FERGUS FALLS:

AS THE RETAILERS' SEE IT

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Office of the Dean

February 1, 1971

Mr. Carroll Crouch
Study Committee Chairman
Fergus Falls Junior College
Fergus Falls, Minnesota 56537

Dear Mr. Crouch:

In cooperation with the Center for Urban and Regional Affairs, the School of Business Administration of the University of Minnesota agreed to assist your committee in determining the attitudes of local retailers toward their business community. I am pleased to transmit the attached final report to you and hope it will facilitate subsequent community planning.

This final report represents the efforts of Mr. Roger A. Kerin. I am sure that you will find his analysis useful, interesting, and thought-provoking.

Although this report offers several conclusions and recommendations, much of the analysis is dependent upon limited information. Therefore, Roger has suggested to me that further research is necessary in certain critical areas.

I am pleased that our School could be of assistance in this community undertaking. I hope that it may provide a useful format for similar studies that may be undertaken by other Minnesota communities interested in improving their retail services.

Sincerely,

Arthur Williams

C. Arthur Williams
Acting Dean

CAW/mml

Attachment

Fergus Falls: As the Retailers' See It

by

Roger A. Kerin

Center for Urban and Regional Affairs - School of Business Administration

University of Minnesota

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TABLE OF CONTENTS

	Page
INTRODUCTION	1
Objectives of Study	1
Outline of Report	2
SUMMARY	3
Conclusions	3
Recommendations	4
Summary Comments	5
APPROACH	7
Developing a List of Stores to Survey	7
Obtaining Information From Retailers	7
FINDINGS	10
Stores Surveyed	10
Retailer Evaluation of Fergus Falls	15
Definition of Retail Structure	22
LIMITATIONS OF STUDY	27
APPENDIXES	
A. INTRODUCTORY LETTER AND QUESTIONNAIRE	28
B. TYPES OF STORES IN EACH CATEGORY	36

1. INTRODUCTION

During the past several years the Fergus Falls Planning Commission has undertaken projects to develop the community and to take advantage of the resources available. One of the most noteworthy undertakings was the establishment of a Comprehensive Plan for the City.

Through discussions between representatives of Nason, Wehrman, Knight, and Chapman, Inc., Planning Consultants, and the Planning Commission, it was decided that the latter should conduct research on the attitudes of the local retailers toward their downtown area. In October, 1970, the Planning Commission requested the Center for Urban and Regional Affairs and the School of Business Administration of the University of Minnesota to conduct this research.

Objectives of Study

In preliminary discussions about the objectives of this research study, Fergus Falls businessmen stressed that the survey should concentrate on determining the existing attitudes of the retailers, rather than attempt to recommend solutions to specific problems. This approach was adopted in the form of three principal objectives:

1. Determine the attitudes of the retailers toward general characteristics of the downtown area
2. Determine the needs and problems perceived by the retailers
3. Obtain suggestions for solving the problems the retailers perceived.

By following this approach, the results of the study may be used by Fergus Falls businessmen to assess the importance of the problems identified and to develop their own "action program."

Outline of Report

Section 2 outlines the conclusions and recommendations derived from the survey. Every attempt is made to direct their content to the objectives outlined above. A description of the approach used for data collection is presented in Section 3. Section 4 summarizes, through the use of descriptive tables, the information obtained from the retailers. Finally, Section 5 (Appendixes) provides an illustration of the questionnaire and introductory letter used, and a description of the types of stores included in the categories used in the questionnaire.

2. SUMMARY

The principal conclusions and recommendations are summarized below. The bases for these findings appear in the balance of the report.

Conclusions

The principal conclusions are:

1. The most favorable reaction by retailers with respect to downtown characteristics related to window displays, internal store appearance, and the diversity in types of stores. The least favorable reactions concerned outdoor commercial advertising, littering, and retail credit terms.

2. The major commercial strengths of Fergus Falls, as viewed by retailers, are layout, shopping convenience, and merchandise and store variety. City location with respect to transportation facilities, farming areas, and recreational areas is also regarded as a commercial strength.

3. Complacency and disagreement between businesses are considered to be the most severe commercial weaknesses of Fergus Falls. Suggested retailers' solutions include educational programs in retailing, improved public relations, and more cooperation between businesses. Lack of industry and customer parking are further commercial weaknesses cited.

4. On an individual store basis, lack of adequate space to operate is seen as the most pressing need. Remodeling of current space or a move to another location are seen as possible remedies. The cultivation of additional sales, especially by younger customers, and more rear-of-store parking rank second and third, respectively, in frequency of solutions suggested by retailers.

5. On a more general level, the underlying commercial strength of Fergus Falls appears to be the diversity of favorable features; that is, location, educational and medical facilities, and present industrial development.

6. The predominant commercial weaknesses appear to reflect an attitude of indifference by individual retailers toward improving the city. Lack of constructive and objective solutions to the city's problems supports this belief.

7. The construction of the Interstate 94 By-Pass has had a positive effect on the city with the exception of traffic-sensitive concerns. It appears that Fergus Falls is characteristically a "shoppers goods" retail area. The upsurge in the types of new stores, retail sales, and space allocations in the city reflects this.

Recommendations

The principal recommendations are:

1. The city of Fergus Falls should promote the favorable attributes of its community in order to attract new industry. Equally important is the definition of a specific industry or grouping. Special emphasis should be placed on the city's commercial strengths, moral character, and role as the county's political and social center. Promotion may take the form of brochures, industrial forecasts, newsletters, and specific industry reports, where applicable.

