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# Cedar Falls Community Main Street: A gap analysis of customer & business owner perceptions

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CEDAR FALLS COMMUNITY MAIN STREET:

A GAP ANALYSIS OF CUSTOMER & BUSINESS OWNER PERCEPTIONS

A Thesis Submitted

in Partial Fulfillment

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University Honors

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## Introduction

Cedar Falls, Iowa is a small town of approximately 40,000 people, which has a traditional Main Street district, lined by historic buildings filled with shops, restaurants, offices, and apartments alike ("Current Cedar Falls, Iowa Population, Demographics and Stats"). This main street district is managed by an organization called Community Main Street. Cedar Falls Community Main Street (CMS) has done extensive research to gain an understanding of their market by surveying customers. However, they lack information on their business owners and managers' opinions. This study focused on surveying area business owners to provide valuable information about business leaders' opinions to Community Main Street to be used in future recruitment and development decisions. By collecting business owner opinions and comparing them with past research on customer opinions, this study conducted what is referred to as a gap analysis between the opinions of each party. This analysis was conducted to demonstrate whether business owners have a good understanding of their market. The study showed that CMS business owners have a good understanding of their market and that their perceptions align with their customers' thoughts.

## Literature Review

Cedar Falls Main Street is a nationally accredited Main Street Community. In fact, CMS has been recognized as a Great American Main Street ("Vision Statement"). To gain an understanding of the needs of CMS, I met with their director, Carol Lilly. Carol provided reports from recent studies conducted on the Cedar Falls Main Street district. These consisted of a market analysis conducted by a consulting agency, a consumer survey conducted by a UNI MBA course project team, and monthly status reports from Iowa Economic Development. The market analysis was conducted by DPN, a planning and research firm, in 2016. It shows who comprises

the market within a ten minute drive of Main Street and what their spending habits are. The survey conducted by a UNI MBA student team shows how often consumers visit Main Street, how frequently they make purchases, their favorite businesses, and which businesses consumers would like to see open on Main Street. The status report from Iowa Economic Development shows how many area businesses open/close, jobs are created/lost, investment in CMS, and volunteer hours. These reports give a better understanding of the CMS market.

**DPN Market Analysis**

DPN's 2016 Market Analysis shows 28.2% of the population who live within a three minute drive of CMS are college students. These Iowa students spend much less money than that of an average American. When it comes to spending on apparel and services, their spending ranks a 36 compared to the national average rank of 100 (Downtown Cedar Falls, Iowa Market Snapshot Report, 2016, p. 7). Beyond college students, spending patterns of the surrounding population are low in general, compared to the US average. The surrounding population is expected to grow very little—approximately +1.1% within the next five years (Downtown Cedar Falls, Iowa Market Snapshot Report, 2016, p. 3). Though the average age of the U.S. population is increasing, the average age of Cedar Falls Main Street's surrounding population is expected to increase very little (Downtown Cedar Falls, Iowa Market Snapshot Report, 2016, p. 3). The market analysis also showed that preferred entertainment of the surrounding population includes the internet, movies at home, country music, and newspapers. It is noteworthy that shopping, eating out, and grabbing drinks are not listed—a lack of potential business for core CMS retailers and restaurants. The analysis also showed that, according to consumer opinions, the following types of businesses may be some of the best/most immediate opportunities in the Main Street district: shoe stores; office supplies, stationery, and gift stores; special food services; electronics

and appliance stores; other motor vehicle dealers; jewelry, luggage, and leather goods stores; and specialty food stores (Downtown Cedar Falls, Iowa 2016 Top Prospects Survey Results, 2016, p. ATT-1-1).

DPN's market analysis also provided a distribution of business types on Main Street, shown in Table 1.

Table 1- *CMS Business Distribution*

| Category/Subcategory Description | NAICS | 3 Minutes | | 5 Minutes | | 10 Minutes | |
|---|---|---|---|---|---|---|---|
| | | Factor | # Biz | Factor | # Biz | Factor | # Biz |
| ▲ Book, Periodical & Music Stores | 4512 | 82.1 | 4 | 59.5 | 5 | 26.9 | 5 |
| ▲ Home Furnishings Stores | 4422 | 79.8 | 1 | 51.8 | 3 | 26.9 | 8 |
| ▲ Beer, Wine & Liquor Stores | 4453 | 66.5 | 3 | 56.5 | 4 | 27.2 | 7 |
| ▲ Auto Parts, Accessories & Tire Stores | 4413 | 63.0 | 2 | 60.0 | 5 | 41.2 | 16 |
| ▲ Drinking Places - Alcoholic Beverages | 7224 | 55.4 | 6 | 52.3 | 13 | 23.4 | 26 |
| ▲ Full-Service Restaurants | 7221 | 54.6 | 23 | 44.1 | 52 | 15.5 | 92 |
| ▲ Sporting Goods/Hobby/Musical Instruments | 4511 | 54.2 | 8 | 62.5 | 18 | 60.4 | 31 |
| ▲ Furniture Stores | 4421 | 53.5 | 2 | 11.3 | 3 | 16.6 | 12 |
| ▲ Limited-Service Eating Places | 7222 | 50.4 | 14 | 24.4 | 24 | 7.7 | 42 |
| ▲ Florists | 4531 | 45.6 | 1 | 37.2 | 2 | 26.7 | 4 |
| ▲ Department Stores Excluding Leased Depts. | 4521 | 45.5 | 2 | 45.0 | 5 | 24.9 | 7 |
| ▲ Automobile Dealers | 4411 | 37.7 | 3 | 26.6 | 9 | 5.6 | 20 |
| ▲ Building Material & Supplies Dealers | 4441 | 32.6 | 5 | (13.2) | 7 | (1.0) | 20 |
| ▲ Clothing Stores | 4481 | 32.3 | 4 | 47.2 | 18 | 18.6 | 25 |
| ▼ Shoe Stores | 4482 | (100.0) | 0 | 1.8 | 2 | (30.1) | 2 |
| ▼ Other General Merchandise Stores | 4529 | (100.0) | 0 | (61.4) | 1 | 22.0 | 7 |
| ▼ Special Food Services | 7223 | (100.0) | 0 | (36.5) | 1 | (21.3) | 5 |
| ▼ Other Motor Vehicle Dealers | 4412 | (84.4) | 1 | (54.9) | 1 | 2.5 | 7 |
| ▼ Other Miscellaneous Store Retailers | 4539 | (59.3) | 2 | (39.2) | 7 | (13.4) | 20 |
| ▼ Office Supplies, Stationery & Gift Stores | 4532 | (54.9) | 2 | (39.8) | 6 | (66.1) | 8 |
| ▼ Grocery Stores | 4451 | (46.7) | 2 | (41.0) | 4 | 4.0 | 20 |
| ▼ Electronics & Appliance Stores | 4431 | (31.9) | 3 | (15.6) | 7 | (3.7) | 19 |
| ▼ Jewelry, Luggage & Leather Goods Stores | 4483 | (18.6) | 1 | 13.6 | 4 | (5.5) | 7 |
| ▼ Specialty Food Stores | 4452 | (17.0) | 3 | (12.7) | 7 | (46.4) | 8 |

