

**City of Enterprise
Retail and Service Market Opportunities Study
Report on Findings**

*Prepared by Stacy Green, Stacy Green Marketing
March 2010*

Project Description: The City of Enterprise contracted with Stacy Green of Stacy Green Marketing to conduct a Retail and Service Market Opportunities Study for downtown Enterprise. The contract period was October 23, 2009 to March 15, 2010.

Objective: To uncover opportunities for commercial development in downtown Enterprise, including the opening of at least one new business, and the development of one business-to-business connection (where a local business who is buying something outside the county connects with a local business to carry that product). The City also wanted to identify gaps in products and services, inventory empty retail spaces, and identify qualities of successful businesses and business owners in Enterprise. Finally, the City wanted to identify opportunities for retail and service businesses in specific demographic markets, i.e. teens, adults over age 60, etc.

Methodology: More than 35 personal interviews and meetings were conducted, with existing successful Main Street business owners, potential business owners, and leaders from key community organizations. Then we tried to make connections, in hopes of actually seeing results in the form of new business development and new business-to-business connections.

Results:

- ◆ One new boutique opened on Main Street as a “pop-up retail” store, taking advantage of a national retail trend. Deve Wolfe, owner of Wolfe Fleece & Clothing Company, a successful Joseph Main Street business since 1998, opened Live Out Loud, an accessories boutique, on March 5. She will stay open until June 5. Her opening energized Main Street, and her Grand Opening Celebration March 13 brought Main Street business owners together to create fun shopping day.
- ◆ A business to business connection was made between Chrisman Development & Management, Inc. and Bronson Lumber. CDMI was buying paint for their many apartment buildings from a Tri-Cities store. An agreement was made for Bronson to stock the paint, and CDMI to move 100% of their Union and Wallowa County purchasing to Bronson’s two locations, in Enterprise and La Grande.

- ◆ Mike Goss, owner of The Dollar Stretcher, is expanding his current (very small) inventory of office supplies, based on a need identified through this study. At the time of this writing, he was pursuing suppliers, and working on how he can incorporate more shelf space without a physical expansion.
- ◆ Several business owners, when asked how we could encourage more people to become entrepreneurs, said “expose them to it when they are young – start in the schools.” As a result, a Youth Entrepreneur program is currently being developed through Building Healthy Families tutoring and mentoring program; funding has been requested through Oregon Community Foundation, and is expected to be awarded in June.
- ◆ During the course of this project, several new businesses opened that were not a result of this project, but nevertheless add to downtown. They include:
 - Plush West, Pizza & More, opened in the New York Richie’s building
 - Plush West owner also opened Geniene’s Boutique & Tanning in the space adjacent to her restaurant
 - Maxville Heritage Museum opened on River Street
 - KWVR is making plans to expand into the corner location now housing the liquor store, and pending OLCC approval, the liquor store will be moving to another location on Main Street
 - Gypsy Java, a new coffee house, opened in the old Red Rocket building on the corner, and also houses a new Internet business, and will be the home of MoJo Marketing, set to open March 2010
 - Treasures and Antiques and Newer owner Toss Witherrite is planning to split the two businesses and expand one of them into the adjacent space formerly occupied by Country Quilters, sometime in summer 2010.

Identified Opportunities for Retail and Service Businesses in Enterprise:

When talking with business owners as well as residents, and asking them what products or services they would like to see offered here, most often, they mentioned businesses that are no longer here that they miss. At the top of that list is Radio Shack/Dollar Mart.

It seems that the closing of Radio Shack/Dollar Mart has left a big hole (both in the empty retail space and in the products and services it provided.) I spoke with a former employee and former owner Desiree Schoen, and both reiterated that the business was very successful, and in fact supported the Schoen’s other four businesses in La Grande and Hermiston, and was highly profitable. It is an

excellent example of a business that provided products that most people needed *now*, and the Dollar Mart went after a “low price” position in the market place, and succeeded brilliantly, because the merchandise was very inexpensive but was of good enough quality to meet most people’s needs, whether it was birthday party supplies, greeting cards, school supplies, or toys. Radio Shack was a proven name and a solid franchise. Both the owner and employee said the business worked as well as it did because of the combination of the two.

Second on the list of former businesses that the community misses is Red Rocket Hobby Shop, which is now occupied by Gypsy Java. People – especially parents – miss Red Rocket as birthday headquarters for kids’ gifts.

Third most often mentioned was clothing, especially for older women, who saw Deb’s Apparel as “too young and hip” for them. They missed The Fashion Center, and several people also mentioned Wagner’s with nostalgia. However, after talking with two clothing retailers in the county, the risk of having more practical clothes for an older market is that Wal-Mart is so dominant in that category, and it would be very difficult to compete. It would also be hard to compete with Treasures, Second Best, and Soroptomist for inexpensive, practical clothing.

