Strip Marketplace Concept Study

For

Neighbors in the Strip

#06-174

March 24, 2006

campos inc

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Background and Methodology

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Background and Objectives

Neighbors in the Strip is planning the development of a public market place at the site of the Terminal Building in Pittsburgh's Strip District. In order to obtain potential consumers' reaction to and attitudes about the proposed Strip Marketplace (SMP), Neighbors in the Strip contracted Campos Inc to conduct a study among general consumers in Allegheny County to obtain their opinions. Campos Inc provided panelists from its Voice of the Region™ panel to participate in the online survey.

The overall objective of the research is to determine the products and services that shoppers, in particular, regular shoppers to the Strip, want to see in the Strip Marketplace. Secondary objectives are to understand customer behavior of current Strip District shoppers, and to estimate customer demand and high traffic times for the public market.

Methodology

Campos Inc developed a survey instrument with input and approval from Neighbors in the Strip. The survey was conducted using an online survey methodology. In total, 466 interviews were completed. Data collection was conducted between Friday, March 3, 2006 and Wednesday, March 8, 2006.

Sample

The online sample was collected using Campos' Voice of the Region™ panel. The vast majority of the panel respondents were Allegheny County residents; however, seven of the 466 respondents were residents of surrounding counties (Beaver, Washington, and Westmoreland). These respondents were left in the sample because four of the seven were frequent shoppers to the Strip District. All respondents were of at least 18 years of age.

A copy of the questionnaire can be found in the Appendix. All completed interviews were edited, coded, computer tabulated, and analyzed by Campos Inc.

For subgroup analysis, respondents were grouped into City and Suburb by home zip code. Zip codes that covered both City and Suburbs were designated using the majority of geographic coverage for the respective zip code. The City of Pittsburgh zip code map used to identify respondents by City and Suburb can be found in the Appendix.

Analytical Notes

- For this study, the total sample size of 466 yielded results with a statistical accuracy of ±4.54% at the 95% confidence level. This means that there is a 1 in 20 chance that the "true" measurement will fall outside of this range.
- Where appropriate, statistical testing was conducted to determine significant differences in the data between the following subgroups: City/Suburbs, Frequent Shoppers (shop the Strip 7 or more times per year)/Infrequent Shoppers (shop the Strip fewer than 7 times per year), Household incomes up to $74,999/Household incomes of $75,000+, Age 18 – 44/45+, and Male/Female.
- Data from respondents who work in zip code 15222 (Strip District zip code that extends into downtown Pittsburgh) was sub-grouped for separate analysis on select questions.
- Due to small sample sizes, caution should be used when interpreting the results of subgroup analysis. While subgroups may be too small to draw statistically valid conclusions, patterns may emerge that can be useful.
- Throughout the report, percentages may not add to 100% because of rounding and/or multiple responses.
- The term *net* is used in some tables in this report. *Net* is the summary of a group of related responses and represents the percentage of *respondents* who made one or more comments in that category/group.
- *Base* is the number of respondents who were asked a particular question. At times, questions are skipped by some respondents based on their answers to previous questions.
- A *top-two box* score refers to the two highest responses on a rating scale (for example, *excellent* and *very good*), that have been combined for reporting purposes.
- Several tables throughout the report show only the most frequently mentioned responses. For a complete listing of responses, please refer to Computer Tables, furnished under a separate cover.

Top Line Summary

Key Findings

The results of this study suggest that the traffic of customers that shop the Strip District at least once a month would increase by an estimated 35.5%* on account of the Strip Marketplace. Over one-third (36.3%) of respondents currently shop the Strip District at least once a month. However, close to two-thirds of the respondents (62.1%) indicated they *would* shop the Strip Marketplace at least monthly. Conservatively, the true estimate would be about half (49.2%) that would shop the Strip Marketplace.

Weekend mornings and afternoons, particularly Saturdays, seem to be the preferred days and times for shopping the Strip Marketplace, with 73.0% indicating *Saturday mornings or afternoons* as a typical shopping day, and 34.8% indicating *Sunday mornings or afternoons* as a typical shopping day. While respondents indicated that *weekday mornings* and *weekday afternoons* would be less typical shopping days (18.5% and 20.4%, respectively), the weekday customer traffic to the Strip Marketplace would be comprised of relatively more frequent shoppers, with 24.8% of frequent Strip District shoppers preferring the *weekday mornings* as compared to 13.0% of the less frequent shoppers, and 25.2% of the frequent shoppers preferring *weekday afternoons* as compared to 16.3% of the less frequent shoppers.

