



Market Analysis

July 2017

By the Veridus Group in partnership with SLE Analytics



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Yorktown Town Council

- Robert Ratchford – Vice President
- Michael Burke
- Bryan Smith
- Rick Glaub
- Daniel Flanagan
- Rich Lee - President
- Lon Fox

Steering Committee

- Chris Day
- Erin Hill
- Heather Taylor
- Keith Gary
- Pete Olson
- Rich Lee
- Todd Blevins

Yorktown Redevelopment Commission

- Jason Brooks - President
- Patti Decker - Secretary
- Keith Gary
- Brad Bookout
- Matt Anderson
- Ted Johnson - School appointment

Executive Summary

In an effort to leverage the community's strong quality of life and place assets, the Town of Yorktown engaged the Veridus Group and SLE Analytics to conduct a market analysis to determine demand and identify the most likely industries for business recruitment opportunities in downtown Yorktown. Yorktown's staff, elected officials, and stakeholders can utilize the data and recommendations for increased marketing efforts to retail consultants, site selectors, and companies directly. The methodology for this market analysis includes the following:

- Environmental scan
- Stakeholder interviews and focus groups with business leaders and property owners
- National market trend research
- Industry and market gap analysis
- Market profiles on peer and aspirational communities
- Recommendations on target markets and marketing strategies

Out of this process, the following target industries were identified:

- **Upscale Marketplace**
 - Includes the following industries:
 - 4451 Grocery Stores
 - 4452 Specialty Food Stores
 - 4453 Beer Wine and Liquor Stores
 - **Rationale:** High retail leakage in Yorktown; Significant regional employment; Stakeholder input
- **High-End Restaurants and Coffee Shop/Bakeries**
 - Includes the following industries: 7225 Restaurants and Other Eating Places
 - **Rationale:** High retail leakage in Yorktown; High regional employment; Projected job growth; Stakeholder input
- **General Stores**
 - Includes the following industries: 4529 Other General Merchandise Stores
 - **Rationale:** High retail leakage in Yorktown and the region; High regional employment; Projected job growth; Uniquely concentrated in the region
- **Clothing Boutiques**
 - Includes the following industries: 4481 Clothing Stores
 - **Rationale:** Moderate to high retail leakage in Yorktown and the region; High retail leakage of competing industries
- **Sports/Recreation/Hobby Retail**
 - Includes the following industries:
 - 4511 Sporting Goods, Hobby, and Musical Instrument Stores
 - 611620 Sports and Recreation Instruction
 - 713940 Fitness and Recreational Sports Centers
 - 711120 Dance Companies
 - **Rationale:** Moderate retail leakage in Yorktown; Projected job growth; Uniquely concentrated in the region; High competitive effect; Stakeholder input

Summary of Recommendations

Upscale Marketplace

Yorktown has a high demand for Grocery Stores that is not being met locally. The region as a whole is saturated, so it is unlikely that shoppers outside of Yorktown, including nearby residents in Daleville and Muncie, will come to Yorktown for groceries. Comparable communities like Fortville are able to sustain a small local grocery store, despite having other grocery store options in nearby towns. This suggests that a small grocery store could be sustained by the local Yorktown market.

Yorktown and the surrounding region also have some modest demand for Specialty Food Stores and Beer, Wine and Liquor Stores.

High-End Restaurants and Coffee Shop/Bakeries

Yorktown's downtown area would benefit from a few additional restaurants-- as long as they provide alternative options from the current amenities. For example, Yorktown could explore cafés and bakeries, restaurants that specialize in breakfast, delis, brew pubs with a rotating tap of beers, and restaurants with different price points. Every day, over 5,000 vehicles pass through Downtown Yorktown and over 3,000 people come into Yorktown for work. These commuters comprise a strong daytime market opportunity for a place with coffee and breakfast in the morning; a nice, affordable place to eat lunch with co-workers; or a place that makes sandwiches for takeout.

General Stores

Yorktown is similar to its aspirational market, Fortville, in that each have one Dollar General store, suggesting that one such store is the limit for towns of their size. Although the market gap analysis shows consumers in both Yorktown and the surrounding region are leaving the area to spend significant amounts of money at General Stores, they are likely doing so at Warehouse Clubs and Supercenters like Walmart and Meijer.

Because Yorktown has a similar concentration of General Stores per capita as its aspirational market, it is recommended for Yorktown to consider Grocery Stores that also carry some non-food items versus adding another small general store.

Clothing Boutiques

When Yorktown residents spend their retail dollars outside of Yorktown, they spend the greatest amount of money at Department Stores. This is relevant, because Department Stores (and online retail) are the largest competitors of the Clothing Store industry group, and one of the main reasons Men's, Women's and Children's Clothing Stores, as a whole, are expected to continue to experience negative growth over the next five years.¹ Additionally, Yorktown has a higher concentration of Clothing Stores, with Lois Pearl Designs and Two Friends Boutique than its aspirational market, Fortville.

However, the retail gap for Clothing Stores for Yorktown is high, suggesting that residents still value specific Clothing Stores enough to travel to places like Exit 210 in order to find distinct and quality fashions that are not available at major department stores.

Adding an additional clothing store to Yorktown's downtown area would risk oversaturating the local market, and may not be able to compete with the variety of options available at Exit 210. However, if

¹ Source: IBISWorld

Yorktown wanted to pursue a small Clothing Store, it would be advised to choose something that caters to the local population's interests.

Sports/Recreation/Hobby Retail

Sports and recreation industries are important to Yorktown. Compared to its aspirational markets, Yorktown has almost three times more sports and recreation industry establishments per capita than Fortville, and almost the same concentration as Noblesville.

While Sports and Recreation Instruction is strong, there is unmet demand in Yorktown for Sporting Goods Stores, although the surrounding region has a surplus. Aspirational Market, Fortville, has three Sporting Goods Stores in its downtown area. Yorktown may be able to sustain one or two specialty Sporting Goods Stores. The challenge will be specifically identifying what types of Sporting Goods Stores would thrive in Yorktown based on the tastes and interests of the population.

Yorktown may additionally want to consider further diversifying its sports and recreation cluster by pursuing recreation facilities not directly linked to traditional high school sports, but those which bring in consumers from the greater region. Examples would include Gymnastics facilities or Climbing facilities, which can bring in families and enthusiasts, and provide job opportunities for certified trainers and instructors.

Introduction

The Town of Yorktown engaged the Veridus Group and SLE Analytics to conduct a market analysis to determine demand and identify the most likely industries for business recruitment opportunities in downtown Yorktown. Based on the successfully implemented recommendations of the 2014 Downtown Action Agenda, this report showcases the town's dedication and leadership to enhancing the downtown as a prime destination for residents and visitors alike.

Furthermore, the market analysis is just one initiative being implemented from the Town's Downtown Redevelopment Plan completed in the Fall of 2016.² Additional initiatives include a Business Retention and Expansion program (BRE); marketing collateral for companies, investors, and site selectors; roundtable discussions with developers and entrepreneurs; and assistance with redevelopment.

The methodology for this market analysis includes the following:

- Environmental scan to understand its economic history, implemented initiatives, and a sense of the community's culture and values
- Stakeholder interviews and focus groups with business leaders and property owners throughout Yorktown
- National market trend research
- Industry and market gap analysis
- Market profiles on peer and aspirational communities
- Recommendations on target markets



Also included in this report are recommendations regarding the marketing strategies for effective communication with retail consultants, site selectors, and companies. This report summarizes the strengths and weaknesses of existing retail recruitment efforts based on an initial evaluation of the Town's overall marketing tactics including the website, on-site visitation programming with site consultants, trade associations, and conferences. It also provides recommendations for increased exposure.

In general, Yorktown's staff, elected officials, and stakeholders can utilize the data and recommendations as a toolkit for attracting new business to its downtown with increased marketing efforts and initiatives.

²Downtown Redevelopment Plan http://www.yorktownindiana.org/eGov/documents/1481742155_57366.pdf

Environmental Scan

An environmental scan was conducted to understand its economic history, implemented initiatives, and a sense of the community's culture and values. A review of news articles and existing, pertinent reports for Yorktown, include the following:

- 2014 Downtown Action Agenda
- 2015 National Citizen Survey
- 2016 Downtown Redevelopment Plan



Differentiators

Yorktown is different from other peer towns working to offer the benefits of a 21st century economy: the downtown has State Road 32 running down the middle of it. SR 32 is an “east–west state highway in central Indiana that crosses the entire state, covering a distance of about 157 miles,” and running nearly parallel to Interstate 74, making the highway a popular alternate route for traffic from parts north and northeast of Indianapolis heading for westbound I-74.³ Pairing the logistical advantages with a modern, vibrant downtown will make Yorktown a destination for those looking to explore on weekends, relocate their family, advance a business or career, or retire in a safe, relaxing community. Perhaps most noticeably, Yorktown offers a great school system, parks, and trails that are attracting many young families and retirees from the greater Muncie and Fishers/Noblesville areas. The Yorktown school system, in particular, is a primary draw for families to the region, with distinguished awards going to Yorktown High School, including:

- 2017 #9 School in Indiana (*U.S. News World Report*)
- 2016 National School District of Character (Character.org)
- 2012 National Blue Ribbon School (U.S. Department of Education)
- A Four-Star School since 2010 (Indiana Department of Education)

These factors, paired with other assets – such as prominent business leaders—means there is a generation of future innovators ready to support and advocate for downtown redevelopment. With the proximity to Ball State University (BSU), Yorktown has a pipeline ready and waiting to help rejuvenate its downtown and stimulate the area's economy.

Furthermore, the town launched several successful initiatives based on the 2014 Downtown Action agenda, 2015 National Citizens Survey, and other priorities driven by the Town Council, Redevelopment Commission, and staff. One of the most significant endeavors the town recently pushed was the sale of the old Town Hall building to create a new Town Hall in the heart of its downtown. The move demonstrates the town's commitment to transformation by moving its town services, staff, and major events to the center of town. Additional staff positions were added to the Town Manager's office to increase capacity, implement strategic initiatives, and boost communication to residents and businesses. Primarily, the goal is to make town staff more accessible to residents, businesses, and visitors alike.

³ State Road 32 https://en.wikipedia.org/wiki/Indiana_State_Road_32

Other notable accomplishments include:

- The generation of a downtown redevelopment plan
- The establishment of a downtown splash pad
- Beautification efforts such as seasonal banners and landscaping
- The creation of a downtown façade grant program, which prompted several businesses to conduct exterior upgrades to buildings
- Wayfinding signage
- A Vacant Property Ordinance to ensure that owners of vacant properties are aware of the obligations of ownership under relevant codes and regulations, and to require owners meet minimum standards of maintenance of vacant properties⁴
- Christmas lights and displays throughout downtown and Morrow’s Meadow
- The establishment of the Arts Council
- Free movies in Morrow’s Meadow
- A partnership with Ball State University on two “Arts in the Parks” projects
- A trail system with three (3) additional miles with long-term plans to connect the schools, parks, and downtown with upgraded pedestrian facilities
- Expanded events and festivals including the Fourth of July Celebration
- The pursuit of collaborative engagements among schools, the Chamber of Commerce, and local businesses
- The exploration of grant opportunities to help fund new initiatives

While there are ample other examples of positive economic development and redevelopment undertakings throughout the Town, this market analysis aims to provide a tailored roadmap to attract new business to downtown. Ultimately, it is important to recognize the community’s exceptional quality of life and assets which are the springboard for new investment into downtown and throughout the region.

⁴ <http://www.communityprogress.net/tool-1--vacant-property-registration-ordinances--pages-257.php>

Stakeholder Input

Rationale

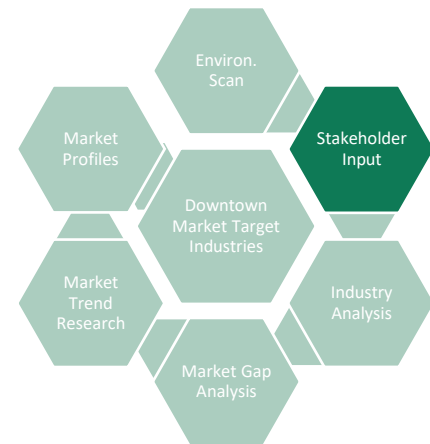
In our experience, quantitative research and analysis only tells part of the story. To provide a more comprehensive and accurate depiction of the downtown market, qualitative research with interviews and focus groups adds context and a deeper layer of understanding to the data.

