ANALYSIS of the

DOWNTOWN COBOURG VITALIZATION

BUSINESS OWNERS SURVEY

Prepared by the Economic Development Working Group

June 2013

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Acknowledgements

Special thanks to Kari Spry and Dan Borowec at Northumberland County for providing I:Survey and associated support. Funding assistance for this survey was provided by the Northumberland Community Futures Development Corporation. Carol McCann was responsible for data analysis and preparation of this report.

Executive Summary

This report describes the results of a Business Owners Survey conducted as part of the Downtown Cobourg Vitalization project. The aim of the survey was to collect information about the following issues: 1) the current business "climate" in Downtown Cobourg, including sales patterns and impact of events; 2) the opportunities and challenges faced by business owners; 3) owners' plans for business development; and 4) owners' opinions about the support provided to Downtown businesses.

The Business Owners Survey, consisting of 46 questions, was created using I:Survey and deployed on-line in March/April of 2013. Seventy (70) business owners in Downtown Cobourg completed all or part of the survey. Respondents were assigned to one of two categories – retail or service – depending on their answer to an initial question on the website.

The overall response to the Business Owners Survey was adequate to permit general conclusions to be drawn. However, the sample of respondents significantly over-represents retailers (versus service businesses) in Downtown Cobourg (in particular, the clothing and accessory sector), and slightly over-represents newer, smaller businesses.

Survey respondents consider middle-aged (45-64 year-old) local residents to be their most important customers, followed closely by young families. Retailers target tourists more than services do, while services target retirees and seniors more than retailers. Walk-in traffic is a very important source of business for retail respondents, while telephone inquiries are just as important as walk-in traffic as a source of business for services.

In general, only a slight majority of respondents report an increase in sales over the last two years – more so for services than retailers. Sale patterns over the calendar year are similar for both categories of business, with July and December being busiest for most and February, least busy. These results are similar for walk-in traffic. Both retail and service respondents report a consistent rise in sales and walk-ins across the workweek, peaking on Friday and Saturday. The single busiest time of day for both most businesses is between 10 a.m. and 2 p.m., although some retail respondents report the period between 2 p.m. and 5 p.m. is busy as well. While Downtown events such festivals and parades do result in higher sales for some retailers, they have almost no effect on sales for services. Respondents are generally positive about the Downtown atmosphere as a place to do business, though with some concern being expressed about the building facades, the existing business mix and the parking. Indeed, they note that the small-town atmosphere, streetscape, visibility and easy access of Downtown offer distinct advantages to their businesses. Notwithstanding, changes in attitude (over the past two years) concerning business prospects are fairly evenly divided between more positive, more negative and unchanged.

Parking consistently tops the list of challenges for respondents, followed by littering, vagrancy and loitering. However, the latter are of more concern for retail respondents, while accessibility is of greater concern for services. In addition, respondents note that inconsistent business hours, restrictive bylaws and taxes, and business turnover are disadvantages of operating Downtown. Generally, employee turnover and recruiting are not a concern.

Respondents have generally positive expectations about the sales in 2013 compared to 2012 – that sales will be higher, or at least the same. The majority of business respondents expect to remain the same size over the next two years, although some service respondents anticipate expansion. Annual expenditure on advertising for the majority of respondents is less than $5,000, with the main advertising methods being internet/website and newspaper. While service respondents feel that they especially need to improve skills in staff training and development, a majority of respondents would like to improve their marketing skills, and skills related to customer attraction and retention. (Note that a significant proportion of businesses have neither an operating plan nor a marketing plan.) Indeed, respondents feel that marketing the Downtown and attracting local customers is the key factor that would impact the growth of their business and, furthermore, that the Town has a role to play in the marketing of the Downtown per se (not just the beach).

The opinions expressed by respondents concerning the quality of service and support for business from local agencies is mixed, though services felt that the quality has been more often good or excellent. A majority of service respondents and some retailers are positive about the benefits of a local college or certificate program to train young people, citing customer service, sales & marketing and event management as important. Concerning the top initiatives that could benefit Downtown, respondents highlight improved parking, marketing to local residents, beautification and reduction of vacancies.

Finally, one respondent provides this succinct viewpoint on the needs of Downtown:

> "I think it's important to keep up the look of the main street, protect the culture, make sure the business mix is fair, [and] keep the businesses and residents involved in the vitalization process."

Introduction

This report describes the results of a Business Owners Survey conducted as part of the Downtown Cobourg Vitalization project. The aim of the survey was to collect information about the following issues: 1) the current business "climate" in Downtown[1] Cobourg, including sales patterns and impact of events; 2) the challenges faced by business owners; 3) owners' plans for business development; and 4) owners' opinions about the support provided to Downtown businesses.

The survey was designed using I:Survey (Version 4.069.003)[2], a tool made available to Vitalization through the Economic Development and Tourism Office of Northumberland County. The tool allows the creation of an on-line survey with questions in various formats (e.g., yes/no answers, scales, open text) and the collection of responses. The tool also compiles frequency counts and percentages from the responses and permits the export of data to a spreadsheet for further analysis of open text responses.

An early version of the Business Owners Survey for the Downtown Cobourg Vitalization was based on a similar business owners survey done in Gananoque, Ontario[3]. Members of the Economic Development Working Group tailored that initial draft to the needs of the Cobourg Vitalization project. Later drafts were reviewed by the Task Force and by Cobourg Council. Two final versions, comprising 46 questions, were created – one for retail businesses and one for service businesses. The two versions differed only in the list of options offered in Question 1 ("What type of business do you operate?")[4]. The final versions were pilot tested by several volunteer business owners to ensure the questions were clear and the survey could be completed in about 20 minutes, the target length.

The survey was made available through a website (businessbarometer.ca) that asked the respondent to "Click on the button that best describes your type of business: Retail or Service". The answer then caused the respondent to be automatically directed to the appropriate version of the on-line survey.

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[1] In this report, the term "Downtown" means specifically the Cobourg Downtown Vitalization Area which is bordered by James Street in the north, Ball Street to the West, College Street to the east and the marina, piers and beach to the south.
[2] Copyright 2012 eSolutionsGroup
[3] Downtown Revitalization Coordinator's Manual, Gananoque Business Owner Survey, Resource II-10. (2010). OMAFRA.
[4] There was an expectation that the responses from the retailers might be significantly different, for at least some questions, from those of the service business owners. Having two versions of the survey facilitated the splitting of the data between those two subgroups.

Volunteers distributed flyers advertising the survey to each business in the Downtown (over 220) prior to the opening of the website and then again midway through the response period which ran between 8 March and 12 April, 2013.

A total of 70 business owners (equally distributed between retail and service businesses) started the survey (i.e., answered at least one question). Some respondents got part of the way through and cancelled out, although their answers up to the point of cancellation were recorded. The response totals dropped to just over 50 responses per question (22 for retailers and 29 for services) by midway in the survey and then stayed around that level for the remaining questions.

Many of the questions in the survey involved selecting an answer out of a set of predefined responses (e.g., Question 23, "Does your business have a marketing plan? Yes/No"). The results from these questions were compiled by the I:Survey tool as response totals and percentages for each answer.

The remaining questions in the survey were open-ended, allowing respondents to type a text response (e.g., Question 26, "What single issue, if resolved, would have the biggest impact on the growth of your business?"). For these questions, the data were exported to a spreadsheet and a coding system was developed to categorize the responses, which was done by hand in the spreadsheet.

The statistical validity of the results of the Residents Survey was calculated using www.surveysystem.com/sscalc.htm, as recommended by OMAFRA in the *Downtown Revitalization Coordinator's Manual.* For this survey, which had a response from 70 businesses in the Cobourg Downtown (out of a total of 220), the survey results are 95% significant within a confidence interval of +/- 9.7%.

The results in the remainder of this report are presented graphically in terms of percentages of total respondents, unless otherwise stated. The results from the two subgroups (retail and services) have been pooled when there is no significant difference between them.

Characterizing Downtown Businesses

This section presents a snapshot of respondents, based on different characteristics of the businesses in the sample (e.g., "How many workers does your business employ?"). It also compares certain of these characteristics to the corresponding ones for all of the businesses in Downtown taken from the 2012 Business Inventory compiled by the Town of Cobourg. A comparison between the business characteristics in the Business Owners Survey and all businesses in Downtown Cobourg helps in assessing whether the information from the survey is representative of the views of Downtown business owners.

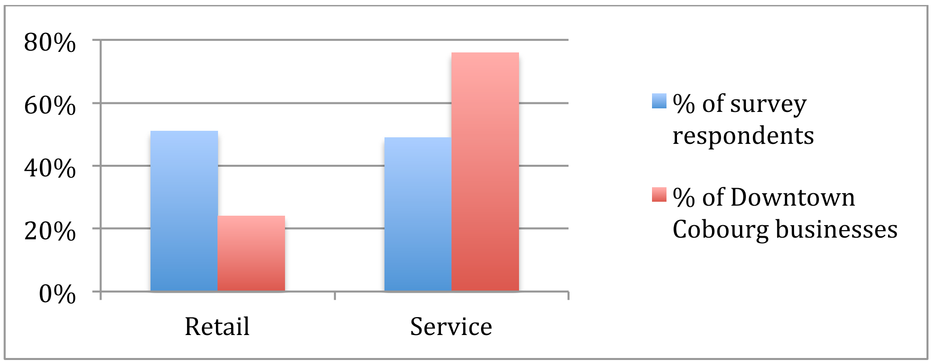

Figure 1 – Percent of businesses in retail and service categories

Figure 1 shows that 51% of survey respondents classify their businesses as *retail* and 49% classify their businesses as *service* (blue bars). By contrast, the distribution of retail to service businesses in Downtown Cobourg is 24% retail and 76% service (red bars in Figure 1), according to the Business Inventory. This comparison suggests that the survey data significantly over-represent retailers in the Downtown.

Responses to Question 1 of the survey provide further insight into the distribution of types of businesses. Figures 2a and 2b (next page) break out the businesses by sector for each of the retail and service categories. In four of the five retail sectors the proportion of survey respondents is higher than in the Cobourg Business Inventory – in some cases much higher (Figure 2a). For example, respondents in the *clothing and accessories* sector make up 19% of the total survey, but make up only 4% of Cobourg Downtown businesses. By contrast, most service sectors are under-represented in the results (Figure 2b) – the exception being *arts, entertainment & recreation*. These findings suggest that the survey results may be weighted in favour of the views of retailers.

