restaurants.” This could remedy the “lack of foot traffic” currently in the New Richmond commercial areas.

GROWTH

On the subject of growth, many in the group expressed a desire for faster commercial growth and a moderate level of residential expansion. There was a concern that New Richmond could become an “older base community” if it doesn’t see additional growth.

RECRUITMENT OF ADDITIONAL BUSINESSES

The City and Chamber must be proactive rather than reactive. “People in New Richmond want name brand stores.” It was felt that recruitment would help keep the downtown area vibrant.

COMPLEMENTARY BUSINESSES

The group indicated that chain restaurants would help attract new customers to New Richmond. Additional options desired: groceries, building supplies, shoes, and clothing.

BUSINESS DISTRICT NICHES

The question of business district niches was deferred to the focus groups involving consumers. It was suggested that a destination store or historic district could be a good fit for New Richmond.

CHALLENGES

The City government was described as a challenge to the expansion of the commercial areas. “The City has been difficult to work with downtown.” Another challenge was the number of facilities for older citizens. Adequate resources were described as crucial for long-time residents to be able to stay in the City during their later years.

LONG-RANGE PLANNING

When asked about long-range planning, businesses indicated having from 1 to 10 year time horizons. Changing condition made planning beyond 12 months difficult.

MARKETING STRATEGIES

Successful marketing strategies for the New Richmond area included direct mail, branding, and supporting community activities. The word-of-mouth advertising associated with delivering excellent customer services was noted as important.

Section Three: Consumer Groups
New Residents and Long-time Residents of New Richmond

The following chart summarizes the responses of the two focus groups conducted with consumers. Related commentary appears after the chart.

	Information Category	New Residents	Long-time Residents
1	Day of the week for shopping.	Tuesday, Friday, Saturday	Weekday mornings, Thursdays, Saturday, Sunday
2	Decision factors	Convenience Selection Price	Convenience
3	Stores most often visited in New Richmond	Grocery Hardware Hair Care	Grocery Hardware Gas stations / Convenience Stores Specialty Stores Medical Services
4	Appealing factors about New Richmond stores	Convenience Local ownership Service for major purchases	Convenience Local ownership Service for major purchases Trust Giving back to the community Friends work in the stores
5	Opportunities for improvement of New Richmond stores	Limited availability / selection High prices Inconvenient store hours Poor retail service Poor return policies	Limited availability / selection High prices Shabby stores / restaurants Poor atmosphere Immature employees

	Information Category	New Residents	Long-time Residents
6	Changes to encourage additional shopping in New Richmond	More selection / variety A concentration of stores Stores catering to local needs Better hours	More selection / variety More stores Better service Better hours
7	Additional stores needed in New Richmond	Discount Stores Home Improvement Centers Traditional Department Stores New & Used Book Stores Craft Stores	Discount Stores Home Improvement Centers Electronics Stores Men's Clothing Athletic Gear / Apparel
8	Business district focus ideas	More Restaurants Historic District Coffee Shops Entertainment	Outdoor Dining Unique Attractions Antiques Bike Trail

		More Restaurants	
9	Frequency of eating out in New Richmond	Rarely	Rarely
10	Frequency of eating out but not in New Richmond	90% 85% 100%	50% 100%
11	Reasons for leaving New Richmond to eat	More kid friendly elsewhere Reasonable pricing Lots of options elsewhere	More variety elsewhere Better atmosphere Usually part of a shopping trip. Food Quality
12	Favorite restaurant outside New Richmond	Green Mill Don Pablo's Perkin's Champp's Americana	Applebee's Chili's Olive Garden Green Mill Outback Champp's Americana

	Information Category	New Residents	Long-time Residents
13	Favorite type of place to shop outside of New Richmond	Power Centers (Tamarack Village) Regional Malls Discount Stores	Strip Malls Regional Malls Traditional Department Stores
14	Reasons for shopping outside New Richmond	Selection Price	Selection Price Bad experiences in New Richmond Convenience of one-stop shopping Ties to other communities Work in other communities
15	Impact of the by-pass on New Richmond	More frequent trips to Stillwater. More stores will come to New Richmond.	More frequent trips to Stillwater. Less traffic on Knowles Avenue.

1. Both focus groups expressed similar shopping schedule preferences.
2. Decision factors when making purchases included mainly price and selection. Convenience was repeatedly mentioned as dictating shopping habits.
3. Grocery stores were the most frequently visited places in New Richmond. Both consumer groups reported frequent visits to New Richmond grocery retailers. However, members of both groups frequented these stores with great reluctance. See #5.
4. Both new and long-time residents reported convenience and location as being key appeals. Local ownership and service were also appealing factors.
5. Opportunities for improvement were plentiful. Both focus groups had multiple stories of bad experiences to share. Many issues included the factors of price, selection, and customer service.
6. To encourage more shopping in New Richmond, respondents requested more selection, service, and additional stores. A concentration of stores seemed to be more attractive than individual, isolated establishments.
7. A wide variety of stores were suggested as needed additions to New Richmond. The lack of clothing and home improvement products in New Richmond came up repeatedly.

