

Strip Retail Marketing Strategies

Ways for you to **think about** the Strip as a **destination**, about your **customers** and about **marketing** your business.



What's the Attraction?

According to the 2006 Campos regional survey of 466 consumers, there are 4 key attractions for consumers in the Strip—what might be called the Unique Selling Proposition(s) of the Strip:

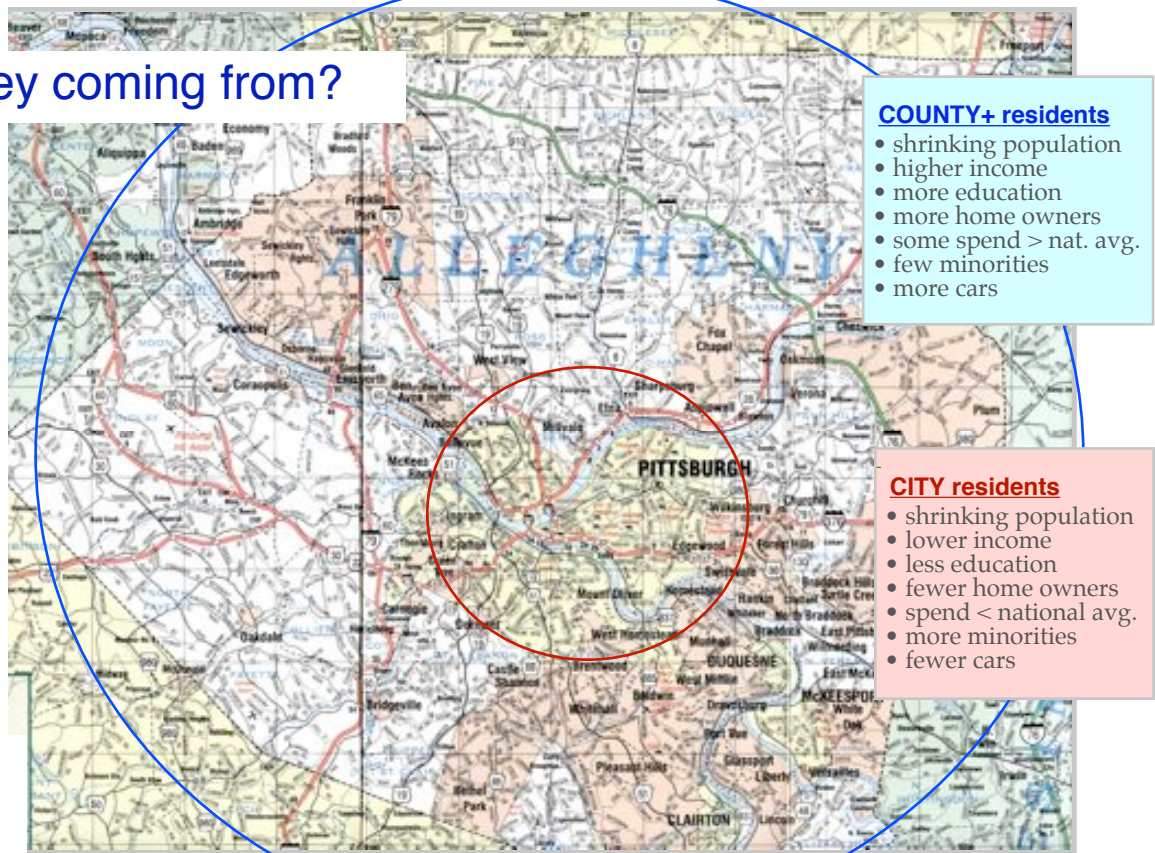
- **49.7 %— Selection of Specialty/Unique Items**
- **49.2 %— Enjoyable Experience/Fun Way to Spend Time**
- **49.0 %— Low Prices/Bargains**
- **41.0 %— Unique Stores**



Campos survey conclusion: "The findings strongly suggest that the success of the Strip is largely dependent on maintaining a unique offering of items, and that this uniqueness is what makes a trip to the Strip District an enjoyable experience."

Where are they coming from?

Based on several data sources, the Strip's **Primary Trade Area** (the area from which 75% or more of the customers come) is at least as large as Allegheny County; some data suggests that it spills into the surrounding counties of the region. Estimates of the total population living in this Trade Area range from 1.4 million to 2 million people.