Several people also said they’d like to see a family dining restaurant opened in the evening. Coincidentally, Plush West, Pizza & More, opened in the building most recently leased by New York Richie’s Pizza. The owners of Plush West have owned the actual building for many years, and used to run a Plush West restaurant. This does fill a need for a family-friendly restaurant that is not Mexican food (although everyone loves both Mexican restaurants, several people wanted another choice.) Heavenly’s, a hamburger drive up, is also expanding into indoor dining, and is expected to complete their renovation this year.

Who is More Important than What

With the Internet, and Wal-Mart in La Grande, the reality is that we can now get pretty much anything we might need, without a whole lot of inconvenience. So when looking at what opportunities exist for a successful retail business, the bigger question is “*who* will do the research, secure enough funding, and put in the necessary energy, effort and resources to create a store where people really want to shop?”

Enterprise’s Main Street, like Main Street’s all over the country, is full of examples of businesses that *should* have succeeded, but didn’t. While some may blame the economy, Wal-Mart, the Internet, and other outside factors, the truth is that most businesses have closed for personal reasons, or have failed simply

because they did not put the energy and enthusiasm into the business to make it work.

Previous research of what it takes to be a successful business owner in Wallowa County is documented in "Profiles of Success," a 1999 report completed by Stacy Green and sponsored by Wallowa Resources with funding from Northeast Oregon Economic Development District's Northeast Oregon Alliance program.

This report uncovered the five common denominators of success among Wallowa County business owners. Among retail business owners, the number one common denominator was that they are open consistently. The other common denominators of success are consistent with what it takes to run a successful business *anywhere*. There are some business owners who believe they can run a business differently here because we are small and rural, that people will forgive inconsistent hours, unfriendly service, poor quality, an unappealing or dirty storefront, and a lack of advertising/marketing. This report confirms that they won't.

The good news is that those retail business owners who are consistently open, who have a good selection of products and services, who regularly advertise and promote their business, who are involved in the community, and who are generally enthusiastic about their business are enjoying success, and making a decent living wage (and one that, on average, exceeds the average wage of a Wallowa County worker, recently listed as approximately \$27,000.) Those who are trying to get away without doing those things are limping by and blaming it on outside factors.

How to Improve Enterprise's Downtown Retail Success

One game a Main Street retailer is guaranteed to lose is a price game – trying to offer the lowest price on merchandise that is not "low price." If price is the most important criteria to someone, we need to send that person to Wal-Mart, Treasures, Second Best or Soroptomist. Those retailers are playing a price game, and are in a position to succeed.

And just as they have established their competitive niche as low price, the Main Street retailer needs to create his own competitive edge, and it needs to be something other than price. For those consumers who care more about service, selection, quality, and value, the Main Street business owner can create an effective competitive niche by really excelling in those areas, and capping it all off with superior personal service. Personal service includes maintaining a data base of loyal customers, emailing with new products and promotions, sending out postcard mailers, regularly advertising, having consistent hours 100% of the

time, engaging with customers when they walk in the door, remembering names and faces, assisting customers to make good buying decisions (rather than just standing behind the counter, waiting for the customer to plop merchandise on it), offering free gift wrap, taking credit cards, keeping windows and stores squeaky clean, and making sure that employees are thoroughly trained in how to provide superior service. When these things are in place, people respond.

To be successful on Main Street, business owners should cater to value-oriented shoppers, and provide highly personal, one-on-one service using the proven suggestions above, and charge fairly for the service provided, and let those 10-15% ultra price conscious customers go elsewhere – preferably to one of our second hand stores. (Caution: one of the least successful strategies is to rely heavily on discounting to “get people in.” This hurts the business on several levels: a) it attracts the wrong kind of customer, the price conscious, discount hunting kind that will always go where the best price is, and is generally not loyal; b) it cuts heavily into profits, making it difficult for the business owner to provide exceptional and personal customer service; and c) it trains loyal customers to only buy when merchandise is discounted.)

Making it Fun and Providing Value

When Live Out Loud planned its Grand Opening on March 13, we had a chance to experiment with planning a fun event designed to get people downtown to shop. Owner Deve Wolfe let other Main Street retailers know what she was doing, and invited them to join in however they wanted to, with the one request that they not make it a “sale” or “discount” day, but do something else to make it a special day.

