

# BRIEF EXERCISE FOR DEVELOPING A MARKET POSITION STATEMENT

## Instructions:

1. Explain and illustrate the concept of a market position to your Economic Restructuring Committee, Promotion Committee, and businesses key to downtown's market position (group or homework exercise).
2. Have everyone answer the Market Position Questions on the next handout (group or homework exercise).
3. Collect all the Market Position Question answers.
4. Have a volunteer wordsmith draft a market position statement by drawing inspiration from the Market Position Question answers, the downtown vision statement, and any market information that is available.
5. Give everyone who answered the Market Position Questions the opportunity to mark up a copy of the draft market position statement (homework).
6. Have the same volunteer wordsmith combine the edits into a revised market position statement (homework).
7. Have the Economic Restructuring Committee adopt the market position statement (homework).

## Definition: Market Position Statement

A market position statement identifies a district's current niche based on the primary consumer segment served, or on a primary set of goods and services offered. It distinguishes the district's competitive advantage versus options like Wal-Mart, the Internet, but more directly like other commercial district destinations within the trade area (an apples to apples comparison). The goal is to be memorable and remarkable so consumers consistently choose you over the competition. It must be clear and compelling in order to sell downtown's potential to new businesses and investors. Defining a market position statement requires market information; however, there is often an abundance of insightful market knowledge already in the minds of downtown business owners and community residents. That wisdom can be gleaned through focus groups designed to collect the information necessary to take a first stab at drafting a market position statement.

## Example: Market Position Statement for Tigerton WI

"Tigerton provides the basic necessities of life in a warm, friendly manner. Businesses stress good customer service, moderate prices, and an adequate selection of goods and services. Low to moderate income families and retired residents enjoy the natural beauty of the surrounding area and a fine collection of historic residences and commercial buildings. Southwest Shawano County customers living within a ten mile radius of Tigerton benefit greatly from its quality health care facilities, schools, churches, food services, and entertainment opportunities. Local residents and tourists take advantage of the many acres of forested and scenic lands near Tigerton."

## Example: Market Position Statement for Newtown, PA

"Residents and visitors of Newtown have enjoyed an experience of dining, shopping, and culture from colonial days to today. Authentic, historic nuances flow through first class restaurants, downtown specialty shops and boutiques, theater and art galleries." (2004-2007 Report to Stakeholders, Newtown Main Streets, [www.newtownpa.org](http://www.newtownpa.org))

## Example: Market Position Statement for Easton (a lifestyle center in Columbus, Ohio)

"A great place where creative individuals can choose from an eclectic selection of women's and children's apparel and accessories, home goods, and personal care products." (They called this statement their Anthropologie)

## Market Position Exercise

### How might the following market positions be integrated differently throughout all Four Points?

Downtown A specializes in rejuvenating the mind, body and spirit; offering pensive arts, refined entertainment, rural exercise, and elegant relaxation within a revitalized historic setting. Downtown A caters to sophisticated women and their families from throughout the region.

Economic Restructuring? \_\_\_\_\_

Design? \_\_\_\_\_

Promotion? \_\_\_\_\_

Organization? \_\_\_\_\_

Downtown B specializes in establishments that make life simpler. Neighborhood residents, downtown employees, visitors to the many civic gathering spots and rural retirees, have easy and convenient access to the basic products and services they need everyday and want with personal attention from independent businesses.

Economic Restructuring? \_\_\_\_\_

Design? \_\_\_\_\_

Promotion? \_\_\_\_\_

Organization? \_\_\_\_\_

Downtown C specializes in providing home décor and personal adornment products and services with traditional atmosphere; time-honored value; and trusted, personal, and friendly customer service for discerning shoppers within the region and discriminating day trippers from further afield.