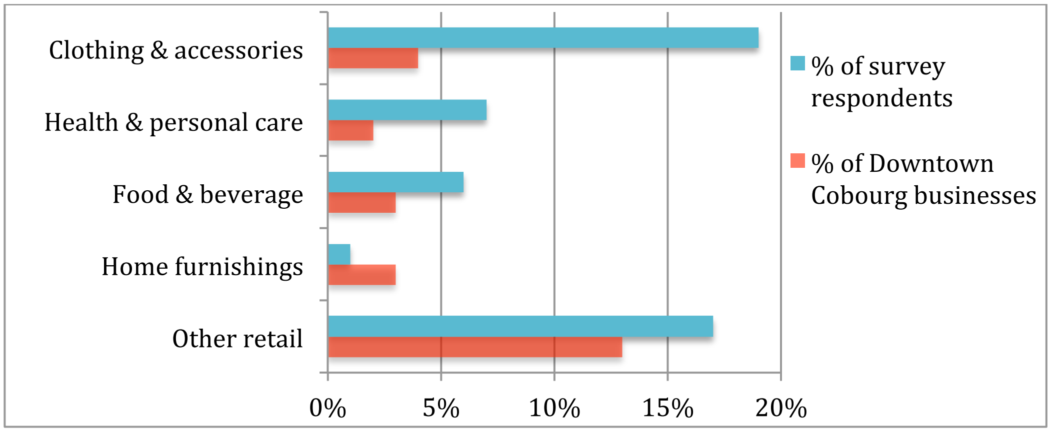

Figure 2a - Businesses self-identified as "Retail" broken out by industry sector (Question 1 of Retail survey)

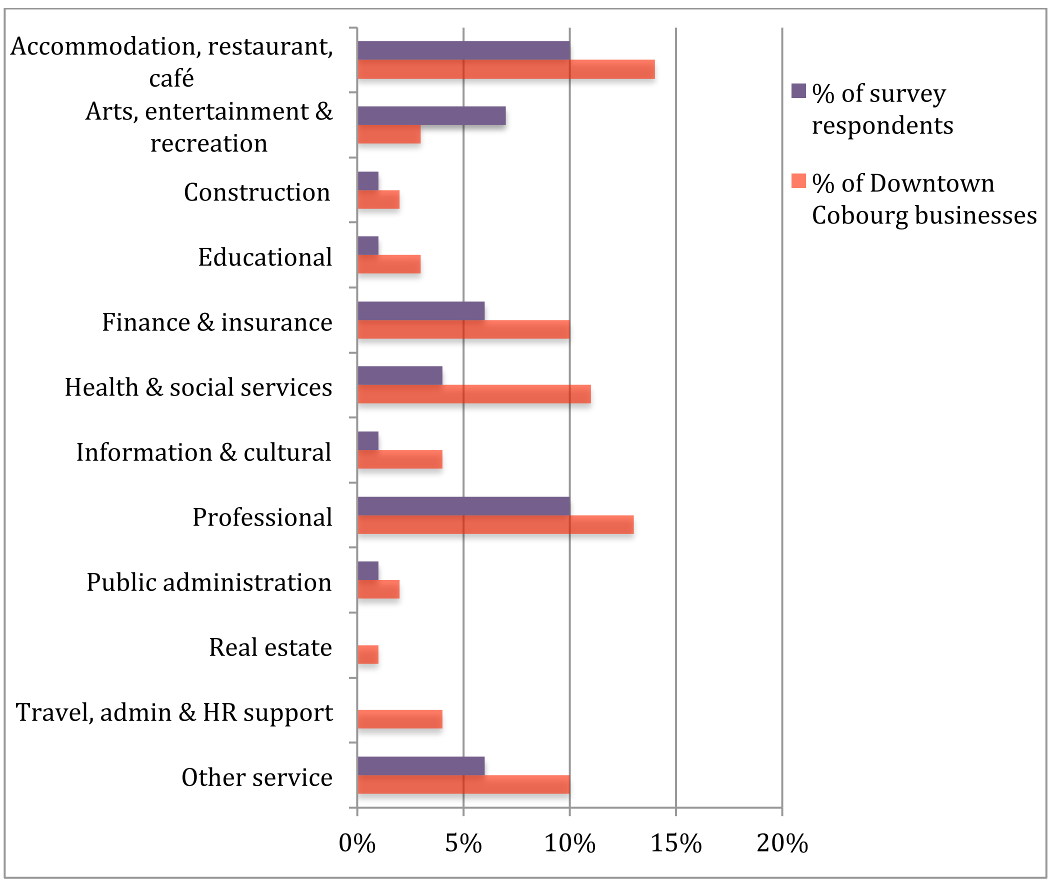

Figure 2b - Businesses self-identified as "Service" broken out by industry sector (Question 1 of Service survey)

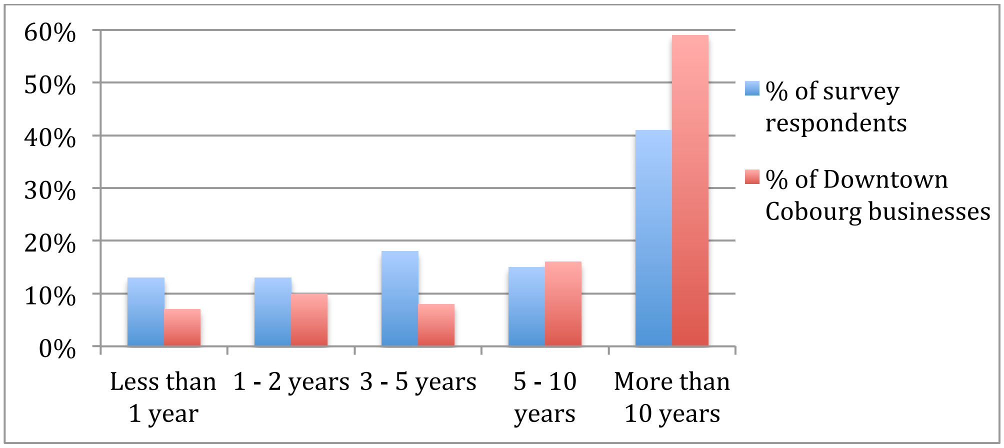

Figure 3 – Number of years operating in Downtown Cobourg (Question 2)

Figure 3 shows (in blue) the number of years that survey respondents have been established in Downtown Cobourg (retail and service data were pooled). The corresponding percentages for all businesses in the Downtown are shown in red for comparison. The graph indicates that the survey sample under-represents businesses that have been established for more than 10 years, and over-represents businesses less than 5 years old.

Question 4 of the survey asked "Is the owner (or at least one of the owners) involved in the day-to-day operation of the business?" The responses indicated that the owner(s) were directly involved in the majority of businesses (77% of retail cases and 74% of service).

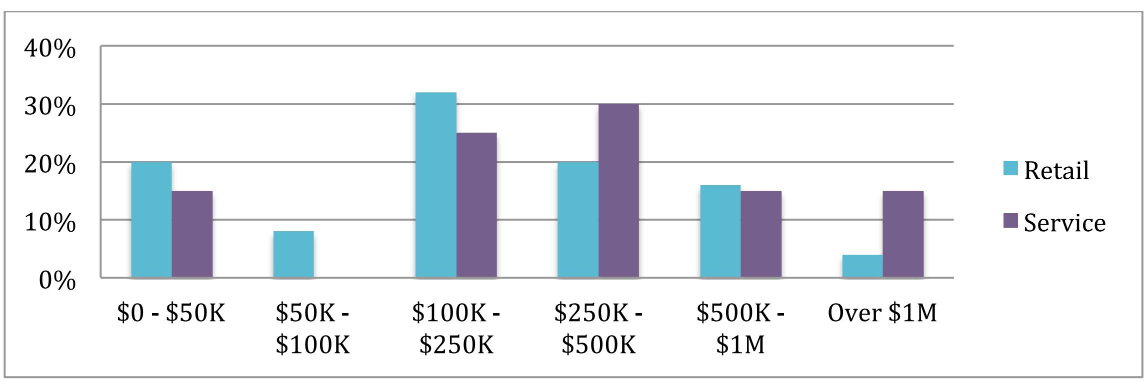

Figure 4 – Total annual sales (Question 37)

The distribution of total annual business sales for survey respondents is given in Figure 5. Retailers generally fall into the lower categories of annual sales (less than $250,000) while services fall into the higher categories. Fifteen percent (15%) of services surveyed generate over $1,000,000 in annual sales.

The majority (71% for both retail and service) of survey respondents *rent* their premises, as opposed to *owning* the building they occupy (as indicated in responses to Question 3). Responses to Question 8 indicate that all (100%) of the retail businesses surveyed occupy the *ground floor*. For service respondents, the majority of their businesses (71%) are also on the *ground floor*, with 19% on the *second floor* and 10% of those businesses occupying the *third floor*.

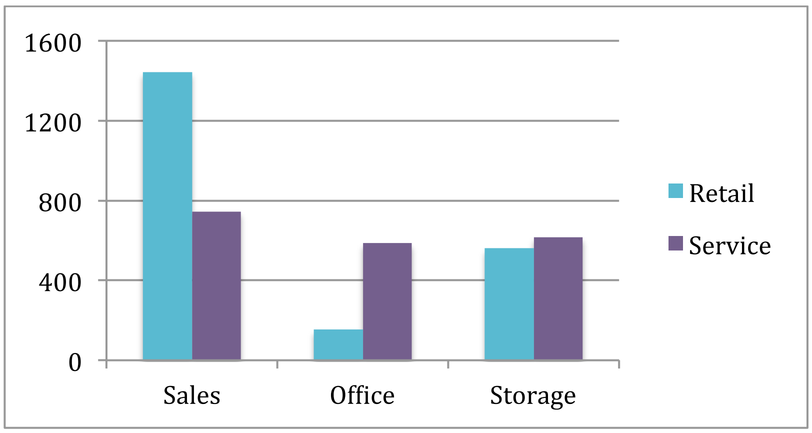

Figure 5 - Square feet devoted to sales, office and storage (Question 9)

Figure 5 shows the average amount of floor space (in square feet) allocated to sales, office and storage. Not surprisingly, retailers have, on average, less *office* space than services, but they have about double the floor space devoted to *sales*.

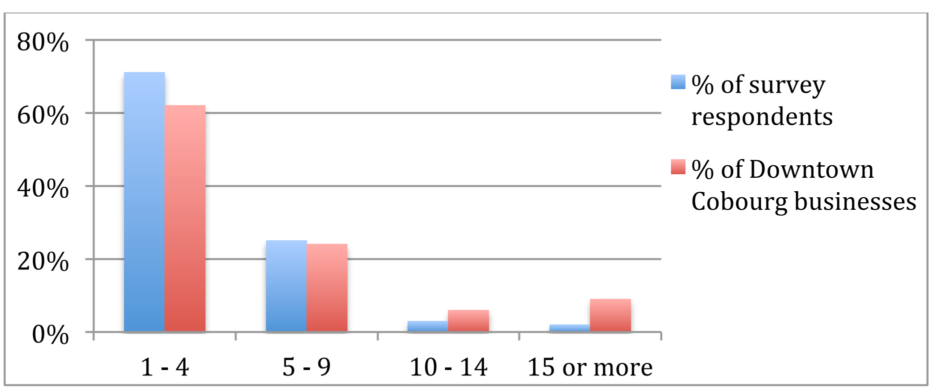

Figure 6 - Number of workers employed (Question 5)

Figure 6 shows the number of workers employed by survey respondents (retail and service were pooled) compared to all businesses in Downtown Cobourg, indicating that businesses with fewer than 5 employees are slightly over-represented in the survey data, while larger businesses (with more than 10 employees) are slightly under-represented.

	Retail	Service
Permanent full-time	2	2
Permanent part-time	1	2
Seasonal temporary	1	3.5
Contract	0	1
Student	1	2.5
Volunteer	3	20

Table 1 – Median number of employees in various categories[5]

Table 1 give a breakdown of the types of employees in the retail and service businesses surveyed (Question 6). Most businesses employed at least one permanent full-time worker, with far fewer employing students and volunteers.

Business owners were queried in Question 7 on the number of office workers (e.g., clerical, administration, financial) they employ. For retailers the average is .5 workers (range 0 – 2), while for services the average is 1.8 (range 0 – 8).

Business Markets

Two questions explored the market segments that survey respondents are currently targeting.

Figure 7 on the following page shows that the *baby boomers* and *young families* are the most important demographic groups for both retailers and services. *Youth* (age 14-20) is the least important demographic for both categories.

[5] Since the distribution of employees in the categories is quite uneven, median values are given rather than means.