*Note: retrieved from Downtown Cedar Falls, Iowa Market Snapshot Report*

**University of Northern Iowa Student Research**

The group of UNI MBA students' research titled *Downtown District Business Study* shows that the downtown district spans from first 1$^{st}$ Street to 7$^{th}$ Street and from Franklin Street to State Street, which is the area used in the current study as well. The *Downtown District Business Study* defined who comprises Main Street's market. Over 50% of the market live and work within five miles of the district. Four percent report that they visit downtown bars and restaurants daily, 35% weekly, and 39% monthly. Approximately 5% shared that they make purchases on Main Street weekly, 24% monthly, 26% every three months, and 44% seldom or not at all. Fifty-four percent reported that they are satisfied with the district, while 23% selected very satisfied. Consumers voiced in the survey conducted by a student group that they would be most likely to frequent a new book store, distillery, or grocery/specialty food store (Dowd, 2016).

**Cedar Falls Main Street Business Environment**

Cedar Falls Main Street District has seen increased development in the past few years. State Street has seen the development of mixed use buildings as well as a heavy increase in apartments. For example, one mixed used building is occupied by retail, personal services, a contemporary pizza restaurant, a business co-working space, as well as residential space. Along with this expansion, a few businesses have recently closed on Main Street including Luna Art + Wine and Toad's Bar & Grill.

As the preceding studies demonstrate, CMS has collected a plethora of data on their market. They have gained an understanding of who they are serving and the desires of that customer base. However, CMS is lacking research on their business owners/managers' opinions on the business environment of the area.

**Value of Business Owner Opinions**

    The Main Street Four Point approach noted just how important contact with local businesses is in revitalizing a downtown district. This tool is created by Main Street America, an organization nationally known for economic and community development of main street districts. Main Street America is also the organization which accredits districts as a "Main Street Community." The four points of this approach include organization, promotion, design, and economic restructuring. The goal of the 1st step, "organization" is to establish "consensus and cooperation by building partnerships among the various groups that have a stake in the commercial district" ("The Main Street Four Point Approach®"). This includes consumers, residents, employees, and business owners/managers. The importance of surveying business owners is also demonstrated by the *Survey of Business Owners (SBO)* which is conducted every five years as a part of the United States Economic Census. Robert E. Litan, Ph.D., Vice President of Research and Policy and the Kaufman Foundation noted just how important the SBO is in advancing understanding of business creation in the United States because it creates an opportunity to hear the thoughts of those who understand small business operations on a day to day basis. The SBO calls on about 2.3 million U.S. businesses, asking about business performance, demographics, and financing (Litan, 2007).

    Economic development organizations throughout Iowa are conducting what have been deemed "executive calls." These organizations include the Greater Des Moines Partnership, the City of West Des Moines, the Ames Chamber of Commerce, and the Cedar Valley Alliance. Through executive calls, these organizations interview business owners and executives to understand how their business is growing, their thoughts on workforce, their opinions on the community, and their recommendations for improvement. In fact, Iowa is setting a national trend

when it comes to surveying business owners/executives. MidAmerican Energy sponsors an initiative to collect interview data from economic development organizations across the state. They then put together what is deemed the BEST report, which stands for Business Expansion and Strategic Trends. By speaking with business owners across the state and compiling the data, the BEST report is able to identify growth opportunities, connect businesses with resources, and give businesses data to compare their operations with (Drzycimski).

The initiatives noted above by MidAmerican Energy and Main Street America place a focus on collecting information from business owners. They show the importance of understanding both consumer and business owner perceptions and opinions. All too often, organizations place focus only on their consumers. Because Cedar Falls Community Main Street lacked data from their business owners, this study took the opportunity to help CMS gain a broader view of their district. However, because CMS already had extensive data on their market, this also opened up the opportunity to not only gather data from business owners, but to also do a gap analysis between consumer and business owner perceptions.

**Gap Analysis**

Gap analysis is a loosely used descriptive of various types of analysis. However, the gap analysis referred to in this study is a type service quality analysis, coming from the service operations field. In the Service Quality Gap Model (SERVQUAL), there are 5 potential gaps to analyze including:

- GAP 1: Management Perceptions of Customer Expectations vs. Customer Expectation
- GAP 2: Management Perceptions of Customer Expectations vs. Service Standards
- GAP 3: Service Standards vs. Service Delivery
- GAP 4: Service Delivery vs. Customer Perception

- GAP 5: Customer Expectation vs. Customer Perception (Fitzsimmons, 2008, p. 109-111).

The focus in this study is the gap between management perceptions of customer expectations and customer expectation, shown by Market Research GAP 1. In their textbook on service operations, Fizsimmons and Fitzimmons note that, "GAP 1 arises from management's lack of full understand about how customers formulate their expectations on the basis of a number of sources: advertising, past experience with the firm and its competitors, personal needs, and communications with friends" (Fitzsimmons, 2008, p. 109). By considering both parties, this method of analysis identifies potential problem spots where customers and business owners/service providers differ in their perceptions. There are two potential results from this analysis: satisfaction or dissatisfaction. Satisfaction results when a customer's expectations are met or exceeded by the service provider. Dissatisfaction occurs when a customer's expectations are not met by the service. Because of the nature of past surveys conducted on Main Street's market, this study applies the gap analysis model a bit differently from its original use. Past CMS surveys asked questions more pointed at customer perceptions and interactions with CMS, not on their expectations or satisfaction. However, the general purpose of the gap analysis model remains: analyzing gaps or congruency between managers' (or business owners') and customers' perceptions. The use of the aforementioned model is modified in the current study to be better fit for an economic development use, rather than analyzing a single business' service quality.

**Purpose of Current Study**

Gathering data from consumers helps organizations make marketing and expansion decisions. Data from business owners helps identify growth opportunities, identify barriers for growth, and connect businesses with resources. However, by collecting both, an organization is able to educate its business owners of how their perceptions differ from or align with customer

expectations, which can aid business owners in making advertising, expansion, and inventory decisions.