Methodology

Veridus conducted interviews and focus groups in person or via telephone to gather input on the assets and challenges to growing and/or attracting business downtown and to validate our quantitative findings. Topics for discussion included perspectives on best-fit retail, gaps in services and products, communication, and other pertinent items.

Based on guidance from the Steering Committee, a total of 13 Interviewees were included:

- Barb Turner – Hideout Restaurant and Lounge
- Tim Kuzma – Munciana Volleyball Club
- Heather Taylor – 5 Tool Academy
- Ed Armantrout – Yorktown Chamber of Commerce and Old National Bank
- Adam Unger – Accutech Systems Corporation
- Amy Carrow – Property Owner and Mr. Mouse Bar and Grill
- Megan O'Connor - YMCA
- Ron & Betty Myers – Ron's Barber Shop
- Carolyn Grieves – Yorktown Chamber of Commerce Representative/Formal Business Owner
- David Spaw – Property Owner
- Chuck Ingram – Ingrams Flooring
- Izzy Ramirez – El Rancho Poblano



Summary of Findings

A few recurring themes emerged in conversations with stakeholders:

- **Fantastic assets:** Everyone agrees that Yorktown is a wonderful place to live and raise a family. A strong school system, great parks/trails, and proximity to larger cities makes Yorktown a desirable place to be.
- **Gateways:** To build upon its existing identity, the town should establish more prominent gateway markers for the downtown.
- **Marketing and communication from town staff and public officials:** Some community members are confused about the redevelopment initiatives occurring or planned for downtown. There is a lack of understanding about the phases of redevelopment and the status of implementation. Because of the confusion, there are inaccurate rumors circulating.

- *Additional retail amenities are needed to attract and retain families and seniors:* Stakeholders overwhelmingly agreed that family-friendly dining options are desired, including coffee shops, brew pubs, high-end bakeries, and fresh produce stores.
- *Collaboration among downtown businesses can improve:* Generally, downtown business owners do not collaborate or pool resources to reach mutually beneficial goals, such as spurring business growth or marketing downtown.
- *Patronizing downtown businesses:* While some business owners are concerned that some Yorktown residents and workers do not patronize their businesses, other stakeholders encouraged interior and exterior upgrades to attract more visitors.
- *Youth sports is strong:* Currently, youth sports instruction is a very successful industry that has more potential with the sports park.
- *Redevelopment of vacant buildings is critical:* All stakeholders agreed that vacant and/or dilapidated buildings and lots must be transformed.

Many of these key themes align with the thoughts of town staff, the RDC, and elected officials, as well. Therefore, some initiatives tackling these issues have been underway, such as increased communication via newsletters and social media to the community and updating signs at the town's entry points. While these key themes provide a concise depiction of the stakeholders' views, a full compilation of the interviews and focus groups can be found in *Appendix A*.

Industry Analysis

Rationale

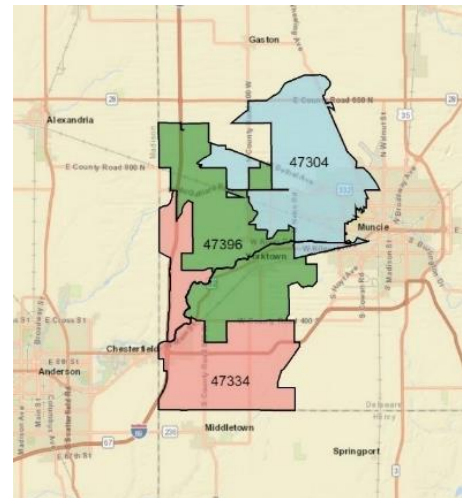
The industry analysis identifies target industries that form the base of the regional economy and/or are poised for future growth. The results were used to help determine the industries Yorktown should focus on attracting to its downtown. For this reason, the analysis focused on industries relevant to downtown redevelopment, such as retail, restaurants, recreation, and professional services (collectively referred to as Downtown Market Industries).

Methodology

This analysis is at the zip-code level, focusing on the Town of Yorktown (zip code 47396) and surrounding areas, which include Northwest Muncie (zip code 47304) and Daleville to the south (zip code 47334). The Steering Committee identified this region of analysis (“the region”) as the approximate retail market for the Town.

Based on input from the Steering Committee regarding the Yorktown community’s needs and strengths, Veridus focused its analysis on a collection of industries that will be referred to in this report as “Downtown Market Industries.” They include the Retail Trade sector, the Food Service and Drinking Places subsector, and Breweries, Wineries and Distilleries. The analysis also considered the Arts, Entertainment, and Recreation sector and select professional service industries, where possible.⁵ The Downtown Market Industries include the following NAICS codes:

- 312120 Breweries
- 312130 Wineries
- 312140 Distilleries
- 44-45 Retail Trade
- 52 Finance and Insurance
- 5411 Legal Services
- 5412 Accounting, Tax Preparation, Bookkeeping, and Payroll Services
- 5413 Architectural, Engineering, and Related Services
- 611620 Sport and Recreation Instruction
- 71 Arts, Entertainment, and Recreation
- 722 Food Services and Drinking Places



⁵ Data for the Market Gap Analysis section of this report was pulled from ESRI Community Analyst, which only includes market gap data for NAICS sectors “44-45 Retail Trade” and subsector “722 Food Services and Drinking Places.”

Unless otherwise noted, all data and statistics used in this section are as of 2016 (the most current year for confirmed data) and are sourced from Economic Modeling Specialists Intl. (EMSI) version 2017.2,⁶ which compiles data from a variety of federal, state, and private data sources. It also pulls data from the Indiana Department of Workforce Development.



EMSI projections are backwards-looking, meaning that future projections are partially based upon 15-year trends and may not accurately predict real-time industry changes. Therefore, it will be crucial to update projections on a regular basis.

⁶ Includes the following classes of workers: QCEW Employees, Non-QCEW Employees, and Self-Employed.

Summary of Findings

Overview of the Regional Economy

Table A shows the overall regional economy by industry sector. The region's economy is strongest in the sectors of Health Care and Social Assistances, Retail Trade, and Government, both in terms of gross regional product⁷ (GRP) and total employment⁸. The Downtown Market Industries which are the focus of this report are highlighted in green. Retail Trade is the second largest industry in the region, accounting for 14% of GRP and 17% of total employment. While Finance and Insurance and Professional, Scientific, and Technical Services account for 7% and 5% of GRP respectively, they represent a relatively small share of employment. Conversely, Accommodation and Food Services is the fourth largest sector by employment (11%), but only accounts for a small share of GRP.

Table A: Overview of the Regional Economy, 2016

NAICS	Industry	GRP (in millions)	Employment
62	Health Care and Social Assistance	\$206.6	3,826
44	Retail Trade	\$131.1	2,922
90	Government	\$94.6	2,124
52	Finance and Insurance	\$62.2	499
31	Manufacturing	\$60.3	695
53	Real Estate and Rental and Leasing	\$56.7	355
54	Professional, Scientific, and Technical Services	\$44.9	690
23	Construction	\$42.0	676
72	Accommodation and Food Services	\$38.2	1,824
48	Transportation and Warehousing	\$37.6	500
56	Admin, Support, Waste Mgmt. and Remediation Services	\$37.0	1,342
99	Other Non-Industries	\$22.5	0
42	Wholesale Trade	\$19.4	156
81	Other Services (except Public Administration)	\$17.4	725
55	Management of Companies and Enterprises	\$17.2	147
11	Crop and Animal Production	\$12.4	174
22	Utilities	\$6.2	14
51	Information	\$5.3	25
71	Arts, Entertainment, and Recreation	\$3.2	156
61	Educational Services	\$1.6	78
21	Mining, Quarrying, and Oil and Gas Extraction	\$0.7	1
TOTAL		\$917.4	16,928

⁷ Gross regional product (GRP) provides a measure of the value of the region's economic activity.

⁸ Measured in jobs, which include both wage and salaried employees and self-employed proprietors.

Analysis of Downtown Market Industries

Employment Trends

Table B shows the Downtown Market Industries with the highest 2016 employment, as well as their percent of total jobs in the region for all industries (16,928 jobs). This provides an indication of where the region's economic base is strongest with regards to the industries analyzed.

Among the Downtown Market Industries within the region, restaurants have the highest employment. Limited-Service Restaurants, where customers order and pay at the counter (such take-out restaurants, sandwich shops, pizza delivery, and some coffee shops), employed 874 workers (5.16% of all workers) in 2016. Full-Service Restaurants, or those that include waiter service where customers pay after they have eaten, employed 727 workers, or 4.30% of all workers. Combined, these industries employed 1,602 workers, accounting for 9.46% of all employment in the region in 2016. Other top industries include Warehouse Clubs and Supercenters (645), New Car Dealers (350), Home Centers (ex. Home Depot) (328), and Commercial Banking (244).

Table B: Downtown Market Industries by Highest Employment, 2016

NAICS	Industry Title	Jobs	Percent of Total
722513	Limited-Service Restaurants	874	5.16%
722511	Full-Service Restaurants	727	4.30%
452910	Warehouse Clubs and Supercenters	645	3.81%
441110	New Car Dealers	350	2.07%
444110	Home Centers	328	1.94%
522110	Commercial Banking	244	1.44%
446110	Pharmacies and Drug Stores	169	1.00%
445110	Supermarkets and Other Grocery (except Convenience) Stores	163	0.96%

The region's demographics suggest a healthy supply of labor for quality-of-life industries like Limited-Service Restaurants and Full-Service Restaurants. Young people between the ages of 15 and 24 comprised 30.00% of the region's population in 2016,⁹ which is slightly larger than all 24- to 54-year-olds combined.

Table C shows the Downtown Market Industries with the largest job gains in the five-year period from 2012 to 2016. The growth rate for a given industry provides an indication of how well that industry's workforce is performing in the region. This helps to better compare one industry's growth against another regardless of their comparative workforce sizes. However, the growth rate can also overemphasize growth for industries with very small workforces.

The largest job gains were made by Limited-Service Restaurants, adding 126 jobs from 2012 to 2016; however, with a growth rate of 16.90%, it was a relatively slow-growing industry. The next highest gains were in Vending Machine Operators (76), Warehouse Clubs and Supercenters (48), Used Merchandise

⁹ These age groups made up the largest share of the region's population by five-year cohort 15-19 year-olds: 13.2%; 20-24 year-olds: 16.8%

Stores (38), and New Car Dealers (33). In addition to adding a large number of jobs, the Vending Machine Operators and Used Merchandise Stores industries were also fast-growing, increasing by 128.11% and 91.62% respectively between 2012 and 2016.

In context, the region added a total of 1,083 jobs (6.8% increase¹⁰) across all industries, from 2012 to 2016. This means that Limited-Service Restaurants were responsible for 11.7% of the regions total job gains, while Vending Machine Operators contributed 7.0% of the total employment gain.

Table C: Downtown Market Industries by Employment Growth, 2012- 2016

NAICS	Industry Title	Jobs Added	Growth Rate
722513	Limited-Service Restaurants	126	16.90%
454210	Vending Machine Operators	76	128.11%
452910	Warehouse Clubs and Supercenters	48	8.04%
453310	Used Merchandise Stores	38	91.62%
441110	New Car Dealers	33	10.40%
522110	Commercial Banking	26	11.79%
451120	Hobby, Toy, and Game Stores	23	26.46%
444110	Home Centers	20	6.41%
722320	Caterers	19	371.66%
611620	Sports and Recreation Instruction	16	61.00%
722511	Full-Service Restaurants	15	2.13%
442110	Furniture Stores	12	18.60%
444130	Hardware Stores	11	50.14%
451130	Sewing, Needlework, and Piece Goods Stores	10	76.84%

Table D shows a projection of job growth from 2017 to 2021 and is based on economic modeling of past trends for each industry in region. The table shows which industries are expected to continue along trends from the past five years, or start to slow or reverse those trends, assuming there are no major changes in the regional economy.

