

## **From the “Downtown Madison Market Analysis Study,” completed in September, 2007.**

Downtown Madison has a number of unique opportunities including a growing downtown resident population, proximity to numerous large-scale customer traffic generators, and access to a diversity of consumers. Downtown Madison should focus on commercial niches that best serve its key consumers while building upon its existing retail strengths.

### **Recommended Downtown Retail Niches**

#### **1. Home and Hearth**

The home and hearth niche focuses on goods and services related to home furnishings, furniture and home decorating. The product mixes in these stores could include those similar to a Crate and Barrel and include furniture, gifts, linens, small appliances, cookware, draperies and bed and bath. Other corresponding products in this niche could include interior design, home electronics, floral shops, vintage furniture, paint, and hardware. While downtown Madison has a number of supply gaps in these categories, the home and hearth niche complements established downtown retailers such as Rubin's Furniture, Dorn True Value Hardware, and Tellus Mater.

#### **2. Apparel**

Downtown apparel opportunities include upscale women's apparel and accessories, apparel for professionals, and apparel for college students. Apparel stores targeting students and professionals could include those with product mixes similar to J. Crew, Banana Republic, Anthropologie, and the Limited. A greater apparel mix would build upon existing strengths in downtown Madison including American Apparel, BOP, Citrine, the Gap, Madison Sole, Jack's Shoes, Jazzman, Karen & Co./Sassafras, Land's End, WinterSilks, Atticus Shop, Urban Outfitters, and others. Sports and outdoor retailers such as Sports World and Fontana also complement downtown Madison's apparel niche.

#### **3. Arts, Gifts and Entertainment**

The arts, gifts and entertainment niche includes downtown dining opportunities, cultural facilities, gift and novelty shops, children's attractions, musical instrument stores, and art galleries. The niche serves both visitors and residents of the primary destination trade area. The arts, gifts and entertainment niche partly rely on downtown customer traffic generators such as the Overture Center for the Arts, downtown lodging establishments, and the Monona Terrace Community and Convention Center. However, this niche also recognizes that eating and drinking establishments (bars and coffee shops) comprise more than 50 percent of the retail businesses located in downtown Madison. Furthermore, the arts, gifts and entertainment niche acknowledge that unique gift stores such as Pop Deluxe, and art galleries (such as The Fanny Garver Gallery) contribute to downtown Madison's drawing power. Downtown Madison may want to further explore the gifts niche in downtown Boulder, Colorado as an example of how unique product mixes, merchandising and gift concepts have created a destination. While the downtown restaurant market is somewhat saturated, one notable gap in downtown Madison's arts, gifts and entertainment niche is a first-run movie theater.

#### **4. Department Stores and Office Supply Stores**

Despite the likely retail leakage in these two retail categories, the footprints of these store types may not fit into the character or land use patterns found in the downtown study area. Currently, the University Bookstore is filling the Office Supply niche. Additionally, basic goods and services serving downtown residents is another niche that is increasing with a growing downtown population. While these goods and services contribute to the health of downtown Madison, these retail categories have a lesser dependence on residents of the primary destination trade area and do not necessarily contribute to the overall drawing power of the commercial district. Groceries also comprise a notable gap in basic downtown goods and services.

*The Downtown Madison Market Analysis Study was performed by the Wisconsin Extension Center for Community and Economic Development (with assistance from UW-Extension Dane County and input from an advisory group of downtown business and property owners. Co-funded by Madison's Central Business Improvement District (BID) and the City of Madison, the study is part of Downtown Madison Inc.'s "Downtown Dynamic" business retention, expansion and recruitment initiative. For more study data, see [http://www.visitdowntownmadison.com/business/index.php?category\\_id=2538](http://www.visitdowntownmadison.com/business/index.php?category_id=2538)*