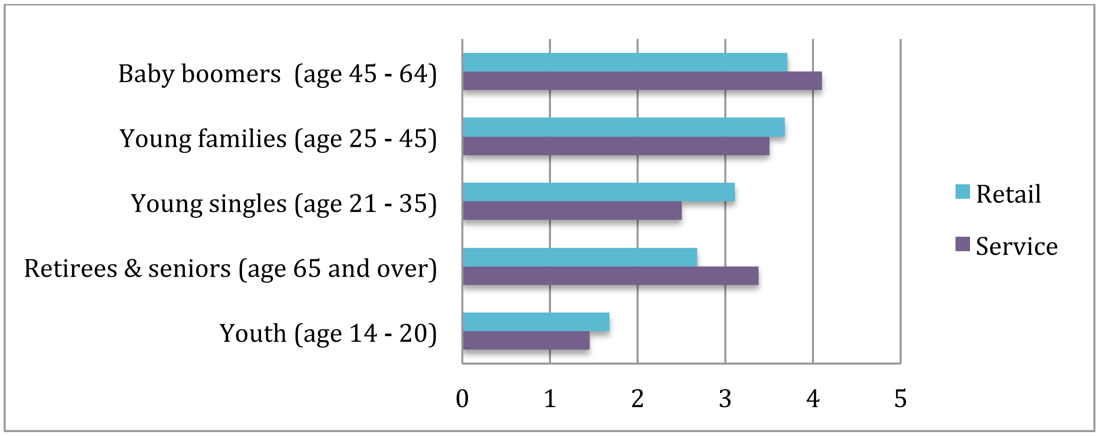

Figure 7 – Ranking of customer age groups in terms of importance to business (Question 35)

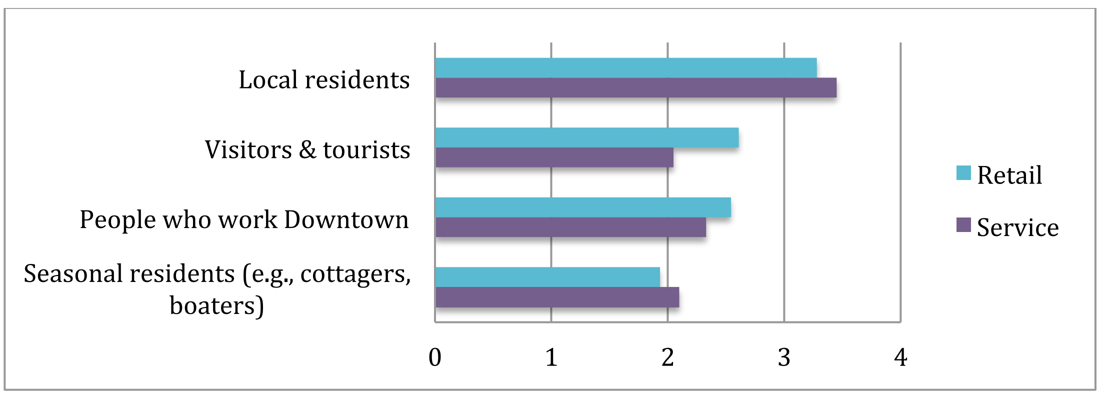

Figure 8 – Ranking of customer types in terms of importance to business. (Question 36)

Both retailers and services consider *local residents* to be their most important customers, as shown in Figure 8. The remaining categories of customers are ranked about equal in importance, except that retailers give a slightly higher value to *visitors and tourists* than services do.

Business Climate

A number of questions on the survey were devoted to gauging the current business climate as it is perceived by Downtown Cobourg business owners. These questions included those addressing yearly, weekly and daily sales patterns; how Downtown events affect sales; and the suitability and advantages of Downtown for business.

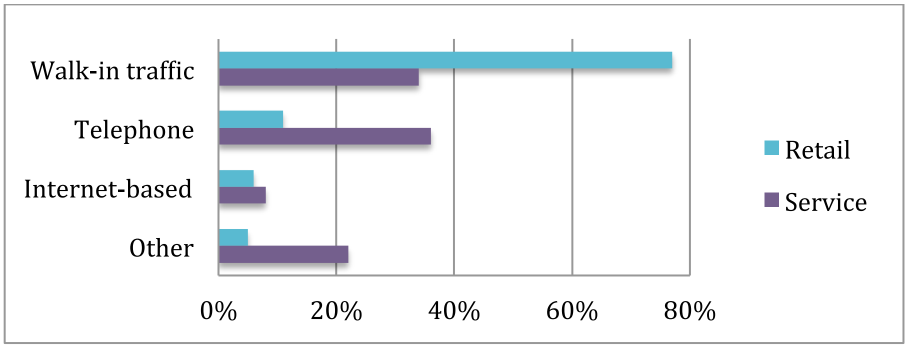

Figure 9 – Percentage of business derived from various sources (Question 12)

For retailers, *walk-in traffic* accounts for 77% of business, twice as much as for services (Figure 9). By contrast, *telephone* business is more than three times as important for services (36% of business) than for retailers. Furthermore, walk-in and telephone are equal in importance as a source of clientele for services.

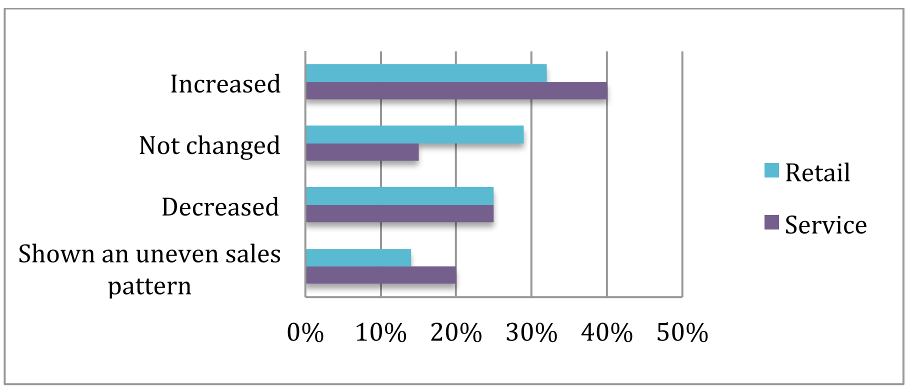

Figure 10 - Change in total annual sales over the past 2 years (i.e., 2011 and 2012) (Question 38)

Over 30% of the businesses surveyed in each category have experienced an *increase* in annual sales over that last two years, as shown in Figure 10, with a slightly greater proportion of services enjoying the increase. A follow-up question revealed that the increase in sales averaged 31% for service businesses and only 10% for retailers. Twenty-five percent (25%) of retailers and services experienced a *decrease* in annual sales, averaging 16% and 14% respectively. The remaining businesses experienced either *no change* or an *uneven pattern.*

A series of survey questions (Questions 13 – 16) queried business owners on their busiest and least busy months in terms of sales and walk-in traffic. The results are shown in Figures 11 and 12.

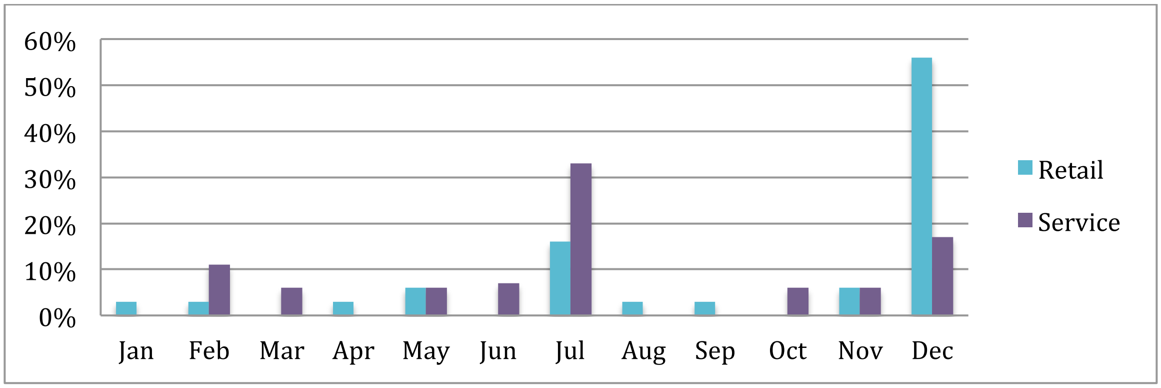

Figure 11a - Busiest month in terms of sales (Question 13)

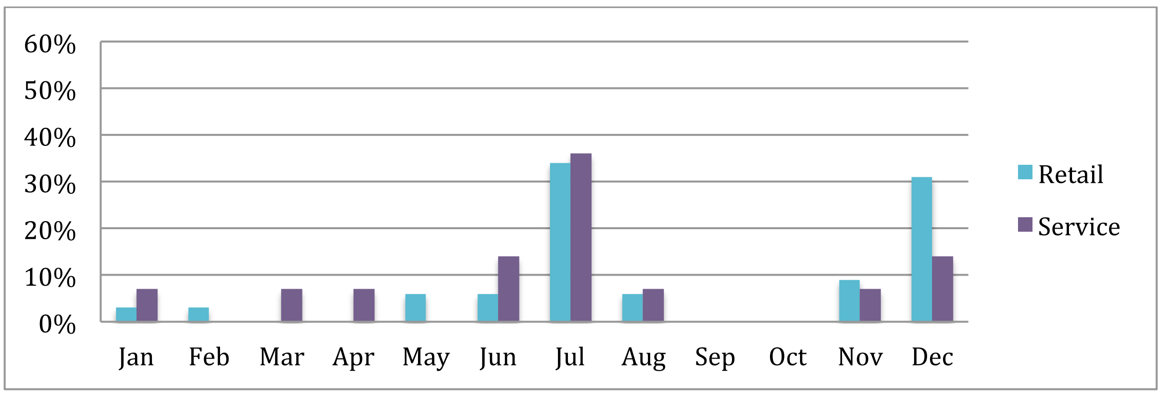

Figure 11b – Busiest month in terms of walk-in traffic (Question 14)

Sales are highest for most retailers (56% of respondents) in *December*, and for an additional 16% of retailers in *July* (blue bars in Figure 11a). The inverse is true for services with 33% of those respondents naming *July* as busiest for sales (purple bars in Figure 11a), and an additional 17% naming *December* as busiest. Busiest months for walk-in traffic follow the same pattern (Figure 11b), but with fewer retail respondents (31%) naming *December* as busiest, and more naming *July* (34%).