## Research Questions

The following questions guided this study:

- What do business owners/managers views as strengths/weaknesses in the Cedar Falls Main Street district?

- How do CMS business owners/managers perceive available workforce?

- How do CMS business owner perceptions compare to consumer expectations?

## Methodology

A survey was used to collect information from CMS business owners. Because the intent of gathering data from business owners was to do a gap analysis with the data from past customer surveys, this methodology was chosen in order to maintain consistency. A survey also allowed for a larger sample size than other potential methods of collection like personal interviews. The survey was IRB approved and followed IRB protocol, including approval of the survey's distribution by email.

To construct the survey, questions were pulled from past customer surveys and reworded for business owners. Business owners' answers of the following questions were compared to customer answers from past surveys. These questions included:

- Which 3 businesses do you think are customers' top favorites in Downtown Cedar Falls?
  - Response to be compared to question 1 of Market Analysis Top Prospects, "What is the name of your favorite business currently located in Downtown Cedar Falls?" (Downtown Cedar Falls, Iowa 2016 Top Prospects Survey Results, p. 1).

- Which 3 businesses do you think are visited most frequently in Downtown Cedar Falls?

- o Response to be compared to question 2 of Market Analysis Top Prospects, "What is the name of the business currently located in Downtown Cedar Falls that you visit most frequently?" (Downtown Cedar Falls, Iowa 2016 Top Prospects Survey Results, p. 2).

- Which media source do you think customers get the most information about Main Street businesses from?
  - o Response compared to question 7 of Downtown District Business Study, "Of the following media sources, which two do you most often use to get news and information about Downtown Cedar Falls events and businesses?" (Dowd, 2016).

- What sorts of businesses are we lacking in this area?
  - o Response compared to question 3 of Market Analysis Top Prospects, "Which of the following types of new or expanded businesses in Downtown Cedar Falls would you be most likely to frequent?" (Downtown Cedar Falls, Iowa 2016 Top Prospects Survey Results, p. 3).
  - o Response also compared to question 8 of Downtown District Business Study, "We are looking to improve Downtown Cedar Falls. What specific types of new businesses and/or products would you support/frequent in downtown Cedar Falls that are currently not available? (List up to two)" (Dowd, 2016).

- Which of the following restaurant product lines, services or features are most important or appealing to you?
  - o Response compared to question 3-F of Market Analysis Top Prospects, "Which of the following Restaurant product lines, services or features are most important or

appealing to you?" (Downtown Cedar Falls, Iowa 2016 Top Prospects Survey

Results, p. 6).

- Do you have any general suggestions for improvements in Downtown Cedar Falls?

    - Response compared to question 9 Downtown District Business Study, "Do you

        have any general suggestions for improvements in Downtown Cedar Falls?"

        (Dowd, 2016).

Other questions were also included in the survey to aid CMS in understanding their business

owners' thoughts on the area's economic environment. The following questions will help CMS

better assist their businesses:

- What are top strengths of the Cedar Falls Main Street District?

- What are top weaknesses of the Cedar Falls Main Street District?

- What are struggles of doing business in this area?

- What community focused initiatives/changes would help your business grow?

Workforce-related struggles are common for Iowa businesses. Therefore, it was important to ask

business owners about their experiences regarding workforce with the following questions:

- On a scale of 1-5, how easy is it to hire necessary workforce?

- What struggles do you face in regards to workforce?

- Any other comments in regards to workforce?

Demographic questions included:

- What sector is your business in?

- How many employees does your business have?

- Is your business growing, stable, or retracting?

- Where is your main market?

Most of the questions were intentionally left open-ended, with text boxes for responses rather than multiple choice options. This was done in order to eliminate possible bias by providing specific options that aligned with the survey creator's thoughts and opinions.

Once the survey was completed, the CMS director allowed it to be distributed to business owners using Community Main Street's Mail Chimp account. The survey was sent to ninety-three Main Street business owners, with one follow up email to remind owners to take the survey. No incentive was provided. Forty-one survey responses were received, giving a 44% response rate. The survey results were then analyzed using SPSS. Basic descriptive statistics were ran on all data. This gave frequencies of data like which businesses are perceived as favorite, which businesses CMS business owners think are most frequented, named weaknesses, and proposed initiatives. Means of data like employee count, business growth, and business owners' ratings of workforce access were also found using SPSS. Because the survey also collected demographics, the data could be analyzed by business sector, business size, business growth, and where their market is. Using SPSS, crosstabs were developed, which created a frequency distribution with an independent variable as the rows and dependent variables as the columns. A test to compare means of workforce access rating by employee count was also used to see if the size of a business had any effect on workforce access. The results of the aforementioned tests are displayed below.

# Results

## Demographics

**Business sector distribution.** The highest represented business sectors in our sample were Professional Services, Apparel & Accessory, Miscellaneous Retail, and businesses that categorized themselves as "Other." See the distribution of businesses who participated in our survey in Figure 1.
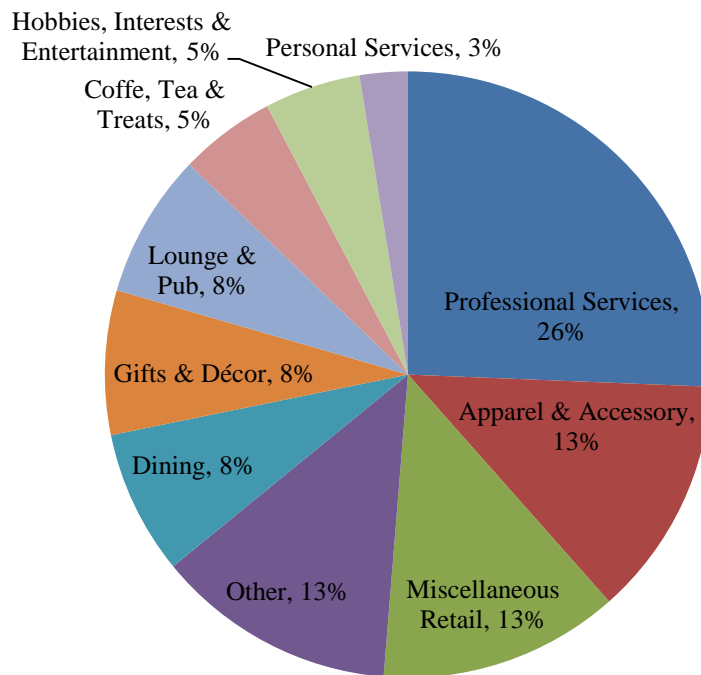


