

**ASSESSMENT  
OF MARKETING PROGRAM  
OF  
DOWNTOWN DELRAY BEACH  
MARKETING COOPERATIVE**

*Prepared for*

***Downtown  
Delray Beach  
Marketing  
Cooperative***

***December, 2006***

## FOREWORD

This report presents an analysis of merchant feed-back on the effectiveness of marketing programs undertaken by the Downtown Delray Beach Marketing Cooperative.

The sample consisted of Downtown Delray Beach merchants who completed and returned a questionnaire mailed to all Downtown businesses with a postage-paid return envelope. The response rate to the mailing was approximately 25 percent. The mail survey sample consists of 61 businesses of all types including restaurants, retailers, bars/clubs, art galleries, and service providers. Retailers comprised the largest sub-segment of respondents. A supplemental meeting was convened for merchants on November 21, 2006 to allow for input prior to the close of data collection. Participants were promised confidentiality. No comments have been matched to respondents; however, comments with no attribution to the speaker have been included to convey key ideas from the merchant community.

The research was undertaken for specific purposes:

- ❑ To evaluate the relative importance of key target groups (local residents, tourists, and seasonal residents) to merchant's
- ❑ To assess the impact of community events on business conditions (including events sponsored by the Downtown Delray Beach Marketing Collaborative (DMC) and events staged within Downtown that are sponsored by other groups and organizations)
- ❑ To measure the extent to which retailers actively tie-into the prevailing community event calendar
- ❑ To examine the impact of events on merchants located in specific geographic sectors of Downtown (i.e. Clusters)
- ❑ To generate recommendations for future marketing and advertising programs based upon the needs of merchants with a particular emphasis upon driving sales for retailers as a means of benefiting Downtown's current merchants and to make the Downtown environment more attractive to new retailers

***This research can be used in a productive discussion of future marketing initiatives and programs that respect community programming traditions and reflect the shared goal of increasing the level of retail sales in Downtown Delray Beach.***

Blount Hunter  
H. Blount Hunter Retail & Real Estate Research Co.  
December, 2006

## **EXECUTIVE SUMMARY**

***Businesses in Downtown Delray Beach cite “local residents within a 50-mile radius” as their primary customer target by an overwhelming majority (66 percent). Seasonal residents are the secondary target for the largest share of businesses. The Downtown Delray Beach Marketing Cooperative should allocate its resources in support of targeting local residents followed by seasonal residents. Tourists would be the third priority target.***

***Event traffic does not benefit all retailers. In some instances, event patrons are not within targeted age or income groups for retailers. Events with significant food/drinking opportunities often attract customers who are not interested in shopping but who expect to be able to use bathrooms in businesses. Other events draw customers to a specific geographic area with minimal impact on other parts of Downtown Delray Beach.***

***DMC and merchants should work together to devise events that can have more direct retail impact and to maximize the potential retail spin-off from event traffic. Designing event tie-ins will require complicity and support of retailers. DMC should work with “willing” merchants with the goal of increasing the number of merchants that opt to participate based upon success stories of early collaborators.***

***DMC and all organizations that sponsor events in Downtown Delray Beach should be sensitive to maximizing the share of merchants who perceive “positive” impacts and minimizing the share of merchants who perceive “negative” impacts of events. The most often cited “negative” impact of events are blocked streets that disrupt the normal flow of commerce, absorption of parking by event patrons to the detriment of business patrons, lack of adequate public restroom facilities for event patrons, and event patrons who are inappropriate shopper prospects.***

***Merchants made a number of comments about improving existing events than suggestions for new events. The suggestion repeated most frequently was the idea of spreading events throughout all areas of Downtown.***

***Most of the merchants in Downtown Delray Beach already devote relatively significant sums of money to advertising. Cooperative advertising opportunities would still enable merchants to stretch their marketing budgets or to add more advertising in support of a retail campaign.***

***Moving forward, the DMC should organize its comprehensive positioning efforts and its annual budget around two equally important and supported initiatives:***

- 1. Event Programming Initiative***
  - introduce Downtown to new users***
  - drive foot traffic to restaurants and food service businesses***
  - target "local residents" as well as seasonal residents and tourists***
  - reinforce Downtown as community's "living room"***
  
- 2. Retail Advertising Initiative***
  - drive sales through participating retailers***
  - prioritize "local residents" as primary customer target***
  - utilize media that focus upon primary customer target***
  - identify media to reach secondary/tertiary customer targets (seasonal residents and tourists)***
  - include empirical measurements of performance***

***Downtown is capable of promoting itself as a specialty retail niche that is superior to local malls and many other shopping destinations. It is this point of distinction that enables DMC to undertake a focused retail advertising campaign in the manner of department store advertising. The intention of the retail campaign is to sell merchandise and drive traffic to Downtown for the primary purpose of "shopping." Retail advertising provides an opportunity to highlight and pre-sell specific merchandise in a topical manner. It is important to note that these efforts are in addition to, rather than a substitute for, on-going event programming activities.***

***DMC may find that its "retail initiative" meets mixed reactions by merchants as there is no broad consensus among retailers on participating and paying for retail advertising. Initial retail advertising for Downtown Delray Beach may need to include merchants who are not actively supporting the retail initiative because it will be critical to convey the comprehensiveness of Downtown's merchandise offering for the retail positioning program to be successful. DMC may need to pay for initial advertising on behalf of all Downtown merchants rather than funded as co-operative advertising by a group of merchants that does not reflect Downtown's full diversity of retail merchants.***

## *Profile of Survey Respondents*

Survey participation skewed toward retailers (as desired). Service providers and sit-down restaurants are major business categories in Downtown Delray Beach, and these categories were well-represented in survey participation.