- Affluent shoppers (household income of $75,000+) purchased the following items in the Strip District relatively more than less affluent shoppers, suggesting that ample selection of these items would draw more affluent customers to the Strip Marketplace:
  - *meats/seafood, specialty cheeses, baked goods/breads, international/ethnic foods, specialty/gourmet foods, coffee/non-alcoholic beverages*
- Affluent shoppers mentioned *selection of specialty/unique items* as a most important reason for shopping the Strip significantly more often than less affluent shoppers (57.0% and 43.6%, respectively). *Cleaner streets and storefronts* also received significantly more mention among affluent shoppers versus less affluent shoppers as an improvement respondents would most like to see in the Strip District (43.2% and 33.1%, respectively).

**62.1% of the panel that indicated they would shop at least once a month minus the 36.3% that currently shop the Strip at least monthly leaves 25.8% that do not shop the Strip at least monthly but say that they would shop the Strip Marketplace at least monthly. Estimating that half of those respondents will in fact make more frequent trips to the Strip District to shop the Strip Marketplace brings the estimated total percentage to 49.2% by adding 36.3% to 12.9%. The percent increase from 36.3% to 49.2% is 35.5%.*

- The following proposed items for the Strip Marketplace were viewed as significantly more important to frequent shoppers, suggesting that these products are necessary to attract the frequent Strip District shopper:
  - *Seafood, Meats/poultry, Ethnic foods*
- Suburban shoppers viewed the following as significantly more important than City residents:
  - *Sit-down restaurant*
- There was also a stronger preference for *increased safety and security* among Suburban residents as compared to City residents (21.5% and 12.3%, respectively). Suburban residents also mentioned *cleaner streets and storefronts* as a needed improvement to the Strip District more often than City residents (42.7% and 31.8%, respectively).

Parking was considered to be the number one priority for improvements to the Strip District, with six in ten (61.4%) indicating they wanted to see *more available and accessible parking* or other improvements to parking (as a mention in the "other" category). More than one-third (37.6%) would like to see improvements in the way of *cleaner streets and storefronts*.

When respondents were asked to choose up to three most important reasons for why they shop the Strip District, close to half (49.0%) mentioned *low prices/bargains*. Although shopper to the Strip expect to find good deals, approximately half also indicated *selection of specialty/unique items* (49.7%) and *enjoyable experience/fun way to spend time* (49.2%) as most important reasons, and four in ten (41.0%) mentioned *unique stores* as a most important reason. These findings strongly suggest that the success of the Strip Marketplace 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.

Summary

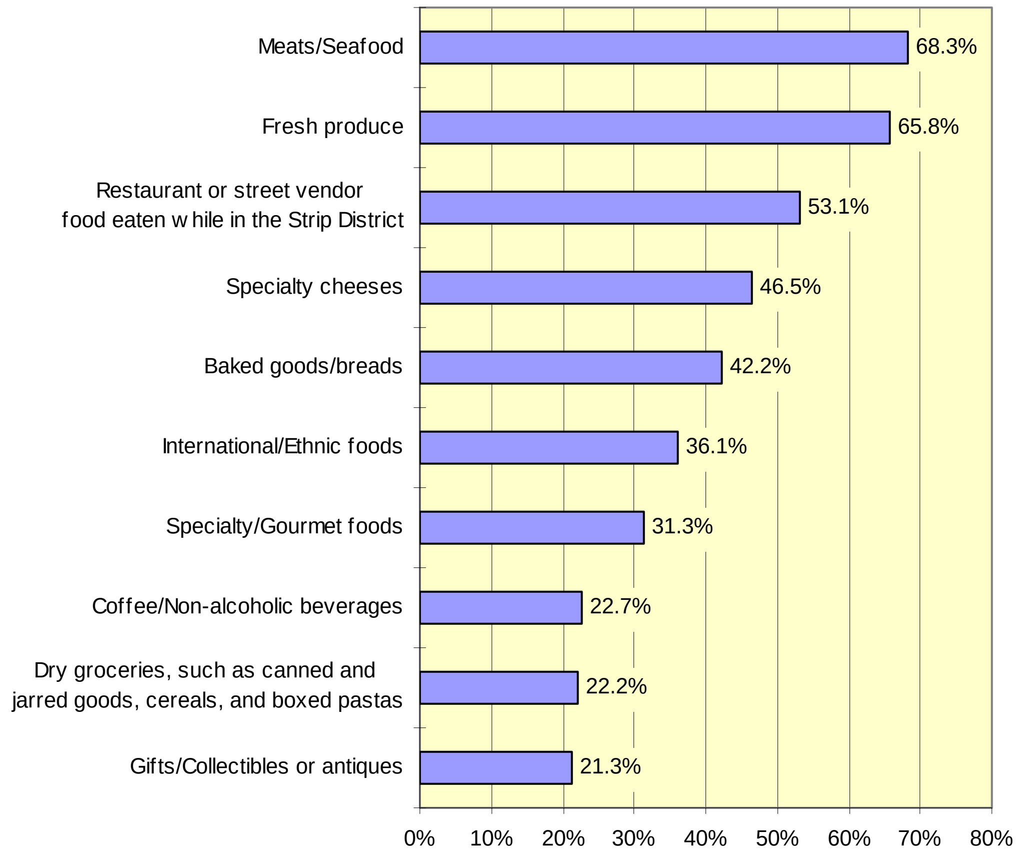
Question 1 – Respondents were asked to indicate how often they shop the Strip District. Over one-third of the sample (36.3%) shops the Strip District at least once a month. Those that shop in the Strip District at least once a month tended to be male, and city dwellers. Note that respondents who work in the 15222 zip code, covering the Strip District into downtown Pittsburgh, do not shop in the Strip more than the average.