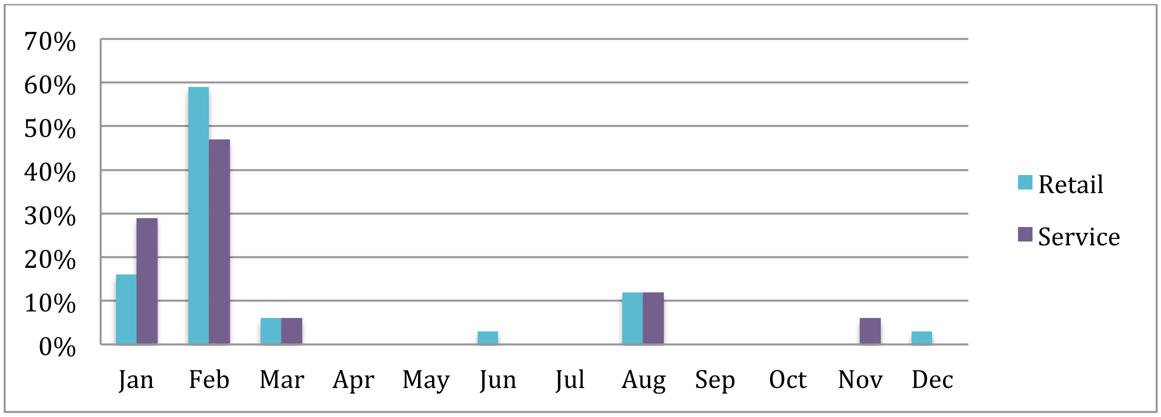

Figure 12a - Least busy month in terms of sales (Question 15)

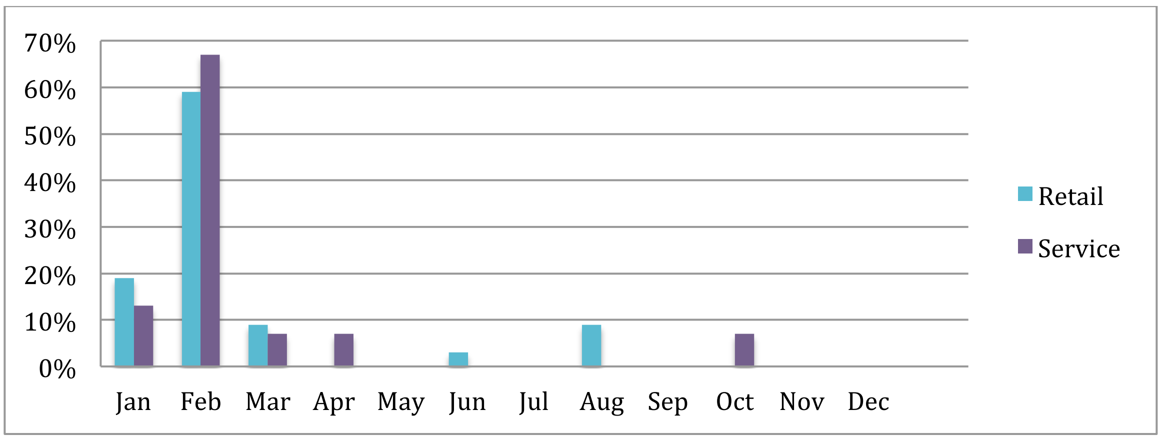

Figure 12b – Least busy month in terms of walk-in traffic (Question 16)

Figures 12a and 12b clearly show that *February* is the least busy month for sales and walk-ins for both categories of business.

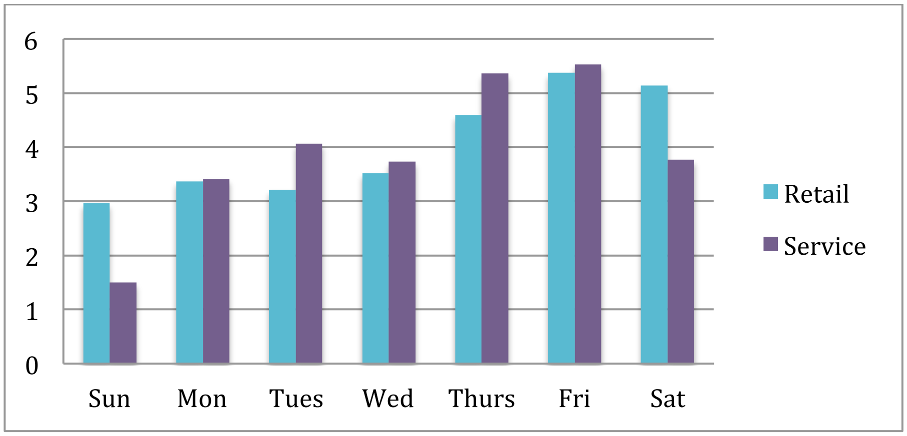

Figure 13a - Ranking of sales in a typical week by day of the week (Question 17)

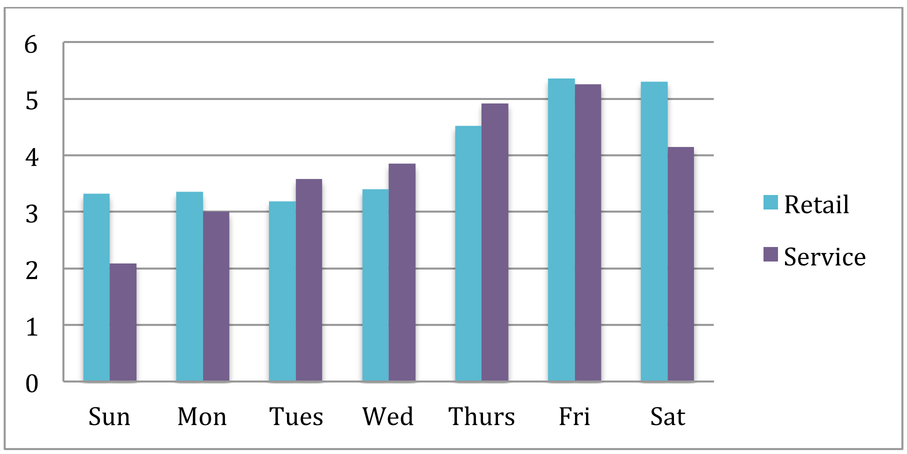

Figure 13b – Ranking of walk-in traffic in a typical week by day of the week (Question 18)

Figures 13a&b shows respondents' rankings of sales and walk-in traffic over the days of a typical week. The pattern is almost identical between the two measures. Both sales and walk-in traffic build during the workweek and peak on *Friday* with *Saturday* and *Sunday* being busier for retail compared to services.

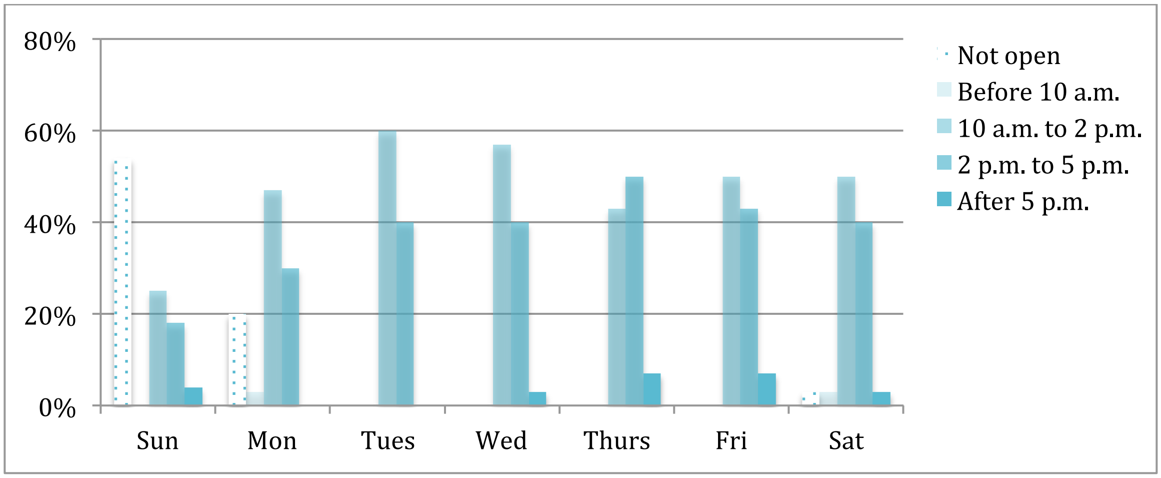

Figure 14a - The single busiest time during each day for retailers (Question 19)

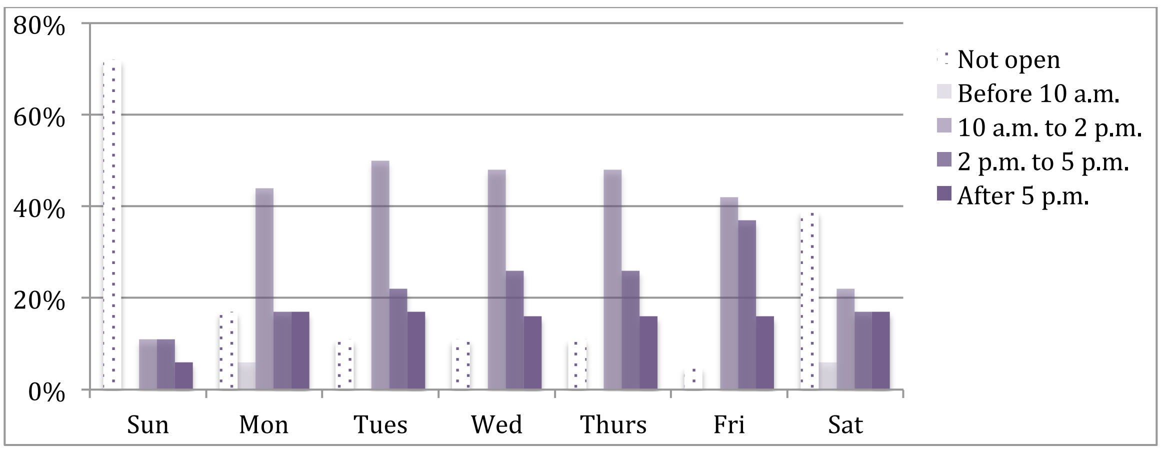

Figure 14b – The single busiest time during each day for services (Question 19)

Overall, the single busiest time on any day for both categories of business is between *10 a.m. and 2 p.m.,* as shown in Figure 14. Retail businesses (Figure 14a) are also busy between *2 p.m. and 5 p.m.,* especially on Thursday, Friday and Saturday, but not after those hours – likely a reflection of the typical retail closing hours. Services (Figure 14b) are consistently busy from *10 a.m. to 2 p.m.* during the workweek, but less so later in the afternoon, except on Friday. Some services businesses are most busy *after 5 p.m.* – these are probably restaurants.

Downtown events such as the Waterfront Festival and the summer sidewalk sales may affect Downtown business activity. The majority of retailers (76%) actually record the changes in their sales and walk-in traffic during these events (as indicated in responses to Question 32), although the majority of services (64%) do not. Figures 15a&b reflect the perceptions of business owners concerning Downtown events.

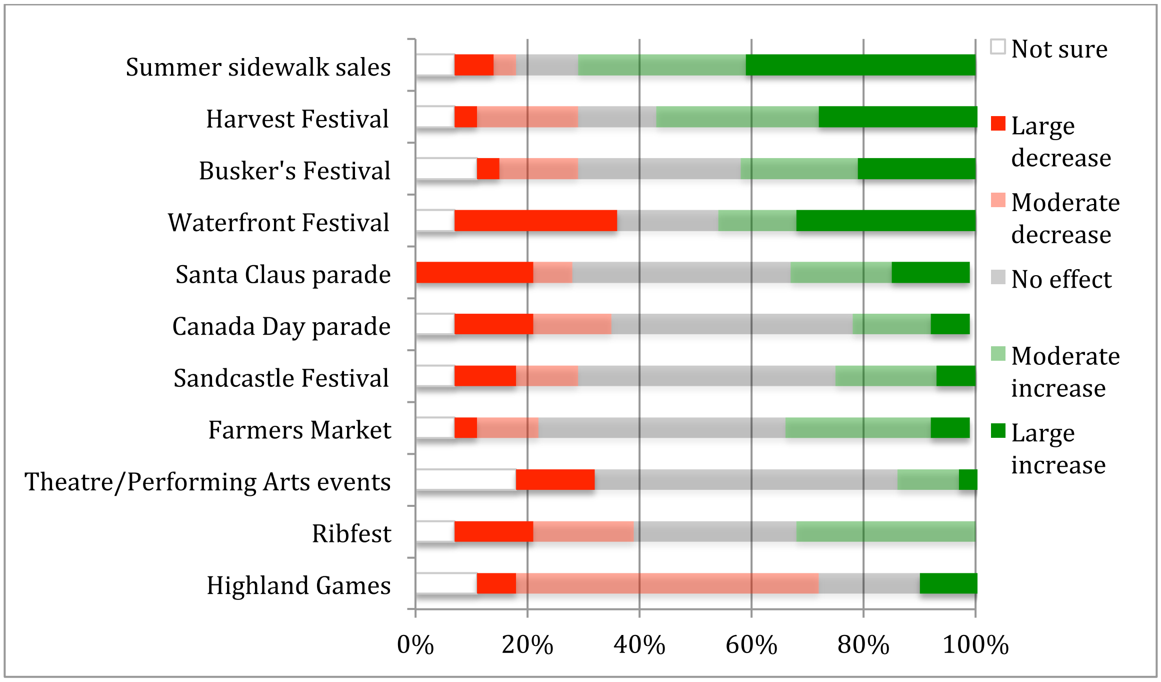

Figure 15a - Effect of Downtown events on retail sales (Question 33)