<b>TYPE OF BUSINESS</b>	
	<b><u>ALL RESPONDENTS</u></b>
Retailer	48%
Restaurant	12%
Carry-Out Food	5%
Art Gallery	8%
Bar/Club	3%
Service	12%
Other	15%

No survey participants were located in Clusters 1 and 2. These are the western-most clusters located between Swinton Avenue and Interstate 95. Most of the businesses in these clusters target adjacent neighborhood residents or transient motorists. Businesses in Cluster 8 (located between the Intracoastal Waterway and the beach) were well-represented in survey participation.

<b>LOCATION OF BUSINESS</b>	
	<b><u>ALL RESPONDENTS</u></b>
Cluster 1	---
Cluster 2	---
Cluster 3	15%
Cluster 4	28%
Cluster 5	10%
Cluster 6	13%
Cluster 7	5%
Cluster 8	23%
Missing/Not Sure	6%

## Primary Customer Targets

Businesses in Downtown Delray Beach cite “local residents (within a 50-mile radius) as their primary customer target by an overwhelming majority (66 percent). Seasonal residents are the secondary target for the largest share of businesses.

PRIMARY AND SECONDARY CUSTOMER TARGETS—ALL BUSINESSES		
	PRIMARY CUSTOMER TARGET	SECONDARY CUSTOMER TARGET
Local residents (within 50-miles)	66%	23%
Tourists	12%	25%
Seasonal Residents	18%	48%
Others	7%	2%

Half of all retailers in Downtown Delray Beach cite “local residents” as their primary customer target; the remaining retailers are evenly oriented to “tourists” and “seasonal residents” as their primary target customers.

PRIMARY AND SECONDARY CUSTOMER TARGETS—RETAILERS ONLY		
	PRIMARY CUSTOMER TARGET	SECONDARY CUSTOMER TARGET
Local residents (within 50-miles)	52%	39%
Tourists	24%	29%
Seasonal Residents	24%	32%
Others	---	---

- There were no survey respondents from Clusters 1 and 2. “Local residents” are the primary customer target for merchants in all clusters except Cluster 6. “Local residents” are the predominant primary customer target even among merchants in Cluster 8 along the oceanfront.

PRIMARY CUSTOMER SEGMENT BY CLUSTER—ALL BUSINESSES								
	CLUSTER							
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Local residents (within 50-miles)	---	---	67%	82%	67%	38%	100%	64%
Tourists	---	---	---		17%	25%	---	29%
Seasonal Residents	---	---	11%		---	37%	---	7%
Others	---	---	12%		16%	---	---	---

- Businesses in most clusters were consistent in their focus upon “seasonal residents” as their secondary customer target. Again, the businesses in Cluster 6 differed; their secondary focus is “tourists.”

**SECONDARY CUSTOMER SEGMENT BY CLUSTER—ALL BUSINESSES**

	CLUSTER							
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Local residents (within 50-miles)	---	---	33%	6%	17%	25%	---	36%
Tourists	---	---	---	35%	---	50%	33%	21%
Seasonal Residents	---	---	67%	53%	67%	25%	67%	43%
Others	---	---	---	6%	16%	---	---	---

***These results suggest that to be in sync with the business community—and retailers in particular—the Downtown Delray Beach Marketing Cooperative should allocate its resources in support of targeting local residents followed by seasonal residents. Tourists would be the third priority target.***

## *Retailer Hours of Operation*

Unlike businesses in shopping centers and malls, businesses in Downtown settings are typically free to select their own hours of operation. In many downtown areas, inconsistent operating hours and/or the lack of evening hours are commonplace.

- In Downtown Delray Beach, only 7 percent of retailers maintain evening hours on all days of operation. Two-thirds operate after 6:00 pm on some days while 28 percent of all retailers maintain no evening business hours.

### **INCIDENCE OF EVENING OPERATING HOURS—ALL RETAILERS**

	<b><u>ALL RETAILERS</u></b>
Open after 6:00 pm on all operating days	7%
Open after 6:00 pm on some operating days	65%
Not open after 6:00 pm on any operating day	28%

- Retailers in Downtown Delray Beach tend to operate during some or all Downtown events. Only one-in-five retailers close when an event is underway in Downtown Delray Beach.

