DOWNTOWN FRANKFORT MARKET RESEARCH STUDY 2016

DOWNTOWN FRANFORT, INC.

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EXECUTIVE SUMMARY

INTRODUCTION

This study was commissioned to explore current consumer trends relating to demographics, purchasing habits, and customer expectations and desires within the context of downtown Frankfort, KY. It was completed by NorthStar over a three week period in 2016. The Kentucky Cabinet of Finance & Administration asked to participate, resulting in over 1000 respondents with 54% of respondents being state employees. The expected outcomes of this study were as follows:

- Individual business owners better understand their market,
- Explore potential business development opportunities,
- Determine logical types of businesses to recruit,
- Show these potential businesses the opportunities that exist downtown, and
- Decide on the most logical downtown revitalization funding needs.

DEMOGRAPHICS

The respondents were polled to capture certain demographic information. These demographics included gender, residency (internal or external), occupation (state employee or not), age, marital status, household income, and level of education. The respondents were 67% female and 33% male. Residency for 69% of respondents was within Franklin County/City of Frankfort. Married respondents outnumbered single respondents 64% to 36%. A bachelors degree or higher had been obtained by 60% of respondents. Nearly all respondents (93%) had visited downtown Frankfort in the past two years and 42% stated they visit at least once a month. The primary reasons for visiting downtown were to dine at a restaurant (71%), to shop (32%), on business (29%), to attend an event (29%), and to experience art, culture, or music (26%). The respondents were listed within seven (7) age groups but these were combined into generational categories (Baby Boomer, Gen X, and Millennials). The largest group surveyed was Gen X with 48% of respondents followed by Baby Boomers at 33% and Millennials at 19%. Overall 73% were over the age of 35. To extrapolate generalities from these demographics, the most likely respondent was a married, female state employee that resides in Franklin County between the ages of 35 and 54 with a college degree.

ARTS & CULTURE

The primary destination for visitors within the arts and culture category were Completely Kentucky (64%) and Poor Richard's Books (62%). The library and Grand Theater were mentioned infrequently enough that they were included in the Other category. The historical and heritage museums were not listed as options or mentioned in Other. The event(s) which respondents state set Frankfort apart was predominately the Summer Concert Series (59%) followed by ArtWalk (14%) and the Grand Theater (13%). These results were consistent across all demographic sectors. Respondents recommended that more events be planned and that all downtown events be better promoted and advertised.

DINING

The primary destinations for dining were Gibby's (68%), La Fiesta Grande (57%), and Buddy's Pizza (57%). These results were consistent throughout the demographic sectors except within the generational categories, which showed Millennials were more likely to visit Buddy's Pizza while Gen X and Baby Boomers highest percentage was for Gibby's. The Baby Boomer category also demonstrated a higher rate for Serafini's than the other two categories and was listed by 36% of respondents as a restaurant that distinguishes downtown Frankfort. The primary downtown dining days are Monday through Thursday (48%), Friday (29%), Saturday (21%) and then Sunday (2%). Dining is split about evenly between lunch (48%) and dinner (51%). Respondents primarily eat lunch downtown twice a week to once a month (76%) and prefer the Fast Casual option when dining (53%). Respondents recommend more restaurants offering a variety of dining options including outdoor seating. Extended hours and Sunday hours would also be desired. Increased and better parking options were also mentioned.

SHOPPING

Completely Kentucky (64%) and Poor Richard's Books (58%) were named as the top two shopping destinations. These were followed by New Leash (38%), Page's Shoe Repair (31%) and Nitro (30%). The Baby Boomer generation was the category most likely to shop downtown. Shoppers are most likely to visit Monday through Thursday (46%), Saturday (43%), then Friday (8%) and Sunday (2%). The time of day varies slightly based upon generational category. Though most shopping is done between the hours of 11am and 5pm (76%), the Baby Boomer and Gen X categories tend to shop earlier in the day while Millennials are later in the afternoon into the evening. Recommendations from respondents include developing more shopping opportunities, providing for a variety of shops, extended and Sunday hours and better advertising of what shopping opportunities are available. Respondents suggested adding clothing stores (37%), a grocery (17%), artisan and eclectic boutiques (16%), and a drug store (13%).

EVENTS

The primary events attended by respondents were the Summer Concert Series (67%), Farmer's Market (59%), Downtown Derby (52%), and CCU Candlelight Tradition (50%), with the remaining events following below 40% claimed attendance. Local respondents (internals) were far more likely (nearly 2:1) to have claimed attendance to a downtown event than those residing outside of the county.

HOUSING

Just over half of the respondents (51%) stated they would have an interest in living in downtown though 63% stated the never have lived in a downtown environment. Millennials claimed to be most interested in a downtown living environment followed by Gen X, then Baby Boomers. The preferred domicile was a traditional house (35%) followed by townhouse (23%) and loft (23%). There was some slight variation in generations, as Millennials and Gen X preferred traditional houses overall and Baby Boomers preferred townhouses slightly over traditional houses. Internal respondents preferred traditional houses as well, while External respondents, though favoring traditional houses, were very amenable to townhouses and lofts. The majority (67%) would be most interest in a living space between 800 and 1400 square feet with 800 to 1,099 square feet (35%) slightly preferred.

BUSINESS OWNERSHIP

Overall 30% of the respondents stated some interest in opening a business downtown, with 6% of respondents already claiming to be downtown business owners. Millennials held a slightly higher positive view of opening a business (16%) that the other two generational cohorts (12% for both). Gen X represented a higher percentage of current business owners. There were two important aspects of opening a business that were identified as being significant needs. These were the availability of a business liaison or ombudsman that could guide a new business owner through the permitting, planning, inspection, and licensing process and the access to business planning aid.

BARRIERS

The respondents were asked what they believed was the biggest barrier to developing downtown. There were five (5) identified main barriers (70% of all respondents) to continuing success in the downtown and the desire for respondents to visit more frequently. These five (5) barriers were:

- Frequent turnover of businesses (opening/closing)/ empty buildings - 18%
- Parking – 18%
- Store hours - 14%
- Shopping - 11%
- Nightlife - 11%

Other barriers to mention were Dining options at 7% and One Way Streets, (which has been a recent discussion concerning Main Street,) which fell very close to the bottom at 4%. The generations saw some variance, with Baby Boomers viewing the constant change of businesses (21%) as the top barrier while Millennials stated that the lack of nightlife options was primary barrier (20%). The Gen X cohort rated parking (18%) slightly higher than business turnover (17%).

RECOMMENDATIONS

Respondents were asked throughout the survey what would increase their likelihood of visiting downtown. They were directed to provide as many answers as they believed applied to the situation. The following were the top responses.

- More events - 64%
- More dining - 58%
- More shopping - 51%
- More nightlife – 41%

Though these results held true for most of the demographic categories, there was a slight variation in the generational categories. Baby Boomers, Gen X, and Millennials claimed more events and dining options as their primary recommendations, however Baby Boomers and Gen X favored more shopping options (52%, 53%) over Millennials, who tended to favor more nightlife options (56%). Nearly a third of respondents (32%) did state that better promotion and advertising of events, businesses, and attractions in downtown Frankfort would be of great advantage.