Figure 1: Business Sector Distribution

**Employee count.** Over 50% of the businesses who participated in the survey had less than 10 employees. Because Cedar Falls Main Street is made up primarily of small retailers, this is representative of the district. See the distribution of participants Figure 2.
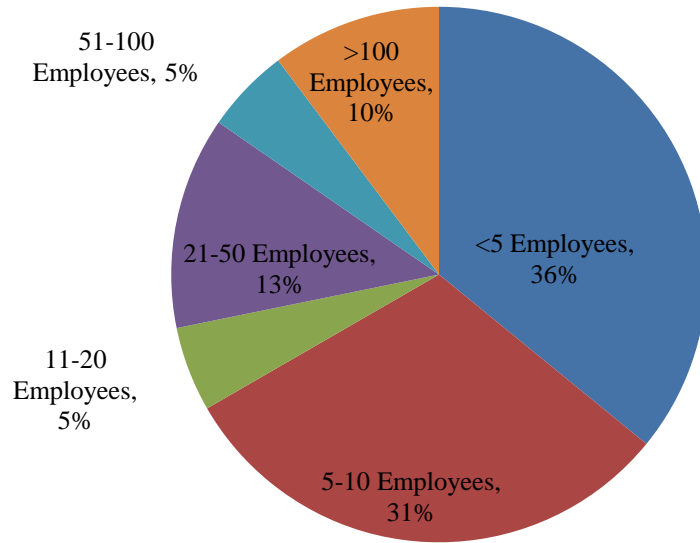
Figure 2: Employee Count Distribution

**Business growth.** Almost half of all businesses surveyed reported that they are growing. A very small percentage reported that their revenues are declining. This shows that Cedar Falls Main Street district is healthy. See the distribution in Figure 3.
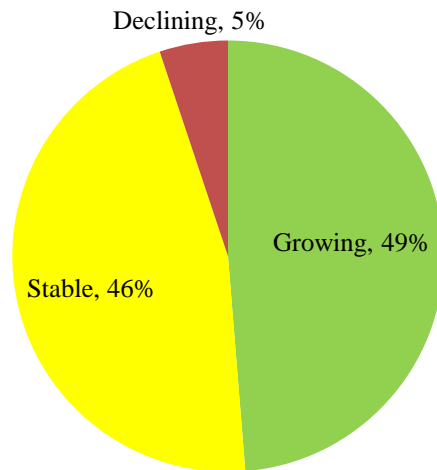


Figure 3: Business Growth Distribution

**Market.** The following distribution shows the main market of businesses who participated. A majority of participants reported their main market to be local. This is logical for a Main Street district that is primarily comprised of retail and restaurants.
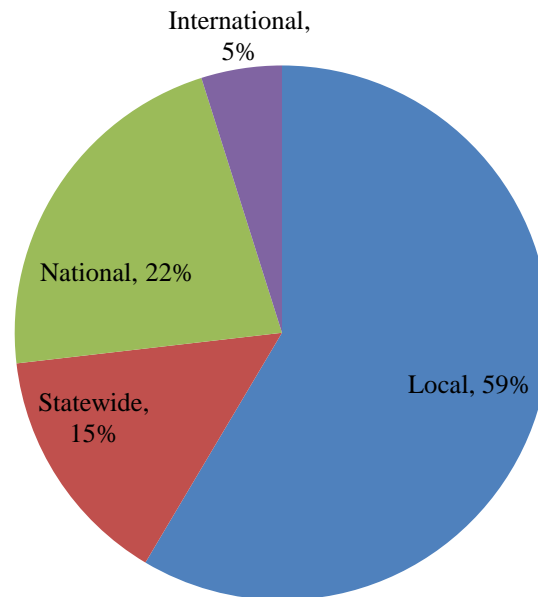


Figure 4: Market Distribution

**Community Focused Questions**

The business owners were asked several questions about their perceptions of Cedar Falls downtown district. These questions focused on area strengths, weaknesses, potential community-sponsored initiatives, and suggestions for improvement.

**Strengths.** The main strength mentioned by business owners was the variety of businesses throughout the Main Street District, which was mentioned by sixteen of the forty-one participants. Business owners noted that the mix of businesses offers something for people of various demographics and attracts various patrons. The second most often cited strength is the districts compact nature, which was mentioned by seven business owners. The compact nature of Cedar Falls Main Street District makes it easily walkable. As walkability is becoming a focus of

many economic development organizations, this will likely prove to be a great attribute of a growing housing district. Main Street's friendly and welcoming nature was mentioned by five participants as a strength. The cleanliness and beauty of the district were praised by five participants, as well. Four noted unique and locally owned shops as a strength. Other strengths mentioned included the historic nature and atmosphere of the district, Community Main Street's support, and area events. See Figure 5 for a visual representation of strengths mentioned.
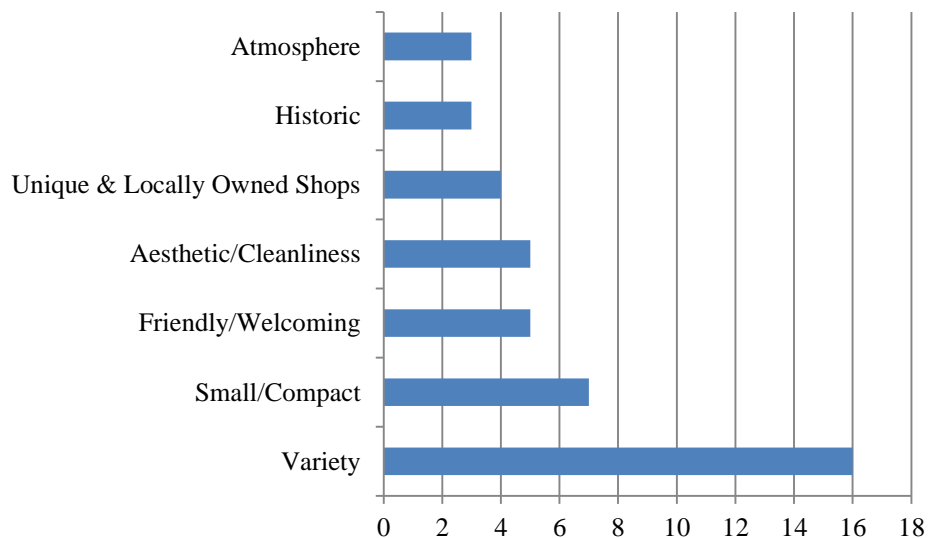
Figure 5: Strengths of Cedar Falls Downtown

**Weaknesses.** The main weakness pointed out was lack of parking. This is a common complaint among surveys of this type. However, it must be considered that 51% of those surveyed mentioned parking as a suggestion for improvement of the area. Business owners especially noted that as the district grows, parking will become more of an issue. For individual businesses that are growing, limited parking may force them to move out of the district altogether. Other weaknesses mentioned included the area's oversaturation of bars and the lack of clean up from the bar crowd, lack of buy-in from merchants in community initiatives/events, and the hours of operation of other Main Street businesses.