### **INCIDENCE OF OPERATION DURING DOWNTOWN EVENTS—ALL RETAILERS**

	<b><u>ALL RETAILERS</u></b>
Always open during Downtown event	40%
Open during some Downtown events	40%
Not open during Downtown events	20%

***Evening traffic and event periods are major components of Downtown Delray Beach's business base because of Downtown's role as a stage for community events and the success of the area as a dining destination. Many retailers are not open at a time when there is pedestrian activity in Downtown Delray Beach. While some retailers generate sales from event patrons, many of the businesses that opt not to operate during events have found from experience that event patrons are not productive customers.***

Event traffic does not benefit all retailers. In some instances, event patrons are not within targeted age or income groups for retailers. Events with significant food/drinking opportunities often attract customers who are not interested in shopping but who expect to be able to use bathrooms in businesses. Other events draw customers to a specific geographic area with minimal impact on other parts of Downtown Delray Beach.

## *Retailer Coordination with Community Events*

Some businesses in Downtown Delray Beach actively coordinate special in-store activities, sales, and promotions with one or more of the five community events sponsored by the Downtown Delray Beach Marketing Cooperative.

- ➔ The two events with the least business tie-ins are July 4<sup>th</sup> celebration and First Night.
- ➔ The DMC-sponsored events with the highest levels of store tie-ins are the art shows and craft shows.

<b>FREQUENCY OF STORE TIE-IN WITH DMC-SPONSORED EVENTS</b>					
	<b><u>ART &amp; JAZZ ON AVENUE</u></b>	<b><u>TREE/FIRST NIGHT</u></b>	<b><u>4<sup>TH</sup> OF JULY</u></b>	<b><u>ART SHOWS</u></b>	<b><u>CRAFT SHOWS</u></b>
Regularly	28%	12%	19%	32%	35%
Occasionally	31%	31%	15%	24%	19%
Never	41%	58%	65%	44%	46%

***A possible challenge in future event planning is to design specific tie-ins with retailers (and restaurants) to drive sales. Designing event tie-ins will require complicity and support of retailers. DMC should work with “willing” merchants with the goal of increasing the number of merchants that opt to participate based upon success stories of early collaborators.***

## *Retailer Perception of Community Event Impact*

Retailers were asked to provide perceptions of the impact on their business of DMC-sponsored events and other community events staged in Downtown Delray Beach.

- Retailers are most inclined to have positive views of Art & Jazz on the Avenue, the art shows and craft shows. These are the same DMC-sponsored events with the highest levels of retailer tie-in.

### **IMPACT OF STORE TIE-IN WITH DMC-SPONSORED EVENTS**

	<b><u>ART &amp; JAZZ ON AVENUE</u></b>	<b><u>TREE/FIRST NIGHT</u></b>	<b><u>4<sup>TH</sup> OF JULY</u></b>	<b><u>ART SHOWS</u></b>	<b><u>CRAFT SHOWS</u></b>
Positive	50%	32%	25%	46%	50%
Negative	11%	7%	14%	25%	25%
No Impact	39%	50%	57%	18%	18%
Not Sure	---	11%	4%	11%	7%

Most of the non-DMC events are perceived as having “no impact” on business in Downtown Delray Beach. This is preferred over the perception of events having “negative” impact.

- Of the non-DMC events, the Delray Affair is most widely perceived as having a positive impact on business in Downtown Delray Beach. Simultaneously, the Delray Affair is one of two events with significant levels of negative perception.
- The events with the lowest levels of perceived positive impact are the Asian Festival, Roots Festival, and concerts held at the Tennis Center.

### **IMPACT OF STORE TIE-IN WITH NON-DMC EVENTS**

	<b><u>ASIAN FESTIVAL</u></b>	<b><u>CINCO DE MAYO</u></b>	<b><u>GARLIC FESTIVAL</u></b>	<b><u>DELRAY AFFAIR</u></b>	<b><u>ST. PAT'S PARADE</u></b>
Positive	4%	15%	37%	61%	44%
Negative	4%	4%	11%	32%	37%
No Impact	67%	67%	37%	---	7%
Not Sure	26%	15%	15%	7%	11%
	<b><u>GREEN MARKET</u></b>	<b><u>FOTO FUSION</u></b>	<b><u>TENNIS EVENTS</u></b>	<b><u>CONCERTS AT TENNIS CENTER</u></b>	<b><u>ROOTS FESTIVAL</u></b>
Positive	26%	30%	48%	4%	4%
Negative	4%	4%	4%	4%	8%
No Impact	56%	33%	41%	52%	50%
Not Sure	15%	33%	7%	40%	38%

***Merchants may not be able to differentiate between events that are sponsored by the Downtown Delray Marketing Cooperative and those sponsored by other organizations and groups. This is an important distinction as DMC-sponsored events are generally held in higher esteem than events sponsored by other groups. Merchants frustrated by events that are non-DMC events may erroneously hold DMC in contempt when in fact DMC is not responsible for the event or problems associated with logistical details that merchants consider to be objectionable.***

***DMC and all organizations that sponsor events in Downtown Delray Beach should be sensitive to maximizing the share of merchants who perceive “positive” impacts and minimizing the share of merchants who perceive “negative” impacts of events. The most often cited “negative” impact of events are blocked streets that disrupt the normal flow of commerce, absorption of parking by event patrons to the detriment of business patrons, lack of adequate public restroom facilities for event patrons, and event patrons who are inappropriate shopper prospects.***

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## *Business Suggestions*

Merchants made more comments about improving existing events than suggestions for new events. The suggestion repeated most frequently was the idea of spreading events throughout all areas of Downtown.