Limited-Service Restaurants are projected to continue to have the highest growth, adding 40 jobs through 2021, however it is projected to have a relatively low growth rate of 4.62%. All Other General Merchandise Stores and Pharmacies and Drug Stores are both projected to have much higher growth in the next five years than in the last five years. All Other General Merchandise Stores added six jobs in the past five years (growing from 119 jobs in 2012 to 126 in 2016). This industry is projected to add 32 jobs by 2021. Pharmacies and Drug Stores shrunk from 176 employees to 169 employees in 2016, but it is expected to reverse that trend and add 19 jobs in the next five years.

¹⁰ The region had higher overall job growth than both Indiana (5.5%) and the United States (6.4%).

Several industries that grew in the past five years are expected to continue growing at a similar or slightly slower pace, such as New Car Dealers (36 jobs), Warehouse Clubs and Supercenters (35), Used Merchandise Stores (25), Home Centers (21), Hobby, Toy, and Game Stores (19), and Sports and Recreation Instruction (13).

**Table D: Downtown Market Industries by
Projected Employment Growth, 2017- 2021**

NAICS	Industry Title	Jobs Added	Growth Rate
722513	Limited-Service Restaurants	40	4.62%
441110	New Car Dealers	36	10.32%
452910	Warehouse Clubs and Supercenters	35	5.42%
452990	All Other General Merchandise Stores	32	25.11%
454210	Vending Machine Operators	28	20.56%
453310	Used Merchandise Stores	25	31.81%
444110	Home Centers	21	6.33%
451120	Hobby, Toy, and Game Stores	19	17.40%
446110	Pharmacies and Drug Stores	19	11.51%
611620	Sports and Recreation Instruction	13	32.00%
454111	Electronic Shopping	11	40.34%

Industry Concentration

Table E shows which industries are most uniquely concentrated in the region. Concentration is indicated by location quotient, which tells how many times more concentrated an industry is in the region than in the nation as a whole.¹¹ This information is useful for determining which industries make the region's economy unique.

The industry of Vending Machine Operators is 28.15 times more concentrated in the region than in the overall nation. It represents a small share (0.80%) of the region's employment, and has had very strong job growth over the past five years (128.11%). Since the Vending Machine Operators industry has high growth and is heavily concentrated in the region, it could be considered an emerging export industry, meaning it is likely to bring money in to the region and could continue to do so in the future.

Both Home Centers and Warehouse Clubs and Supercenters are industries that are roughly four times more concentrated in the region than in the nation, representing significant shares of the economic base. Home Centers employ 1.94% of the region's workforce and grew by 6.41% over the past five years. Warehouse Clubs and Supercenters make up a larger portion of the region's economy, employing 3.81% of the total workforce and grew by 8.04% over the past five years. Both industries are projected to continue growing over the next five years, at roughly 5.00%-6.00%.

Several industries that are uniquely concentrated in the region have had strong growth, but are relatively smaller components of the region's economic base. These include Dance Companies (8.27), Hobby, Toy, and Game Stores (6.06), Sewing, Needlework, and Piece Goods Stores (4.44), and Amusement Arcades (4.34). While none of these are large employers, the concentration and growth of these industries confirms that the region values and excels at recreation, arts, and family entertainment.

Table E: Downtown Market Industries by Location Quotient, 2016

NAICS	Industry Title	Location Quotient	Percent of Region's Employment	Growth Rate 2012-2016
454210	Vending Machine Operators	28.15	0.80%	128.11%
711120	Dance Companies	8.27	0.07%	134.80%
541380	Testing Laboratories	7.28	0.77%	3.31%
451120	Hobby, Toy, and Game Stores	6.06	0.66%	26.46%
451130	Sewing, Needlework, and Piece Goods Stores	4.44	0.14%	76.84%
444110	Home Centers	4.41	1.94%	6.41%
713120	Amusement Arcades	4.34	0.07%	132.89%
452910	Warehouse Clubs and Supercenters	4.09	3.81%	8.04%

¹¹ Concentration is measured by percent of total employment for a given area. For example, while Vending Machine Operators makes up 0.799% of the region's total employment, this industry makes up only 0.028% of the nation's total employment. This industry is roughly 28 times more concentrated in the region than in the nation as a whole.

Competitive Effect

Table F shows which industries in the region have a competitive effect. The competitive effect is represented by the number of jobs added to the economy between 2012 and 2016 that could not be attributed to the expected change resulting from national industry trends and trends in the overall national economy. In other words, the competitive effect shows growth that can be attributed to unique factors in the regional economy.

In **Table F**, for each industry, the increase in jobs from 2012 to 2016 is represented by the column labeled “Actual Change.” The column labeled “Expected Change,” however, represents the job growth that would have been expected if the region followed national trends. The column labeled “Competitive Effect” shows Actual Change minus Expected Change. This number provides clues about which industries are growing faster in the region than would be expected in the national economy.

The Used Merchandise Stores category has a competitive effect of 32. This industry was expected to grow by 6 jobs in the past five years, but instead it grew by 38 jobs, nearly doubling in size from 41 jobs in 2012 to 79 jobs in 2016.

Hobby, Toy, and Game Stores were expected to add 3 jobs, based on national trends but instead added 21 more jobs than expected due to factors specific to the region.

Similarly, the Sewing, Needlework, and Piece Goods Stores grouping was expected to shrink by 1 job, but instead added 11 jobs between 2012 and 2016. This was a small industry to begin with, providing 13 jobs in 2012 and growing to 24 jobs in 2016.

Table F: Downtown Market Industries by Largest Competitive Effect, 2012- 2016

NAICS	Industry Title	2012 Jobs	2016 Jobs	Actual Change	Expected Change	Competitive Effect
454210	Vending Machine Operators	59	135	76	-1	77
453310	Used Merchandise Stores	41	79	38	6	32
522110	Commercial Banking	218	244	26	-4	30
451120	Hobby, Toy, and Game Stores	88	112	24	3	21
451130	Sewing, Needlework, and Piece Goods Stores	13	24	11	-1	12
722513	Limited-Service Restaurants	748	874	126	115	11

While Professional, Scientific, and Technical Services produces a strong amount of Gross Regional Product, it is not recommended as a target for business recruitment. Other industries which attract more foot and vehicular traffic along the downtown corridor are stronger targets.

Market Gap Analysis

Rationale

A Market Gap Analysis looks at two factors, Retail Sales and Retail Potential, to estimate the supply and demand for industries in the Retail Trade sector and the Food Service and Drinking Places subsector.

Methodology

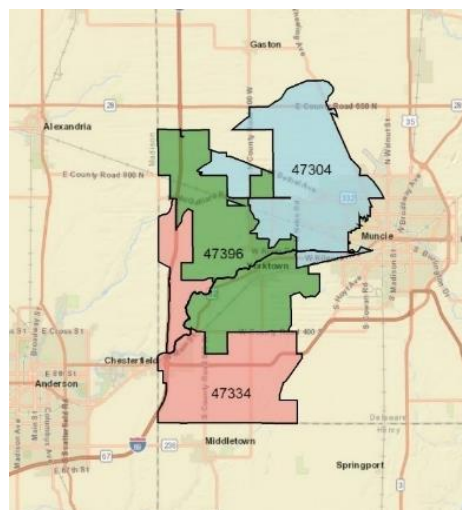
The Retail Gap is calculated by taking the potential demand (retail potential) for a given industry group in the region and subtracting the supply (retail sales).

This analysis is at the zip-code level, focusing on the Town of Yorktown (zip code 47396) and surrounding areas, which include Northwest Muncie (zip code 47304) and Daleville to the south (zip code 47334). The Steering Committee identified this region of analysis (“the region”) as the approximate retail market for the Town.

Of the Downtown Market Industries, the following industries were eligible for a market gap analysis:¹²

- 44-45 Retail Trade (includes sporting goods)
- 722 Food Services and Drinking Places

Data for market surplus and leakage are sourced from ESRI’s U.S. Retail MarketPlace, version 2016 Release 2. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.



¹² Data for the Market Gap Analysis section of this report was pulled from ESRI Community Analyst, which only includes market gap data for NAICS sectors “44-45 Retail Trade” and subsector “722 Food Services and Drinking Places.”

Summary of Findings

Retail Gap: Surplus

Table G below, shows the highest negative retail gap¹³. A negative retail gap is also known as Retail Surplus. It shows, in sales dollars, how much industries in the region are exceeding local demand and meeting the demands of other regions. A Retail Surplus suggests that Yorktown could benefit from further investing in these industries, as they attract customers from outside the region.

Automobile Dealers has the highest retail surplus of over \$107 million. This likely means that there are some car dealerships in the region that are patronized by people from outside the region. However, due to the space requirements for a car dealership, this industry would not be recommended for Yorktown's Downtown Redevelopment.

Sales from Grocery Stores are exceeding the regional demand by over \$64 million. Of the \$152 million in total annual sales brought in by Grocery Stores in the region, \$64 million is from outside customers. This also suggests that the Grocery Stores just outside of the region are not sufficient (either in quantity or stock or products offered) to meet the demands of their local customers. This could provide an opportunity for Yorktown not only to meet the needs of local consumers, but possibly some from outside areas as well.

Electronics & Appliance Stores and Building Material & Supplies Dealers each have a retail surplus of over \$13 million. Electronics & Appliance Stores is an industry group with an array of different types of retailers, from cell phones stores to large home appliance stores to Best Buy. Building Material & Supplies Dealers include large Home Centers like Menards and Hardware Stores like True Value.

Table G: Downtown Market Industries by Highest Retail Surplus, 2016

NAICS	Industry Title	Retail Surplus
4411	Automobile Dealers	-\$107,762,768
4451	Grocery Stores	-\$64,426,230
4431	Electronics & Appliance Stores	-\$13,721,410
4441	Building Material & Supplies Dealers	-\$13,238,338
7225	Restaurants/Other Eating Places	-\$7,652,587
4421	Furniture Stores	-\$4,328,174
4511	Sporting Goods/Hobby/Musical Instrument Stores	-\$3,261,822

¹³ Negative numbers in this case do not suggest unfavorable conditions.

Retail Gap: Leakage

A positive Retail Gap number is known as Retail Leakage. Retail leakage shows industries where consumer demand is not being met locally. This means that local consumers are going outside of the region to purchase these products and services. **Table H** shows areas where potential demand exceeds the supply for given industries within the region of analysis. Retail leakage is shown as a dollar value to indicate potential sales that could be captured within the region if there were enough supply. This data provides some guidance for selecting retail industries which would likely be successful as economic development targets.

Other General Merchandise Stores shows over \$14 million in leakage. This means that regional consumers are likely to be leaving the region to spend close to \$14 million at various general merchandise stores big and small, such as Sam’s Club, Meijer, Walmart and Dollar General.

The retail leakage for Other Miscellaneous Store Retailers is over \$10 million. This industry group includes Pet and Pet Supplies Stores, Art Dealers, Tobacco Stores, and other miscellaneous retail industries. Since the data does not specify if there is one or a few industries within this group that represent most of the leakage, it is difficult to draw conclusions. However, some of the products sold in this industry group are also provided through Other General Merchandise Stores, so it’s possible the demand for general merchandise is a combination of these two industry groups.

Other industry groups relevant to Downtown Redevelopment include Clothing Stores and Specialty Food Stores. The retail leakage for Clothing Stores is over \$9 million. The retail leakage for Specialty Food Stores is just under \$6 million. This group includes Meat Markets, Fruit and Vegetable Markets, Baked Goods Stores, and others.

Table H: Downtown Market Industries by Highest Retail Leakage, 2016

NAICS	Industry Title	Retail Leakage
4529	Other General Merchandise Stores	\$14,880,288
4539	Other Miscellaneous Store Retailers	\$10,242,546
4541	Electronic Shopping & Mail-Order Houses	\$10,188,150
4481	Clothing Stores	\$9,614,553
4412	Other Motor Vehicle Dealers	\$9,084,421
4452	Specialty Food Stores	\$5,965,482
4413	Auto Parts, Accessories & Tire Stores	\$5,786,899

Yorktown Retail Gap Compared with the Region

Table I below compares the Town of Yorktown's¹⁴ retail gap with the overall region's retail gap. This comparison helps reveal any industry groups where the overall region had a surplus, but Yorktown is experiencing leakage.