**Struggles.** Cost of doing business was named a struggle by six businesses, noting high taxes and cost of renting. Competition was named as a common struggle among Main Street businesses. This struggle stems from online competition and competition from "big box stores." Generating enough traffic/getting enough shoppers was named by seven businesses as a struggle, including that they struggle with both advertising and getting foot traffic during the winter months. Parking was once again the most mentioned, with sixteen businesses naming it as a struggle.

**Suggestions.** When asked for further suggestions or comments, three participants made positive remarks about CMS rather than offering suggestions for improvement. This shows satisfaction with CMS' work. However, one business did mention that direct communication from CMS should improve, noting that they generally hear information by word of mouth from other business owners. Strengthening cleanliness efforts, continuing new types of development, and hosting more events were mentioned as suggestions. The *Downtown District Business Study* conducted by UNI students found that customers also noted more parking options as the number one suggestion for improving Cedar Falls Main Street. Other customer suggestions included a pedestrian (ped) mall/park, fixing the water treatment plant smell, extending shopping hours, hosting more events, and cleaning up litter.

Consistencies of both customer and business owners' perceptions included the suggestions of extending shopping hours, hosting more events, and increasing cleanliness efforts. Only one business owner mentioned the sewer smell of the area, while that was a main suggestion of customers in previous surveys. No business owners suggested a ped mall.

**Workforce**

   **Workforce access.** Most businesses were neutral when it came to rating their ease with hiring

necessary workforce. However, we do see that a total of 35% of businesses rated it either

difficult or very difficult to hire necessary workforce, seen in the Figure 6.
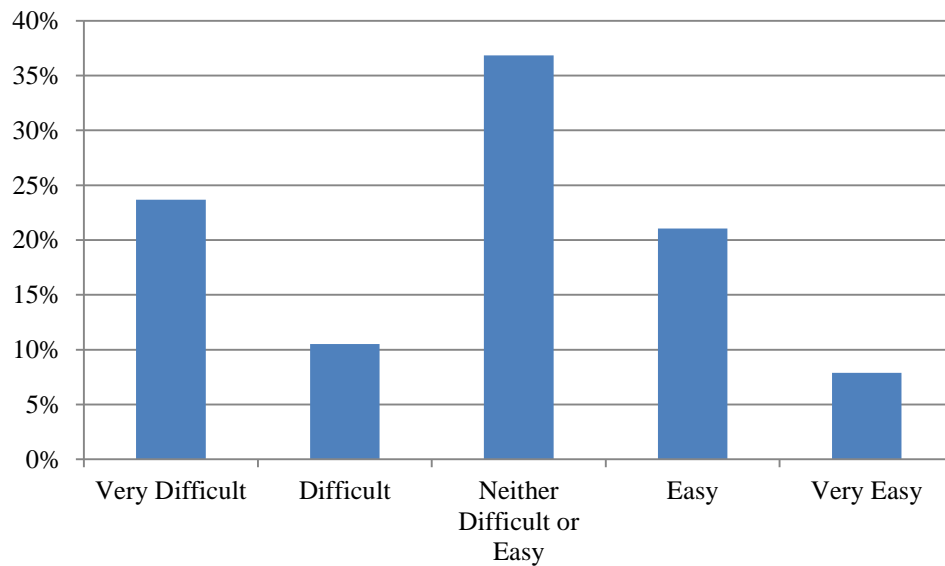
Figure 6: Workforce Access Ratings

   There was not a large difference in workforce access ratings based on business sector.

Restaurants have the most difficulty, which is consistent with national trends. See the average
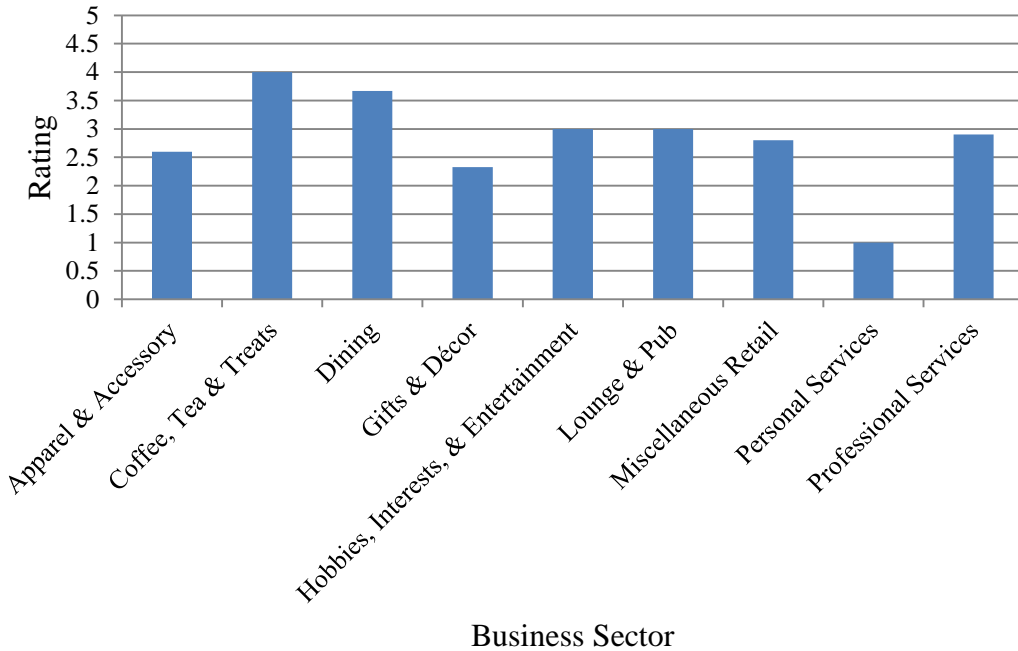
ratings by business sector in Figure 7.