		Work in	Live in		Income		Age		Gender	
	TOTAL	15222	City	Suburb	<$75,000	$75,000+	18 - 44	45+	Male	Female
Shop the Strip at least once a month	36.3%	33.4%	43.2%	30.0%	33.9%	39.4%	37.1%	35.7%	42.7%	28.9%
Shop the Strip, but less than monthly	58.4%	64.0%	52.7%	63.4%	58.8%	57.8%	57.7%	58.8%	52.1%	65.5%
Never shop the Strip	5.4%	2.6%	4.1%	6.5%	7.3%	2.9%	5.3%	5.4%	5.2%	5.5%

Question 2 – Respondents were asked to indicate, using an aided list, the items they purchase on a regular basis when shopping the Strip. As indicated in the graph on the following page, the majority of respondents buy *meats/seafood* (68.3%), *fresh produce* (65.8%), and *restaurant or street vendor food eaten while in the Strip District* (53.1%) on a regular basis when shopping the Strip.

Affluent ($75,000+ household income) respondents and frequent customers to the Strip (shop seven or more times a year) were significantly more likely than their counterparts to purchase the following items on a regular basis when shopping in the Strip: *meats/seafood, specialty cheeses, baked goods/breads, international/ethnic foods, specialty/gourmet foods,* and/or *coffee/non-alcoholic beverages*. Frequent shoppers, in general, purchased more *produce* and *dry grocery* than infrequent shoppers, suggesting that they do the bulk of their weekly food shopping in the Strip. *Specialty cheeses* were purchased significantly more by older respondents and females as compared to younger respondents and males. City respondents buy *fresh produce* (71.1% and 60.9%, respectively) and *baked good/breads* (47.4% and 37.4%, respectively) on a more regular basis than their Suburban counterparts.

Items Bought on a Regular Basis When Shopping the Strip



Question 3 – Respondents were asked to indicate the three most important reasons for why they shop the Strip District. Approximately half of all respondents indicated the following as a most important reason: *selection of specialty/unique items* (49.7%), *enjoyable experience/fun way to spend time* (49.2%), and *low prices/bargains* (49.0%). *Unique stores* was mentioned by 41.0% of all respondents, and one-fourth (24.5%) mentioned *a way to support local business* as one of the top three reasons.

Enjoyable experience/fun way to spend time was mentioned significantly more often as a top reason among infrequent shoppers (55.3% versus 42.8% of frequent shoppers). *Selection of specialty foods* received significantly more mentions as a most important reason among the affluent shoppers (57.0% among $75,000+ income versus 43.6% among <$75,000). The frequent shoppers were more likely to mention *a way to support local business* (31.2% of frequent shoppers versus 18.1% of infrequent shoppers) as a most important reason for shopping the Strip, as were City respondents as compared to Suburban respondents (29.4% and 20.0%, respectively).