- ✓ Have more free concerts
- ✓ Hold Sidewalk Sales on a regular basis (especially in summer months)
- ✓ Have more upscale events
- ✓ Hold more events on the east side of the Intracoastal bridge
- ✓ Target residents of nearby communities
- ✓ Highlight new businesses during events
- ✓ Hold events before holidays
- ✓ Create a “welcome package” for new downtown residents
- ✓ Send event calendars as direct mail to homes
- ✓ Make co-op advertising available at a reasonable price
- ✓ Move events throughout Downtown Delray Beach
- ✓ Prohibit small/unplanned events
- ✓ Include more advertising of events (radio, television, print media)

## ***Downtown's Strengths as a Business Location***

**Key strengths of Downtown Delray Beach as a business location include:**

- ✓ ***Pedestrian-friendly environment***
- ✓ ***Safe and clean environment***
- ✓ ***Small town ("village") ambiance***
- ✓ ***Lots of foot traffic***
- ✓ ***Good mix of business types (shops, restaurants, services)***
- ✓ ***Lots of tourists***
- ✓ ***Prestige address***
- ✓ ***Event calendar***
- ✓ ***Locally-owned businesses***

**Sample comments:**

***"I think over the past few years, Delray Beach has gotten positive recognition. People know where we are now. In my younger days, they would always say I was from Palm Beach County or even just South Florida. Very few folks knew where we were. My how we've grown! In my business, we have become the largest dealer of (Withheld) in Florida. We have customers come from all over to see out inventory. That brings a lot of folks to town—some for the very first time."***

***"Delray Beach has it all! Shops, spas and salons, restaurants, the beach, clubs and bars, athletic events and facilities, housing....something for every age. It's also located between Broward and Palm Beach counties which brings additional clientele."***

***"....Delray is unique—not a cookie cutter, planned Mizner-type place—with individual ideas and private ownership that continues to allow it to be unique and thrive...."***

***"....the beauty of our Village-by-the-Sea image....If we lose that, we've lost one of our greatest assets."***

## ***Downtown's Weaknesses as a Business Location***

**Key weaknesses of Downtown Delray Beach as a business location include:**

- ***Not enough parking***
- ***Too many events***
- ***Not enough traffic during the summer months***
- ***Not enough foot traffic before 6:00 pm***
- ***Inadequate lighting and police presence***
- ***Traffic congestion***
- ***High rent***
- ***Not enough events to drive traffic east of the Intracoastal bridge***
- ***Inadequate mix of retailers***
- ***Lack of focus/trying to be "everything to everybody"***
- ***Construction disruption***
- ***Lack of visibility for Pineapple Grove***
- ***Expensive valet parking rates***

**Sample comments:**

***"The mix of business is not great at this time. You can't buy a book or a CD...I don't know if Atlantic Avenue can compete with the malls in South Florida the way it stands. We also need the support of local people. They do not shop on Atlantic Avenue enough."***

***"Parking is always a problem. When the street is closed, there is nowhere to park or even get to work. Local customers always complain and we lose business from them whenever something is going on downtown. They don't want to be bothered with the mess of traffic, no parking, and roads closed. Parking is always a problem downtown even when there are no events going on, so it is especially bad when the street is closed."***

***"The idea of events in Downtown Delray Beach is wonderful (but) the reality is loss of revenue because clients cannot get to my business. Also, (my business) is not a public restroom."***

***"Delray Affair has an unfriendly layout to merchants, restaurants, vendors, and pedestrians. This causes many of us (to have) the worst weekend of the year."***

## Overview of Downtown Retailers' Marketing Budgets

Retailers in Downtown Delray Beach were asked their approximate annual advertising budget. Since most of the retailers are single-unit operators, these advertising budgets are used to support one store rather than a chain.

- Almost half of all retailers in Downtown Delray Beach report spending more than \$5,000 per year on advertising.

ANNUAL ADVERTISING BUDGET—ALL RETAILERS	
	<u>RETAILERS</u>
Under \$500	10%
\$500 to \$999	24%
\$1,000 to \$4,999	24%
\$5,000 or more	42%

***Most of the merchants in Downtown Delray Beach already devote relatively significant sums of money to advertising. Cooperative advertising opportunities would still enable merchants to stretch their marketing budgets or to add more advertising in support of a retail campaign.***

## ***Increasing Advertising Emphasis on Driving Retail Sales***

The recently completed “Cluster Study” contained the following recommendation:

***Marketing messages should assume greater emphasis on the retail content of Downtown Delray Beach. Marketing would optimally lead consumers’ to perceive Downtown as a unique niche retail destination. Downtown’s marketing activities must be comprehensive and coordinated. The public and private sectors must address the need for a steady stream of marketing funds.***

The effort to establish activities has proven that people will come to Downtown Delray Beach when given a reason. Consumer research conducted for the Cluster Study confirmed that Downtown Delray Beach is not universally perceived and utilized as a “shopping destination.” “Shopping” is a secondary activity and Downtown’s image as a “shopping destination” is secondary to its image as a place for dining. The time has arrived for the DMC to support the business of retailers in Downtown Delray Beach by broadening Downtown’s drawing power to include patrons drawn for the specific purpose of shopping.