COUNTY+ residents

- shrinking population
- higher income
- more education
- more home owners
- some spend > nat. avg.
- few minorities
- more cars

CITY residents

- shrinking population
- lower income
- less education
- fewer home owners
- spend < national avg.
- more minorities
- fewer cars

Trade Area examples

Soc. for Contemp. Craft

2003 visitors	
origin	%
Pittsburgh	27%
Allegheny Co.	32%
Other PA	19%
Outside PA	22%
based on 32,343 visitors	

Heinz History Center

2005-06 visitors	
origin	%
Pittsburgh	24%
Allegheny	46%
Other PA	10%
Outside PA	19%
based on 132,937 visitors	

Who Are They?



What do they want?

2005 Claritas data	1 mile band	1-5 mi. band	5-20 mi. band
population	16,562	382,190	1,164,212
median age	38.5	37.8	42.3
average HH size	1.94	2.15	2.38
median HH income	\$19,210	\$34,416	\$48,220
average HH income	\$31,218	\$48,766	\$65,304
% HH income > \$50,000	18%	33%	48%
% Bachelor+ degrees	14%	27%	28%
% African-American	56%	20%	7%
% HH with no vehicles	55%	25%	10%

Notice the important consumer differences as distance from Strip increases.

rank— % of pop.
income level

Segment Number and Name

Segment Illustration

- LifeMode Group
- Urbanization Group
- HH Type
- Median Age
- Income
- Employment
- Education
- Residential
- Race/Ethnicity
- Activity
- Financial
- Activity
- Media
- Vehicle

#1—18%
middle income

29 Rustbelt Retirees

L5 Senior Styles
U8 Suburban Periphery II
MC w/No Kids; Singles
43.8
Middle
Prof/Mgmt/Skilled/Srvc
HS Grad; Some College
Single Family
White

DIY home improvement
Own shares in tax-exempt fund
Belong to fraternal orders, unions, etc.
Watch QVC
Own/Lease Buick

#2—8%
upper middle

18 Cozy and Comfortable

L2 Upscale Avenues
U8 Suburban Periphery II
Married-Couple Families
41.0
Upper Middle
Prof/Mgmt
Some College
Single Family
White

Dine out often at family restaurants
Use financial planner
Play softball
Watch or listen to ice hockey games
Own/Lease minivan

Consumer Life Styles

Clearly understanding your customer is critical. To the left are profiles of the top two ESRI Community Tapestry segments within a 30-minute drive of the Strip.



The full market study identifies the life style segments in 2-, 5- and 30-minute drive radii.

30-minute drive = 1,437,184 pop.		
Tapestry segment	pop.	% of T
29. Rustbelt Retirees	262,821	18%
18. Cozy & Comfortable	117,458	8%
14. Prosperous Empty Nesters	97,599	7%
57. Simple Living	90,663	6%
pop. in Top 4 categories	568,541	39%

Of course, every business in the Strip has its own unique customer base. Yours may be much different from your neighbor's. How much do you know about your customers?

Employment Nearby

Is there a market for your business among local employers and their employees?

5 Top employer categories (ESRI data by SIC code)	2-minute drive time				5-minute drive time			
	businesses		employment		businesses		employment	
Services: Other Services	284	22%	4,198	13%	1730	24%	20,500	14%
Finance, Ins. Real Est.: Insurance	36	3%	3,203	10%	154	2%	15,190	11%
Government	116	9%	2,164	7%	395	6%	14,828	10%
Services: Health	38	3%	638	2%	587	8%	11,854	8%
Services: Legal	213	17%	3,057	10%	842	12%	11,271	8%
subTotal - above 5 categories	687	54%	13,260	42%	3,708	52%	73,643	51%
Total employment - all employers	1,293	100%	31,950	100%	7,129	100%	142,299	100%

Note: ESRI and Claritas are information technology companies that gather, analyze and project a wide variety of data, including United States census data.

Radii here are from either Smallman and 21st Street or 16th Street and Penn Avenue.