Question 4 – Respondents were given a description of the SMP and were then asked how often they would shop the Strip Marketplace. Consistent with current shopping habits, males were more likely to indicate they would shop SMP at least once a month. As to be expected, those that were frequent shoppers to the Strip indicated they would be more likely to also shop the Strip Marketplace at least monthly as compared to infrequent shoppers to the Strip (92.1% and 34.7%, respectively). However, the research reveals that the presence of the Strip Marketplace (SMP) would increase trip frequency among the infrequent shoppers to the Strip, with over one-third (34.7%) indicating they would shop the SMP at least monthly.

		Work in	Live in		Income		Age		Gender	
	TOTAL	15222	City	Suburb	<$75,000	$75,000+	18 - 44	45+	Male	Female
Would shop SMP at least once a month	62.1%	61.5%	63.8%	58.3%	59.2%	63.5%	60.5%	61.5%	65.2%	56.4%
Would shop SMP, but less than monthly	37.6%	38.6%	34.9%	40.4%	38.9%	35.9%	38.3%	37.2%	33.5%	42.2%
Would never shop SMP	1.3%	0.0%	1.2%	1.3%	1.9%	0.5%	1.2%	1.4%	1.2%	1.4%

		Shop Strip District	
	TOTAL	7 or more time/yr.	6 or less time/yr.
Shop Strip at least once a month	36.3%	78.6%	0.0%
Would shop SMP at least once a month	62.1%	92.1%	34.7%

Question 5 – Respondents were asked to indicate, using an aided list, what days they would typically shop the Strip Marketplace. Close to three-fourths (73.0%) of the total sample indicated they would typically shop *Saturday mornings or afternoons*. Over one-third (34.8%) indicated *Sunday mornings or afternoons* would be a typical shopping time.

Frequent shoppers to the Strip were significantly more likely than infrequent shoppers to indicate that *weekday mornings* (24.8% and 13.0%, respectively) and *weekday afternoons* (25.2% and 16.3%, respectively) would be typical shopping days. Younger respondents (18 – 44) exhibited a significantly greater preference than older respondents (45+) for *Saturday mornings or afternoons* (81.5% and 68.2%, respectively), as well as *Sunday mornings and afternoons* (41.7% and 30.8%, respectively). Females have a greater preference for *Sunday morning or afternoons* relative to males (39.5% and 30.6%, respectively). City respondents were more likely than Suburban respondents to indicate *Monday, Tuesday, Wednesday, or Thursday evenings* as typical shopping days (13.4% and 6.6%, respectively).

Question 6 – Respondents were asked to rate, using a 1 to 5 scale (1 = extremely unimportant, 5 = extremely important), the importance of having specific products, from an aided list, at the public market hall. The results are shown in the following table. Fresh produce, seafood, baked goods/breads, and ethnic foods received mean ratings of 4.0 or higher, indicating these items are the most important to respondents. These same four categories also had the greatest percent of ratings in the top-two box scores.

Among the sub-groups, there were significant differences in the top-two box scores (ratings of 4 = very important and 5 = extremely important) on importance ratings for the following items:

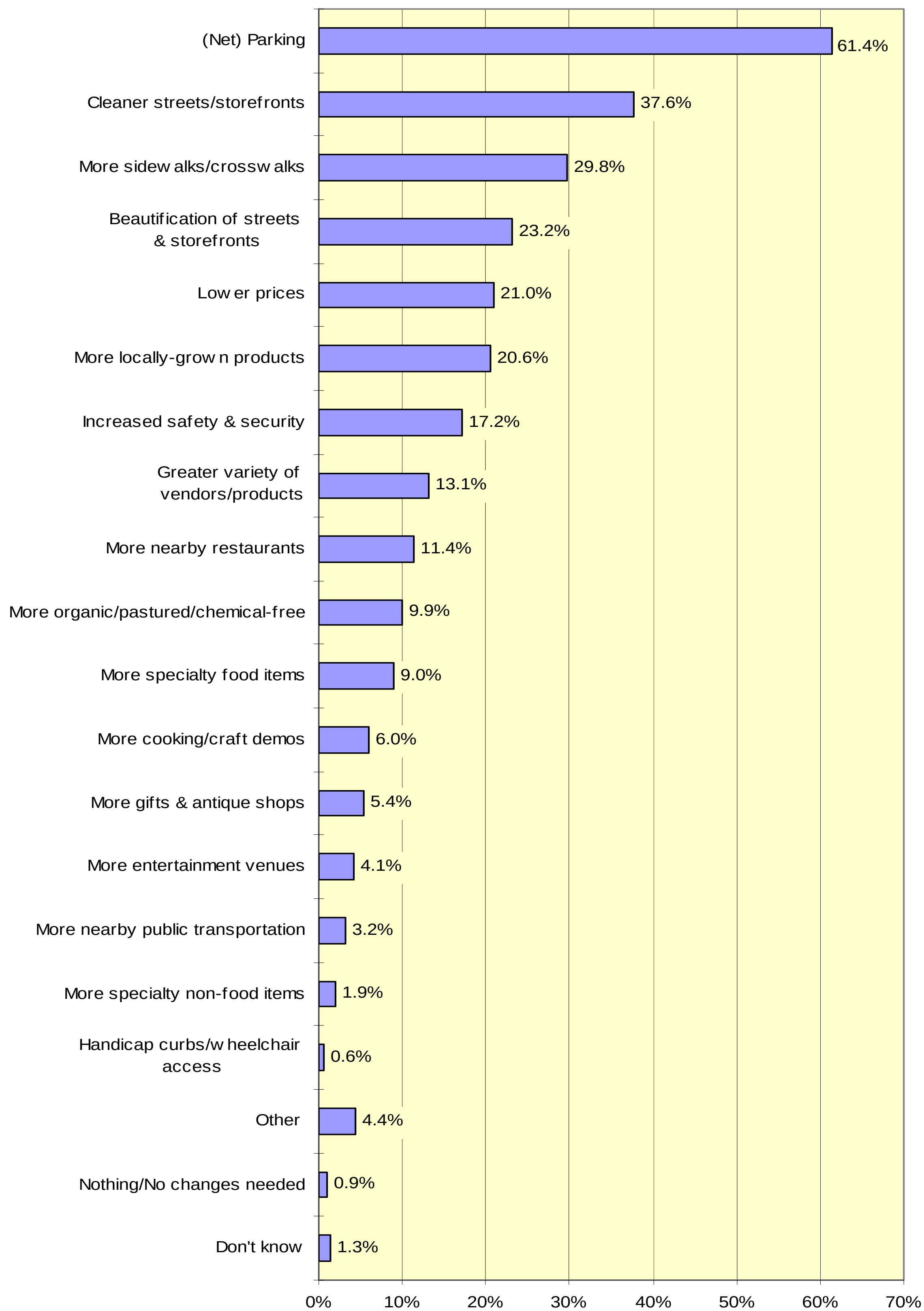
- *Herbs, spices*: females rated the importance higher than did males (48.2% and 34.7%, respectively)
- *Jams, jellies, and specialty/gourmet foods*: suburban respondents rated it of greater importance than did city respondents (52.9% and 39.9%, respectively), and females vs. males (53.2% and 39.9%, respectively)
- *Fresh flowers/plants*: females vs. males (61.0% and 34.7%, respectively)
- *Crafts/gifts*: females vs. males (56.4% and 31.9%, respectively)
- *Wine*: Affluent (household incomes of $75,000+) vs. less affluent (49.0% and 39.6%, respectively)
- *Sit-down restaurant*: Suburb vs. City (67.9% and 56.4%, respectively).
- *Seafood*: Frequent shoppers to the Strip (7+ times per year) vs. infrequent shoppers (6 or fewer times per year) (81.9% and 72.1%, respectively)

- *Meats/Poultry*: Frequent shoppers to the Strip vs. infrequent shoppers (74.4% and 63.7%, respectively), and affluent vs. less affluent (76.7% and 62.3%, respectively).
- *Prepared foods*: Younger respondents (18 – 44) vs. older respondents (45+) (62.9% and 53.4%, respectively), and females vs. males (63.3% and 51.2%, respectively)
- *Ethnic foods*: Frequent shoppers to the Strip vs. infrequent shoppers (77.7% and 67.7%, respectively), and females vs. males (77.5% and 67.7%, respectively)