2. Complacency and disagreement between businesses and the indifference of some businessmen must be rectified. Constructive dialogue between city officials and retailers and between retailers themselves is needed to determine common goals and aspirations. A retailer association, a purposeful Chamber of Commerce, and a mindful city administration are suggested remedies

to these problems. Educational programs in retailing are also recommended.

3. The physical growth of Fergus Falls must be given utmost attention. Possible avenues of expansion, whether within or outside the city, must be explored. Improvements in the present industrial parks and possible retail locations must occur to retain present businesses and attract potential occupants. Parking facilities must be expanded to accommodate shoppers and facilitate shopping convenience.

4. Fergus Falls must take advantage of its apparent role as a "shoppers goods" retail area. Because of excellent highway access, the possibility exists for a greater trade area for these types of goods. Complementary forms of business, such as eating and drinking places and entertainment facilities, should also be established to satisfy the total requirements of shoppers. Possible commercial expansion in the direction of Interstate 94 is recommended.

Summary Comments

In general, the commercial picture of Fergus Falls appears favorable. In essence, the city is experiencing many of the problems encountered by cities of its size with comparable characteristics. Physical growth is evident; relative sales growth is not. Yet, with the relative buying power of Ottertail County increasing, there is a definite possibility of sales growth.

The city's proximity and access to Interstate 94 is a commercial asset only if it is utilized. Lack of commercial development near the access site is a hindrance to the growth of the city, however. The city's businessmen are now competing with commercial centers previously neglected because of time and distance factors. Fergus Falls must exploit these factors if it is to compete with such cities as Fargo-Moorhead, Alexandria, and St. Cloud.

The recognition of a need for industry is illustrated in the study findings. The city should develop a plan to identify industry which would be both desirable and feasible for Fergus Falls and take steps to attract the necessary industry. Although this is a difficult task, the retailer survey indicates general belief that this plan is essential.

3. APPROACH

This section summarizes the approach used in determining the attitudes, problems, and solutions of the retailers of Fergus Falls. The following will discuss the methods used (1) in developing a list of stores to survey and (2) in obtaining information from the retailers surveyed.

Developing a List of Stores to Survey

Through discussions with Mr. Carroll Crouch of the City Planning Commission and representatives of Nason, Wehrman, Knight, and Chapman, Inc., a list of 109 retail stores was compiled. All of the stores were located within the central business district as defined by the Planning Consultants. Summit Avenue served as the northern boundary; Junius Avenue as the southern boundary; Oak Street as the western boundary; and Whitford Street and the Ottertail River as the eastern boundary. The area surveyed is shown in Figure 1.

Only retail establishments were included in the survey. Therefore, establishments such as banks, utilities, and hotels were not surveyed.

Obtaining Information From Retailers

The method used to collect data involved a two-step process. First, a personal interview was conducted which sought to uncover the commercial problems facing the retailers and their respective solutions. Questions of a nonproprietary nature were also included. Second, at the conclusion of the personal interview, each retailer was given a self-administered questionnaire to secure information concerning his attitudes toward the downtown area and

