

## Online Content

### An Exercise for Identifying Your Existing Niches

On pages 74-75 of *Revitalizing Main Street: A practitioner's guide to comprehensive commercial district revitalization*, we discuss business niches. Complete this exercise to help determine the existing business niches in your community.

First, get a list of all the businesses in your commercial district, retail and non-retail. Pick a demographic/psychographic variable to complete this exercise. We will use price points in this example, but you could choose the range of ages a business targets (are customers are younger, older, or middle aged?). Next to each business, note the business' price points—do they offer goods and services that are low-priced, high-priced, or moderately-priced?

Next, plot information on a graph. You can use the graph on the next page if you are analyzing price points or you can create a similar graph if you are analyzing another demographic/psychographic variable. Put a dot on the graph for every business in your commercial district; aligning each business with its industry group and its approximate price-point range. Add industry groups as appropriate. Then, take a good look at the completed graph. Circle, highlight, or draw lines through any horizontal or vertical grouping that emerges. Although you will probably see dots all over the graph, more than likely some dots will be grouped—more or less—together. Any grouping, though, indicates a potential niche.

A horizontal grouping indicates a business niche in which your commercial district may be strong (or has the potential to become strong). For instance, if the graph shows lots of dots running roughly parallel along the "Home Furnishings" line, your district has a lot of businesses that sell home furnishings or related services. If the public sees your Main Street district as having a lot to offer in this category, you may be able to capitalize on it. For example, your business recruitment activities could focus on attracting additional home furnishings businesses to complement the ones you already have. Or you could help the existing businesses expand their product lines or services, perhaps by encouraging a furniture store to add a drapery service. Promotions that would support your economic restructuring activities could include developing business/retail events that reinforce public perception of your market position. Also, you could estimate how much additional buying power for home furnishings nearby neighborhoods might have, then expand your marketing efforts to reach them.

A vertical grouping indicates a consumer niche based on a specific demographic/psychographic group. For example, you can identify the income groups that patronize the businesses in your district. You might find that many businesses are providing goods and services at lower price-points, but these goods and services run the gamut from furniture to clothing to health services. If your district is doing a good job attracting people of a particular demographic group for some products and services, you might be able to add additional products and services that would also appeal to these shoppers, either by encouraging existing businesses to expand or shift their merchandise or services or by attracting new businesses to fill some of the gaps.

In short, a horizontal grouping is about "*stuff*" while a vertical grouping is about *people*.

INDUSTRY

Bath and Body

Professional services

Personal services

Automotive  
supplies, services

Toys

Stereos, TVs,  
electronics

Gifts, cards, flowers

Furniture &  
home furnishings

Apparel

Groceries

Restaurants

LOW

MODERATE

HIGH

PRICE POINTS