Figure 7: Workforce Access Ratings by Business Sector

Company size (by employee count) did not make much of a difference in workforce access ratings, either. Companies of fifty-one to one-hundred employees struggled the most with hiring workforce. Companies of less than 5 employees also struggled. See the ratings by company size in Figure 8.
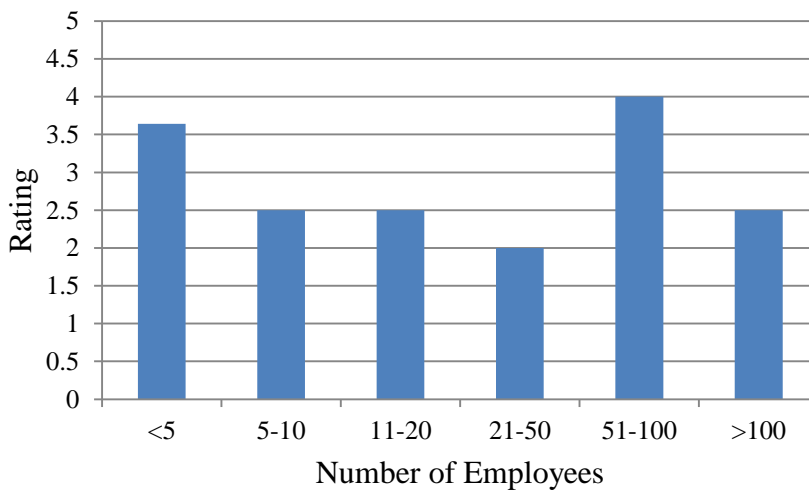


Figure 8: Workforce Access Ratings by Company Size

**Workforce struggle.** A common struggle mentioned regarding workforce was finding quality employees. Business owners noted they struggle to find employees who show up on time, are responsible and trustworthy, and are willing to work according to the schedule. Work ethic was also noted as a main struggle, especially that of millennials. Hiring employees with the right skill set as well as having enough applicants were also named as workforce struggles. See the most mentioned struggles in Figure 9 below.
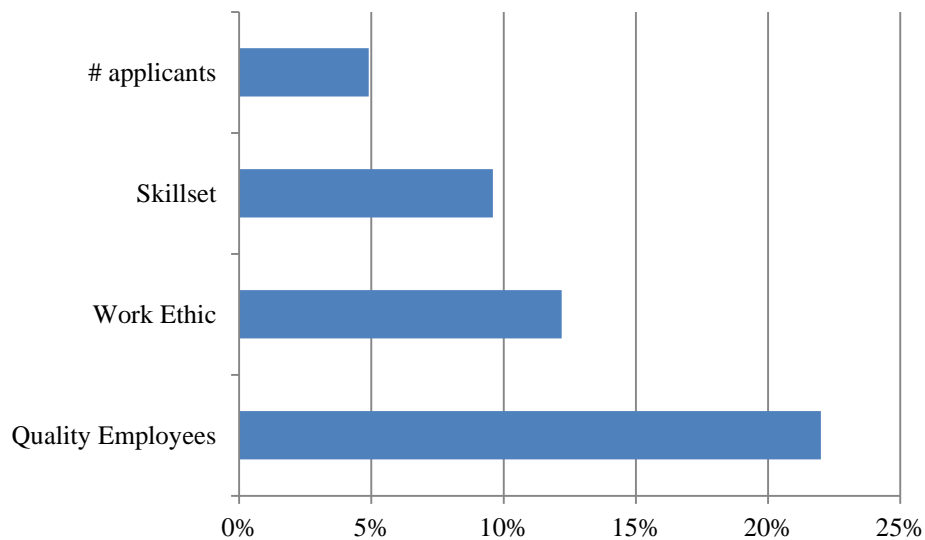


Figure 9: Workforce Struggles

**Business Owner vs. Customer Perception**

The following results show how business owners' opinions collected in this study compared to customer opinions collected by past surveys.

**Perception of most frequented businesses.** The business owners had an impressive understanding of which businesses are most frequented by patrons in the Main Street District. However, while business owners believed that Scratch was the most heavily visited, customers reported that they most frequent Cup of Joe (quite a bit more often than Scratch in fact.) While business owners thought Pump Haus was one of the most frequented businesses, customers

reported visiting Soho more often. Other than these differences, business owners accurately cited Whiskey Road, SingleSpeed, Pablo's and Tony's Pizzeria as most frequently visited businesses, showing a good understand of the district's business. See the comparison of business owner perception of customers' most frequented businesses and customers' most frequented businesses in Figure 10.
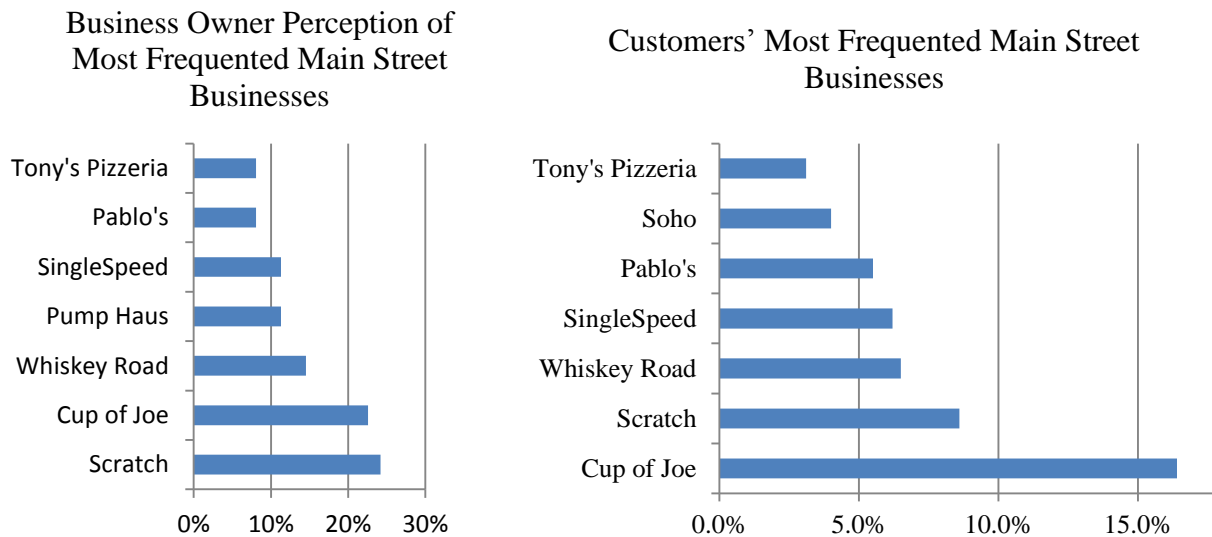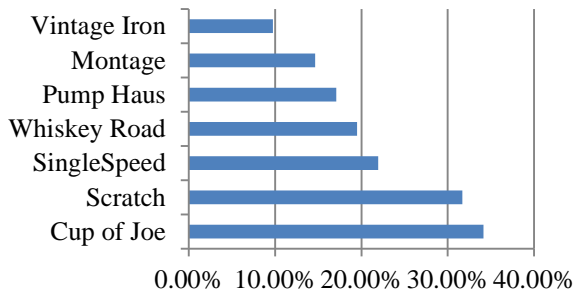


Figure 10:

Comparison of Business Owner Perceptions & Customers' Most Frequented Businesses

**Perception of favorite businesses.** Business owner perception of customer favorites was almost spot on, even putting the first four in the correct order. Just as was demonstrated with perception of most frequented businesses, Soho is actually a customer favorite over the perceived Pump Haus. This once again shows that business owners have a good grip on their customer's tastes. See the comparison in Figure 11.