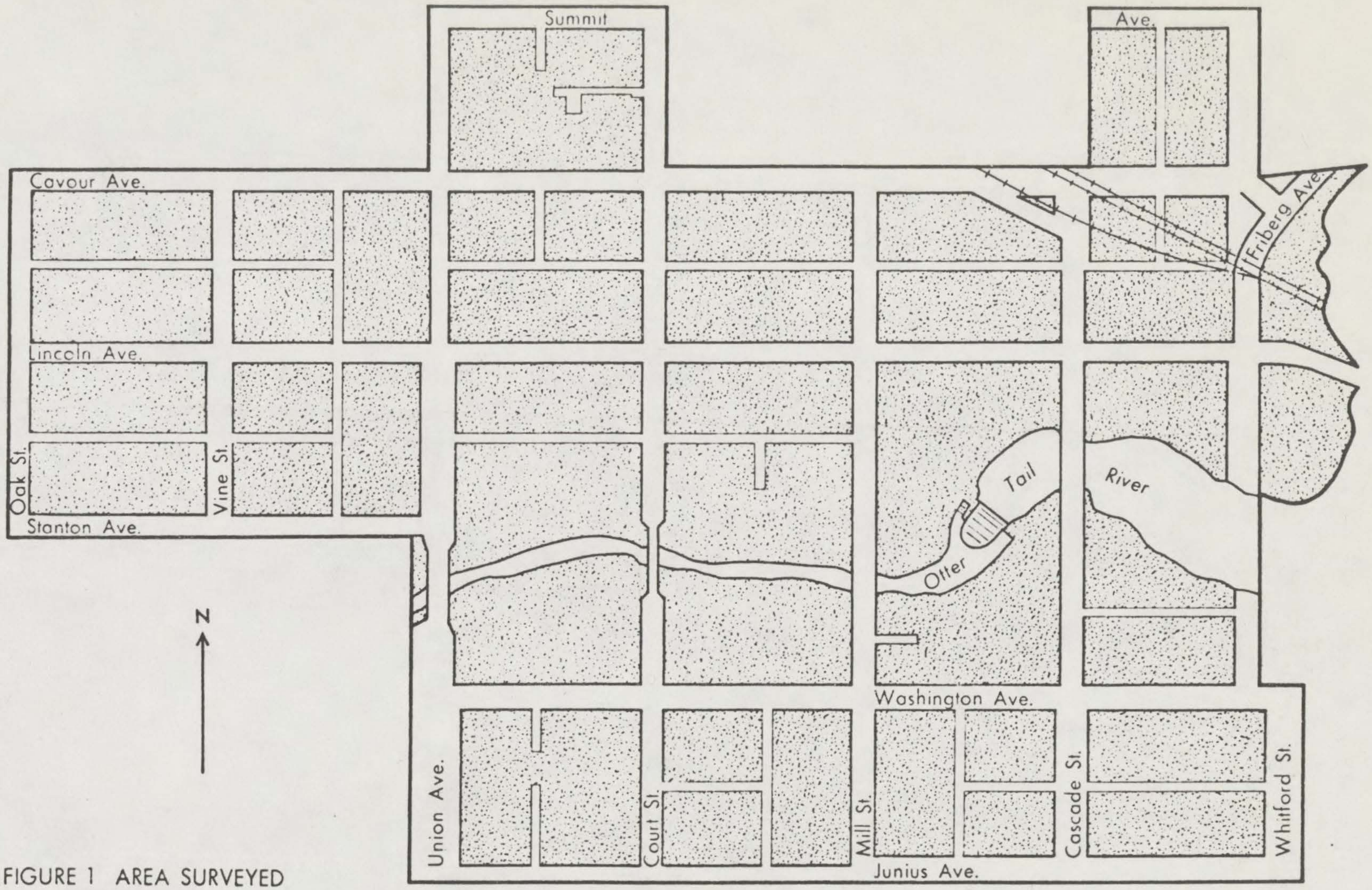

FIGURE 1 AREA SURVEYED

Source: City of FERGUS FALLS, NASON, WEHRMAN, KNIGHT, AND CHAPMAN, INC.

data of a more proprietary nature. The retailer was given a stamped, self-addressed envelope to return the questionnaire. Copies of the two questionnaires and the introductory letter appear in Appendix A of this report.

A categorical breakdown of store types was adapted from the Census of Business, 1967. The types of stores in each category appear in Appendix B of this report.

4. FINDINGS

The original intent of the survey was to contact all (109) retailers in the area outlined in Figure 1. However, because of certain retailers' unwillingness to be included in the survey or because some retailers were not available at the time of the interview visit, only ninety-eight interviews were conducted. Of the ninety-eight retailers interviewed, fifty-eight returned the self-administered questionnaire.

Stores Surveyed

The types of establishments interviewed are given in Table 1. Drug and proprietary stores, apparel and accessories stores, and automotive stores accounted for over fifty percent of the establishments in the central business district. The largest single group is the drug and proprietary store type. The smallest single group is the lumber, building materials, hardware, farm equipment dealers type.[1]

TABLE 1

TYPE OF ESTABLISHMENTS SURVEYED

Type	Number
1. General Merchandise	10
2. Apparel, Accessories Store	14
3. Furniture, Home Furnishings, Appliance Dealers	10
4. Automotive Store	12
5. Food	8
6. Lumber, Building Materials, Hardware, Farm Equipment Dealers	4
7. Drug and Proprietary Stores	25
8. Eating, Drinking Places	6
9. Gasoline Service Station	9
Total	98

Source: Question 1 of Retailer Survey.

[1] The noninterviewers would not materially affect these rankings. It should be noted that four of the eleven noninterviewers would be included in the eating, drinking place group.

Location, Tenure, and Ownership of Stores Surveyed

Table 2 indicates that over seventy-five percent of the stores surveyed are adjacent to Lincoln Avenue with the remainder spread throughout the central business district. Such a concentration is probably a function of the elongated central business district (East to West) and the recognition of Lincoln Avenue as the "main street" of Fergus Falls.

TABLE 2

LOCATION OF STORES SURVEYED

Location	Number	Percent
On Lincoln Avenue	74	75.5
In Downtown, but not on Lincoln Avenue	24	24.5
Total	98	100.0

Source: Question 2 of Retailer Survey.

A breakdown of store tenure at the present location is given in Table 3. The category of eight years or less was arbitrarily chosen to determine the influence of the 1962 Interstate 94 By-Pass. The survey indicates that a significant percent of the stores are recent openings (47%). Even though some of the stores may have merely moved to new locations in the city, the opening of new stores could be a result of the increasing effective buying income of Ottertail County[2] or the influence of the freeway, or both.

The ratio of owner occupants to lessees in the business community is very important. Owner occupants have the power to renovate existing facilities at will whereas lessees must adhere to provisions of their lease or ask for owner permission. The proximity of lessors influences the rapidity by which changes can be made.

[2]Sales Management, The Survey of Buying Power, 1966-70.

TABLE 3

LENGTH OF TIME AT PRESENT LOCATION

Number of Years	Number
0-8	46
9-17	23
18-26	9
27-35	14
36 or more	6
Total	98

Source: Question 3 on Retailer Survey.

The percentage of owner occupants versus lessees appears in Table 4. Sixty-six retailers noted they lease their space. However, seventy-eight percent of the lessees maintained that the owner lived within the immediate area of Fergus Falls. The greatest prevalence of absentee ownership is in the gasoline service station group.