Deve offered free gifts with purchases of \$50, or \$100; trays of fresh fruit, plus sparkling cider, wine, and lemon water. Deve invited new local business Arrowhead Ranch Chocolates to offer free samples. She hired the “Wallowa County limo” and offered free limo rides to all customers. She promoted the event through a newspaper ad, 20 radio spots, flyers posted around town, an email blast to her customers, an email blast sent out by the City and the County Chamber, and asking friends and customers to “spread the word.”

Deb’s Apparel gave away balloons and had a table full of appetizers; her store was filled with new spring merchandise (and winter wear was 50% off). Gypsy Java planned live music; Yeah You Gear got the City to allow skateboarding on Main Street (but unfortunately did not follow through); new restaurant and boutique Plush West & Geniene’s Boutique opened; Enterprise Flower Shop gave away sachets with purchase; it was Tunesmith night at Lear’s; and other stores joined in a special double ½ page ad spread in The Chieftain.

For a Saturday in mid-March, it was a great day. Other early reports showed for many business owners, it was a busy day.

This is the kind of thing that was easy, informal, fun, and got people excited about shopping on Main Street. Perhaps more simple events scheduled for Saturdays can help bring more qualified shoppers downtown. It's what the Oregon Main Street program calls "going after low hanging fruit." The key to remember is that this day was promoted as a *shopping* event. The focus was on *buying*. It was not simply an event designed to "get people downtown."

Other Opportunities

More Events & A Designated Event Planner for Enterprise

Lear's Main Street Pub & Grill owner Steve Lear said Enterprise has four underused resources:

- ◆ The Fairgrounds
- ◆ The Golf Course
- ◆ The ball fields
- ◆ The OK Theatre

He also said that special events throughout the year have helped his restaurant increase sales and profits. He saw an opportunity for an event planner that did nothing but plan and market events, such as motorcycle rallies, music festivals, car shows, etc. He cited the successful Juniper Jam, this year at the Fair Grounds over Labor Day, as a great example of a successful event for Enterprise.

Destination Weddings

Darlene Johnson, owner of Enterprise Flower Shop, reported an increase in calls regarding destination weddings. She said she handled the flowers for eight destination weddings in 2009 - defined as people with no family ties here who just want to celebrate their wedding here. (Of course there are also plenty of local weddings).

Perhaps a cluster of businesses could be developed (or existing businesses could provide additional services) around weddings:

- ◆ Wedding/event planner
- ◆ Party rentals for events, weddings, reunions, memorials, etc.
- ◆ Caterers specializing in wedding parties & cakes

Guided Downtown Tours of Historic Buildings

With the study done of 10 Historic Downtown properties, it seems obvious that there is opportunity for downtown tours. Several things make Enterprise unique, including:

- ◆ Historic buildings are still being used for their original purposes, in many cases (Carnegie Library, OK Theatre, Court House)
- ◆ The Library is one of only two Carnegie libraries in Oregon still functioning as a library
- ◆ The Bowlby Stone buildings & the original siding on the Common Good building
- ◆ The OK Theatre is one of the largest (mostly) continuously running theatres left, operating since 1918 (more history could be displayed, connecting Hollywood to Enterprise, with posters of Walter Brennan, Homeward Bound, EHS graduate Mike Rich movies, etc.)
- ◆ There are plenty of interesting anecdotes and photos to create a dynamic, interesting guided walking tour for downtown

Find a Home for Erl McLaughlin's Antique Tractor Collection

Erl has an incredible resource: huge shops filled with restored antique tractors and unique, historic farm implements. We met with Erl to try to find a place for his collection downtown. It would be a great visitor draw, provide an important anchor, and is a perfect fit for Enterprise's desire to build on its agricultural heritage.

However, even in its current location, it has a lot of value, and almost creates a unique sense of discovery among those who find out about it and see it. So, more could be done to make this a draw for the community.

Psychiatric Services

Whether people agree with it or not, Enterprise is a hub for housing for the chronically mentally ill. Our county has the largest per capita population of chronically mentally ill in the state of Oregon. Pioneer Guest Home manager Randy Roddey said there is a need for a psychiatrist in town (now one is brought in, and can only afford to see patients in crisis). Wallowa Valley Center for Wellness Executive Director Steve Kliewer was unsure if there was enough work to justify a full-time, local psychiatrist, but said there is most definitely a need for more psychiatric nurses.

New Demographics to Target

Teens

The teen market in Wallowa County is relatively small, but there is opportunity to cater to them, because many of them have money to spend from summer jobs (and unlike their parents, they're not worried about paying the heating bill!), many of them have limited access to out of town shopping, and the use of credit cards that could be used on the Internet. Steve Lear suggested someone could "own" the teen market with a casual pizza place, with music, and teen entertainment like the ability to have video game competitions. Between Geniene's Boutique, Live Out Loud, and Yeah You Gear, there are now three places where teens can shop. Gypsy Java also seems to be a place teens are flocking to, to meet friends, enjoy a smoothie, and hang out.