Retail-oriented messages in advertising for Downtown Delray Beach would optimally bolster the image of Downtown as a shopping destination. Retail-oriented advertising can also drive sales by highlighting individual retailers and promoting and pre-selling specific items. Over time, driving retail sales in Downtown Delray Beach will make the setting more attractive to a broader variety of retailers.

***Moving forward, the DMC should organize its comprehensive positioning efforts and its annual budget around two equally important and funded initiatives:***

- 1. *Event Programming Initiative***
  - introduce Downtown to new users***
  - drive foot traffic to restaurants and food service businesses***
  - target “local residents” as well as seasonal residents and tourists***
  - reinforce Downtown as community’s “living room”***
  
- 2. *Retail Advertising Initiative***
  - drive sales through participating retailers***
  - prioritize “local residents” as primary customer target***
  - utilize media that focus upon primary customer target***
  - identify media to reach secondary/tertiary customer targets  
(seasonal residents and tourists)***
  - include empirical measurements of performance***

Over the years, the Joint Venture (the DMC’s predecessor) has successfully positioned Downtown Delray Beach as a destination for entertainment and community events.

This image was measured in consumer research undertaken as part of the Cluster Study. Now, the DMC has an opportunity to expand its efforts to increase the performance and image of Downtown as a “shopping destination” via a bolder focus on retail advertising. The DMC can take many cues from department store advertising that sells merchandise while establishing an image.

While much of Delray Beach’s current marketing is oriented to tourists, new retail advertising would have “local residents” as its primary consumer target and would be executed in a manner that goes beyond “image advertising” into the realm of driving sales in order to gain the largest and most immediate impact. Business directories and brochures are a limited form of marketing and they are minimally effective in generating retail sales; they are not adequate for an effort that has “local residents” as the highest priority customer segment.

The DMC and its predecessor organizations have been highly successful in positioning Downtown Delray Beach as heart of the “Village by the Sea” and a place worthy of visits by tourists and local residents. Past appeals have stressed entertainment programming and dining as the principal experiences to be enjoyed in Downtown Delray Beach. Shopping has been treated as a secondary activity—perhaps rightfully so in light of the type of goods that were available in Downtown Delray Beach. Now, the growing “legitimacy” of the retail merchandise selection in Downtown Delray Beach will support a marketing initiative to support “shopping” in downtown Delray Beach.

In broadening its advertising messages to include “shopping,” the DMC should not eliminate its successful efforts to drive traffic through event programming. Instead, the DMC should allocate its marketing budget in support of a “Retail Marketing Initiative” that addresses local residents as the primary customer target of the majority of businesses in Downtown Delray Beach and elevate “retail” marketing messages to a higher priority than in recent years. In addition, all “event marketing” should endeavor to link “shopping” with event programming in order to maximize the beneficial spin-off potential of event traffic.

The DMC’s “Retail Advertising Initiative” would provide greater visibility for Downtown Delray Beach as a shopping destination by focusing upon individual merchants and specific goods.

The “Event Programming Initiative” would augment the strategy of increasing retail sales by establishing direct links with merchants and through product placement opportunities. Another tactic in the “Event Programming Initiative” that could support the goal of increased retail sales is by spreading events throughout Downtown Delray Beach and by encouraging retailers in various geographic sub-areas of Downtown to initiate their own event programming can community traditions.

## *Basics of Retail Advertising*

Advertising is a form of focused, controlled communication with the market. Advertising has to influence choice and buying decisions. In the case of Downtown Delray Beach, retail advertising must elevate the visibility of Downtown as a “shopping” destination and position Downtown’s niche in a highly competitive retail environment. The recommended advertising program for downtown Delray Beach focuses upon “immediate response” advertising to generate sales rather than “attitude advertising” to establish or enhance the image of Downtown Delray Beach. Downtown’s overall image can be conveyed by the overall appearance of the advertising as well as the merchandise content of the advertising.

Retail advertising for Downtown Delray Beach should address the basic elements of any retail advertising:

1. Create a character or image for Downtown Delray Beach as a shopping destination
2. Draw new customers to the retail shops
3. Retain current customers
4. Reduce sales expense for merchants by pre-selling selected goods, increasing sales volume, and increasing inventory turnover velocity
5. Reduce seasonal sales peaks and valleys

Advertising is the beginning of the sales process and must be part of a coordinated merchandising program. To generate the best results, retail advertising must focus on merchandise that customers want (or would like). Advertising must be appropriately timed and be supported by the general environment of Downtown (and individual stores). The most effective advertising is also run continuously with tracking mechanisms in place to facilitate evaluation of performance. Successful advertising acknowledges basic customer buying motivations including the desire to have something new and unique or to acquire goods that fit the consumers’ lifestyle expectations. The retail positioning of Downtown Delray Beach should take the viewpoint of the customer and impress the market with the manner in which Downtown differs or excels from other retail centers or destinations. Having a clear understanding of the target audience is critical.