TABLE 4

OCCUPANT OWN/LEASE PRESENT SPACE

Type	Number		Percent	
Own		32		32.7
Lease:		66		67.3
Owner lives in immediate area	52		78.8	
Owner lives outside of immediate area	14		21.2	
Total	66	98	100.0	100.0

Source: Question 4 on Retailer Survey.

Store Improvements and Parking

The retailers of Fergus Falls have been aggressive in improving both the front and interiors of their stores. Improvements to the rear of their stores have not been as rapid. Yet, because of the recent upsurge of off-street parking in the rear of many stores adjacent to Lincoln Avenue, many stores have undergone improvements as shown in Table 5.

TABLE 5

STORE IMPROVEMENTS

Years Since Last Improvement of $1,000.00 or More	Number of Years	Number of Establishments	Percent
To Front of Establishment	0-3	13	30
	4-6	13	30
	7-9	7	17
	10-12	4	9
	13 or more	6	14
Total		43	100
To Rear of Establishment	0-3	11	36
	4-6	5	16
	7-9	4	13
	10-12	6	19
	13 or more	5	16
Total		31	100
To Inside of Establishment	0-3	31	62
	4-6	11	22
	7-9	6	12
	10-12	1	2
	13 or more	1	2
Total		50	100

Source: Questions 16, 17, and 18 on Retailer Survey.

The table indicates that retailers are aware of the appearance of their stores. The reference to variety and pleasant shopping surroundings by many retailers reflects a continual desire for change, particularly in interior improvements. Furthermore, the recent improvements to the rear of many stores illustrates the recognition of off-street parking as a potential source of additional customers and greater sales.

The use of parking spaces by downtown employees reduces the number available for potential customers. A more salient consideration is the length of usage of employees as opposed to customers. Frequently, employee parking precludes the use of a space for an entire day whereas one space may be used by several customers during the course of a single day. Presumably, the greater use of parking spaces by employees would create an urgent need for more parking spaces.

Table 6 illustrates the parking habits of downtown employees. The survey noted that 920 persons are employed in the business district by the firms included in the survey. Of this number, 366 (40%) use parking spaces available for customers. Since there are 751 available parking spaces, employees use approximately forty-nine percent of the total.

TABLE 6

EMPLOYEE PARKING

Total Employees		Use Metered Parking Facilities		Use Non-Metered Parking Facilities		Use Neither Type	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
920	100	166	18	200	22	554	60

Total Parking Spaces Available: 751

Source: Question 5 on Retailer Survey.

Such a volume of employee parking creates an acute parking problem for the shopper in Fergus Falls. Parking problems usually result in lost sales and customer anxiety -- neither of which is beneficial to the retailer and to the city in general.

Retailer Evaluation of Fergus Falls

This section summarizes retailer comments concerning the general retail community and individual store operations. Retailer attitudes toward the downtown area and the commercial strengths and weaknesses of the city and individual firms are discussed.

Retailer Attitudes Toward the Downtown Area

Crucial to any study of a downtown area are the retailers' perceptions of the commercial district. Much of the success or failure, growth or stagnation of Fergus Falls depends upon retailer attitudes. The degree to which the retailers believe that specified downtown characteristics are favorable is shown in Table 7.

As a generalization, the retailers believe that the business district presents a pleasant and well-established shopping atmosphere. Window displays, variety of stores, and store interiors received the highest acclaim from the retailers. The retailers believe that littering and retail credit terms, though acceptable, need improvement.

The response to the use of outdoor commercial advertising illustrates the retailers' opinion that its present form detracts from the otherwise favorable image of the business district. Whether the reason for the negative image of outdoor advertising is (1) its use as a promotional device, (2) the construction of the signs, or (3) the maintenance of the signs is

TABLE 7

IMAGE OF DOWNTOWN AREA

Characteristic	Number of Responses	Image (In Percent) Very Unfavorable	Unfavorable	No Opinion	Favorable	Very Favorable	Total
1. Compatibility of Stores in Downtown Area	56	5	4	14	64	13	100
2. Window Displays	57	3	4	4	84	5	100
3. Credit Terms	56	0	5	25	63	7	100
4. Shopping Hours	55	0	15	3	71	11	100
5. Variety of Stores	57	0	7	4	61	28	100
6. Exterior Appearance of Stores	55	2	9	5	71	13	100
7. Interior Appearance of Stores	56	0	7	2	84	7	100
8. Outdoor Commercial Advertising	57	0	26	28	42	4	100
9. Littering	57	10	12	18	51	9	100
10. Street Lighting	57	5	9	2	56	28	100

Source: Question 19 on Retailer Survey.

not known. However, since this characteristic is regarded much less favorably than the others, it deserves further consideration.

Commercial Strengths

To determine the favorability of Fergus Falls as a commercial center, the retailers were asked to express their views on the commercial strengths of the city. These strengths, ranked by the number of responses, are listed in Table 8.

TABLE 8

MAJOR COMMERCIAL STRENGTHS OF FERGUS FALLS

Strengths	Times Noted*
1. Downtown Area (layout, shopping convenience, merchandise and store variety)	44
2. Location (highway and other transportation facilities, farming community, recreation)	42
3. Atmosphere of City (physical and moral attributes, friendliness)	32
4. Educational Facilities	22
5. Ottertail Power	22
6. Present Industrial Development	20
7. Medical Facilities	15
8. Well Established and Stable Businesses	13
9. Available Services (city, county, professional)	9
10. Chamber of Commerce	5

Total Respondents: 96

*Column total is greater than number of respondents because of multiple responses.