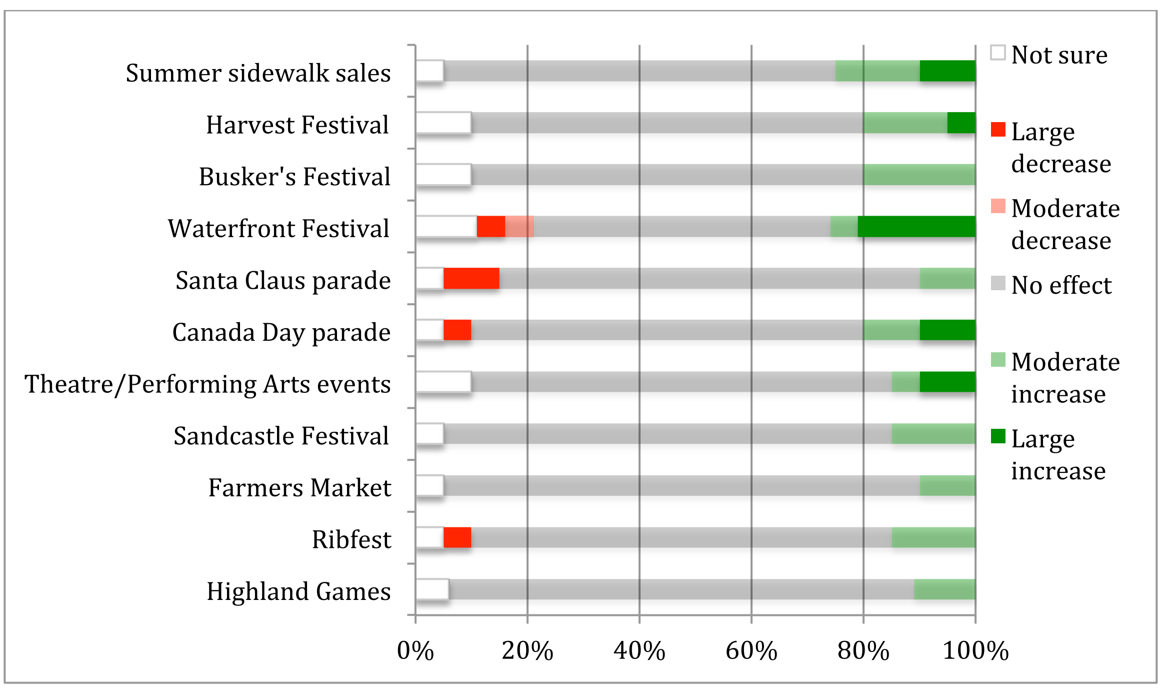

Figure 15b – Effect of Downtown events on service sales (Question 33)

Figures 15a and 15b contrast retail and service respondents' views of the impact of Downtown events on sales. Service respondents (Figure 15b) feel that most of the listed events have *no effect*, or that they result in a *moderate increase* in sales. The exception is the Waterfront festival, which, for 20% of service respondents, resulted in a *large increase* in sales. By contrast, retail respondents (Figure 15a) generally feel that many of the events (especially the ones at the top of the list) resulted in *moderate or large increases* in sales. Countering this view, however, is the opinion of 20-30% of retailers that these events actually *decrease* sales. This contrast is most evident in the results for the Waterfront Festival where retail respondents noted a *large increase* in sales and a *large decrease*, in equal proportion.

A separate question (Question 34) asked for the impact of these events on walk-in traffic. Since the results are almost identical to those for Question 33 regarding sales, they have not been presented here.

Figure 16a - Retail business owners' degree of agreement with the above statements (Question 11)

Figure 16b - Service business owners' degree of agreement with the above statements (Question 11)

Survey respondents were polled for their agreement or disagreement on a number of specific statements concerning the Downtown. The results are presented in Figures 16a&b. A majority of retail respondents (at least 50%) *somewhat agree* or *strongly agree* with all statements but the last in the list (i.e., "there is plenty of parking Downtown"), as shown in Figure 16a. There is also more concern (i.e., disagreement with the statements) about *building facades*, the *look & feel of Downtown* and the *existing business mix.* The picture presented by service respondents is only slightly different (Figure 16b) though these differences cannot be considered significant, given the sample sizes.

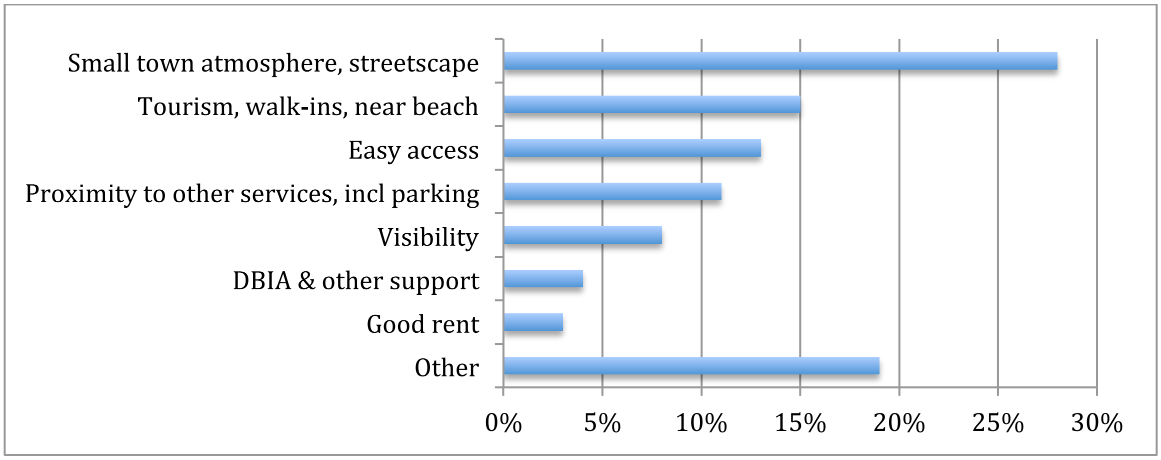

Figure 17 – Categorization of advantages of operating a business in the Downtown (Question 28)

Respondents were invited to offer two advantages of operating a business in the Downtown. Seventy-nine (79) reasons were offered by retailers and services and these were pooled and categorized as shown in Figure 17[6]. Overwhelmingly (28% of suggestions), respondents cited the benefit of the *small-town atmosphere* of Downtown Cobourg, including the streetscape and the interaction with the local community. The effect of *tourism and the beach* (e.g., in creating walk-in traffic) was named second most-frequently. Respondents also felt that the *easy access* to Downtown and its *visibility*, as well as *proximity to other services* were advantages.

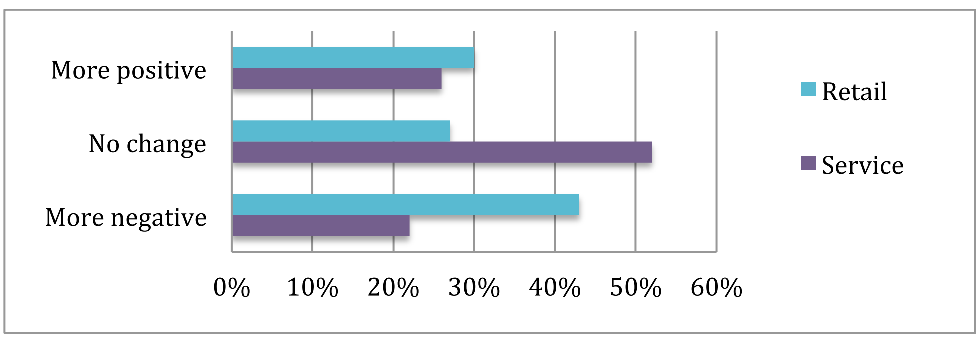

Figure 18 - Change in attitude, over past 2 years, about doing business in Downtown Cobourg (Question 27)

[6] In this question and others where respondents were allowed more than one response for a question, percentages are based on total respondents (rather than the total number of responses). Thus the percentages in the various categories can sum to greater than 100%.

Almost 30% of retailers and services have become *more positive* about doing business in Downtown Cobourg over the last two years as shown in Figure 18. However, 43% of retail respondents have become *more negative* in that period, about double the number of service respondents who now feel more negative. Over 50% of services have *not changed* their attitude about business in the Downtown over that period.

Business Challenges

This section explores the issues facing Downtown business owners, according to survey respondents.

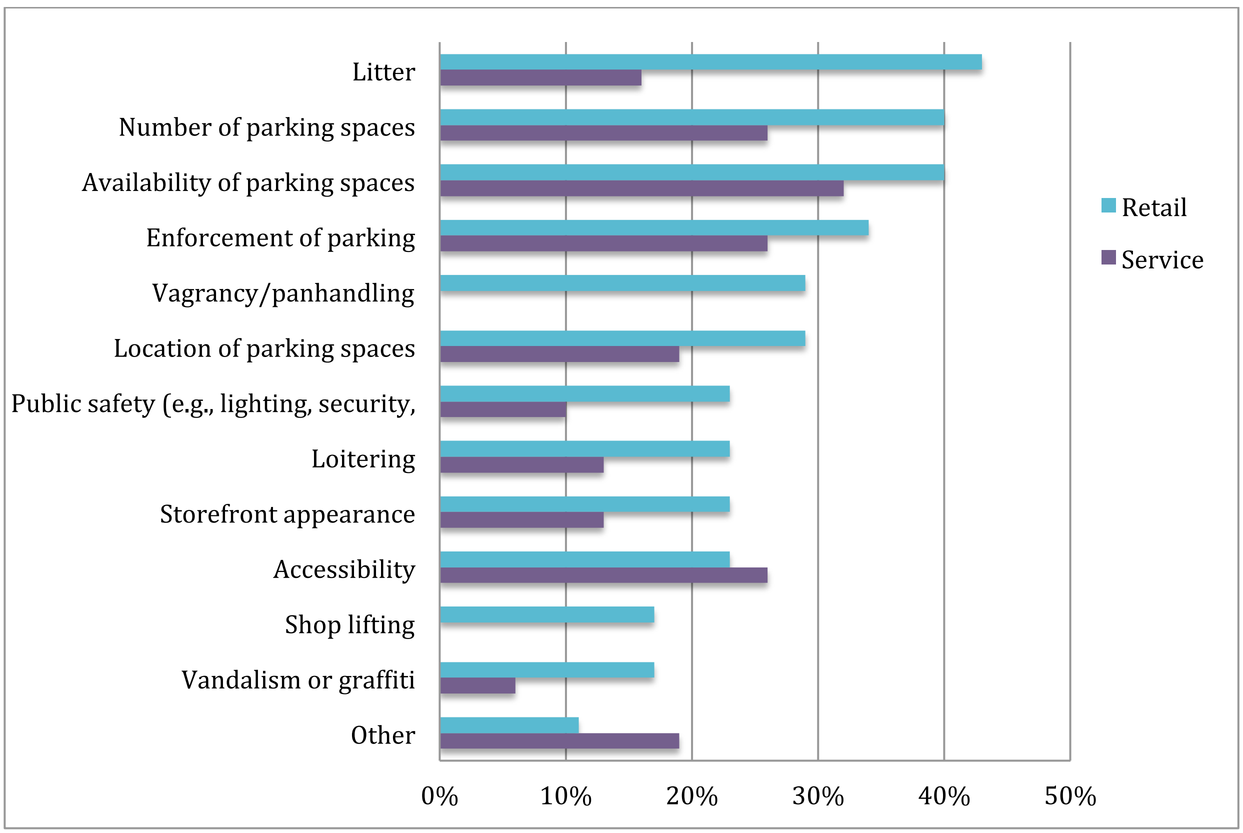

Figure 19 - Challenges experienced by business owner respondents (Question 10)