Baby Boomers

Wallowa County has a large population of baby boomers, who are now between the ages of 46-64. There is no doubt that this population is an excellent demographic to target.

Other Suggestions

Create an Identity for Downtown

This was identified in the Community Assessment Report (Feb. 2009), and is critical for Enterprise to successfully promote itself. The RDAT reports (2007) did a fantastic job of bringing over 200 Enterprise residents together to create a common identity for the town, and everyone agrees that Enterprise is the service hub of the County and is a "real town" – a town that caters to locals through its mix of goods and services. Enterprise is also proud of its agricultural and timber history, and wants to promote that.

According to the Community Assessment Report, Enterprise would benefit from the following:

- ◆ A Marketing Plan/Strategy for downtown Enterprise, separate from the County as a whole
- ◆ An online presence for downtown merchants & events, separate from the business of City Hall
- ◆ A downtown identity, with a consistent look, feel, message, format

- ◆ A plan to tie local events to downtown
- ◆ Visitor information, in the form of brochures or a kiosk, to promote visitor shopping

As a marketing consultant, I agree with the above, and would also recommend:

- Have consistent hours for downtown shopping so that shoppers are assured that they can park their car and shop, and all retail businesses and restaurants would be open
- Promote downtown as a single entity, to share costs and make individual efforts have greater impact, through a website, brochure, bags for downtown merchants, ad campaign, etc.
- Offer (or even require, in exchange for marketing support) sales skills training for business owners and potential employees, and even young people interested in personal career development

Recommended Next Steps

Based on the progress made through this project, the City submitted a pre-application concept paper through RBEG to offer professional marketing consulting to local business owners. Requests are for a downtown online presence, individual marketing technical assistance for business owners, and sales skills training.

Also, continue to try to fill empty spaces by talking to people. It was amazing that virtually 100% of the existing successful business owners I approached were already thinking of things - business ideas, ideas for their adult children, etc. That tells me that there is a lot of interest and ideas out there, but there is a "wait and see" attitude. My hope is that as people see new activity, positive momentum will help attract more.

We chose not to put any time towards inventorying empty spaces because the information is changing so rapidly, that any report would be almost immediately outdated. However, some key retail locations remain empty, and it is recommended it be a priority to fill them. They include: the old Common Good corner location; the old Forget Me Not's Flower Shop corner location; the old Foster's Plumbing location on River Street by Dr. Underhill's office;

Change the Conversation

One of the biggest obstacles to more people taking a risk and opening a downtown business is the conversation that we have been having among ourselves, which involves the following:

- ◆ *There's no jobs here – the town (county) is dead...*
- ◆ *We used to have three mills, but now we have nothing...*
- ◆ *There won't be any jobs for my kids, so they have to go elsewhere...*
- ◆ *You can't make it on Main Street... see all the empty storefronts*
- ◆ *We can't compete with Wal Mart, and all anyone cares about is price...*
- ◆ *My son/daughter would love to come back here, but they can't make a living...*

The first step in revitalizing downtown is to *change what we're saying to each other, and especially, to our children.* Instead of "There's nothing here...." We need to be saying, "There's a lot of opportunity to plug into, tell us what you're interested in, and let's see who we can connect you with to make something happen."

We also need to focus on the positives:

- ◆ That Main Streets are important, and we all care about ours, and that you have a chance to make a tremendous contribution to your community, and create a decent job for yourself, by becoming a Main Street business owner;
- ◆ That the Internet has created more opportunity for small business owners – the key is learning how to use it to best advantage (Red Rocket Hobby Shop had a very successful Internet presence, in addition to its retail store);
- ◆ That the community is very excited about attracting and keeping young people, and we want to help connect young people to services, from Wallowa County Business Facilitation to NEOEDD, to help young people establish new businesses
- ◆ That other young people who didn't grow up here see Enterprise as a vibrant, exciting community and want to be a part of it
- ◆ That without a vibrant downtown commercial core, all other City programs will suffer, so we are all interested in making this a priority.

Enterprise has a tremendous amount to offer, and its downtown area is brimming with opportunity. The key is to understand that it takes energy, effort and enthusiasm to make a small business a success, that the most successful business owners know how to access the local resources available to them, and that sometimes, it takes more than one try to find a business or business model that will work.

When business owners put out that effort, it is then critical we, as local residents, reward it by shopping there. Every dollar we spend is a vote. We need to individually ask ourselves if the dollars we are currently spending are voting for a vibrant, successful, downtown Enterprise.