Source: Question 8 on Retailer Survey.

Almost every retailer interviewed (96) mentioned at least one favorable aspect of the city. Nearly one-half of the retailers stated that the downtown area itself -- the layout, shopping convenience, and merchandise and store variety -- is the major commercial strength of Fergus Falls. The city's proximity to and availability of transportation arteries and facilities is recognized as the second most favorable aspect. The partly intangible factor

factor of city atmosphere is regarded as an asset by one-third of the retailers.

The diversity of noteworthy strengths must be recognized as an asset in itself. The well-rounded character of Fergus Falls could be the underlying commercial quality. A more definitive statement of the city's resources and facilities appears in the "Fergus Falls Community Profile."[3]

Commercial Weaknesses

Retailers' statements concerning the commercial weaknesses and possible solutions are summarized and ranked in Table 9. Complacency and disagreement between businesses was mentioned by approximately one-third of the retailers. Suggested remedies include greater retailing education, public relations between firms, and cooperative advertising. Lack of industry and parking space and fees were also mentioned as weaknesses of the city.

In general, parking and traffic problems, industrial development and its promotion, and complacent businessmen and city officials appear to be the roots of Fergus Falls' commercial weaknesses. Yet, only twenty-nine retailers offered solutions to these problems. Most remedies proposed are standard solutions. However, in most instances, the retailers asked for greater aggressiveness on the part of individuals or groups who have the power to effect changes, eg., city officials, and the Chamber of Commerce.

It should be noted that because of the limited response concerning solutions, only limited conclusions can be drawn. In such situations the only remedies presented are those given by the retailers who took the time to suggest specific feasible actions. Therefore, it is recommended that further research into these weaknesses should be conducted to gather a more complete cross-section of opinion.

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[3]Minnesota Department of Economic Development, "Fergus Falls Community Profile," August, 1970.

TABLE 9

COMMERCIAL WEAKNESSES OF FERGUS FALLS AND SUGGESTED SOLUTIONS

Weakness	Times Noted*	Suggested Solutions	Times Noted*
1. Complacency and Disagreement Among Businesses	28	Educate Businesses in Retailing	3
		Improve Public Relations Between Businesses	2
		Cooperative Advertising	2
2. Lack of Industry	24	Improvement of Industrial Parks	2
		More City Promotion	3
		More Available Housing	2
3. Parking (Space and Fees)	24	Ramps	2
		Purchase of More Land	2
		Move Away from Main Street and Reducation of Fees and Fines	1
4. Lack of Evening Entertainment (Eating) Facilities, Restaurants, and Liquor Establishments	15	Update Liquor Zoning	2
5. Lack of City Promotion	11	Chamber of Commerce Should Increase City-Wide Promotion	2
6. Traffic Control and Transportation Facilities Available	7	Air Transportation	1
		One-Way Streets	1
7. Poor, Unfair Zoning Procedures	6	Consistent Policy by City Fathers	2
8. Maintenance of Parking Areas and Streets	6	Better City Planning	2
9. Low Wage Scales	5	Involvement by Chamber of Commerce	1
Number of Respondents: 83		Number of Respondents: 29	

*Column totals are greater than the number of respondents because of multiple responses.

Source: Questions 9 and 10 on Retailer Survey.

Store Needs and Proposed Solutions

The questions concerning individual store problems and solutions solicited limited response from the retailers. Three conditions could have caused such a response: (1) the retailers actually have very few problems; (2) the retailers were hesitant to discuss this issue with the interviewer; or (3) the retailers have never given the matter much constructive thought. Considering the results presented in Table 9, the third condition appears to be the most plausible and disturbing.

Fifty percent of the retailers interviewed believed that their establishment had problems. Business space, additional sales, and parking are the critical issues. Individual problems and proposed solutions are presented in Table 10.

TABLE 10

MAJOR BUSINESS PROBLEMS AND SUGGESTED SOLUTIONS

Problem	Times Noted*	Suggested Solution	Times Noted*
1. More Business Space	26	Addition to Present Space Through Remodeling	2
		Move	2
2. More Sales and Younger Customers	12	More Promotion	4
		Better Advertising Outlets	1
3. Additional Parking in Rear of Establishment	10	None	None
4. Remodeling	6	None	None
5. City Ordinances, Codes, and Taxes	4	Greater Cooperation Between City and Businesses	2
6. Location in City	4	None	None
Total Respondents: 49		Total Respondents: 11	

*Column total is greater than number of respondents because of multiple responses.
Source: Questions 11 and 12 in Retailer Survey.

The problem of sales deserve further consideration since retail sales in Ottertail County have been declining over the last several years. Table 11 illustrates this trend.

TABLE 11

EFFECTIVE BUYING INCOME AND RETAIL SALES OF OTTERTAIL COUNTY

Year	Effective Buying Income ($000)	Total Retail Sales ($000)
1966	85,775	55,664
1967	92,101	59,713
1968	98,320	62,696
1969	104,931	58,414

Source: Sales Management, The Survey of Buying Power, 1967-1970.

Since Fergus Falls has in the past captured about fifty percent of the total retail sales of Ottertail County,[4] the decline is critical to the welfare of the city. Equally important is the relation between Effective Buying Income and Total Retail Sales of Ottertail County. It appears that potential customers are shopping outside of the county for goods and services rather than patronizing in-county retailers, and more specifically, Fergus Falls. It is conceivable that Fergus Falls has been capturing a larger percentage of the county's retail sales in recent years. Yet, as of 1967, Fergus Falls retailers sold 47.8 percent of the value of retail sales in Ottertail County.[5]

[4]Robert J. Holloway and Marcus Alexis, "Minnesota's Retail Trade," Business Report No. 7 (Graduate School of Business Administration, University of Minnesota, 1966).