Product	Mean Rating	Top-two Box
Fresh produce	4.4	84.3%
Seafood	4.1	76.6%
Baked goods/breads	4.0	72.1%
Ethnic foods	4.0	72.3%
Meat/poultry	3.9	68.7%
Sit-down restaurant	3.7	62.4%
Beverages (coffee, tea, juice, specialty drinks)	3.7	59.9%
Prepared foods	3.6	56.9%
Fresh flowers/plants	3.3	47.0%
Herbs, spices	3.3	41.0%
Jams, jellies, and specialty/gourmet foods	3.3	46.1%
Dairy products and eggs	3.2	40.1%
Wine	3.2	43.8%
Crafts/gifts	3.2	43.8%

Question 7 – Respondents were asked to indicate up to three improvements they would most like to see in the Strip District, using an aided list or by typing in another response. As shown in the chart on the following page, six in ten (61.4%) selected or added a comment related to parking (59.7% specifically indicated they wanted to see *more available and accessible parking)*. More than one-third (37.6%) would like to see *cleaner streets and storefronts.*

Requested Improvements to Strip District



Among the sub-groups, there were significant differences in the percentages of respondents choosing the following improvements:

- *More available and accessible parking*: Older respondents (45+) vs. younger respondents (18 – 44) (63.9% and 52.4%, respectively)
- *Cleaner streets and storefronts*: Affluent respondents (household incomes of $75,000 or greater) vs. less affluent (household incomes below $75,000) (43.2% and 33.1%, respectively), males vs. females (43.1% and 31.2%, respectively), and suburbs over city (42.7% and 31.8%, respectively).
- *More sidewalks/crosswalks*: Less affluent chose over affluent (33.8% and 24.8%, respectively)
- *Beautification of streets and storefronts*: Younger respondents (18 – 44) vs. older respondents (45+) (30.0% and 19.3%, respectively)
- *Lower prices*: City respondents selected more often than Suburban respondents (25.0% and 17.5%, respectively)
- *More locally-grown products*: Older respondents (45+) chose over younger respondents (18 – 44) (23.6% and 15.3%, respectively), and City vs. Suburb (21.5% and 12.3%, respectively).
- *Increased safety and security*: Suburban respondents vs. City respondents (22.9% and 11.9%, respectively); infrequent shoppers (6 or fewer times per year) chose over frequent shoppers (7 or more times per year) (23.1% and 10.2%, respectively); and less affluent chose over affluent respondents (21.9% and 11.2%, respectively)
- *Greater variety of vendors and products*: Older respondents (45+) vs. younger respondents (18 – 44) (15.9% and 8.2%, respectively)
- *More organic/pastured/chemical-free food*: City respondents vs. Suburban respondents (14.1% and 6.1%, respectively), and females vs. males (14.7% and 5.6%, respectively).
- *More entertainment venues*: Less affluent chose over affluent respondents (5.8% and 1.9%, respectively).
- *More gifts & collectibles shops/antique shops*: Females chose over males (7.8% and 3.2%, respectively).

Question 8 – Respondents were asked to indicate their home zip code. This information was used to group respondents by City and Suburban for subgroup analysis. The zip codes with the highest frequency of respondents (15 or more) were mostly City of Pittsburgh zip codes.

- City of Pittsburgh zip codes with 15 or more respondents:
  - 15216 (19)
  - 15227 (18)
  - 15217 (17)
  - 15221 (17)
  - 15205 (15)
  - 15226 (15)
- Suburban zip codes with 15 or more respondents:
  - 15236 (19)
  - 15237 (17)
  - 15108 (15)

Question 9 – Respondents were asked to indicate their work zip code if they work outside the home. The work zip codes with the highest frequency of respondents (18 or more) and the corresponding number of respondents that live in the City and Suburbs for each work zip code are listed below.

- 15219 (21 City, 21 Suburban)
- 15222 (17 City, 22 Suburban)
- 15213 (22 City, 9 Suburban)
- 15205 (10 City, 8 Suburban)

Question 10 – Respondents were asked to indicate their age group; 36.5% were below 45 years of age and 63.5% were aged 45 or over. The average age of respondents was 48.25 years.