Respondents to the survey were asked to note the challenges that they faced as business owners from the list in Figure 19. Generally, a high proportion of retail respondents have concerns (as reflected by the longer blue bars) than did the service respondents (shorter purple bars). *Litter* and *parking* present a challenge for 40% or more of retailers, though for a lower proportion of service providers. Notably, *accessibility* is a concern for a higher proportion of service providers, consistent with the fact that some of these businesses occupy second or third floor locations. (All retail respondents are on the ground floor.) When asked in a follow-up question to expand on their challenges, respondents highlighted *littering* and *garbage on the street*, *skateboards*, *poor snow removal*, *loitering*, and – especially – *parking limitations* (2 hour limit and availability)

Business owners surveyed do not view employee turnover as a problem (Question 40). Over 90% of both retail and service respondents say that turnover is *not* an issue. Furthermore, 90% of retail respondents are able to recruit sufficient qualified staff for their businesses (Question 41). However, recruitment *is* an issue for 27% of service respondents. A follow-up question asked about the types of skills needed, but there were very few responses to this question and no emergent theme(s).

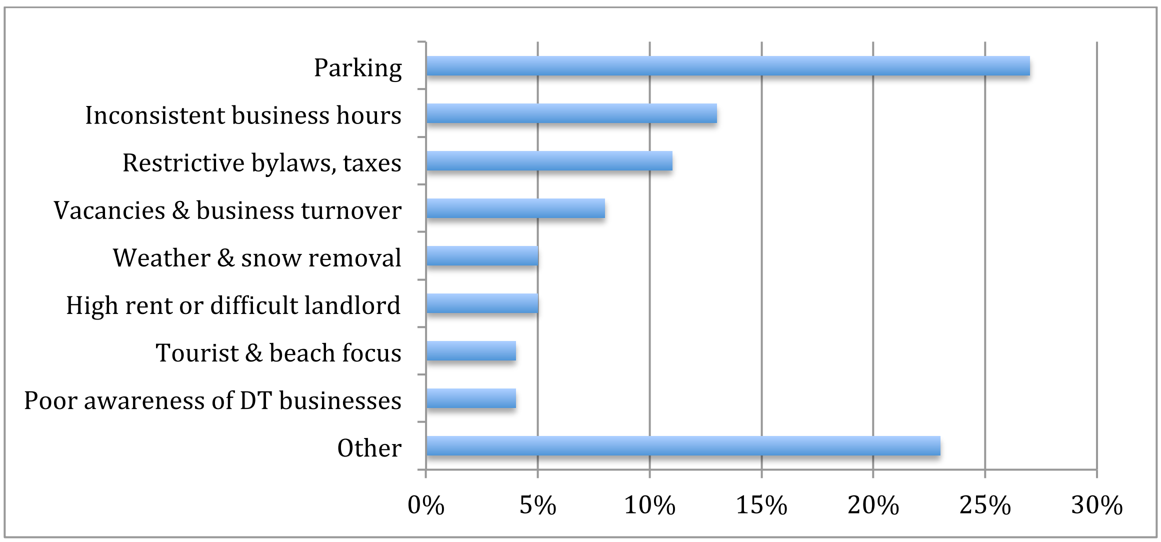

Figure 20 - Categorization of disadvantages of operating a business in the Downtown (Question 29)

Respondents were invited to offer two disadvantages of operating a business in the Downtown. The seventy-five (75) reasons offered by retailers and services were pooled and categorized as shown in Figure 20. *Parking* tops the list of concerns, cited by 25% of respondents. Importantly, respondents see *inconsistent business hours* as a notable disadvantage, as well as *restrictive bylaws, taxes* and *vacancies*.

Business Development

Business development issues – including advertising, business development intentions, skills requirements, and factors impacting growth – are presented in this section.

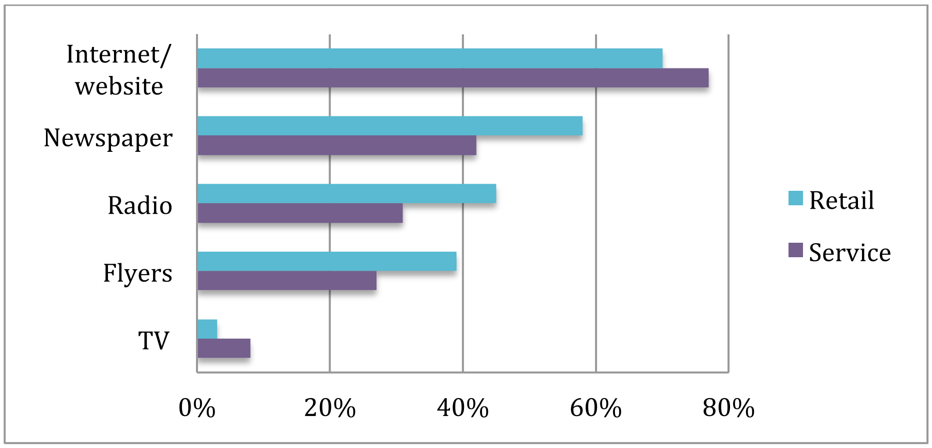

Figure 21 - Methods used for advertising (Question 20)

Respondents were asked to indicate all the methods that they use for advertising; the results are shown in Figure 21. The Internet is cited as the most frequently used by a majority of respondents – slightly more by services (77%) than by retailers (70%). *Newspaper*, *radio* and *flyers* are used in decreasing frequency, and consistently more by retailers than by services.

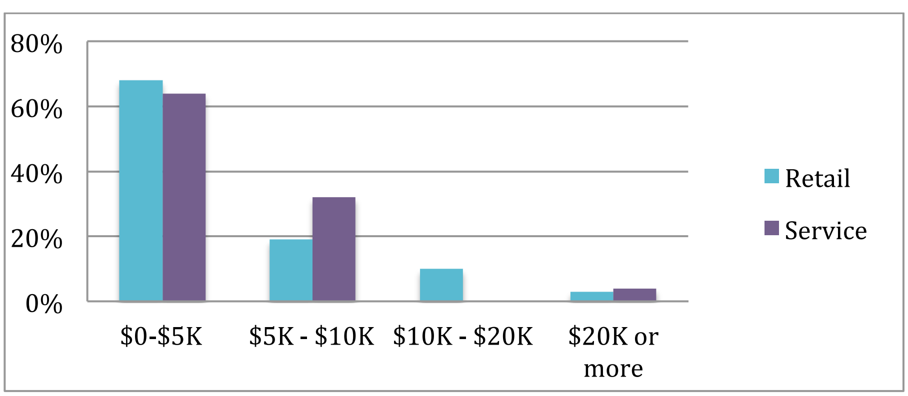

Figure 22 - Annual expenditure on advertising (Question 21)

Figure 22 shows the distribution of expenditure on advertising. It indicates that most business respondents (over 60%) spend less than $5,000 annually on advertising.

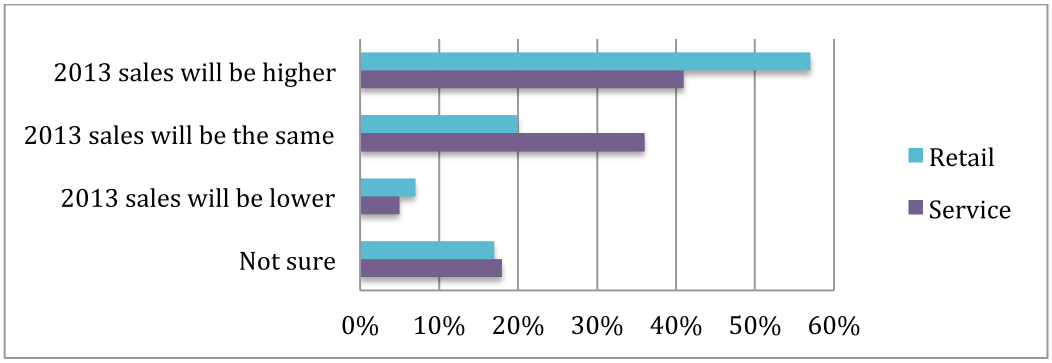

Figure 23 – Expectations for 2013 annual sales compared to 2012 (Question 39)

Respondents were asked for their expectations regarding sales in 2013 as compared to 2012. The results, shown in Figure 23, are generally positive: that sales will be at least *the same* as last year, if not *higher*. Retailers are particularly optimistic, with 57% of those respondents saying that sales will be *higher*, compared to 41% of services. This result is particularly interesting, given that 43% of retailers have become more negative over the past two years about doing business in the Downtown (as shown in Figure 18).

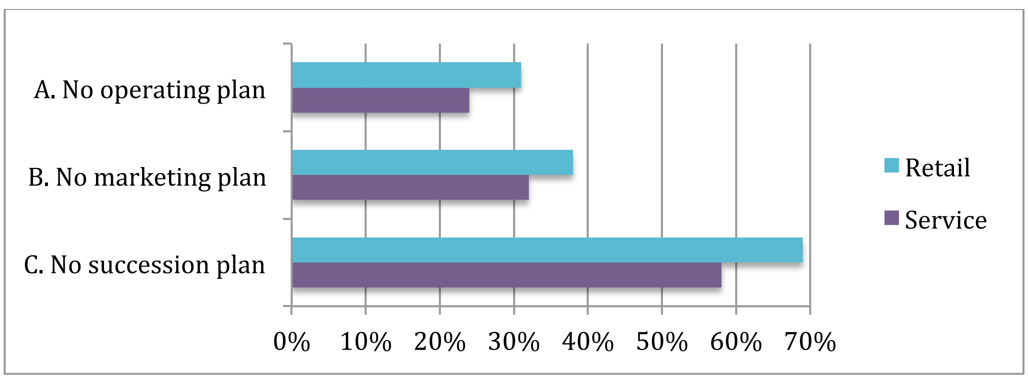

Figure 24 – Percent of respondents lacking an A. operating plan; B. marketing plan; C. succession plan (Questions 22, 23, 24)

A significant proportion of business owners surveyed responded that they have neither an *operating plan* nor a *marketing plan* (around 30% in all cases, as shown in Figure 24). Furthermore, a much higher proportion (69% of retailers and 58% of services) lacks a *succession plan*.