[5]Glenn A. Matson, "Fergus Falls, Minnesota Trade Area Survey" (speech before the Fergus Falls businessmen, November 17, 1969).

Definition of Retail Structure

Because of the proprietary nature of certain information and because of its greater significance when presented on an aggregate basis, the following tables are constructed according to types of goods and services offered to consumers. Each of the store types is placed in a larger category as shown in Table 12.

TABLE 12

CLASSIFICATION OF ESTABLISHMENTS BY CONSUMER PRODUCT/SERVICE CATEGORIES

Category	Establishments Included
Primary Shoppers Goods	• General Merchandise • Apparel, Accessories Store
Secondary Shoppers Goods	• Furniture, Home Furnishings, Appliance Dealers • Automotive Stores
Convenience Goods	• Food • Lumber, Building Materials, Farm Equipment Dealers • Drug and Proprietary Stores
Other Goods and Services	• Eating, Drinking Places • Gasoline Service Stations

Source: Retail Location Analysis Manual, Real Estate Research Corporation (Chicago, Illinois) July, 1967.

Space Allocation

Table 13 illustrates the total amount of space in each category and the amount allocated for selling and non-selling functions. Secondary Shoppers Goods stores account for the largest individual amount of square feet; space devoted to Other Goods and Services accounts for the smallest share.[6]

[6]The figure presented would conceivably be larger if noninterviewers had been included in the Other Goods and Services category. See footnote 1.

However, stores in this category devote the greatest share of their space to selling.

TABLE 13

SPACE DEVOTED TO SELLING/NON-SELLING
BY CONSUMER PRODUCT/SERVICE CATEGORIES

Category	Total Number of Square Feet	Percent Selling Space	Percent Non-Selling Space
1. Primary Shoppers Goods	196,540	68.6	31.4
2. Secondary Shoppers Goods	283,910	60.8	39.2
3. Convenience Goods	194,375	55.2	44.8
4. Other Goods and Services	88,070	80.5	19.5
Total	762,895	63.7	38.3

Source: Questions 6 and 7 on Retailer Survey.

Category Sales

Because of the limited number of establishments in several of the store types, sales totals are presented by category to prevent undue disclosure. Sales for each category appear in Table 14. The combined sales of Primary Shoppers Goods and Secondary Shoppers Goods account for sixty-eight percent of the total. Yet these categories include only forty-seven percent of the stores in Fergus Falls.

TABLE 14

1969 DOLLAR SALES (PLUS OR MINUS 10 PERCENT),
BY CATEGORY OF CONSUMER PRODUCT OR SERVICE

Category	Number of Establishments	Total Sales
Primary Shoppers Goods	24	$4,267,000
Secondary Shoppers Goods	22	8,879,000
Convenience Goods	37	5,856,000
Other Goods and Services	15	300,000
Total	98	$19,302,000

Source: Question 14 on Retailer Survey.

Stores in these two categories also accounted for the largest percentage increase in sales since 1962. Table 15 presents a categorical breakdown.

TABLE 15

SALES MOVEMENT BY CONSUMER
PRODUCT/SERVICE CATEGORY SINCE 1962

Category	Average Movement
Primary Shoppers Goods	+36.5%
Secondary Shoppers Goods	+53.8%
Convenience Goods	+19.4%
Other Goods and Services	+15.0%

Source: Question 15 on Retailer Survey.

By definition, only stores that were in operation in 1962 are included in the table. This year was chosen to indirectly determine the effect of the Interstate 94 By-Pass. It appears that the "shoppers goods" stores have profited the most; Eating and Drinking Places and Gasoline Service Stations (traffic-sensitive establishments) have profited the least. Furthermore, during the last eight years, thirty-nine percent of the recently located stores have been members of the "shoppers goods" category.

These findings illustrate that Fergus Falls is primarily a "shoppers goods" retail area. Because of this characteristic, two important considerations result. First, because of the predominant type of merchandise sold in this category, customer shopping behavior must be considered. These types of goods are purchased infrequently and only after considerable searching and comparison. Therefore, the downtown area must facilitate pedestrian traffic to allow for leisure and unencumbered shopping. A pleasant shopping atmosphere free from undue pressure is necessary.

Second, the proximity of parking spaces to the central business district and their number are crucial to Fergus Falls. Again, the characteristic shopping behavior for the type of goods in this category involves longer shopping time and greater distances traveled for their purchase. Thus, space turnover is reduced and greater dependence on automobile usage is evident. These factors coupled with the problem of proximity to the shopping district create problems which must be solved.

Store Expansion Possibilities

To determine the future business space needs of individual retailers and the most likely location, each retailer was asked to specify the proposed space and likelihood of an increase. Table 16 summarizes the results.

TABLE 16

INDIVIDUAL STORE EXPANSION POSSIBILITIES TO 1974

(Number of Stores Responding in Parentheses)

	Total Number of Square Feet			Total
Likelihood of Occurance:	50%	75%	Indefinite	
On Lincoln Avenue	2200 (3)	8000 (3)	1500 (1)	11,700 (7)
Not on Lincoln Avenue	--	3700 (2)	--	3,700 (2)
Don't Know	3500 (1)	23500 (3)	--	27,000 (4)
Total	5700 (4)	35200 (8)	1500 (1)	42,400 (13)

Source: Question 20 on Retailer Survey.

