

# Retail Trade Area Analysis

## Update for Kewaunee County (January, 2011)

A vibrant retail sector is a critical component of any community. Retail shopping districts can revitalize downtowns, enhance a sense of place, and spur tourism and other economic development efforts.

In 2009, retail trade accounted for about 725 jobs in Kewaunee County and is the fourth largest employment sector after manufacturing, agriculture, and government.

This analysis is an update to other trade area analyses that were conducted in 2007 and 2008 by UWEX Kewaunee County. Trade area analyses provide important background information to help understand the current competitive situation for business. In short, it describes whether a county is capturing its fair-share of sales.

Since 1980, Kewaunee County retail businesses have been steadily losing

sales to competing retailers located outside of the County. Local residents have decreased their spending in local businesses. Tourism, which brings in “new” dollars to the community, has also declined in Kewaunee County. As a result, retail employment and earnings have decreased.

In response, starting in 2008, several County-wide economic development initiatives were developed and implemented:

- the Visit Kewaunee County tourism collaborative implemented an advertising and web-based marketing campaign to promote tourism-oriented events and activities in Kewaunee County;
- the Kewaunee County Buy Local Initiative developed business-to-business networking opportunities and consumer marketing strategies designed to bring

greater awareness about local businesses;

- and, a County-wide branding effort was launched to bring Kewaunee County top-of-mind recognition as a place for business, growth and opportunity.

One desired long-term outcome of all three initiatives are for businesses to report an increase in sales and customers.

Because these initiatives are attempting to reverse a thirty-year trend, we could expect progress in achieving outcomes to be slow. The initiatives are also subject to broader economic trends, such as the great recession that began in 2008. This update attempts to track initial progress made toward our desired long-term outcome.

The Pull Factor, or index of pulling power, is a proxy measure of the relative strength of the county's

***Kewaunee County is attempting to reverse a thirty-year trend of decreasing retail sales, earnings and employment.***



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*Turning the ship on local spending patterns will be a slow process. There are no magic bullets. It takes time to build and see results.*



*In 2009, for the first time in many years, Kewaunee County experienced a very small increase in capturing local market share. One might expect the county to do worse during the recession, but it seems to have held its own.*

<b>Pull Factors - Kewaunee County</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Gasoline Stations	1.520	1.453	1.435	1.486
Non-store Retailers	0.918	0.882	0.873	0.918
Motor Vehicles and Parts Dealers	0.844	0.805	0.792	0.822
Food and Beverage Stores	0.811	0.775	0.763	0.793
Eating and Drinking Places	0.521	0.497	0.489	0.509
Building Materials, Garden Equipment & Supplies	0.509	0.485	0.477	0.495
Electronics and Appliance	0.365	0.348	0.342	0.356
General Merchandise	0.201	0.192	0.189	0.197
Sporting, Hobby, Book and Music	0.135	0.129	0.126	0.131
Furniture and Home Furnishing	0.104	0.099	0.097	0.101
Health and Personal Care Stores	0.083	0.080	0.078	0.082
Miscellaneous Retail	0.059	0.056	0.055	0.057
Clothing and Accessories	0.019	0.018	0.018	0.019

retail market. The Pull Factor compares County sales patterns to a state average. Pull factors greater than one may result from drawing tourists or customers from surrounding counties. A pull factor less than one indicates the county is losing customers to other retail markets.

As illustrated in the table, the only retail subsector with a pull factor of greater than one is gas stations. This is indicative of tourists traveling to and through Kewaunee County. All other retail subsectors indicate that Kewaunee County is losing customers to other retail markets.

Between 2006 and 2008, all retail subsectors show that the pull factor was growing smaller; the retail market in Kewaunee County was continuing the negative long-term trend that started in the 1980's.

However, in 2009, the pull factor showed some very small growth in each retail subsector. One might expect the county to do worse during the recession, but it seems to have held its own.

Turning the ship on local spending patterns will be a slow process that takes time to build and see results. Economic development initiatives such as the Buy Local Initiative need to be thinking over

the long term...there are no quick fixes or magic bullets to solving these issues.

Although it is impossible to attribute these small increases in Pull Factor to the various economic development initiatives, some questions remain to be answered:

- How can we continue to support local businesses in identifying and strengthening their product or service niche to appeal to local consumers?
- What long-term (5-10 year) goals can be established to determine the impact of these local economic development initiatives?
- How can the Buy Local Initiative and other strategies be strengthened to continue forward momentum in retail sales?

For more information about these County-wide economic development initiatives, contact Jennifer Brown at the Kewaunee County Economic Development Corporation (920) 487-5233.