- ✓ Highlight unique stores, products, and services to establish reason to buy
- ✓ Follow the retail calendar to capitalize upon key gift-giving periods and seasonal buying patterns
- ✓ Establish empirical goals for measuring results (i.e. units sold, new customer registrations)
- ✓ Focus on “add on” sales
- ✓ Promote attributes that create consumer value (may not be the same as lowest price)

- ✓ Demonstrate authoritative perspective on trends, fashions, colors and styles
- ✓ Use discounts and “sales” when appropriate but don’t over-use these pricing strategies
- ✓ Include a “call to action” for immediate results

Retail advertising can establish Downtown Delray Beach as the preferred shopping destination over mundane regional malls based upon uniqueness, personal service, convenience, and local style. Downtown Delray Beach can appeal to the “anti-mall” sentiment felt by many consumers and can become the definitive source for local perspectives on fashion and trends.

As malls continue to curtail their advertising, Downtown Delray Beach can attempt to dominate key buying occasions and holidays with its current offering of gift items, home décor accessories, and personal indulgence merchandise. Downtown’s limited depth of fashion offering serves some apparel buying needs; advertising must not over promise in this merchandise category.

Advertising should introduce new merchants and highlight unique products. Trends can be interpreted; the season’s freshest colors can be showcased across a wide assortment of merchandise categories.

Cooperative advertising can range from simple multi-merchant newspaper ads to gift catalogues. Web advertising should be used in tandem as a cost-efficient means of reaching consumers.

The list of opportunities is long:

- Holiday promotions (Christmas, Hanukkah, Easter, Valentine’s Day, Mother’s Day, Father’s Day, Graduation)
- Seasonal fashion promotions (Spring/Summer/Fall/Winter)
- Home decorating/accessorizing events
- Sales and Clearances
- Gift registry (wedding gifts, baby gifts, new home gifts)
- Men’s Shopping Nights
- Children’s Shopping Days
- Modeling in restaurants
- Local model search
- Welcome Wagon/New resident packages
- Tips on accessorizing or updating a wardrobe
- Pet focus
- Gift certificate program
- Loyalty card (discount program or preferred shopper program)
- Charity Shopping Nights
- Tourist promotions

Advertising is just one step in sales promotion. When advertising generates shopper traffic, customers entering a store must be greeted with goods and experiences that reinforce buying behavior. Merchants should be encouraged to coordinate window displays and in-store displays with advertising and promotional programs for maximum impact. Merchants should also be encouraged to create cross-promotional relationships for referring customers to compatible merchants.

The retailer is, or should be, a merchant who merchandises his/her space, whether it is floor space or newspaper advertising space, with a mix of the right items, at the right time, in the right quantities, at the right price. Retail advertising is not a cure for poor merchandising nor can it save businesses that fail in key aspects of operation.

### *Illustrative Positioning Theme: “Delray Taste/Taste Delray”*

Marketing and advertising themes give a promotion its purpose by increasing consumer acceptance and response based upon consumer interests. Many retail “themes” can be devised for Downtown Delray Beach that are compatible with its long-established “Village by the Sea” and “entertainment” niches. The purpose of this assignment is not to manufacture a marketing theme or retail advertising campaign for Downtown Delray Beach; rather, it is a goal of this assignment to provide an illustration of the opportunity to extend the public image of Downtown Delray Beach as a dining destination to include a specialty retail image. As an example, an advertising theme that may resonate with all customer segments (“local residents” as well as seasonal residents and tourists) is “Delray Taste/Taste Delray.” This tag line is based upon the dual images of Downtown Delray Beach as a place for dining and a place for shopping and speaks to Downtown’s unique retail offering as an expression of the South Florida lifestyle.

This tag line may connect positive consumer experiences with Delray Beach as a dining destination with Downtown Delray Beach as a shopping destination. The theme is appropriate for local residents as well as tourists and seasonal residents, and it has the potential for a long-term campaign to build awareness of Downtown Delray Beach as a destination for merchandise that reflects the lifestyle and sensibilities of Delray Beach/South Florida while reinforcing the well-established image of Downtown Delray Beach as a dining destination.

## Summary

Downtown Delray Beach's re-birth based upon event programming and dining is similar to the experience of many downtown areas. Downtown Delray Beach's retail renaissance has proceeded to the point that "shopping" could be a primary trip purpose rather than a secondary activity by patrons attracted by other reasons. While the merchandise offering is not sufficiently comprehensive that Downtown Delray Beach can completely replace trips to local malls, Downtown has emerged as a critical mass for specialty goods (including apparel and gift items) that can satisfy the needs and wants of some local residents as well as tourists, and seasonal residents. Downtown is capable of promoting itself as a specialty retail niche that is superior to local malls and many other shopping destinations. It is this point of distinction that enables DMC to undertake a focused retail advertising campaign in the manner of department store advertising. The intention of the retail campaign is to sell merchandise and drive traffic to Downtown for the primary purpose of "shopping." It is important to note that these efforts are in addition to, rather than a substitute for, on-going event programming activities. Budgeting and staffing levels must be altered to reflect the needs of a second activity area of a magnitude equal to event programming and execution.