By 1974, 42,400 square feet of additional space will be needed. Of this figure, eight retailers speculated that they were reasonably sure (75% certain) they would need 35,200 square feet of additional space. However, the location for this space was essentially undetermined at the time of this survey. For city planning purposes, a follow-up study is recommended. By doing so, nonutilized space in the downtown area may be made attractive for possible expansion or space outside of the present business district may be reviewed as an expansion possibility. Nason, Wehrman, Knight, and Chapman, Inc., have presented a preliminary land use plan for such expansion.[7]

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[7] Preliminary Land Use Plan: Updating and Extension, August 1970.

5. LIMITATIONS OF STUDY

Two limitations, both of which place constraints on generalizations that may be drawn from the findings, are evident in this study.

First, by design, only retailers' responses are incorporated into the survey. Though their opinions are strategic to the development of a community improvement program, the opinions of other members of the business community are important and must be considered. This was not accomplished. Consequently, this study summarizes only the responses given by the retailers and does not purport to represent the sentiments of all Fergus Falls businessmen.

Second, the limited response to certain crucial questions included in the self-administered questionnaire make the corresponding results inconclusive. Rather, except where opinion was nearly unanimous, the responses should be reviewed in their proper perspective.

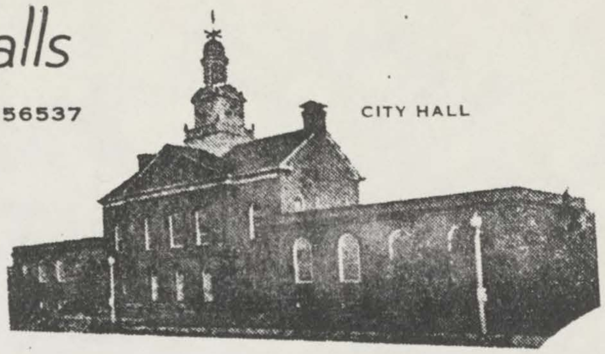
APPENDIX A

INTRODUCTORY LETTER AND QUESTIONNAIRES

City of Fergus Falls

FERGUS FALLS, MINNESOTA 56537

OFFICE OF THE MAYOR



CITY HALL

November 16, 1970

Merchants of Fergus Falls
Fergus Falls, Minnesota

Gentlemen:

A general study of the downtown business district is now in progress. The purpose of the study is to answer the question "What can be done to attract more consumers to Fergus Falls and to retain those customers that now shop in the City?" It is hoped that the results of the study will determine what specific actions should be taken to stimulate retail trade.

This study is under the direct supervision of a sub-committee of the Planning Commission. The sub-committee consists of three members of the Planning Commission and four downtown retailers chosen by the retail committee of the Chamber of Commerce. The Fergus Falls City Council is supporting this program and it is endorsed by the retail committee of the Chamber of Commerce.

Several surveys will be taken in the development of the study. One survey will be conducted through interviews with all downtown retailers. Mr. Paul Wilke will conduct the interviews. We need your comments and views of the downtown business district and hope that you can spend twenty to thirty minutes with Mr. Wilke. He will be contacting you soon for an appointment.

Yours very truly,

K W Wenino

K. W. Wenino, Mayor
City of Fergus Falls

KWW/jl

Retail Survey - - Part I

K.P. C. Interviewer: Only recite those portions underlined.

4 1. Type of establishment (to be filled in by interviewer):

1) ____ General Merchandise
2) ____ Apparel, accessories store
3) ____ Furniture, home furnishings, appliance dealers
4) ____ Automotive store
5) ____ Food
6) ____ Lumber, building materials, hardware, farm equipment dealers
7) ____ Drug
8) ____ Eating, drinking places
9) ____ Gasoline service station

5 2. Location of establishment (to be filled in by interviewer):

1) ____ On Lincoln Avenue
2) ____ Not on Lincoln Avenue, but in downtown area

6-7 3. How long have you been at this location? ____ yrs.

8 4. Do you own or lease your present space?

1) _____ own 2) _____ lease

9 If leased: Does the owner live in the immediate area?

1) ____ yes 2) ____ No

10-11 5. How many employees do you have? _____

12-13 ____ How many use the metered parking facilities available?

14-15 ____ How many use the non-metered parking facilities available?

16-20 6. How many square feet of selling area do you have? _____

21-25 7. How many square feet of non-selling area do you have? _____

K.P. C.

26-27 8. What do you feel are the major commercial strengths of Fergus Falls? (Place one strength on each line.)

1. ______

2. ______

3. ______

4. ______

5. ______

6. ______

28-29 9. What do you feel are the major commercial weaknesses of Fergus Falls?

1. ______

2. ______

3. ______

4. ______

5. ______

6. ______

30-31 10. What do you believe may be solutions to these weaknesses? (Refer back to each weakness separately and write the proposed solution on the line corresponding to the weakness.)

1. ______

2. ______

3. ______

4. ______

5. ______

6. ______

K.P. C.

32-33 11. What do you feel are the major business needs of your firm? (Place one need on each line.)

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________

34-35 12. How would you go about solving these problems? (Refer back to each need separately and write the proposed solution on the line corresponding to the need.)