Table I: Downtown Market Industries by Retail Gap, Yorktown compared to Region, 2016

NAICS	Industry Title	Yorktown Retail Gap	Region Retail Gap
4521	Department Stores Excluding Leased Depts.	\$24,119,238	\$3,522,182
4451	Grocery Stores	\$17,457,961	-\$64,426,230
7225	Restaurants/Other Eating Places	\$11,104,672	-\$7,652,587
4441	Bldg Material & Supplies Dealers	\$9,554,273	-\$13,238,338
4461	Health & Personal Care Stores	\$9,244,181	\$5,566,077
4431	Electronics & Appliance Stores	\$6,138,757	-\$13,721,410
4411	Automobile Dealers	\$5,776,398	-\$107,762,768
4529	Other General Merchandise Stores	\$5,666,478	\$14,880,288
4539	Other Miscellaneous Store Retailers	\$5,241,781	\$10,242,546
4412	Other Motor Vehicle Dealers	\$4,131,446	\$9,084,421
4481	Clothing Stores	\$3,478,147	\$9,614,553
4541	Electronic Shopping & Mail-Order Houses	\$3,043,088	\$10,188,150
4511	Sporting Goods/Hobby/Musical Instr Stores	\$2,559,028	-\$3,261,822
4453	Beer, Wine & Liquor Stores	\$2,117,883	\$5,614,749
4452	Specialty Food Stores	\$1,852,850	\$5,965,482
4413	Auto Parts, Accessories & Tire Stores	\$1,521,336	\$5,786,899
4532	Office Supplies, Stationery & Gift Stores	\$1,158,661	\$1,038,668
4483	Jewelry, Luggage & Leather Goods Stores	\$1,102,992	\$3,297,601
4543	Direct Selling Establishments	\$1,037,559	\$3,220,930

Grocery Stores is an industry group that shows a very large discrepancy between Yorktown and the region as a whole. Yorktown has \$17 million in retail leakage, but the region has \$64 million in surplus. This means that consumers in Yorktown must leave Yorktown to shop for groceries. They may be shopping within the region, or going elsewhere. Meanwhile, Grocery Stores elsewhere in the region are attracting customers from outside the region. This should be a strong indicator that Yorktown could sustain a grocery store or supermarket that at least caters to the residents of Yorktown.

Restaurants/Other Eating Places has over \$7 million in surplus sales, but Yorktown itself has over \$11 million in retail leakage. This means that consumers in Yorktown are spending \$11 million outside of Yorktown at Restaurants/Other Eating Places; some or all of it could be in the region.

A similar trend is seen with Building Material & Supplies Dealers, which includes Home Centers (Menards, Lowes, Home Depot), Hardware Stores (True Value), and specialized suppliers such as plumbing supply companies and lumber yards. Yorktown has \$9 million in leakage, but the region has a \$13 million surplus. This means that consumers are coming in to the region to spend money either on general home

¹⁴ This looks at Yorktown's political boundary instead of the 47396 zip code area.

improvement and hardware, specialized contractor supplies, or a combination of both. However, Yorktown might benefit from meeting local demand with a small hardware store.

Electronics & Appliance Stores shows a similar situation: Yorktown has \$6 million in leakage, but the region has a \$13 million surplus. Electronics & Appliance Stores include large retailers like Best Buy as well as more specialized businesses like cell phone stores (AT&T, Verizon) and home appliance stores. However, without knowing if any single industry in the Electronics and Appliance Stores represents the majority of Yorktown's leaked demand, it would be difficult to recommend a specific type of business that would be successful downtown.

Sporting Goods, Hobby, and Musical Instrument Store also shows a reverse trend, where Yorktown has over \$2 million in leakage, but the region has a \$3 million surplus.

Preliminary Target Industries

Based on the industry and market gap analyses of downtown market industries and discussions with the Steering Committee, the following industries were selected and grouped together for further analysis.

- **445110 Supermarkets and Other Grocery (except Convenience) Stores**
- **4452 Specialty Food Stores:** *Includes fruit and veg markets, meat markets, seafood market, confectionary stores, and baked goods stores.*
- **4453 Beer Wine and Liquor Stores**
- **7225 Restaurants and Other Eating Places:** *Includes restaurants (full and limited service), coffee shops, brew pubs, bakeries (snack and non-alcoholic beverage bars)*
- **452990 All Other General Merchandise Stores:** *Includes dollar stores and general stores.*
- **611620 Sports and Recreation Instruction**
- **713940 Fitness and Recreational Sports Centers**
- **4511 Sporting Goods, Hobby, and Musical Instrument Stores**
- **711120 Dance Companies**
- **4481 Clothing Stores:** *Includes stores which specialize in men's, women's, and children's clothing as well as other specialties like bridal gown shops and coat stores.*

Retail Market Profile

Rationale

By comparing the retail markets of the multiple comparable communities, Yorktown's downtown market can be benchmarked to determine if it is performing well relative to its market size (i.e. population). Additionally, comparing Yorktown to aspirational and competitive markets helps further clarify the optimal mix of businesses to target for Yorktown's downtown redevelopment.

Methodology

To provide context and additional analysis of the Downtown

Market Industries, Yorktown was compared with two communities in Indiana: the Town of Fortville in Hancock County and the City of Noblesville in Hamilton County. These communities were chosen by the Steering Committee based on their knowledge of the similarities between the communities and retail preferences of the local population. Further evidence supporting the selection of these two communities was provided by interviews and stakeholder input.

Fortville was chosen as an "Aspirational Market," a community with a more developed downtown market than Yorktown, which the Steering Committee would like to emulate. Fortville also is a similar geographic size and has a comparable population. Steering Committee members have frequented Fortville in the past and were impressed with the businesses in its downtown area, as well as the general ambiance of its downtown.

Noblesville, specifically "Exit 210," was chosen as the "Competitive Market". Steering Committee members said they frequently make trips to shop at Hamilton Town Center, the outdoor mall located off of I-69, Exit 210. Hamilton Town Center is roughly 30 miles from Yorktown, suggesting that the area provides retail and dining opportunities not afforded by cities and towns in closer proximity to Yorktown. By observing the businesses located in this area, a better understanding can be formed about what types of retail are desired by citizens in Yorktown.

Community Profiles were created to demonstrate the comparability between the three communities, which was an important factor in considering the optional mix of Downtown Market Industries for Yorktown. Then, profiles were created for each of the Preliminary Target Industries to compare how prevalent a given industry group is between the Town of Yorktown, the Fortville zip code area, and the Noblesville zip code area. The following data points are included in these tables:

- **The Number of Stores** is the count of businesses from Esri's U.S. Retail MarketPlace supply model for that community.
- **Stores Observed** is the number of businesses identified through site visits and desktop research conducted by Veridus Group and SLE Analytics. This is intended as a counterbalance against any issues in ESRI's model that may not be up to date.
- **Prominent Stores** provides a list of all stores observed through site visits and desktop research.
- **Total Regional Sales** represents an approximation for one year of sales for a given industry group in a given area. The data comes from Esri's U.S. Retail MarketPlace supply model, which draws



primarily from the U.S. Census and Bureau of Labor Statistics data. In cases where only one store is identified for an area, the value has been replaced with N/A so that the sales approximations do not provide a misleading representation of a particular business.

- **Stores per 1,000 Residents** provides a way to compare how concentrated an industry group is across communities. This is a calculated value.

Site visits and desktop research focused primarily on the downtown areas for Yorktown and Fortville, and the Hamilton Town Center outdoor mall off of Exit 210 on the southern border of Noblesville.

Data in this section is provided at the zip code level for Fortville and Noblesville. In both communities, the zip code boundaries extend partially beyond the political boundaries. This helps to account for the fact that retail markets tend to be regional in nature and do not generally follow political boundaries. Conversely, Yorktown was analyzed based on the town's political boundaries since the primary zip code, 47396 left out an important region of Yorktown that falls within the 47304¹⁵ zip code area. Overall, the analysis focused primarily on the downtown districts of Yorktown and Fortville and the developments around "Exit 210" in Noblesville.

Profiles were created for each of the Preliminary Target Industries:

- 445110 Supermarkets and Other Grocery (except Convenience) Stores
- 4452 Specialty Food Stores: Includes fruit and veg markets, meat markets, seafood market, confectionary stores, and baked goods stores.
- 4453 Beer Wine and Liquor Stores
- 7225 Restaurants and Other Eating Places: Includes restaurants (full and limited service), coffee shops, brew pubs, bakeries (snack and non-alcoholic beverage bars)
- 452990 All Other General Merchandise Stores: Includes dollar stores and general stores.
- 452990 All Other General Merchandise Stores: Includes dollar stores and general stores.
- 611620 Sports and Recreation Instruction
- 713940 Fitness and Recreational Sports Centers
- 4511 Sporting Goods, Hobby, and Musical Instrument Stores
- 711120 Dance Companies
- 4481 Clothing Stores: Includes stores which specialize in men's, women's, and children's clothing as well as other specialties like bridal gown shops and coat stores.

Unless otherwise noted, all data for this section was sourced from ESRI's U.S. Retail MarketPlace, version 2016 Release 2. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.



¹⁵ All of 47304 was not used as the zip code area, as it mostly includes North West Muncie. Therefore, its inclusion would have inaccurately represented the community of Yorktown in terms of population and area.

Summary of Findings

Community Profiles

Geography

Table J shows the basic geography for the three communities. The area for Fortville, as defined by the 46040 zip code area, is about four times the size of Yorktown. However, this is likely due to the zip code area including less populous areas surrounding the town itself. Noblesville, as defined by the 46060 and 46062 zip code areas, is 14 times the size of Yorktown. Yorktown has a population density of 1,286 people per square mile, which is higher than that of the Noblesville and Fortville zip code areas. However, this is likely due to the fact that these zip code areas include some less populous areas that Noblesville and Fortville political boundaries would not include.

Table J: Geography			
Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Zip Codes Included ¹⁶	47396, 47304 (partial)	46060, 46062	46040
County	Delaware	Hamilton	Hancock
Metropolitan Statistical Area	Muncie	Indianapolis	Indianapolis
Land Area, sq. mi (2010) ¹⁷	8.78	113.954	33.276
Population Density, people per square mile (2010)	1,286	648	405
Transportation ³	State Road: 32	Interstate: I-69 State Roads: 19, 32, 37, 38	State Roads: 13, 36, 234, 238
Average Daily Traffic Volume	5,540 (SR 32 / W. Smith St)	57,730 (I-69) 21,410 (Exit 210)	5,340 (S Main St) 12,162 (SR 36 / W Broadway St)

Yorktown has one major thoroughfare running through town, meaning it has relatively low access and connectivity with outside areas compared to the other two communities. While Yorktown and Fortville have equivalent average daily traffic volume through their downtown districts, Fortville may benefit from the through traffic on its cross street. Yorktown's major thoroughfare, State Road 32, runs directly through its downtown area, becoming Smith Street. Fortville's downtown area along Main Street runs perpendicular to a major thoroughfare, State Road 36 (which becomes Broadway Street in town). This means that major traffic would go near, but not necessarily through, the downtown area. In the case of Fortville, there is not a clear indication of where the downtown area starts from the perspective of someone driving along SR 36.

The Yorktown and Fortville main street configurations offer different advantages and disadvantages for local businesses. For Yorktown, having a major thoroughfare go directly through downtown means that anyone travelling along SR 32 will see downtown Yorktown and the businesses along Smith Street. For

¹⁶ The data presented in the Retail Market Profile section of this report is for the zip codes associated with Noblesville and Fortville, these zip codes include land area outside of the political boundaries of these community.

¹⁷ QuickFacts, US Census Bureau, <https://www.census.gov/quickfacts/>

Fortville, travelers on SR 36 must choose to veer off the path into the downtown area. On the other hand, this configuration also creates more traffic and noise for Yorktown's downtown area, while it creates a more calm, quiet downtown area for Fortville. Regardless of the configuration, it is important for downtown businesses to have sufficient and clear signage and parking to attract visitors travelling along either SR 32 or SR 36.

Noblesville's Exit 210 and Hamilton Town Center are uniquely situated off of interstate 69. In this case, the visibility of the dining and retail options from billboards and highway signage (including the visibility of Hamilton Town Center from the interstate) likely contribute to the traffic volume through the retail corridor.