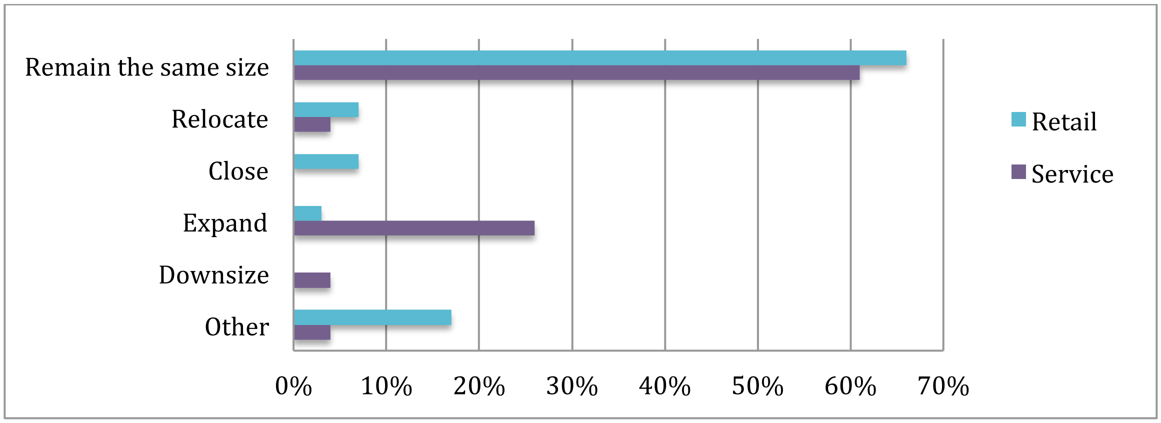

Figure 25 – Respondents' intentions regarding business development in the next two years (Question 30)

What are respondents' intentions regarding business development in the next two years? The results shown in Figure 25 indicate that the majority (more than 60%) expects to *remain the same size*. However, 26% of services anticipate *expansion*.

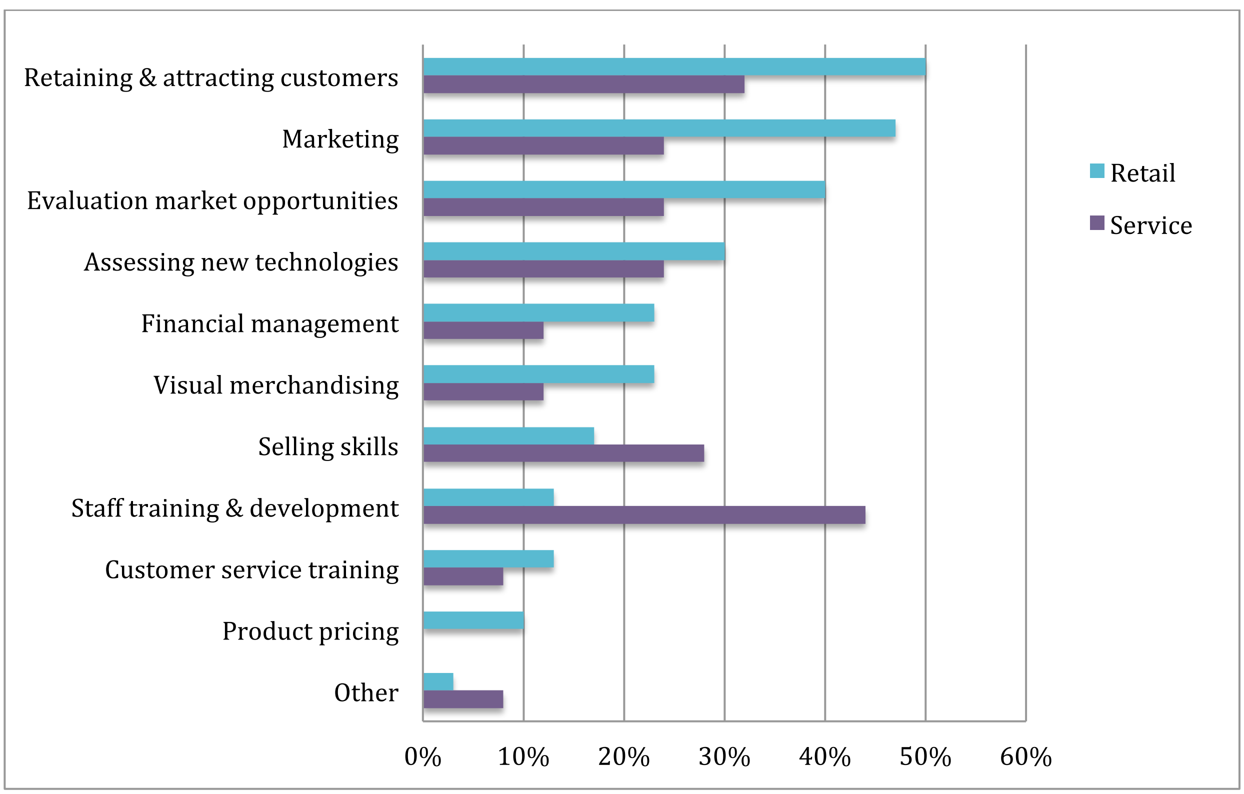

Figure 26 - Business skills needing improvement (Question 25)

Figure 26 shows respondents' views on the business skills that they feel need improvement. The list is presented generally in order of frequency-of-mention. Not surprisingly, *attracting and retaining customers* is at the top of the list, followed closely by *marketing*. With two exceptions, the proportion of retailers citing need for a particular skill is higher than services. The exceptions are *selling skills* and *staff training & development*; the latter being mentioned most frequently by service respondents as a skill that needs development.

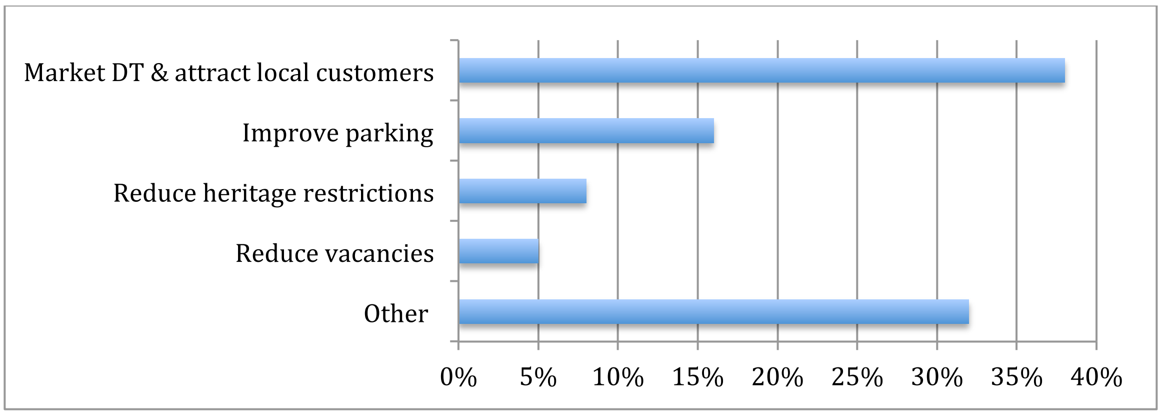

Figure 27 – Most important issue impacting growth of business (Question 26)

There were a variety of views (a total of 37, pooled over retailers and services) concerning which issue, if resolved, would have the biggest impact on the growth of the respondent's business. Consistent with the results in the previous question, over one-third of respondents feel that *marketing Downtown & attracting local customers* is key (Figure 27). Second and third in frequency are the issues of *parking* and the *reduction of heritage restrictions*.

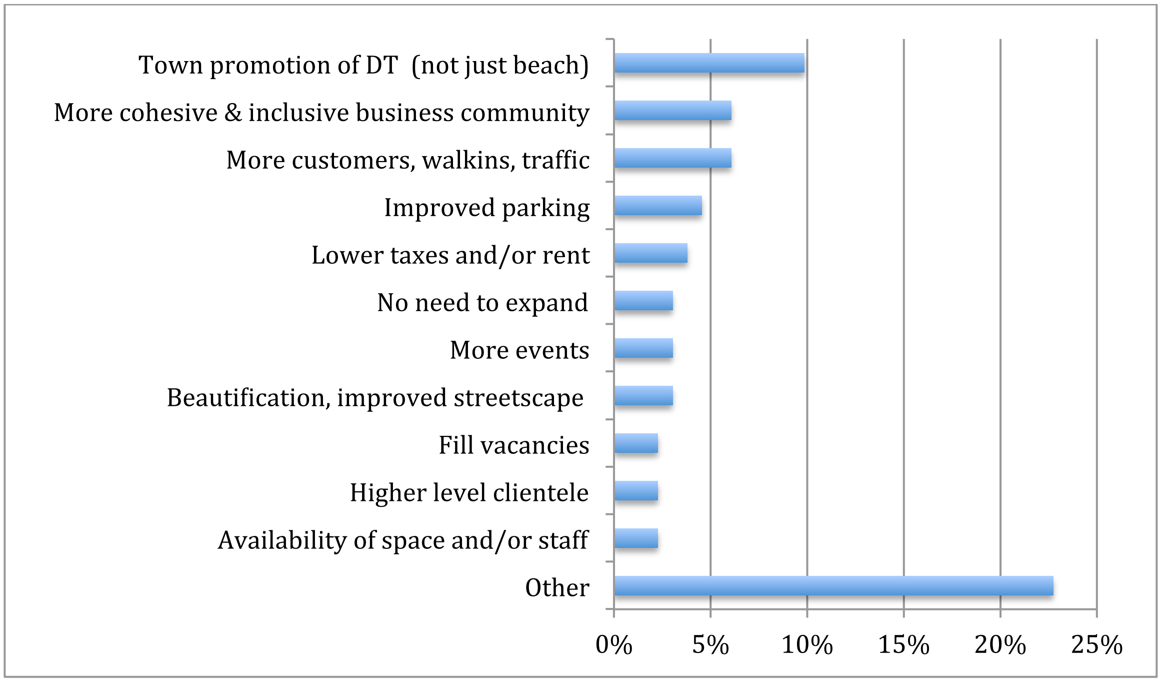

Figure 28 – Key factors that would encourage retention or expansion of respondent's business in the Cobourg Downtown (Question 31)

Finally, Question 31 asked both retail and service respondents for the three factors that would encourage the retention or expansion of their business in the Cobourg Downtown. The 91 suggestions were pooled and categorized according to the themes listed in Figure 28. The themes, which were numerous, are listed in order of frequency. Consistent with the results of Question 26 (i.e., issue impacting growth of business), presented in the previous figure, the *promotion of Downtown by the Town* is considered top priority. A complementary theme, second on the list, is the need for a *more cohesive and inclusive business community* that would, for example, facilitate consistent opening hours. The many additional themes centred largely on *attracting customers* and improving *parking* and the *streetscape*.

Support for Business

Respondents were queried on their opinions about the support they have received from various organizations, as well as on their suggestions for initiatives that would benefit business.