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________

Retailer Survey - Part II

Please answer all of the questions below. Your answers will be grouped in such a way as to preserve your anonymity. Thank you very much.

K.P. C.

36 13. Type of establishment:

1) _____ General Merchandise

2) _____ Apparel, accessories store

3) _____ Furniture, home furnishings, appliance dealers

4) _____ Automotive store

5) _____ Food

6) _____ Lumber, building materials, hardware, farm equipment dealers

7) _____ Drug

8) _____ Eating, drinking place

9) _____ Gasoline service station

37-39 14. Within 10%, what were your dollar sales in 1969?___________________

40

41-43 15. Since 1962, my sales have( )increased, ( )decreased by________%.

44-45 16. The last external improvement to the <u>front</u> of my establishment of $1,000.00 or more was completed___________years ago.

46-47 17. The last external improvement to the <u>rear</u> of my establishment of $1,000.00 or more was completed _______ years ago.

48-49 18. The last internal improvement to my establishment of $1,000 or more was completed _______years ago.

Characteristics of Downtown Area

K.P. C. 19. Please mark with a check ( ) that box which describes most closely your attitude toward each characteristic. For example, if you feel that the stores adjacent to one another are very incompatible, you would check the box "Very Unfavorable."

	General Characteristics of Downtown Area	Very Unfavorable	Unfavor-able	No Opinion	Favor-able	Very Favorable
50	1. Compatability of stores in downtown area	☐	☐	☐	☐	☐
51	2. Window Displays	☐	☐	☐	☐	☐
52	3. Credit Terms	☐	☐	☐	☐	☐
53	4. Shopping Hours	☐	☐	☐	☐	☐
54	5. Variety of Stores	☐	☐	☐	☐	☐
55	6. Exterior appearance of Stores	☐	☐	☐	☐	☐
56	7. Internal appearance of Stores	☐	☐	☐	☐	☐
57	8. Outdoor commercial Advertising	☐	☐	☐	☐	☐
58	9. Littering	☐	☐	☐	☐	☐
59	10. Street Lighting	☐	☐	☐	☐	☐

60 20. What is the likelihood of your firm's increasing the physical space in the next three years?

The chances are:

☐ No chance

☐ One in four

☐ Two in four

☐ Three in four

☐ Indefinite

K.P.	C.		
61-63		20(a)	If your answer was two in four or greater, how many square feet would you need?
			____________square feet.
64		20(b)	The increase in space would be:

☐ On Lincoln Avenue

☐ Not on Lincoln Avenue

☐ Don't Know

☐ Not Applicable

APPENDIX B

TYPES OF STORES IN EACH STORE CATEGORY

Lumber, Building Materials, Hardware, Farm Equipment Dealers

Lumber yards
Building materials dealers
Heating, plumbing equipment dealers
Paint, glass, wallpaper stores
Electrical supply stores
Hardware stores
Farm equipment dealers

General Merchandise Stores

Department stores
Limited price variety stores
General merchandise stores
Dry goods stores
Sewing, needlework stores

Food Stores

Grocery stores, including delicatessens
Meat markets
Fish (seafood) markets
Fruit stores, vegetable markets
Candy, nut, confectionery stores
Dairy products stores
Retail bakeries, manufacturing
Egg and poultry dealers

Automotive Dealers

Passenger car dealers, franchised
Passenger car dealers, nonfranchised
Tire, battery, accessory dealers
Home and auto supply stores
Aircraft, motorcycle dealers
Household trailer dealers
Boat dealers
Other automotive dealers

Gasoline Service Stations

Apparel and Accessories Stores

Men's, boys' clothing and furnishings stores
Custom tailors
Women's ready-to-wear stores
Bridal shops
Maternity shops
Millinery stores
Corset, lingerie stores
Hosiery stores
Apparel, accessory, other specialty stores
Furriers, fur shops
Children's, infants' wear stores
Family clothing stores

Apparel and Accessories Stores (continued)

Men's shoe stores
Women's shoe stores
Children's, juveniles' shoe stores
Family shoe stores
Miscellaneous apparel, accessory stores

Furniture, Home Furnishings, and Equipment Stores

Furniture stores
Floor coverings stores
Drapery, curtain, upholstery stores
China, glassware, metalware stores
Miscellaneous home furnishings stores
Household appliance stores
Radio and television stores
Record shops
Musical instrument stores

Eating and Drinking Places

Restaurants, lunchrooms
Cafeterias
Refreshment places
Caterers
Drinking places (alcoholic beverages)

Drug Stores and Proprietary Stores

Drug stores
Proprietary stores
Liquor stores, also government-operated liquor stores
Antique stores
Secondhand stores
Book stores
Stationery stores
Sporting goods stores
Bicycle shops
Hay, grain, feed stores
Other farm supply stores
Garden supply stores
Jewelry stores
Coal and wood dealers
Ice dealers
Fuel oil dealers
Liquefied petroleum
Florists
Cigar stores, stands
News dealers, newsstands
Camera, photographic supply stores
Gift, novelty, souvenir shops
Optical goods stores
Typewriter stores
Luggage, leather goods stores
Hobby, toy, game shops
Religious goods stores
Pet shops

Source: Census of Business, 1967

Fergus Falls: As the Retailers' See It. Kerin.

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CURA/ SCHOOL OF BUS. ADM. REPORTS

Fergus Falls: As the Retailers' See It. Kerin.

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