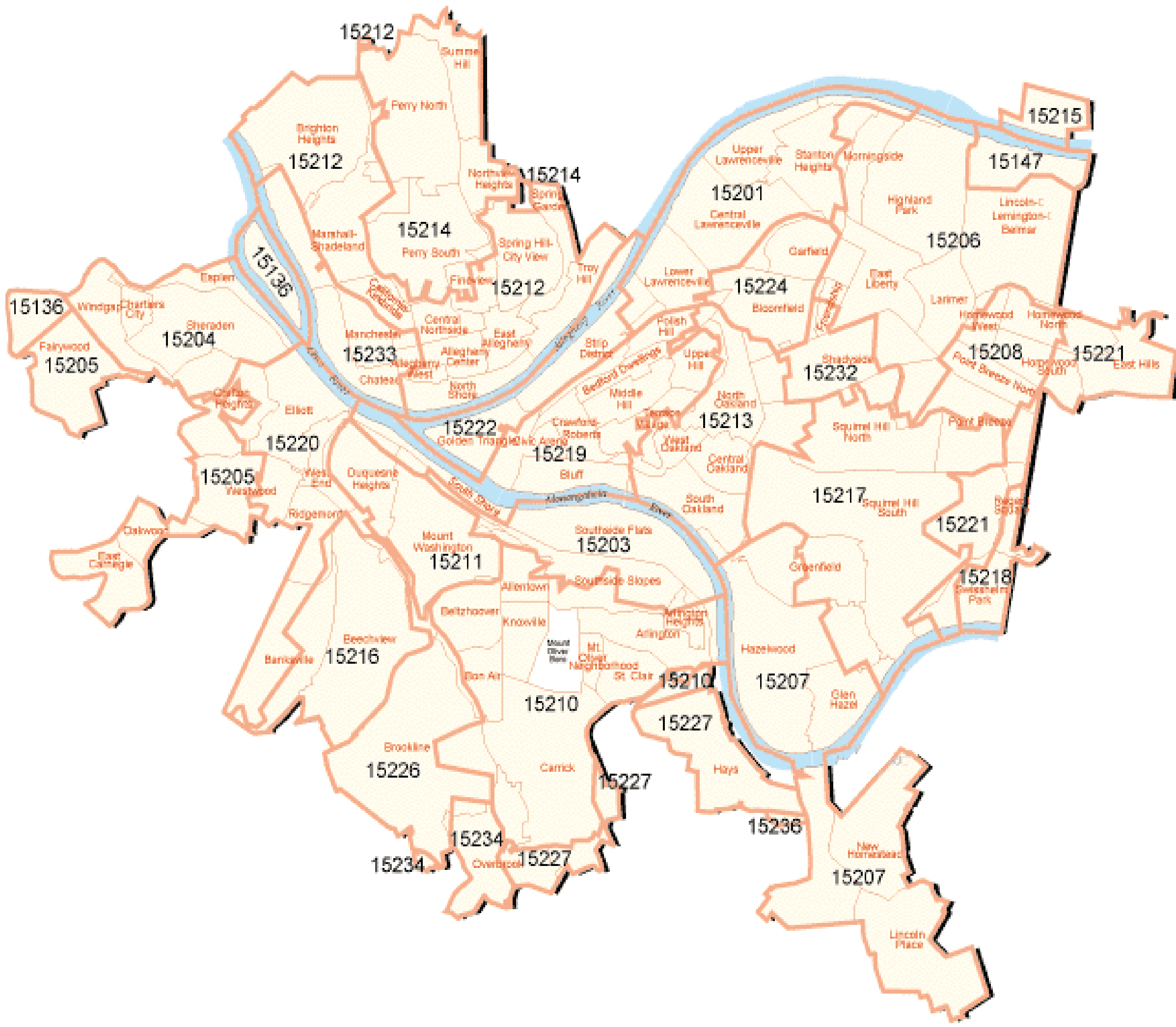
Question 11 – Respondents were asked to select the categories that best described their ethnic background. The vast majority (91.4%) identified themselves as *White/Caucasian*; however, 10.9% of City residents selected *Black/African American*.

Question 12 – Respondents were asked to indicate their range of household income. The average household income of the sample is $73,510. Among the subgroups, Suburban respondents had a significantly greater average household income as compared to City respondents ($80,800 and $65,350, respectively). Male respondents indicated household incomes significantly greater than female respondents ($77,020 and $69,520, respectively).

Question 13 – The distribution of males and females in the sample was split about evenly (53.2% males and 46.8% females).

Appendix

City of Pittsburgh Zip Code Map



Neighbors in the Strip, a non-profit organization formed in 1999 to promote economic development in Pittsburgh's Strip District, has been developing plans for a public market hall called The Strip Marketplace. As an Allegheny County resident and potential consumer, your input is important to creating a public market that provides the products, attractions, and atmosphere that are of interest to *you*. Please take five minutes to give us your opinions.