This report does not take a position on the organizational requirements of undertaking a retail advertising campaign. However, targeting local residents as the primary audience would appear to fulfill the marketing objectives of the majority of merchants who responded to the survey or participated in individual or group meetings as part of the background research for this assignment. Clearly, open and honest communication between DMC and the merchant community is required for an effective working relationship. Forging a working relationship between DMC and individual retailers will be a time consuming process that cannot be a secondary activity for DMC. Toward this objective, it is recommended that the DMC allocate staff to support its "retail initiative" at a level that is equal to its on-going mission as an "event marketing" agency. DMC may find that its "retail initiative" meets mixed reactions by merchants as there is no broad consensus among retailers on participating and paying for retail advertising. Initial retail advertising for Downtown Delray Beach may need to include merchants who are not actively supporting the retail initiative because it will be critical to convey the comprehensiveness of Downtown's merchandise offering for the retail positioning program to be successful. It would be a mistake to base Downtown Delray's retail image building only upon a small handful of merchants who may be early adopters of this program. Over time, it can be expected that merchant participation will spread as the merits and benefits of the campaign are felt. DMC may be in the position of funding initial advertising on behalf of all Downtown merchants rather than providing smaller subsidies for co-operative advertising by a group of businesses that does not reflect Downtown's full diversity of retail merchants. Advertising that illustrates Downtown's retail diversity by including all merchants can be expected to form a better impression of Downtown as a "shopping" destination than voluntary co-operative advertising by a limited number of merchants; retail advertising with comprehensive product content

would also be expected to generate greater sales than advertising with limited retail content. Merchants would be expected, too, to have a role in defining the appropriate customer targets (defined by geography and demographic characteristics). Customer mailing lists provided by multiple merchants could serve as the basis for Zip code targeting for selection of print media and direct mail.

The needs for consistency in advertising image and timing and for built-in performance tracking mechanisms warrant special mention. These are important elements of any advertising campaign, and they are doubly important as DMC embarks on a retail advertising campaign that needs to be able to demonstrate its impact in order to gain additional support within the Downtown merchant community.

# APPENDIX

## DELRAY BEACH MERCHANTS SURVEY Sept. 2006

**RESTAURANT / STORE OWNER OR MANAGER:** The Downtown Marketing Cooperative (formerly known as the Delray Beach Joint Venture) has hired HBH Research to conduct this survey to evaluate the future direction of marketing and event programming of Downtown Delray Beach. Please complete this confidential survey and fax it to (757) 624-1183 or return it in the enclosed envelope. Your confidential comments will assist in developing future marketing programs for Downtown Delray Beach. **PLEASE RETURN THIS SURVEY BY FAX OR MAIL BY SEPTEMBER 1, 2006.**

- Q1      What is your type of business? [SELECT ONE.]
- |                           |                          |  |                          |
|---------------------------|--------------------------|--|--------------------------|
| Sit-down restaurant ..... | <input type="checkbox"/> | Retail store .....                       | <input type="checkbox"/> |
| Take-out/fast food .....  | <input type="checkbox"/> | Service (salon, spa, optical, etc.)..... | <input type="checkbox"/> |
| Bar/Club .....            | <input type="checkbox"/> | Other .....                              | <input type="checkbox"/> |
| Art Gallery .....         | <input type="checkbox"/> |  |                          |
- Q2      What ONE customer segment is your **PRIMARY marketing target?** [SELECT ONE.]
- |  |                          |                                      |                          |
|--|--------------------------|--------------------------------------|--------------------------|
| Local residents (within 50 miles of Delray Beach) .. | <input type="checkbox"/> | Seasonal or part-year residents..... | <input type="checkbox"/> |
| Tourists.....  | <input type="checkbox"/> | Other .....                          | <input type="checkbox"/> |
- Q3      What ONE customer segment is your **SECONDARY marketing target?** [SELECT ONE.]
- |  |                          |                                      |                          |
|--|--------------------------|--------------------------------------|--------------------------|
| Local residents (within 50 miles of Delray Beach) .. | <input type="checkbox"/> | Seasonal or part-year residents..... | <input type="checkbox"/> |
| Tourists.....  | <input type="checkbox"/> | Other .....                          | <input type="checkbox"/> |
- Q4      How many years has your business been located in Downtown Delray Beach?
- 
- Q5      Do you stay open after 6:00 pm on **all days** that your business is open?
- Yes.....  SKIP TO Q. 8                      No.....  CONTINUE TO Q. 6
- Q6      Do you stay open after 6:00 pm **only on some days** that your business is open?
- Yes.....  CONTINUE TO Q. 7                      No.....  SKIP TO Q. 8
- Q7      Does your store remain open **after normal operating hours** in conjunction with an event or activity held in Downtown Delray Beach?
- |   |                          |         |                          |
|---|--------------------------|---------|--------------------------|
| Yes, always during events.....              | <input type="checkbox"/> | No..... | <input type="checkbox"/> |
| Yes, during some events but not others..... | <input type="checkbox"/> |         |                          |

**Q8** What factors do you consider when determining whether to stay open late (or re-open your business) in conjunction with Downtown events? OR, why don't you open your business to coincide with Downtown events? [YOU MAY USE A SEPARATE PIECE OF PAPER FOR LENGTHY RESPONSES.]

**Q9** Do you coordinate special in-store activities, sales, or promotions with any of the following events sponsored by the Downtown Marketing Cooperative (DMC)?