Population and Demographics

Table K displays key population and demographic data for the three communities. Yorktown's population is 11,293, which is slightly lower than that of the Fortville zip code, and about 7 times smaller than the Noblesville zip code area's population. Yorktown's population growth is expected to be steady at 9.8%, through 2021. This is lower than Noblesville and Fortville, however both of those communities have seen rapid growth over the past five years and are expected to continue growing.

During work hours, the daytime population of Yorktown shrinks to 8,825, meaning that a portion of the town's 11,293 residents commute elsewhere on a daily basis for work. This is normal for a bedroom community located near a larger metropolitan area. However, Yorktown's daytime population also includes a mix of residents and commuters coming to Yorktown for work. Of Yorktown's daytime population, 33% is made up of workers commuting from other communities. This means that Yorktown businesses have the opportunity to attract an additional commuter population of nearly 3,000 people every day. Noblesville and Fortville also see their populations shrink during the day, which is not uncommon for small cities and towns located outside of a larger city. In terms of daytime populations of workers, Noblesville attracts roughly 23,000 people and Fortville attracts about 2,000 people. Yorktown may not attract as many commuting workers (as a percent of daytime population) as Noblesville, but it does attract more than Fortville.

Yorktown has a higher level of urbanization than Fortville, with 83% of the population residing within the urbanized area. Yorktown's per capita income is \$31,243, which is close to that of Noblesville (\$32,942) but lower than Fortville (\$36,605).

Yorktown's per capita income is expected to grow at a rate of 12% over the next five years, similar to Noblesville, but faster than Fortville. The average household income for Yorktown is \$78,116, which is lower than the other two communities, with a smaller portion of households earning above \$100,000 per year.

In terms of age groups, Yorktown's population has a higher proportion of older people than the other communities. The median age in Yorktown is 42.2 years, higher than Noblesville (35.2) and Fortville (36.7). For comparison, the median age in Indiana is 37.6¹⁸. While adults between the ages of 25 and 64 make up similar shares of all three communities' populations (just over 50%), Yorktown has a higher percentage of

¹⁸ American Fact Finder, US Census Bureau, <https://factfinder.census.gov/>

people over 65 (20%) than Noblesville (11%) and Fortville (11%) and a smaller percentage of children and young adults aged 0-24.

Yorktown's share of the population over 25 years of age with a college degree is 44%, which is lower than Noblesville (54%) and Fortville (50%), but higher than the state of Indiana's (32.3%). This may be tied to having a population that skews older. In both Yorktown and the state of Indiana as whole, the percentage of population with a bachelor's degree or higher decreases with each older age cohort, starting at 35 years¹⁹.

Table K: Population and Demographics

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Population (2016)			
Total Population	11,293	73,834	13,491
Growth Rate (2010 - 2021)	9.8%	27.0%	30.5%
Daytime Population (2016)			
Total Daytime Population	8,825	58,299	9,085
Workers	33%	40%	23%
Residents	67%	60%	77%
Urban/ Rural Status (2010)			
Population Inside Urbanized Area	83%	90%	76%
Rural Population	17%	10%	24%
Per Capita Income			
2016	\$31,243	\$32,942	\$36,605
2021	\$34,841	\$37,059	\$39,984
Growth Rate	12%	12%	9%

¹⁹ For 2015, percent of age groups with a Bachelor's Degree or higher are as follows:
Age 34-44 (Yorktown: 44%, IN: 28%), Age 45-64 (Yorktown: 29%, IN: 24%), Age 65 + (Yorktown: 25%, IN: 18%)
Source: American Fact Finder, US Census Bureau, <https://factfinder.census.gov/>

Table K: Population and Demographics (continued)

Households by Income (2016)

Average Household Income	\$78,116	\$88,691	\$108,203
<\$15,000	10%	6%	8%
\$15,000 - \$24,999	9%	7%	4%
\$25,000 - \$34,999	7%	7%	7%
\$35,000 - \$49,999	14%	13%	11%
\$50,000 - \$74,999	20%	19%	16%
\$75,000 - \$99,999	14%	17%	13%
\$100,000 - \$149,999	16%	20%	19%
\$150,000 - \$199,999	4%	6%	9%
\$200,000+	5%	6%	12%

Population by Age (2016)

Median Age	42.2	35.2	36.7
0 – 4	6%	8%	7%
5 – 9	6%	9%	8%
10 – 14	7%	8%	10%
15 – 24	12%	12%	13%
25 – 34	11%	13%	10%
35 – 44	12%	16%	15%
45 – 54	14%	14%	16%
55 – 64	14%	10%	11%
65 – 74	11%	7%	7%
75 – 84	6%	3%	3%
85 +	3%	1%	1%

Population by Race/Ethnicity (2016)

White Alone	94%	90%	92%
Black Alone	2%	4%	3%
American Indian Alone	0%	0%	0%
Asian Alone	2%	2%	2%
Pacific Islander Alone	0%	0%	0%
Some Other Race Alone	0%	2%	1%
Two or More Races	2%	2%	2%
Projected Increase in Diversity by 2021	15%	14%	18%

Table K: Population and Demographics (continued)

Educational Attainment for Population 25+ (2016)

Less than 9th Grade	1%	1%	1%
9th - 12th Grade, No Diploma	4%	4%	5%
High School Graduate	25%	17%	23%
GED/Alternative Credential	5%	4%	5%
Some College, No Degree	21%	21%	18%
Associate Degree	8%	9%	8%
Bachelor's Degree	23%	31%	26%
Graduate/Professional Degree	13%	14%	16%

Marital Status for Population 15+ (2016)

Never Married	23%	25%	25%
Married	59%	59%	62%
Widowed	7%	5%	3%
Divorced	11%	11%	11%

Households and Housing

Following the adage “Retail follows Rooftops,” [Table L](#) outlines the characteristics of those rooftops for Yorktown, Noblesville, and Fortville. In Yorktown, households tend to be smaller (2.54 residents), with fewer households with children (34%) or multigenerational families (2%) than the other two communities. Of the homes in Yorktown, 23% of are owned “free and clear” compared to Noblesville (12%) and Fortville (14%).

Yorktown has an affordable housing market that should not prohibit first time homeowners and young families from moving into the community. Nearly 74% of Yorktown’s houses are valued under \$200,000, compared with 53% for Noblesville and 42% for Fortville. Yorktown’s median home value is \$131,137, lower than Noblesville (\$192,349) and Fortville (\$235,553²⁰). However, Yorktown’s median home values are projected to increase 21% by 2021, nearly twice as fast as the other communities.

²⁰ However, the zip code area for Fortville includes the northeast tip of Geist Reservoir, where home values are fairly high.

Table L: Households and Housing

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Household Summary			
Number of Households (2016)	4,399	27,261	4,563
Average Household Size (2016)	2.54	2.68	2.96
Households with Children (2010)	34%	42%	45%
Multigenerational Households (2010)	2%	3%	3%
Unmarried Partner Households (2010)	7%	6%	6%
Median Household Income (2016)			
Median Household Income	\$58,852	\$72,383	\$80,527
Projected Increase in Median Household Income by 2021	16%	13%	17%
Housing Units (2016)			
Housing Units	4,729	29,835	4,861
Owner Occupied Housing Units	70%	69%	76%
Renter Occupied Housing Units	23%	23%	18%
Vacant Housing Units	7%	9%	6%
Home Value (2016)			
Median Home Value	\$131,137	\$192,349	\$235,553
Projected Increase in Median Home Value by 2021	21%	10%	9%
Average Home Value of Owner Occupied Units	\$166,369	\$245,792	\$335,997
<\$50,000	8%	4%	1%
\$50,000 - \$99,999	24%	5%	12%
\$100,000 - \$149,999	30%	21%	18%
\$150,000 - \$199,999	12%	23%	11%
\$200,000 - \$249,999	8%	17%	11%
\$250,000 - \$299,999	4%	8%	6%
\$300,000 - \$399,999	9%	9%	10%
\$400,000 - \$499,999	4%	5%	11%
\$500,000 - \$749,999	1%	5%	11%
\$750,000 - \$999,999	0%	2%	7%
\$1,000,000 +	0%	1%	3%
Households by Tenure and Mortgage Status (2010)			
Owner Occupied	82%	77%	82%
Owned with a Mortgage/Loan	59%	66%	68%
Owned Free and Clear	23%	12%	14%
Renter Occupied	18%	23%	19%
Housing Units by Urban/ Rural Status (2010)			
Housing Units Inside Urbanized Area	84%	90%	75%
Rural Housing Units	16%	10%	25%

Economy

Table M shows key economic indicators for the three communities. Yorktown and Fortville have nearly equivalent employment; however, employees generate over \$30 million more in gross regional product in Fortville than in Yorktown. Noblesville's GRP is over 13 times larger than Yorktown's, with ten times the employment. Yorktown is relatively slow-growing compared to the other two communities, but has significantly lower unemployment than Fortville. All three communities are heavily reliant upon Service Industries, which accounts for around half of all employment.

Table M: Economy			
Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Gross Regional Product (2016) ²¹	\$140,125,469 ²²	\$1,868,635,578	\$171,290,900
Employment			
Employment (2016)	2,082	22,462	2,068
Employment Growth (2012-2016)	5.2%	17.1%	19.7%
Unemployment Rate (2015) ²³	5.3%	4.1% ²⁴	12.1% ²⁵
Employment by Industry (2016)			
Agriculture/Mining	2%	1%	1%
Construction	4%	8%	5%
Manufacturing	12%	17%	12%
Wholesale Trade	2%	3%	4%
Retail Trade	13%	7%	12%
Transportation/Utilities	2%	2%	3%
Information	1%	3%	3%
Finance/Insurance/Real Estate	8%	9%	10%
Services	55%	45%	48%
Public Administration	2%	4%	3%

²¹ Source: EMSI

²² For the 47396 zip code only

²³ StatsAmerica, US Economic Development Administration, <http://statsamerica.org/town/>

²⁴ City of Noblesville

²⁵ Town of Fortville

Yorktown is a bedroom community, like Noblesville and Fortville, where a large portion of the population commutes out for work and a smaller number of workers commute in every day. With about 3,000 people coming in to Yorktown for work every day, there are opportunities for businesses that serve a daytime population, like restaurants and grocery stores. Similarly, with just over 5,000 vehicles driving through the downtown area every day, along State Road 32, there are opportunities to attract some of those people to take a break in Yorktown for breakfast, lunch, or dinner.

Yorktown has a per capita income of \$31,243, similar to that of Noblesville. Per capita incomes in Yorktown and Noblesville are both expected to grow by 12% over the next five years. Yorktown residents' educational attainment is better than that of Indiana's, but not as high as Noblesville or Fortville. However, this may be due to having a relatively older population. Yorktown's population tends to be somewhat older than Noblesville and Fortville, with a median age of 42.2 years, and with 20% of residents over the age of 65. Older people may be a group worth considering as potential consumers of retail goods and activities in the downtown area.

Population density is an important indicator of the ability of the market to support new businesses. Yorktown's population density is 1,286 people per square mile, with 83% living in-town, rather than in rural areas.

Creating strategies for retaining young residents and attracting new families will be key to sustaining and improving the health of Yorktown's downtown area. Currently, only 34% of Yorktown's households have children and the average household size is 2.54, which is relatively low compared to the other two communities. However, Yorktown also has an affordable housing market that should be attractive to young professionals and young families. The median home value is \$131,137, and nearly 74% of houses are valued under \$200,000.

It is important to note that Fortville and Noblesville are not directly comparable to Yorktown for a few reasons. Fortville and Noblesville benefit from inclusion in the Indianapolis Metropolitan Statistical Area, which helps fuel their rapid population growth. Their restaurant and retail markets may draw consumers from nearby middle class and affluent communities, such as Indianapolis, Carmel, Westfield and Fishers due to easy accessibility.

While not directly comparable to Yorktown, however, as Aspirational and Competitive Markets they provide useful guidelines as to the types of amenities Yorktown's residents want. Furthermore, it may be possible to achieve a similarly vibrant downtown market for Yorktown, but primarily by focusing on the wants and needs of the resident population and those that come in or pass by on a daily basis.