Economic Restructuring? \_\_\_\_\_

Design? \_\_\_\_\_

Promotion? \_\_\_\_\_

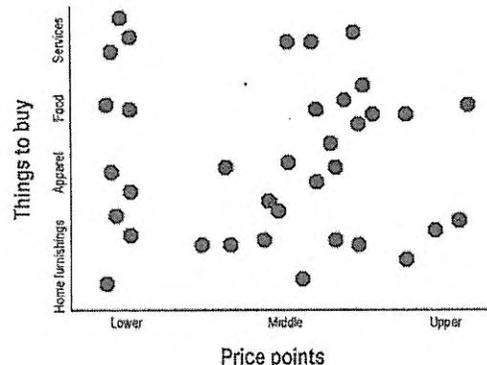
Organization? \_\_\_\_\_

## AN EXERCISE TO IDENTIFY YOUR EXISTING NICHES

Source: "Revitalizing Main Streets," National Trust Main Street Center, Washington, D.C.: 2008. (Expected publishing date: November 2008)

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

Next, develop a graph similar to one here or access an electronic copy in the online Main Street KnowledgeBase on [www.mainstreet.org](http://www.mainstreet.org). Put a dot on the graph for every business in your commercial district; aligning each business with its industry group and its approximate price-point range. Then, take a good look at the completed graph. Circle, highlight, or draw lines through any horizontal or vertical grouping that emerges. Although you will probably see dots all over the graph, more than likely some dots will be grouped — more or less — together. Any grouping, though, indicates a potential niche. A horizontal grouping is about stuff while a vertical grouping is about people.



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

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

## MARKET POSITION FOCUS GROUP FACILITATOR NOTESHEET

**Setting the discussion:** Thank you for agreeing to participate in this focus group on downtown \_\_\_\_\_'s market position. My role as facilitator will be to stimulate a thought provoking, lively, but polite discussion on that topic between all of you, the local experts. To do this, particularly since we all have limited time, I may need to stop and redirect our discussions at times. Please don't take it personally. (*spend about four minutes on each question*)

**Market position defined.** It might be helpful if I define the term market position. A market position is essentially a competitive position for a business, or in our case a commercial district, relative to the competition. A market position includes two components, a primary set of goods and services offered and a primary consumer segment served, that define a downtown specialization or niche. To illustrate: What is the market position of Las Vegas? (primary set of goods and services "evening entertainment/nightlife", primary consumer segment "adults, 20-40?", across the US/international). How about the market position of \_\_\_\_? (*use a more local or regional example*). A market position must also be current and realistic because we will begin promoting the position tomorrow, and we must meet the expectations of any customers or new businesses we attract. That said, you have the power to choose from a range of possible market positions based on your vision for downtown \_\_\_\_\_ and strengthen it over time. Any questions?

Name downtown \_\_\_\_\_'s competition. However, make sure its apples to apples competition. Focus on other commercial districts.

Now let's discuss the current business mix of downtown \_\_\_\_\_ as compared to the competition we've listed.

- What is strong about downtown \_\_\_\_\_'s business mix? *Prompts: anchors, clusters, owner operators, diversity, specialty*
- Is there a primary set of goods and services offered or a niche where downtown dominates? *Prompts: there will always be secondary and supporting goods and services*
- Who might be the best customer base for that primary set of goods and services? *Prompts: may or may not be the current downtown customer base*
- As a whole, what is the downtown's competitive advantage when it comes to selling that set of goods and services? *Prompts: quality, uniqueness, value, service, experience*

Now let's discuss the current customer base for downtown \_\_\_\_\_ as compared to the competition we've listed.

- What is strong about downtown \_\_\_\_\_'s customer base? *Prompts: loyalty, volume, wealth, proximity*
- Is there a primary consumer segment served or a niche where downtown dominates? *Prompts: there will always be secondary and supporting consumer segments*
- What unique or specialized products or services might this consumer segment want or need? *Prompts: may or may not be a current set of goods and services*
- As a whole, what is the downtown's competitive advantage when it comes to attracting that consumer segment? *Prompts: positive and negative image*

Now, more quickly since you've got the hang of it, let's discuss the current business mix of downtown's competition.

- Is there a primary set of goods and services offered or a niche where they dominate?
- As a whole, what is their competitive advantage when it comes to selling that set of goods and services? *Prompts: newer, bigger, friendlier, better merchandised*

Now let's discuss the current customer base for downtown's competition.

- Is there a primary consumer segment served or a niche where they dominate?
- As a whole, what is their competitive advantage when it comes to attracting that consumer segment? *Prompts: positive and negative image*

Finally, are there any trends that might impact downtown \_\_\_\_\_'s market position in the future?