8. Both groups had ideas for a business district focus. New Residents were interested in capitalizing on New Richmond's history. Long-time residents expressed the desire to improve the appearance of the downtown through additional amenities. These included hanging baskets, symbolic flags, and outdoor dining.
9. The long-time residents indicated that they do not eat at New Richmond restaurants. On rare occasion they reported purchasing take-out food and consuming it at home. New Residents ate out more frequently, but the majority of the meals were consumed outside New Richmond.
10. Lunch and dinner were the meals most frequently purchased outside of town. Eating was often part of a shopping trip.
11. Good food, variety, and quality were mentioned as reasons for leaving New Richmond to eat.
12. Favorite restaurants outside of New Richmond included Green Mill (Hudson), Perkin's (Hudson), Champ's Americana (Woodbury), and Applebee's (Hudson, Oak Park Heights).
13. Clothing stores were frequent destinations of trips outside of New Richmond. Discount stores were also mentioned repeatedly. Price and selection were important, but tax-free clothes shopping in Minnesota did not seem to be a big decision factor.
14. Price and selection were the main reasons for shopping outside of New Richmond. Long-time residents shared bad New Richmond shopping experiences that encouraged them to shop elsewhere.
15. Both groups felt that less traffic would use downtown New Richmond streets after a by-pass is built. This could be bad for local convenience stores. More businesses were expected to locate along the by-pass route.

Research Limitations

This study included small samples in each of the four focus groups. Increasing the number of participants in each session would provide more representative samples of the targeted population groups. In addition, resource constraints allowed for only one focus group in each of the four population areas. Conducting multiple focus groups in each area would likely add to the representation of the results.

Appendix

Local Government Officials Focus Group Questions
Area Business Focus Group Questions
New Residents & Long-time Residents Focus Group Questions

Focus Group – Local Government Officials

- When you think about the commercial/service areas of New Richmond, what areas of town come to mind?
- What are your thoughts on the general look and feel of these different commercial areas? What comes to mind when you think of these different sections?
- What community service or service areas in NR make us unique from the other communities in the area?
- What are the positive aspects of the commercial districts?
- What are opportunities for improvement in the commercial areas?
- What other types of businesses could be of most benefit to the commercial/service areas?
- What role can or should the City Council and its advisory boards play in shaping the commercial/service areas?
- What role do you think the private sector and Chamber should play in shaping the commercial/service areas of New Richmond?
- What will the commercial/service areas look like in 20 years?

Focus Group – Area Businesses

- What do you see as the main areas of commerce in New Richmond?
- Where do you think new businesses should be located in New Richmond? Where do you see the best fit for them?
- Do you think that the City should control where businesses locate? Should it be controlled in other ways?
- How would a big box affect your business?
- Are you pleased with New Richmond's growth?
- Should the City and Chamber actively recruit businesses?
- What types of new businesses would complement your business and help you attract new customers?
- Many businesses districts now focus on a particular niche. What niche or theme might be successful in New Richmond?
- What are the biggest challenges in your business today?
- What long range planning have you done for your future?
- What are your most effective marketing strategies?

Focus Group – Area Businesses

- What day of the week do you do most of your shopping?
- When making purchases, what is most important to your decision?
- When you shop in New Richmond, what types of stores do you shop in most often?
- What appeals to you about these stores?
- What do you like least?
- What could be done to encourage you to shop in New Richmond more often?
- What additional types of stores would you shop at if they were to open in New Richmond? (Names of two specifically by name/chain or franchise.)
- Many business districts have a particular focus, such as entertainment/restaurants, antiques, historic, upscale shops, retail outlet center, etc. What would draw you to shop or do business in New Richmond?
- How often do you eat out in New Richmond? Which meals? Why do you choose the places you eat at?
- How often do you eat out outside New Richmond? Which meals? Why? What is your favorite restaurant outside of New Richmond?
- How often do you eat at _____ [list of cuisine types and chain restaurant names]?
- Outside of New Richmond, what is your favorite type of place to shop (strip malls, regional malls, power centers)? Why?
- If your household purchases products and services outside New Richmond, what are the two main reasons why?
- What do you think New Richmond will be like after the by-pass is complete?
- What impact would you like the by-pass to have on New Richmond?