Business Owner Perception of Customers' Favorite Main Street Businesses

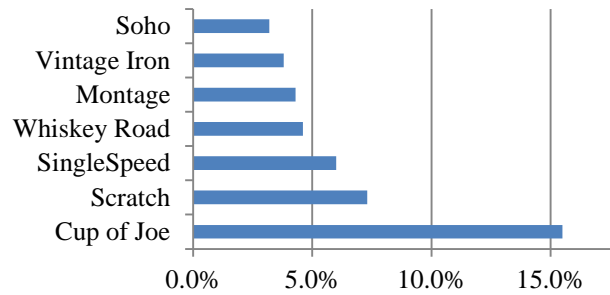Customers' Favorite Main Street Businesses

Figure 11:

Comparison of Business Owner Perceptions & Customers' Favorite Businesses

**Most appealing restaurant services.** The most appealing restaurant services were similar for business owners and customers, as well. Both valued outdoor dining, full service breakfast, sports bar & grill, specialty/ethnic dining, and fast casual dining in the top six most appealing restaurant services. Because these options have appeared in both the survey of customers and business owners, they would be good options for new business ventures in Cedar Falls Main Street District. While business owners valued fresh food options in the top six, customers valued fine dining options.
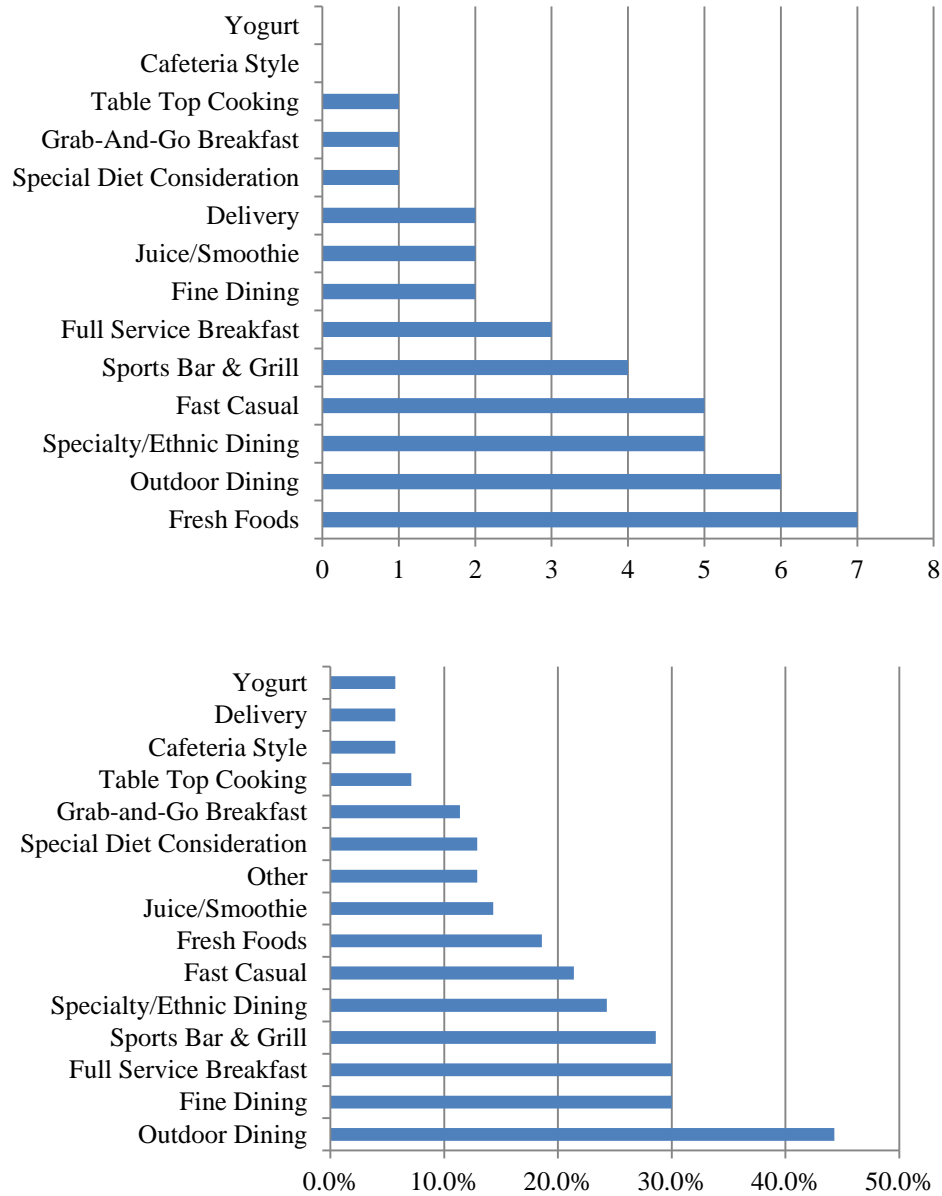
Figure 12: Comparison of Most Appealing Restaurant Services to Business Owners & Customers

**New business opportunity.** Business owners most often named the following as businesses

Cedar Falls Main Street is lacking: a grocery store, breakfast options, and a shoe store. When

customers were asked a similar question, they named the following as new business

opportunities: restaurants, grocery & specialty foods, a book store, a micro-brewery, a distillery,

and more office space. Business owner perceptions of new business opportunities differ quite a

bit from that of customers. Although, there is agreement that a grocery store would be a helpful

addition to the district. Because the amount of people living downtown is increasing, it is logical

that patrons and business owners are recognizing the need for a grocery option.