	REGULARLY	OCCASIONALLY	NEVER
Art & Jazz on the Avenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Christmas Tree/First Night	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fourth of July Celebration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Howard Alan Art Shows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Howard Alan Craft Shows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q10** What impact do these DMC-sponsored Downtown events have on your business? [WHEN ASSESSING WHETHER AN EVENT HAS A POSITIVE IMPACT ON YOUR BUSINESS, PLEASE CONSIDER IMPACT WHILE THE EVENT IS UNDERWAY AND IMPACT FOR SEVERAL DAYS OR WEEKS AFTER THE EVENT.]

	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	NOT AWARE OF EVENT / IMPACT UNCERTAIN
Art & Jazz on the Avenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Christmas Tree/First Night	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fourth of July Celebration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Howard Alan Art Shows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Howard Alan Craft Shows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q11** Please make any comments on the impact of DMC-sponsored Downtown events (positive or negative) on your business. [YOU MAY USE A SEPARATE PIECE OF PAPER FOR LENGTHY RESPONSES.]

**Q12** What impact do these Downtown events *sponsored by groups other than the DMC* have on your business? [WHEN ASSESSING WHETHER AN EVENT HAS A POSITIVE IMPACT ON YOUR BUSINESS, PLEASE CONSIDER IMPACT WHILE THE EVENT IS UNDERWAY AND IMPACT FOR SEVERAL DAYS OR WEEKS AFTER THE EVENT.]

	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	NOT AWARE OF EVENT / IMPACT UNCERTAIN
Asian Festival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cinco de Mayo Festival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garlic Fest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delray Affair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
St. Patrick's Day Parade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Green Market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FotoFusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tennis-related events at Tennis Center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Concerts at Tennis Center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roots	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q13** From a merchant's perspective, what are the **STRENGTHS** of Downtown Delray Beach as a business location? [YOU MAY USE A SEPARATE PIECE OF PAPER FOR LENGHTY RESPONSES.]

**Q14** From a merchant's perspective, what are the **WEAKNESSES** of Downtown Delray Beach as a business location? [YOU MAY USE A SEPARATE PIECE OF PAPER FOR LENGHTY RESPONSES.]

**Q15** Please make any suggestions about the future event calendar in Downtown Delray Beach. Consider types of new events, the timing of events, appropriate customer targets, and ways to implement events that would benefit your business. [YOU MAY USE A SEPARATE PIECE OF PAPER FOR LENGHTY RESPONSES.]

**Q16** PLEASE SHARE ANY COMMENTS OR SUGGESTIONS FOR IMPROVING THE MARKETING AND EVENT PROGRAMMING OF DOWNTOWN DELRAY BEACH. [YOU MAY USE A SEPARATE PIECE OF PAPER FOR LENGHTY RESPONSES.]

**Q17** What is the approximate annual advertising budget for your Downtown Delray Beach business?

- |                          |                          |                            |                          |
|--------------------------|--------------------------|----------------------------|--------------------------|
| \$0 .....                | <input type="checkbox"/> | \$5,000 to \$9,999 .....   | <input type="checkbox"/> |
| \$1 to \$499 .....       | <input type="checkbox"/> | \$10,000 to \$19,999 ..... | <input type="checkbox"/> |
| \$500 to \$999 .....     | <input type="checkbox"/> | \$20,000 or more .....     | <input type="checkbox"/> |
| \$1,000 to \$4,999 ..... | <input type="checkbox"/> |                            |                          |

**Q18** Look at the attached "Cluster Map" and indicate where your business is located:

- |                 |                          |                  |                          |
|-----------------|--------------------------|------------------|--------------------------|
| Cluster 1 ..... | <input type="checkbox"/> | Cluster 6 .....  | <input type="checkbox"/> |
| Cluster 2 ..... | <input type="checkbox"/> | Cluster 7 .....  | <input type="checkbox"/> |
| Cluster 3 ..... | <input type="checkbox"/> | Cluster 8 .....  | <input type="checkbox"/> |
| Cluster 4 ..... | <input type="checkbox"/> | Don't know ..... | <input type="checkbox"/> |
| Cluster 5 ..... | <input type="checkbox"/> |                  |                          |

IF YOU WISH TO SPEAK IN DEPTH ABOUT THE MARKETING OF DOWNTOWN DELRAY BEACH, PLEASE CALL BLOUNT HUNTER AT (757) 626-0757. YOUR COMMENTS WILL BE APPRECIATED AND YOUR NAME WILL NOT BE ASSOCIATED WITH YOUR COMMENTS TO ASSURE CONFIDENTIALITY.

IF YOU WANT US TO CALL YOU TO SPEAK IN DEPTH ABOUT ANY ISSUES ON THIS SURVEY, PLEASE PROVIDE YOUR NAME AND PHONE NUMBER. YOUR COMMENTS WILL REMAIN CONFIDENTIAL IF YOU WISH. NAME AND PHONE NUMBER: \_\_\_\_\_

**PLEASE FAX THIS QUESTIONNAIRE TO (757) 624-1183 OR MAIL TO:**

**HBH RESEARCH 512 COLONIAL AVENUE NORFOLK, VA 23507-2212**

**THANK YOU FOR YOUR HELP!**