

2018 SHOP SMALL RESULTS

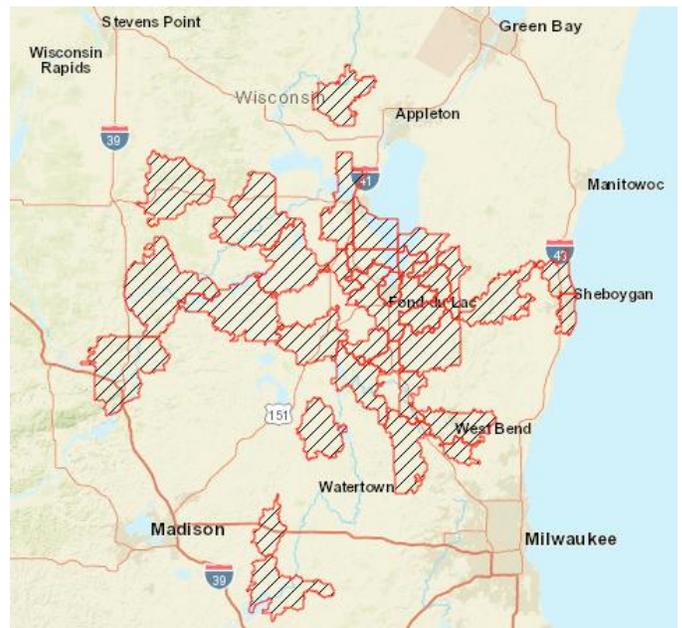
The Downtown Fond du Lac Partnership hosted its 5th annual shop small event during the 2018 holiday season. The program awards a \$500 gift certificate to one local shopper making purchases downtown between November 1 and December 31st. Each \$10 in spending generates an additional entry into the sweepstakes (a no purchase option is available). In total, 166 individuals participated in the event in 2018, similar to 2017 and more than double the participants in the inaugural 2014 holiday season. In sum, nearly \$39,000 in customer spending was tracked as part of the sweepstakes offer. This represents the second year of decline in total spending (22% decrease over 2017), but still represents a substantial increase over the first year of the program when less than \$25,000 was recorded.

VISITOR PROFILE

Of the 166 individuals who submitted an entry by shopping downtown, 73 percent are from Fond du Lac or immediately surrounding communities, 18 percent are from the slightly larger trade area, or within approximately 30 minutes from Fond du Lac, and the remaining participants were primarily split between other Wisconsin markets including Appleton, Madison or Milwaukee. The actual geographic distribution of participants by zip code is illustrated in the map at right. This represents a slight shift toward area shoppers rather than Fond du Lac locals.

Visitors were most likely to shop on Saturdays (28% of all spending), with Friday a close second at 22% of sales. Tuesday through Thursday ranged from 11-16 percent, Sundays 1% and Mondays 8%.

Just over 12 percent of spending happened on Shop Small Saturday, a 4% increase from previous years. In contrast, 13 percent of all spending happened in the week leading up to Christmas (December 17th through the 22nd).



BUSINESS PROFILE

Participants spent money at 53 total businesses, down slightly last year. Spending was also more concentrated, with six businesses comprising more than half of submitted spending. It should be noted that each of these businesses heavily promoted the contest, likely influencing the rate of participation by their customers. However, 40% of businesses did have five or more customers submit entries.

Of the 53 downtown businesses, 30 (57%) were retail businesses, 8 represented primarily service establishments, and 9 were restaurants, a very similar breakdown to last year. However, retail spending was significantly more prevalent in 2018, representing 93 percent of all reported sales, versus only 3 percent for services and 3 percent for restaurants.

The average spending generated per business by the program was \$746, down \$200 from last year, with retailers receiving an average of \$1,206 each over the two-month period, versus the \$141 spent at each participating restaurant, and \$123 per entertainment or service businesses. On a per-person, per-visit basis, this equates to \$20 at restaurants, \$112 at retailers and \$71 at entertainment and service businesses.

SPENDING HABITS

Spending was skewed toward earlier in the season than in prior years, largely driven by the strong showing on Shop Small Saturday. Overall, November sales represented 58 percent of the total. From a geographic perspective, the average per person spending was highest for shoppers visiting from other metro areas (average of \$205), followed by local customers (average of \$95 in total spending), with customers from the extended trade area spending the least during the season with \$77 in average total spending.

The average participant submitted 23 entries into the sweepstakes, slightly fewer than last year. Just under half (45%) submitted 10 or fewer entries (\$100 or less), while 6 individuals (4%) spent more than \$1,000 in tracked receipts (100 or more entries).

TRENDS

With a continued decrease in total spending associated with the program over the past year, it is useful to compare which customers or spending habits changed. As shown in the bullets below, over the past two years, average spending per person has declined steadily. While last year this decrease was in keeping with national trends, small business spending set a record high in 2018. It is encouraging that retail consumers represented the most frequent contest entrants, as they are the primary focus of the holiday shopping season. Similarly, the high per person spending totals from out of town shoppers is positive for the district. However, there are clearly opportunities to coordinate with other types of businesses to promote entertainment and dining outings in the holiday season, and/or to emphasize gifts of services or entertainment as relevant gifting options.

- Total spending declined 22%. Nationally, Shop Small Saturday hit record levels, increasing by 38% over 2017.
- The total number of participating customers was down 6%.
- Average spending per customer was 20 percent lower in 2018 at \$235 per person.
- Visitors from the surrounding area increased as a share of the total, introducing more shoppers with greater potential to visit frequently to the district.
- Saturday spending (and shop small Saturday in particular) continued to grow, presenting opportunities to offer additional marketing/programming and retail options to cater to weekend visitors.