THINK SMALL: Win Them at No or Low Cost

Here are some no/low cost marketing strategies to employ if you're not using them already:

- **Retain Customers:** Experts claim it takes 5 times as much effort to gain a new customer as to retain an existing one. Keep customers satisfied and coming back. Knowing a customer's name is always powerful.
- **Ensure quality:** Maintain your products, product knowledge, hospitality and customer service at a high level. This will help you and the Strip to maintain a competitive edge against new retail developments.
- **Personalize Your Brand:** Make your enthusiasm and personality part of your brand.
- **Harness Word of Mouth:** Encourage your satisfied customers to spread the word. They're your best "sales force," including on the internet today.
- **Maximize Your Windows:** A classic Mainstreets marketing concept is that the exterior and windows of a store invite people in... or not. They are your year round "billboard," one which is already paid for in your rent.
- **Highlight Key Messages:** Display prominently a few simple Key Messages about your business to educate and entice the public as part of your window display.... but not in a way that cheapens or clutters. Change signage periodically, with the seasons or to target niche consumer markets.
- **Display Creatively and Strategically:** Along with creative and inviting merchandising, display promotional or up-selling material. Keep the style consistent with everything else as part of your "integrated marketing communications."
- **Master Technology Basics:** Use an answering machine which includes hours of operation and special promotions. Periodically communicate with customers via e-mail to maintain contact with them and to feature specials, special events and helpful hints. Maybe create a simple blog.
- **Maximize Your Hours:** Make sure your hours of operation are in sync with your customers' needs.
- **Create Promotional Literature:** Emphasize strong Key Messages or feature special events or offers. This literature could be placed cooperatively in other Strip businesses that also target your niche markets.
- **Offer Gift Certificates:** These are a classic marketing tool that can bring in new customers, including via friends and family. And a percentage are never cashed in, but the income for the business is still there.
- **Stage Promotional Events:** One way to get potential customers in the door is to stage open houses and introductory events, perhaps themed around target consumer segments. Even involve enthusiastic customers who represent the targeted niche in planning and promoting these events to ensure that the event addresses the interests and needs of the particular audience.

Other low cost things you can do

- Clean your sidewalks, windows and storefront regularly.
- Refresh your exterior and interior paint regularly.
- Consider exterior night lighting for improved security.
- Keep your product knowledge up to date and offer it freely.
- Emphasize hospitality as something that differentiates you from the Big Boxes.
- Survey customers to find out more about them and their needs and concerns.
- Provide customer data to NITS so it can be factored into Strip marketing.
- Call 911 when necessary.

A Key Consumer?

A huge variety of customers shop the Strip and that variety is critical to many businesses. Nevertheless, various data suggest that **women 45-54** have the greatest disposable income and influence as a group. And business consultant Tom Peters, in his book Trends, urges that:

- Women are the "chief purchasing officers" in most households.
- Women are THE market... Women are Where the Money Is.
- Women's earning power, spending power, and role in corporate decisions are all increasing.
- A huge demographic tidal wave is creating a large, asset-rich pool of 50+ women.

THINK BIG... and Work With NITS

Here are several insights and conclusions drawn from the vast amount of market data NITS has gathered. These are based on the 32-page 2007 Retail Market Study and on Main Street principles.



Strip Assets

- The diversity and character of the Strip is key to its success as a destination. So is its location at the nexus of commerce and transportation for the region.
- Major cultural assets which draw more than 160,000 visitors annually into the Strip are the Heinz History Center and the Society for Contemporary Craft. In addition, the new hotel(s) on Smallman will bring in tourist consumers.

Strip Consumers

- The wide socio-economic variation in the Trade Area of the Strip requires diverse marketing messages, strategies and tactics. One size does not fit all.
- The economic health of retail in the Strip depends on the patronage of the suburban/regional consumers with their higher disposable income and Spending Potential. The less affluent urban population needs the accessibility, products and pricing of Strip retail, particularly in the food categories.

Strip Strategies

- Limited marketing dollars must be invested wisely. Decisions should be based on priorities, consumer niches, impact, and evaluation of results.
- Precisely identifying and targeting consumer niches will improve success in marketing and public relations efforts.
- Aggressive media and public relations can generate attention comparable to or better than advertising.

Strip Tactics

- Although not traditional marketing, the improvement of parking, public safety and street appearance will benefit conventional marketing efforts.
- Radio, billboards and cable TV can be more precisely targeted geographically and demographically than some of the other options. Community newspapers and magazines can target geographic areas.
- Pooling of funds through cooperative advertising—involving multiple businesses—can reduce costs per merchant dramatically.
- Signature events help to shape and reinforce a district's identity. Several neighborhood districts have employed "First Fridays," for example.
- In today's digital and internet world, technology use can help to keep a business competitive, ensure its survival and boost profits. This includes dynamic websites and e-commerce.