Downtown Market Industry Profiles

Grocery Stores

Grocery stores include supermarkets as well as food marts and convenience stores (without fuel pumps). Site visits and desktop research could not confirm any grocery stores in Yorktown. However, for a population of 11,294, if one grocery store existed in Yorktown, it would be the equivalent of 0.09 stores per 1,000 residents, which is similar to Fortville's 0.07 stores per 1,000 residents, but less than Noblesville's 0.23 stores per 1,000 residents. Based on this comparison, a single small grocery store should be able to sustain itself based on the local population. Of the 17 Grocery Stores in Noblesville, only one, Earth Fare is located near Exit 210, at Hamilton Town Center.

Table N: Grocery Stores (4451)			
Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Number of Stores	0	17 (1 at exit 210)	1
Prominent Stores	None	Earth Fare	Strough's Supermarket
Total Regional Sales	N/A	\$227,809,503	N/A
Stores per 1,000 Residents	0	0.23	0.07
Store Location Trends	None observed	Located in Hamilton Town Center, visible and easily accessible from the road	Near the north-east edge of town's residential area

Specialty Food Stores

Specialty Food Stores include butcher shops, seafood markets, vegetable markets and candy stores. Yorktown has one specialty store, Lowery's, which makes homemade chocolates and candies. This represents 0.09 specialty stores per 1,000 people. Noblesville has nine Specialty Food Stores, or 0.12 stores per 1,000 residents. Assuming that Noblesville has all the specialty stores its market can handle, then Yorktown would not want to saturate its own market further. However, since this is a very diverse industry, where, for example, a seafood market may not be catering to the same customer demands as a candy store, it would not be out of the question to expand to other specialty stores if further consumer research merited it.

Table O: Specialty Food Stores (4452)

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Number of Stores	0	9 (3 at Exit 210)	0
Prominent Stores	Lowery's Home Made Candies	Fuzziwig's Candy Factory, Rocket Fizz, GNC	None
Total Regional Sales	N/A	\$5,798,111	\$0
Stores per 1,000 Residents	0.09	0.12	0
Store Location Trends	Along SR 32 to the east of downtown Yorktown, near Nebo Road	Located throughout Hamilton Town Center, often near other (non-specialty) food stores or restaurants	None observed

Beer, Wine and Liquor Stores

Yorktown has one Beer, Wine and Liquor store, which is 0.09 stores per 1,000 residents. Noblesville has 7 liquor stores, but has the same concentration of 0.09 stores per 1,000 residents. Fortville has 1, which is a slightly lower concentration of 0.07 stores per 1,000 residents. It may not make sense to add additional Beer, Wine and Liquor Stores to Yorktown considering it has an amount equivalent to that of Noblesville.

However, another consideration is that both Fortville and Noblesville have grocery stores, which may also carry beer, wine and liquor, but which would not show up in this analysis. In other words, the supply of “take home” beer, wine, and liquor would be underestimated by the concentration of beer, wine, and liquor stores alone in communities with grocery stores. Of the 7 liquor stores in Noblesville, only two are located at the Exit 210 area.

Table P: Beer, Wine, and Liquor Stores (4453)

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Number of Stores	1	7 (2 at exit 210)	1
Prominent Stores	Friendly Package Liquors	Towne Spirits & Fine Wines, Crown Liquors	Elite Beverages
Total Regional Sales	N/A	\$11,574,133	N/A
Stores per 1,000 Residents	0.09	0.09	0.07
Location Trends	Along SR 32 to the east of downtown Yorktown, near Nebo Road	Located in areas outside of Hamilton Town Center, easily visible and accessible from major roads such as such as Southeastern Parkway, or near a gas station off of Campus Parkway	Located on SR 36, west of downtown Fortville

High-End Restaurants and Coffee Shop/Bakeries

Restaurants and Other Eating Places is a broad industry that includes sit-down full-service restaurants, take-out and fast food restaurants, cafés, bakeries, brew pubs, and other establishments where food is prepared and served.

Yorktown has 8 Restaurants and Other Eating Places, many of which are independent and located downtown on Smith Street. Fortville has 13, about half of which are independent and located downtown on Main Street. Noblesville has 137 Restaurants and Other Eating Places, about a 25% of which are concentrated near Exit 210. Those businesses near Exit 210 represent a range of options from high end to fast food. However, most of these establishments are chains with more than one location in the United States.

Yorktown has a lower concentration of Restaurants and Other Eating places than both Fortville and Noblesville. To match Fortville's concentration of 0.96 restaurants per 1,000 people, Yorktown would need 3 additional restaurants.

Table Q: Restaurants and Other Eating Places (7225)

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Number of Stores	8	137 (34 at exit 210)	13
Prominent Stores	<p><i>Downtown (Smith Street):</i> Osborn's Country Kitchen, El Rancho Poblano, The Hideout Restaurant & Lounge, Mr. Mouse, The Shack</p> <p><i>Other:</i> Pizza King, McDonalds, Subway</p>	<p><i>Hamilton Town Center:</i> Bella Pizzeria, Chef Adam's Kitchen, Chuy's, Cold Stone Creamery, Five Guys, Fresh To Order, Yats Cajun Creole, Houlihan's, McAlister's Deli, Qdoba, McDonald's, Mo's Irish Pub., Noodles and Company, Olive Garden, Red Robin, Stone Creek, Tucanos Brazilian Grill,</p> <p><i>Other:</i> Chick-fil-A, Famous Dave's, Aspen Creek Grill, Perkins, Panda Express, Samano's Mexican Food, Primanti Bros., Potbelly, Arby's, Which Wich, Starbucks, Taco Bell, Subway, Culver's Restaurant, Wendy's, Dairy Queen</p>	<p><i>Downtown (Main Street/Broadway Street):</i> Sunrise Bakery, Los Maguelles, FoxGardin Kitchen & Ale, El 5 De Mayo, Mozzi's Pizza, Indulge Café, Panda Chinese Restaurant</p> <p><i>Other:</i> Lincoln Square Pancake House, Subway, Dairy Queen, Pizza King, Broadway Diner, Godfather's Pizza</p>
Total Regional Sales	\$2,876,643	\$102,932,948	\$6,689,356

Stores per 1,000 Residents	0.71	1.86	0.96
Location Trends	Most grouped together downtown along one block of Smith Street, accessible through wide, pedestrian-friendly sidewalks; not all of the establishments are easy to identify from the street. Pizza King is outside of downtown, but easily accessible on foot for patrons of Morrow's Meadow.	A mix of sit down and fast food restaurants are concentrated at Hamilton Town Center and the area on the other side of Campus Parkway. On the other side of I-69, restaurants are predominantly fast food.	Most sit-down restaurants or cafes are located downtown along two blocks of Main Street; wide sidewalks with accessible parking; some outdoor seating; fast food restaurants located outside of downtown, easily accessible from SR 67.

General Stores

This category includes stores that retail a variety of goods where no single good is dominant. It includes small general merchandise stores like Dollar General and large general merchandise stores like Meijer and Walmart. This category does not include department stores.

Yorktown and Fortville each have one store in this category, whereas Noblesville has 13.

Yorktown has 0.09 stores per 1,000 residents, which is similar to Fortville, with 0.07 stores per 1,000 residents. Yorktown is about half as concentrated as Noblesville, which has 0.18 stores per 1,000 residents. However, considering the size of Noblesville, a single store in this category could range from a large Walmart to a small Dollar Tree, meaning the scale of service to the local population would differ depending on the store itself.

Table R: Other General Merchandise Stores (4529)

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Number of Stores	1	13 (1 at exit 210)	1
Prominent Stores	Dollar General	Dollar Tree	Dollar General
Total Regional Sales	N/A	\$13,380,969	N/A
Stores per 1,000 Residents	0.09	0.18	0.07
Location Trends	Located on SR 32 west of downtown Yorktown.	Located at Hamilton Town Center.	Located on SR 36, west of downtown Fortville.

Clothing Boutiques

This category includes stores which sell men's, women's and children's clothes as well as some specialty clothes. This category does not include stores that specialize in jewelry, accessories, or shoes.

A site visit to Yorktown revealed two women's clothing stores, or 0.18 stores per 1,000 residents.

Fortville has one store, or 0.07 stores per 1,000 residents. Noblesville has 35 stores, or 0.47 stores per 1,000 residents. However, over 70% of Noblesville's clothing stores are located at Hamilton Town Center, which also presumably attracts shoppers from the nearby I-69 corridor.

Table S: Clothing Stores (4481)

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Number of Stores	2	35 (25 at exit 210)	1
Prominent Stores	Lois Pearl Designs, Two Friends Boutique	Aeropostale, American Eagle Outfitters, Buckle, C.J. Banks, Charlotte Russe, Chico's, Dressbarn, Evereve, Express, Francesca's Collections, Jos. A. Bank, LOFT, Maurice's, Men's Warehouse, New York & Company, Old Navy, rue21, Soma Intimates, Torrid, Victoria's Secret, White House Black Market, Zumiez, Crazy 8, Gymboree, The Children's Place	Kewpie's Klost Upscale Children's Resale Boutique
Total Regional Sales	N/A	\$44,806,557	N/A
Stores per 1,000 Residents	0.18	0.47	0.07
Location Trends	Located along Yorktown's pedestrian friendly main street (Smith St.).	Predominantly located in Hamilton Town Center.	Located along Fortville's pedestrian friendly Main Street.

Sporting Goods, Hobby, and Musical Instrument Stores

Yorktown does not have any stores that fit into this category. However, if Yorktown added 1 store, it would represent 0.09 stores per 1,000 residents. This would still be a lower concentration than either Fortville or Noblesville. Fortville has 3 stores, which means there are 0.22 stores per 1,000 residents. Noblesville has 23 stores, or 0.31 stores per 1,000 residents.

To match Fortville, Yorktown would need 2 stores. However, while Noblesville has large, general purpose sporting goods stores like Dicks and Cabela's, each of the small stores in Fortville are specialized for horseback riding, duck and goose hunting, and firearms.

Table T: Sporting Goods, Hobby, and Musical Instrument Stores (4511)

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Number of Stores	0	23	3
Prominent Stores	None	Cabela's, Dick's, Finish Line, GameStop	Marsh Mutt, Stable Tack Shop, M an J Firearms
Total Regional Sales	N/A	\$60,469,853	\$1,821,896
Stores per 1,000 Residents	0	0.31	0.22
Location Trends	None observed	Dispersed throughout the area. Some located in or around Hamilton Town Center.	Located along the pedestrian friendly Main Street.

Sports and Recreation Instruction, Fitness and Recreational Sports Centers, and Dance Companies

Sports and Recreation Instruction, Fitness and Recreational Sports Centers, and Dance Companies have been aggregated in the table below, due to their similar features. In all three of these industries, there is typically a gym or specialized athletic facility (ex. yoga studio, batting cages) with some form of instruction either as a primary or secondary service. Combined, however, they tell a story about the demand for physical recreation in a given community.

Yorktown has five establishments, mostly falling into the category of Sports and Recreation Instruction. This means that Yorktown has 0.44 stores per 1,000 residents. This is a fairly high concentration, three times as high as Fortville, and very close to that of Noblesville.

Yorktown's comparatively high concentration supports the notion that Yorktown residents place a high value on sports and recreation.

Not included in this analysis are Golf Courses²⁶ and non-profit associations or clubs²⁷.

²⁶ Golf Courses fit under their own NAICS category, "713910 Golf Courses and Country Clubs".

²⁷ The Yorktown YMCA, the Yorktown Junior Athletic Association, the Delaware County Futbol Club and The Yorktown Sports Park would fall into this category, not included in this analysis. However, similar organizations were not counted in Fortville and Noblesville as well.