1. On average, how often do you shop in the Strip District, the market district from Penn Avenue near Wholey's Market to Smallman Street near Benkovitz Seafoods?

   3 – 5 times a week
   1 – 2 times a week
   Every 2 weeks
   Monthly
   7 – 11 times a year
   4 – 6 times a year
   1 – 3 times a year
   Less often than once a year
   Never (**PLEASE SKIP TO QUESTION 4**)

2. What items do you buy on a regular basis when you shop in the Strip District? **PLEASE SELECT ALL THAT APPLY**

   Dry grocery, such as canned and jarred goods, cereals and boxed pastas
   Fresh produce
   Specialty cheeses
   Meats / seafood
   Baked Goods / Breads
   Specialty / Gourmet foods
   International / Ethnic foods
   Coffee / Non-alcoholic Beverages
   Gifts / Collectibles or Antiques
   Restaurant or street vendor food eaten while in the Strip District
   Other (Specify) ______________________

3. Please indicate up to 3 most important reasons for why you shop in the Strip District? **PLEASE SELECT UP TO 3 RESPONSES**

   Low Prices / Bargains
   A way to support local business
   Selection of specialty / unique items
   Unique stores
   Good restaurants
   Convenience of finding everything in one place
   Enjoyable experience / Fun way to spend time
   Good place to meet family / friends
   Pittsburgh attraction to take visitors
   Street vendor atmosphere
   Other (Specify) ______________________

4. The Strip Marketplace, a year-round indoor public market hall will have a concentration of locally owned, independent businesses selling mostly regionally-produced food and non-food items. Similar public markets are Seattle's Pike Place, Eastern Market in Washington, D.C. and West Side Market in Cleveland. By promoting the local flavor, public markets provide a unique shopping experience. Based on this description, how often would you shop The Strip Marketplace, a public market hall in the Strip District within walking distance of existing shops?

   3 – 5 times a week
   1 – 2 times a week
   Every 2 weeks
   Monthly
   7 – 11 times a year
   4 – 6 times a year
   1 – 3 times a year
   Less often than once a year
   Never (**PLEASE SKIP TO QUESTION 6**)

5. What days would you typically shop at The Strip Marketplace?
   PLEASE SELECT ALL THAT APPLY

   Weekday mornings
   Weekday afternoons
   Monday, Tuesday, Wednesday, or Thursday evenings
   Friday evenings
   Saturday mornings or afternoons
   Sunday mornings or afternoons
   Saturday or Sunday evenings

6. On a scale of 1 to 5 (1 = extremely unimportant; 5 = extremely important), please rate the importance of having the following products *at the public market hall* in the Strip District.

   Herbs, spices
   Baked goods / breads
   Jams, jellies and specialty / gourmet foods
   Fresh flowers / plants
   Fresh produce
   Dairy products and eggs
   Beverages (coffee, tea, juice, specialty drinks)
   Crafts / gifts
   Wine
   Sit-down restaurant
   Seafood
   Meats / Poultry
   Prepared foods
   Ethnic foods
   Other (Specify) ______________________

7. Please indicate up to 3 improvements you would most like to see in the Strip District. These would be the 3 things you think should have priority in the plans for the new public market hall.
PLEASE SELECT UP TO 3 RESPONSES

More sidewalks / crosswalks
More locally-grown products
More organic / pastured / chemical-free foods
More nearby restaurants
More gifts & collectibles shops / antique shops
Lower prices
Increased safety and security
Cleaner streets and storefronts
Beautification of streets and storefronts
Greater variety of vendors and products
More specialty food items
More specialty non-food items
More entertainment venues
More cooking & craft demonstrations
Don’t know
Nothing / No changes needed
More available and accessible parking
More nearby public transportation
Other (Specify) ______________________
Other (Specify) ______________________

8. What is your home zip code? _______

9. What is your work zip code, if you work outside the home? _______

10. What is your age group?

18 – 24
25 – 34
35 – 44
45 – 54
55 – 64
65 or over

11. What category or categories best describes your ethnic background?

Black / African American
White / Caucasian
Asian or Pacific Islander
American Indian or Alaska Native
Hispanic or Latino
Other

12. What is the range of your household income?

Less than $25,000
$25,000 - $49,999
$50,000 - $74,999
$75,000 - $99,999
$100,000 - $124,999
$125,000 - $149,999
$150,000 +

13. Are you…?

Male
Female