Improving the profitability and success of Strip businesses is a key goal of NITS marketing and PR efforts.

NITS Promotions

NITS is always working to promote the Strip. Current efforts include:

- NITS website
- NITS e-gram newsletter
- Strip District Map
- Web-based Pittsburgh Neighborhood Tours
- Strictly Strip Tours
- Aggressive media relations
- 16:62 Design Zone promo with Lawrenceville Corporation
- Pop City Media stories
- KQV radio show
- Presence at Pittsburgh Home and Garden Show
- Landmarks hotel book
- Yellow Pages
- Mobile Media Ventures
- Co-op marketing and advertising opportunities
- And more...



Get Involved

- Become a NITS member
- Promote your business through the efforts listed above.
- Join an Action Team.
- Get a copy of the full Market Study and use it to your advantage.
- Launch a co-op promotion.

Neighbors In The Strip 412-201-4774 www.NeighborsInTheStrip.com

Marketing 101: Some Basic Principles

It's a good idea to pay attention to basic principles of marketing and weave all efforts into a comprehensive, integrated marketing communication strategy. Here are **10 Smart Marketing Basics...**

1. It takes **5 times** as much effort to gain a new client as to retain an existing one.
2. The classic 4 P's of marketing are:
 - **Product** (or Service). Bought by a customer to meet a need. The need may be practical, emotional, or basic.
 - **Price**. The price must be right if customers are to buy a product in sufficient quantities to ensure a profit.
 - **Place**. The 'bridge' connecting customers and products.
 - **Promotion**. Activity that informs the customer what you have to offer and persuades them to buy.
3. Two critical marketing questions:
"What does my customer **expect**?" and
"What can I do to **exceed** those expectations?"
4. Marketing is not a battle of products, it's a battle of **perceptions**.*
5. The most powerful concept in marketing is **owning a word** in the prospects mind (eg. car, shoes, reliability, safety, convenience, friendly, fun, cool, quaint, healthy, etc.)*
6. Successful marketing programs are not built on fads, they're built on **trends**.*
7. Without **adequate funding**, an idea won't get off the ground.*
8. Marketing is **everything** you do to promote your business, from the moment you conceive of it to the point at which customers buy your product or service and begin to patronize your business on a **regular** basis.**
9. Consider 10 important marketing secrets. **You must...**
 - ...Have **commitment** to your marketing program
 - ...Think of that program as an **investment**
 - ...See to it that your program is **consistent**
 - ...Make your prospects **confident** in your business
 - ...Be **patient** in order to make a commitment
 - ...See that marketing is an **assortment** of weapons
 - ...Know that profits come **only after** sales
 - ...Run your business to be **convenient** for your customers
 - ...Put an element of **amazement** in your marketing
 - ...Use **measurement** to judge the effectiveness of your weapons**
10. Marketing is a **careful, long-term process** to inform and persuade a **well-understood customer** possessing a **well-defined need**. It requires a clearly articulated "**offering**." An effective marketing campaign must also meet the test of being **focused, accountable** for results, and of a **scale** sufficient to have a **measurable impact**. Above all, it must exist as one element of a larger sophisticated and coherent **overall strategy**—*Pittsburgh Regional Alliance*

A Brand is about more

than names, logos, advertising or taglines. A brand represents a **unique and enduring bond** between a marketer and its targeted audience.

A Brand is a promise of value

to its markets and a source of **pride and unity** for its employees. It is an **assurance of quality and consistency**—a guarantee that the brand will **deliver as promised** each and every time.

—*DeSola Group*

Contrasts: Then & Now

from *Tom Peters Essentials—Design*

WAS

A product or service
It's good stuff
It works for the moment
"I'm glad I bought it"
Satisfied customer
Repeat customer
Get what you pay for
Agrees with your wallet
Deals with one of your needs

IS

An "experience"
It's a kick, a hoot
It leaves an indelible memory
"I want more"
Member of a club
Viral marketing agent
Get thrown for a loop
Agrees with your psyche
Helps define who you are

* Al Ries & Jack Trout, *The 22 Immutable Laws of Marketing*

** Jay Conrad Levinson, *Guerrilla Marketing*