**Table U: Sports and Recreation Instruction (611620),
Fitness and Recreational Sports Centers (713940), Dance Companies (711120)**

Indicators	Town of Yorktown	Noblesville Zip Code Area	Fortville Zip Code Area
Stores Observed ²⁸	4	36	2
Prominent Stores	5 Tool Academy, Munciana Volleyball Club, The Corner Mat Yoga Studio, Tiger Taekwondo Academy	Gymnaworld Gymnastics, The Hit Factory, A Plus Gymnastics Center, Adamson's Karate Studios Inc, Master Yoo's World Class Tae Kwon Do, Trinity Sports Park, Ling's Oriental Martial Arts, Harbour Town Martial Arts, Noblesville Family Martial Arts, Indiana Taekwondo Academy, Shine Yoga And Wellness, Stony Creek Swim Center, Rhythmic Gymnastics of Indiana, Metamorphosis Yoga, Lavafit Personal Training, RAM Sports Academy Inc., Power Alley Baseball Academy, Touch'em All Hitting Academy, Indy Pitch & Hit Academy, Farber's Tumble Dance Cheer, Pink Slipper Dance Studio, Dancin' Place, En Pointe, Ballerinas Academy of Dance	ATA Blackbelt Academy, Blue Seas Fitness and Wellness Center
Stores per 1,000 Residents	0.35	0.49	0.15
Location Trends	Located in various areas, not concentrated downtown.	Dispersed across the region. None located in Hamilton Town Center.	Located in various areas, not concentrated downtown.

²⁸ These three industries are not analyzed by ESRI in the same way that Retail and Food Services are. For this reason, store counts are based on observations from site visits and desktop research, and sales figures are not provided.

Yorktown may be able to sustain up to three (3) additional restaurants or eating places (cafés, sit-down bakeries, brew pubs, etc.) and a small grocery store, as Fortville has. However, Yorktown probably would not be able to sustain additional General Stores or Beer, Wine and Liquor stores.

The analysis suggests that Yorktown could sustain two (2) Sporting Good, Hobby, and Musical Instrument stores, but should not add additional Specialty Food Stores or Clothing Stores. However, the success of each of these industries depends on whether or not local tastes and preferences can be identified and met. For example, there are currently two women's clothing stores in Yorktown, but that does not necessarily preclude the addition of a men's or children's clothing store.

Similarly, sports instruction is highly represented in Yorktown, with facilities for baseball, softball, volleyball, soccer, Taekwondo, and yoga. It would appear that this market is heavily saturated; however, each facility is likely catering to different customers in Yorktown (with some potential overlap).

Final Targets

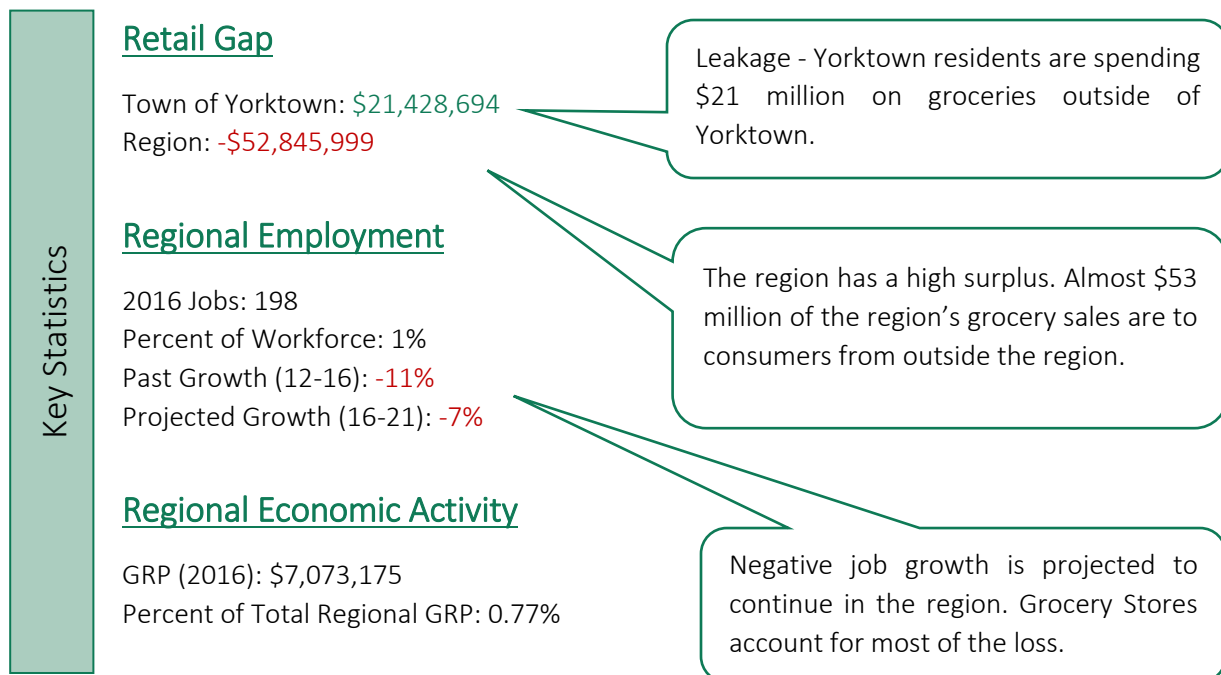
Based on all of the preceding tasks, the following clusters of target industries have been identified:

- Upscale Marketplace
- High-End Restaurants and Coffee Shop/Bakeries
- General Stores
- Clothing Boutiques
- Sports and Recreation Instruction, Fitness and Recreational Sports Centers, and Dance Companies

Profiles for each cluster can be found on the following pages.

Upscale Marketplace

Industry	4451 Grocery Stores 4452 Specialty Food Stores 4453 Beer Wine and Liquor Stores
Definition	This group includes establishments that primarily retail food or alcohol products. It includes grocery stores and supermarkets as well as stores that specialize in meat, seafood, fruits and vegetables, baked goods, candies, nuts, beer, wine and liquor.
Rationale	High retail leakage in Yorktown; Significant regional employment; Stakeholder input

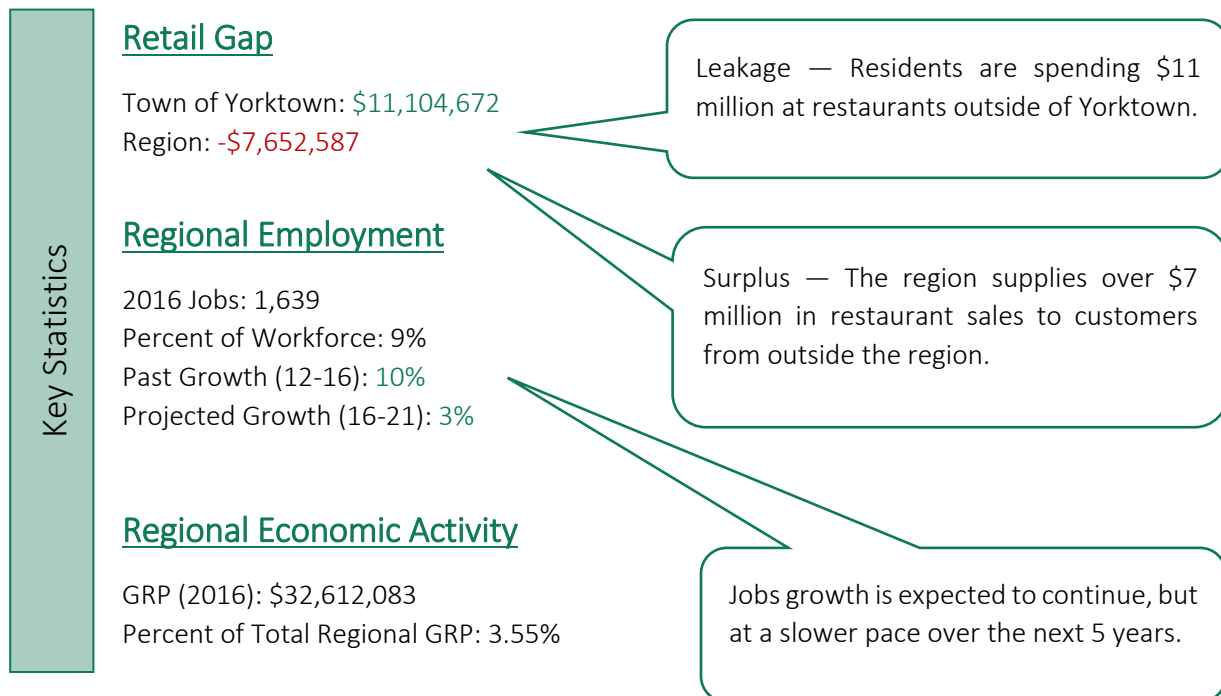


Industry Trends

Overview	Growth is expected due to rising disposable incomes, an increase in premium brand sales and healthy eating trends.
Market Size	\$685.7 Billion in revenue, of which \$611.6 Billion is from Grocery Stores.
Trends and Forecasts	Annual growth is expected to continue in Grocery Stores (0.8%), Fruit and Vegetable Markets (1.2%), Seafood Markets (1.1%) and Other Specialty Food Stores (1.6%). Beer Wine and Liquor Stores are expected to see negative annual growth (-0.5%).
External Drivers	Per capita disposable incomes. Healthy Eating Index, Per capita consumption of specific goods
Emerging Trends	Grocery Stores are carrying more organic and premium private label brands and adding services like home grocery delivery. Technological changes include self-checkout lanes, e-commerce and smartphone applications and pay-by-touch.

High-End Restaurants and Coffee Shops/Bakeries

Industry	7225 Restaurants and Other Eating Places
Definition	Establishments where food is prepared and served. This includes sit-down full-service restaurants, take-out and fast food, cafés, bakeries, brew pubs, and others.
Rationale	High retail leakage in Yorktown; High regional employment; Projected job growth; Stakeholder input



Industry Trends

Overview	Growth is projected to continue over the next five years as the U.S. economy improves and consumer confidence and disposable incomes rise.
Market Size	\$586.1 billion in revenue for full service, fast food, coffee and snack shops.
Trends and Forecasts	Annual growth of 2.0% is projected for full service restaurants as well as coffee and snack shops. Fast food restaurants will grow, but at a slower annual rate of 1.6%. Coffee and snack Shops had some of the highest annual growth at 4.1% over the last five years.
External Drivers	Consumer spending, consumer confidence, healthy eating, households earning more than \$100,000
Emerging Trends	Industry continues to use technology to improve efficiency and enhance the customer experience.

General Stores

Industry	4529 Other General Merchandise Stores
Definition	Stores that retail a variety of goods where no single good is dominant. Includes both Dollar Stores and Warehouse Clubs and Supercenters.
Rationale	High retail leakage in Yorktown and the region; High regional employment; Projected job growth; Uniquely concentrated in the region

Key Statistics

Retail Gap

Town of Yorktown: \$5,666,478
Region: \$14,880,288

Regional Employment

2016 Jobs: 771
Percent of Workforce: 5%
Past Growth (12-16): 8%
Projected Growth (16-21): 9%

Regional Economic Activity

GRP (2016): \$29,723,414
Percent of Total Regional GRP: 3.24%

Leakage - Both Yorktown and the region have a high demand for General Stores that is only partially being met locally.

Jobs growth is expected to continue at a similar pace over the next 5 years.

This number includes any Warehouse Clubs and Supercenters in the region. This industry is over 4 times bigger than the Upscale Marketplace industries. It is also their main competitor.

Industry Trends

Overview	Growth of Dollar and Variety Stores will slow as disposable incomes rise.
Market Size	\$65.7 Billion for Dollar and Variety Stores
Trends and Forecasts	Dollar and Variety Stores typically perform well when disposable incomes are low. 2011-2016 saw positive annual growth (2.1%) as the economy was in recovery. As disposable incomes rise, growth is expected to slow to an annual rate of 0.4%.
External Drivers	Per Capita Disposable Income, Poverty Rate, External Competition, National Unemployment Rate
Emerging Trends	Dollar and Variety Stores have been increasingly targeting middle- and high-income consumers, adding more name brands and more expensive items to their stores.

Clothing Boutiques

Industry	4481 Clothing Stores
Definition	Stores that primarily focus on retailing new clothing. This includes Men's, Women's Children's and Family Clothing Stores. It does not include Department Stores or Warehouse Clubs and Supercenters.
Rationale	Moderate to high retail leakage in Yorktown and the region; High retail leakage of competing industries

Key Statistics

Retail Gap

Town of Yorktown: \$3,478,147
Region: \$9,614,553

Leakage - Both Yorktown and the region have a significant demand for Clothing Stores that is only partially being met locally.

Regional Employment

2016 Jobs: 20
Percent of Workforce: 0.1%
Past Growth (12-16): -14%
Projected Growth (16-21): -13%

Negative job growth is expected to continue. However, since this is a very small workforce these changes equated to 2-3 jobs over a five-year period.