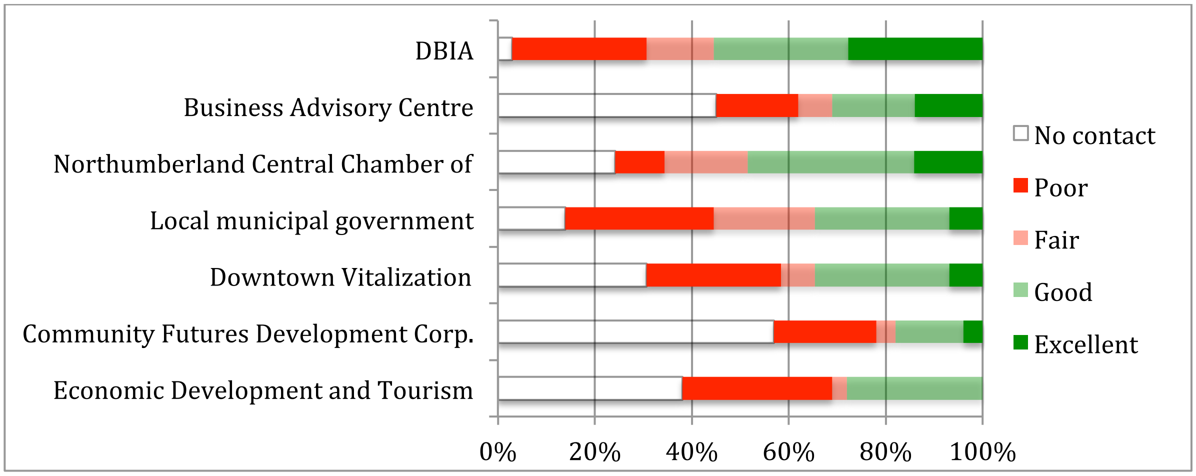

Figure 29a - Quality of service experienced by retail respondents from organizations and government agencies (Question 43)

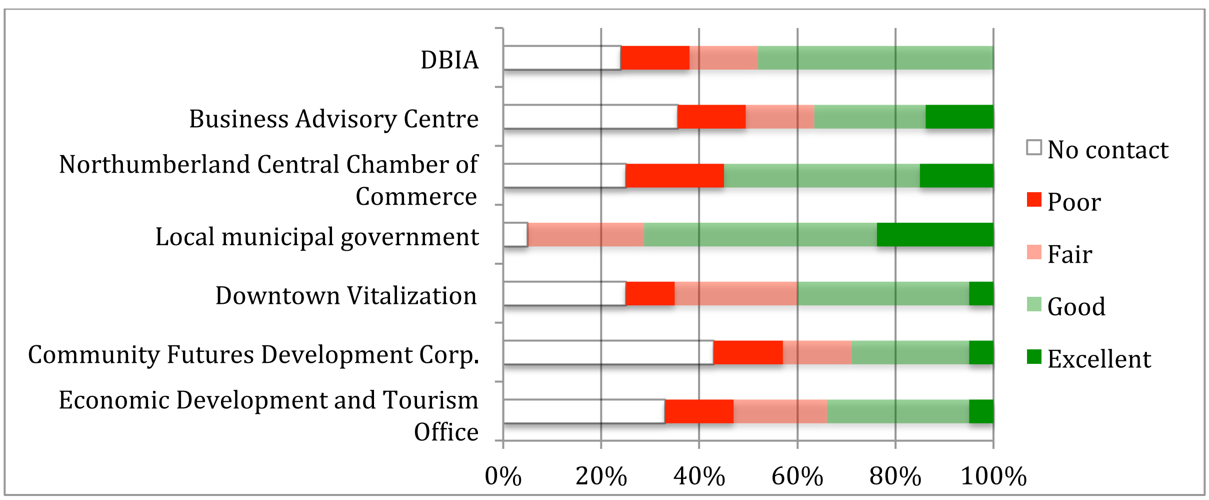

Figure 29b - Quality of service experienced by service respondents from organizations and government agencies (Question 43)

The opinions of respondents concerning the quality of service and support from local agencies vary considerably. Retail respondents (Figure 29a) are roughly equally divided in their opinions about all the agencies listed, split between views of *poor or fair* quality of service and *good or excellent* quality of service. Service respondents (Figure 29b) have not only had more contact with the agencies listed (shorter white bars) than retailers, but their opinions of the quality of service is generally higher, as indicated by the ratio of green to red in Figure 29b.

Two additional questions targeted specific issues. In Question 44, respondents were asked about their awareness of the Downtown Heritage Financial incentive/loan programs available through the Town of Cobourg. Sixty percent (60%) of retail respondents are *not* aware of these programs and 45% of service respondents are not, as well. Question 42 asked about the benefit of the creation of a college or certificate program that would train young people as skilled and qualified staff for the respondent's business. Of the retail respondents, 21% think that this would be a benefit, as did an even higher proportion (52%) of service respondents. In a follow-up question, respondents suggest training in a wide variety of areas, including *customer service, sales & marketing, hospitality & event management*, *administration & finance*, and *computer skills*.

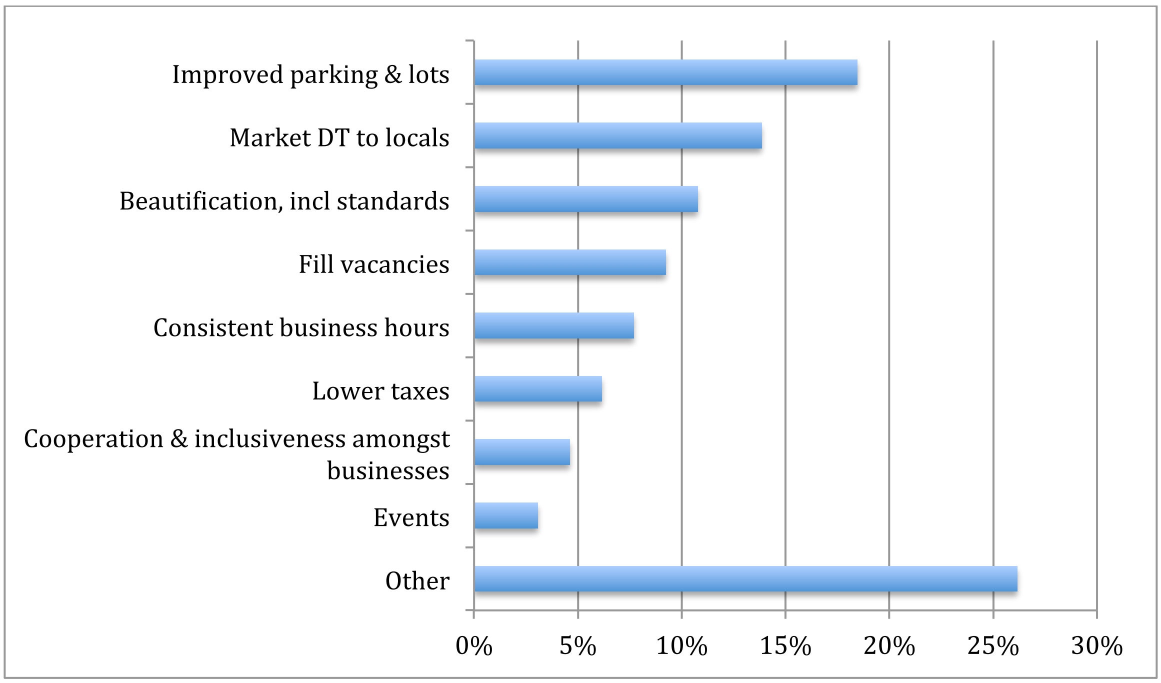

Figure 30 – Top initiatives that could benefit business in the Downtown (Question 45)

Finally, respondents were invited to offer up to three suggestions for initiatives that could benefit business in the Downtown. Sixty-five (65) suggestions were pooled and categorized according to the emerging themes listed in Figure 30. The results are consistent with those in previous questions. Respondents want especially to see *improved parking,* efforts to *market the Downtown to local residents, beautification* of the Downtown*, fewer vacancies* and *consistent hours amongst businesses.*

Final Comments from Business Owners

Survey respondents were invited to offer any final comments on vitalization in Question 46.

Standardize business hours; don't worry about business hours
Heritage requirements can be an impediment; heritage restrictions (e.g., signage) limit uniqueness
Downtown needs a consistent brand; business core needs to be bigger, with more room for retail on the ground level; unique stores are needed to counter the big boxes; find ways to keep the traffic in "slower" months; no more bargain/dollar shops
Customers should be "energized"; tourists are the ones who shop Downtown, not the locals
Parking conditions are an impediment to shopping; space devoted to condos could be used for parking; parking is an issue; restaurant businesses "use up" all the parking spaces
Lighting and safety at night are issues; too much loitering in Downtown; ice on sidewalks
Town leaders should set an example and shop Downtown
Events like the Waterfront Festival are not relevant to the Downtown
Owners should be ambassadors for Downtown; owners should recommend other shops in the Downtown; business owners need to be more responsive to customers (e.g., keep the hours, provide good service); new shop owners need to realize that retail must be more than a "hobby"
Building owners need to take care of their properties
Rents are too high; rent is too high; owners who rent should not bear the taxes
Concern about empty storefronts; vacant stores

Table 2 – Summary of final comments offered by respondents

A summary of their views on various topics is given in Table 2. Issues of *parking*, *vacancies and building conditions, co-operation, heritage requirements, rent* and *safety* are topmost in the minds of respondents.

Conclusions

The overall response to the Business Owners Survey was adequate to permit general conclusions to be drawn. However, the sample of respondents significantly over-represents retailers in Downtown Cobourg, in particular, the clothing and accessory sector. Furthermore, it somewhat over-represents newer (i.e., less than 5-year-old), smaller businesses. Due to the small sizes of the retail and service sub-samples, and the over-representation of retailers, conclusions based on comparisons between these categories of business should be viewed with some caution.

Survey respondents consider middle-aged (45-64 year-old) local residents to be their most important customers, followed closely by young families. Retailers target tourists more than services do, while services target retirees and seniors more than retailers. Walk-in traffic is a very important source of business for retail respondents, while telephone inquiries are just as important as walk-in traffic as a source of business for services.

In general, only a slight majority of respondents report an increase in sales over the last two years – more so for services than retailers. Sale patterns over the calendar year are similar for both categories of business, with July and December being busiest for most and February, least busy. These results are similar for walk-in traffic. Both retail and service respondents report a consistent rise in sales and walk-ins across the workweek, peaking on Friday and Saturday. The single busiest time of day for both most businesses is between 10 a.m. and 2 p.m., although some retail respondents report the period between 2 p.m. and 5 p.m. is busy as well. While Downtown events such festivals and parades do result in higher sales for some retailers, they have almost no effect on sales for services. Respondents are generally positive about the Downtown atmosphere as a place to do business, though with some concern being expressed about the building facades, the existing business mix and the parking. Indeed, they note that the small-town atmosphere, streetscape, visibility and easy access of Downtown offer distinct advantages to their businesses. Notwithstanding, changes in attitude (over the past two years) concerning business prospects are fairly evenly divided between more positive, more negative and unchanged.

Parking consistently tops the list of challenges for respondents, followed by littering, vagrancy and loitering. However, the latter are of more concern for retail respondents, while accessibility is of greater concern for services. In addition, respondents note that inconsistent business hours, restrictive bylaws and taxes, and business turnover are disadvantages of operating Downtown. Generally, employee turnover and recruiting are not a concern.

Respondents have generally positive expectations about the sales in 2013 compared to 2012 – that sales will be higher, or at least the same. The majority of business respondents expect to remain the same size over the next two years, although some service respondents anticipate expansion. Annual expenditure on advertising for the majority of respondents is less than $5,000, with the main advertising methods being internet/website and newspaper. While service respondents feel that they especially need to improve skills in staff training and development, a majority of respondents would like to improve their marketing skills, and skills related to customer attraction and retention. (Note that a significant proportion of businesses have neither an operating plan nor a marketing plan.) Indeed, respondents feel that marketing the Downtown and attracting local customers is the key factor that would impact the growth of their business and, furthermore, the Town has a role to play in the marketing of the Downtown per se (not just the beach).

The opinions expressed by respondents concerning the quality of service and support for business from local agencies is mixed, though services felt that the quality is more often good or excellent. A majority of service respondents and some retailers are positive about the benefits of a local college or certificate program to train young people, citing customer service, sales & marketing and event management as important. Concerning the top initiatives that could benefit Downtown, respondents highlight improved parking, marketing to local residents, beautification and reduction of vacancies.

Finally, one respondent provides this succinct viewpoint on the needs of Downtown:

> "I think it's important to keep up the look of the main street, protect the culture, make sure the business mix is fair, [and] keep the businesses and residents involved in the vitalization process."

Appendix A – Business Owners Survey 2013

See separate attachment.