**Media.** Business owners were correct in their perception that customers use Facebook the

most to find information about downtown businesses. However, owners misjudged the use of

other social media as a common information source. Television, the CMS website, the WCF

Courier, and radio were also more heavily used by customers. Business owners far under

perceived the usage of radio by customers, but they did list the WCF Courier, television, and the
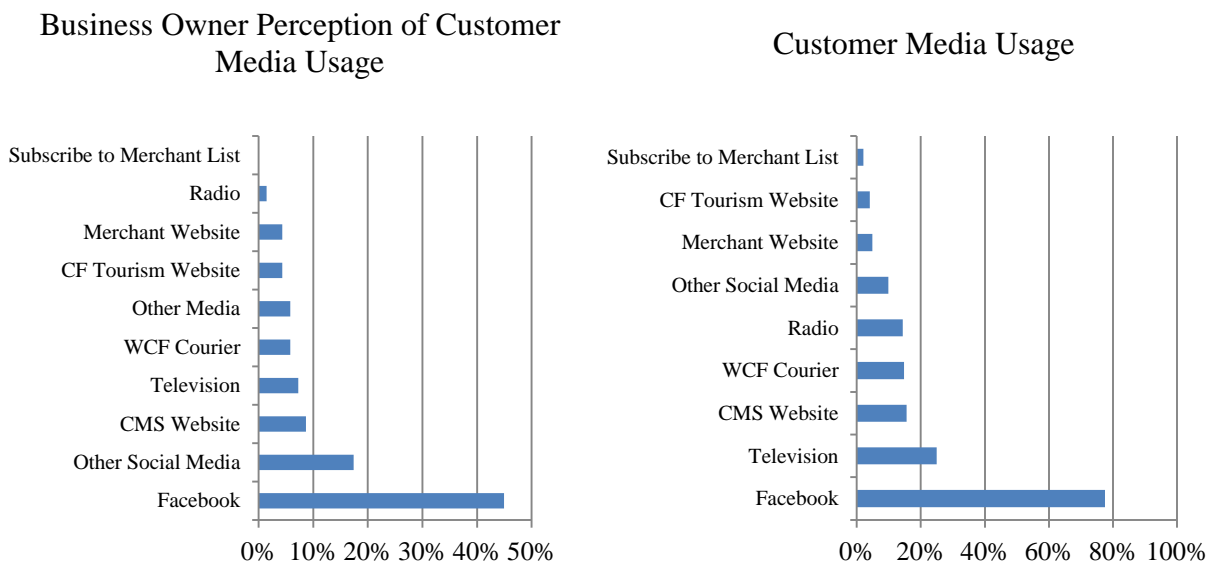
CMS website as top sources.

Business Owner Perception of Customer Media Usage

Customer Media Usage



Figure 13: Comparison of Business Owner Perception & Customer Media Usage

## Discussion

### Recommendations

I recommend that CMS continue to focus on the strengths aforementioned and use them as

tools for recruiting business owners and residential renters. They should continue to pursue

bringing a variety of businesses to the district, and be careful not to allow too many similar

businesses to open in the area. CMS could focus on further improving their walkability, especially as this becomes a focus of millennials searching for a place to live. CMS could attract more residential renters with a walkable/bike able district.

Parking needs to be addressed, whether or not new parking will be added. A more specific study on parking should be done in the area. Perhaps more parking options could be added without physically adding any new parking structure. Several lots in the downtown district are often empty in the evening and on weekends. Many of these lots are owned by professional service businesses that maintain daytime business hours. These lots could have metered parking on nights and weekends as a source of revenue to those businesses. Alternatively, CMS or other local businesses could pay a fee for customers to be able to use those lots outside of normal business hours. If no parking options are added because a true need is not validated, the issue still needs to be addressed by CMS to local businesses to change their perception of the need.

Facebook is clearly an important marketing platform for Main Street businesses. While business owners expressed that Facebook is the most heavily used media by customers, they also expressed struggles with marketing, driving foot traffic, and a desire for more advertising of the area. CMS can only do so much marketing of their own. Ultimately, the businesses need to be marketing for themselves. If all businesses were doing so, a much larger audience would be reached. To address this, CMS could host an advertising workshop for the district's businesses, teaching business owners/managers about using Facebook as a marketing platform.

Cleanliness needs to become more of a focus in Cedar Falls Main Street District, focusing on times after heavy bar traffic. The example of Des Moines' *Operation Downtown-Clean, Safe, & Beautiful* could be followed by CMS. *Operation Downtown* is a Self-Supported Municipal Improvement District (SSMID), meaning that it is a defined area in Downtown Des Moines

where businesses pay an extra fee for their area to be supported with extra maintenance ("About-Operation Downtown"). Because business owners and customers have both expressed an interest in the district being more cleanly, an initiative like this may have luck in being funded by CMS businesses.

Cup of Joe, Scratch, Whiskey Road, SingleSpeed, Pablo's, Tony's Pizzeria, Montage, and Vintage Iron are cornerstone businesses for Main Street, driving the most traffic and customer patronage. CMS needs to focus on retaining these businesses in the downtown district, especially as they grow.

New businesses opportunities include outdoor dining, full service breakfast, a sports bar & grill, specialty/ethnic dining, fast casual dining, and a grocery store. Just as the new Hy-Vee on Court Avenue in downtown Des Moines incorporated all six of these ventures, a similar structure could do the same in downtown Cedar Falls (Johnson, 2017). As State Street further develops, land could be allocated to a similar grocery and dining option.

Workforce ratings were low, and business owners shared many struggles regarding workforce. This is an initiative larger than CMS' scope. Because of the trend of millennials moving to larger cities, municipalities like Cedar Falls and Waterloo are placing a focus on workforce retention and attraction. The Director of Talent Solutions with the Greater Cedar Valley Alliance and Chamber's main focus is developing Cedar Valley's workforce. CMS should partner with the Greater Cedar Valley Alliance to focus on improving workforce for Cedar Falls Main Street.

**Limitations of the Current Study**

The current study left gaps that future research could focus on. Research should be conducted to determine why 46% of businesses on Main Street reported stable sales. Questions about what

barriers are holding them back from growing would be useful in determining a course of action to help these businesses grow. As previously mentioned, a study on parking should be conducted.

## Conclusion

Business owners are largely satisfied with Community Main Street and their business district as a whole. Parking is a big concern for both owners and customers. For the most part, business owners' perceptions were closely aligned with customers', showing that owners have a good grasp on who comprises their market and the expectations, preferences, and shopping habits of those customers. Using this information, CMS will be able to further improve Cedar Falls Main Street. They will also be able to use reported strengths as means for recruiting businesses into the area. The method used in this study allowed CMS to see that their business owners are knowledgeable about their market. Other organizations similar to CMS could use a similar method to gain a better understanding of their business owners' perceptions of their district. Even more importantly however, this type of gap analysis study can be used by economic development organizations to demonstrate how well their business owners understand their market.

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