Regional Economic Activity

GRP (2016): \$437,359
Percent of Total Regional GRP: 0.05%

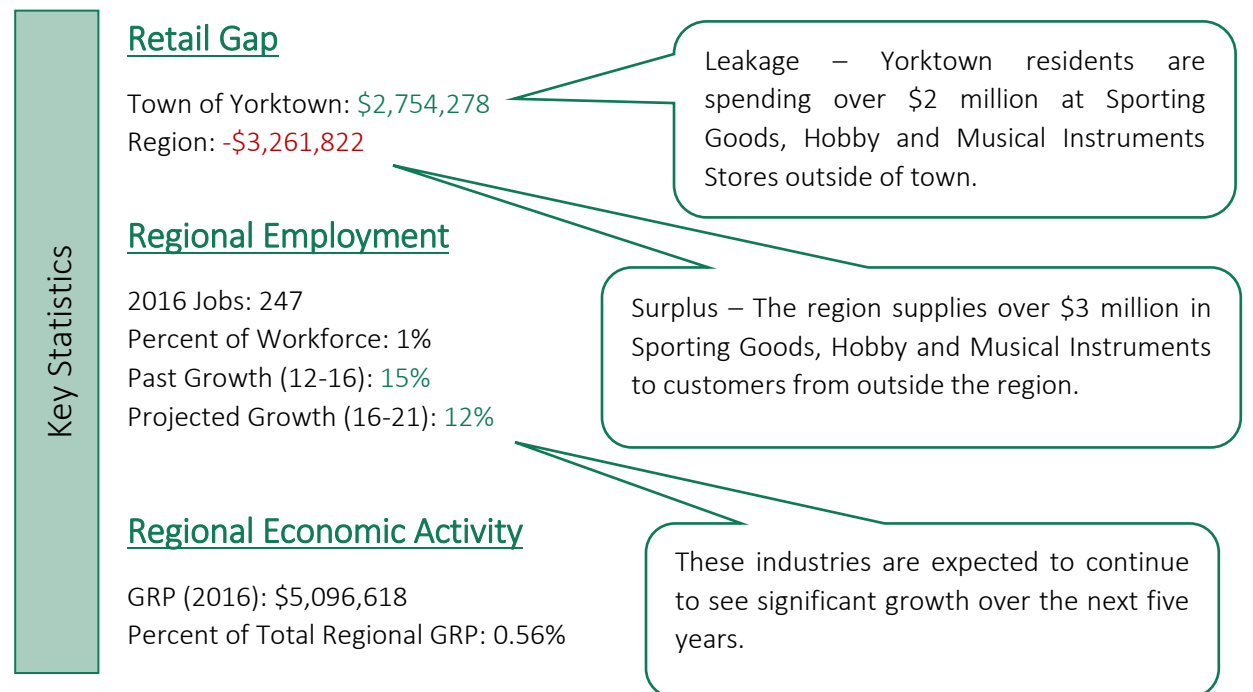
This represents a very small portion of total Gross Regional Product. However, Clothing Stores are typically small and specialized.

Industry Trends

Overview	Negative growth expected due to competitive industries.
Market Size	\$165.9 Billion for Men's, Women's Children's and Family Clothing Stores
Trends and Forecasts	Negative growth is expected for Men's, Women's, and Children's Clothing due to high competition from Department Stores and online retailers.
External Drivers	Per capita disposable income, External competition, Import penetration in the manufacturing sector
Emerging Trends	Some retailers are starting to develop an online presence, selling merchandise both through brick-and-mortar stores and on the internet.

Sports, Recreation and Hobby Retail

Industry	4511 Sporting Goods, Hobby, and Musical Instrument Stores 611620 Sports and Recreation Instruction 713940 Fitness and Recreational Sports Centers 711120 Dance Companies
Definition	Sports, recreation and hobby establishments that provide some combination of recreation equipment/supplies, instruction, and facilities.
Rationale	Moderate retail leakage in Yorktown; Projected job growth; Uniquely concentrated in the region; High competitive effect; Stakeholder input



Industry Trends

Overview	Growth is expected to continue due to economic and cultural factors.
Market Size	\$146.6 Billion from all relevant industries combined.
Trends and Forecasts	Industries have been growing and are expected to continue with the rise of sports participation, health consciousness and disposable income.
External Drivers	Per capita disposable income, Participation in sports, Number of young people
Emerging Trends	Digital technology and biomechanical experts are being used more to analyze and improve athletes' performance. Sporting Goods Stores are including interactive facilities to test out equipment.

Downtown Market Recommendations

Upscale Marketplace

Yorktown has a high demand for Grocery Stores that is not being met locally. However, regional demand is satisfied with a large surplus, meaning if Yorktown establishes a grocery store, it should cater to the consumer demands of Yorktown residents, specifically. The region as a whole is saturated, making it unlikely that shoppers outside of Yorktown, including nearby residents in Daleville and Muncie, will come to Yorktown for groceries. Comparable communities like Fortville are able to sustain a small local grocery store, despite having other grocery store options in nearby towns. This suggests that a small grocery store could be sustained by the local Yorktown market.

Recently, it was announced that the Marsh Supermarket chain will be closing its grocery stores. This may at least have a short-term impact on availability of Grocery Store options in the region. However, this is unlikely to decrease the demand for Grocery Stores in Yorktown.

Yorktown and the surrounding region also have some modest demand for Specialty Food Stores and Beer, Wine and Liquor Stores. Using the Fortville and Noblesville communities as benchmarks, Yorktown already has a similar number of both types of stores per capita as Noblesville, and more than Fortville. Considering that Grocery Stores are a competitive industry with Specialty Food Stores and Beer, Wine, and Liquor Stores, Yorktown may choose to open a grocery store first and then do additional research to determine if demand is still strong.

Market research indicates that the Grocery Store industry is adapting to changing customer demands by experimenting with different store layouts (such as dining areas, beer and wine bars) and offering different services, such as online ordering and home delivery. This may be something Yorktown wants to pursue. One example of a unique consumer experience is Lucky's Market located in Bloomington, Indiana.²⁹

Additionally, there is some modest demand for Beer, Wine and Liquor Stores. With these needs, Yorktown should target restaurants, specifically brew pubs, which often allow customers to purchase and refill growlers to take beer home, and wine bars that provide a unique dining experience.



²⁹Lucky's Market <https://www.luckysmarket.com/bloomington-indiana/>

High-End Restaurants and Coffee Shop/Bakeries

Yorktown's downtown area would benefit from a few additional restaurants as long as they provide alternative options from the current amenities. For example, Yorktown could explore cafés and bakeries, restaurants that specialize in breakfast, delis, brew pubs with a rotating tap of beers, and restaurants with different price points. Every day, over 5,000 vehicles pass through Downtown Yorktown and over 3,000 people come into Yorktown for work. There is a daytime market opportunity for a place with coffee and breakfast in the morning, a nice, affordable place to eat lunch with co-workers, or a place that makes sandwiches for takeout.

Existing restaurants in Yorktown are encouraged to provide additional upgrades to both interiors and exteriors to align with the overall redevelopment plans for the downtown. Some businesses have begun renovations already, spurring interest from the community and outside stakeholders. Furthermore, it is recommended for town staff to survey constituents and businesses in order to more fully understand where its workers, citizens, and visitors to Yorktown eat and why, or what Downtown businesses they patronize, in general.

General Stores

Yorktown is similar to its aspirational market, Fortville, in that each have one Dollar General store, suggesting that one such store is the limit for towns of their size. Although the market gap analysis shows consumers in both Yorktown and the surrounding region are leaving the area to spend significant amounts of money at General Stores, they are likely doing so at Warehouse Clubs and Supercenters like Walmart and Meijer.

Considering Yorktown has a similar concentration of General Stores per capita as its aspirational market, it is recommended for Yorktown to consider Grocery Stores that also carry non-food items versus another small general store.

Clothing Boutiques

When Yorktown residents spend their retail dollars outside of Yorktown, they spend the greatest amount of money at Department Stores. This is relevant, because Department Stores (and online retail) are the largest competitors of the Clothing Store industry group, and one of the main reasons Men's, Women's and Children's Clothing Stores, as a whole, are expected to continue to experience negative growth over the next five years³⁰. Additionally, Yorktown has a higher concentration of Clothing Stores, with Lois Pearl Designs and Two Friends Boutique than its aspirational market, Fortville.

However, the retail gap for Clothing Stores for Yorktown is high, suggesting that residents still value specific Clothing Stores enough to travel out of town to places like Exit 210 in order to find distinct and quality fashions that are not available at major department stores.

Adding an additional clothing store to Yorktown's downtown area would risk oversaturating the local market, and may not be able to compete with the quantity of options available at Exit 210. However, if Yorktown wanted to pursue a small Clothing Store, it would be advised to choose something that caters to the local population's interests.

³⁰ Source: IBISWorld

Sports/Recreation/Hobby Retail

Sports and recreation industries are important to Yorktown. These industries include Sports and Recreation Instruction, Fitness and Recreational Sports Centers and Dance Companies. Compared to its aspirational market, Yorktown has almost three times more of these types of establishments per capita than Fortville, and almost the same concentration as that of Noblesville. This is despite the fact that Yorktown's population trends older than Fortville and Noblesville, where an industry like Sports and Recreation Instruction typically targets younger athletes.³¹

While sports and recreation industries are strong, there is unmet demand in Yorktown for Sporting Goods Stores, although the surrounding region has a surplus. Aspirational Market, Fortville, has three Sporting Goods Stores in its downtown area. Yorktown may be able to sustain one or two specialty sporting goods stores. The challenge will be specifically identifying what types of Sporting Goods Stores would thrive in downtown Yorktown based on the tastes and interests of the population. Interest in specific sports is indicated by the businesses, organizations, and facilities that cater to those sports, such as 5 Tool Academy (baseball and softball), the Yorktown Junior Athletic Association (baseball and softball), Munciana Volleyball Club, the Delaware County Futbol Club (soccer), the Players Club at Woodland Trails (golf), the Muncie Elks Golf Club (golf), the Yorktown Sports Park and the Yorktown YMCA.

The line has been blurring between complementary industries like Sports Instruction, Fitness and Recreational Sports Centers, and Sporting Goods Stores where sports facilities typically include some form of instruction. Additionally, Sporting Goods Stores are increasingly including on-site facilities (climbing walls, putting greens, running tracks) to help customers test equipment and having certified fitness trainers on staff to assist and advise customers.

Using Yorktown's combined love of festivals and sports and recreation, a few suggestions are offered below have the combined goal of strengthening the image of Yorktown as a destination for sports. In any of these events, organizers could collaborate with local groups like 5 Tool Academy, Munciana Volleyball Club, the Delaware County Futbol Club, the Yorktown Junior Athletic Association, the Yorktown YMCA, local coaches and instructors, as well as invite other regional groups to participate, such as sports goods stores like Dick's and Cabela's, health food stores, equipment suppliers, community health organizations, and local celebrity athletes. Some ideas include:

- Sports and recreation-related festivals in places like Morrow's Meadow and the Yorktown Sports Park. For example, community "Field Days" that bring together families to informally compete in sports.
- "All-Comers Track and Field" events³², designating one evening per week during the summer for all ages using the local high school track and using volunteers to keep and record times. One program started in Zionsville in 1997 and is described as "a place where families could connect around the sport they love, a place where a community could cheer for toddlers zig-zagging down the straightaway in their first race."

³¹ Source: IBISWorld

³² <http://www.runnersforum.com/allcomerstrack/>, <http://programs.zionsvilleeaglerec.com/all-comers-track.cfm>

- “First Fridays”³³ are a concept typically used by arts and food industries, but this could be a concept Yorktown uses for sports and recreation, where facilities open their doors to the community one day a month to try for free or at a discount.

Additionally, Yorktown may want to consider further diversifying its sports and recreation cluster by pursuing recreation facilities not directly linked to traditional high school sports, but those which bring in consumers from the greater region. Examples would include Gymnastics facilities or Climbing facilities, which can bring in families and enthusiasts, and provide job opportunities for certified trainers and instructors.

³³ <http://do317.com/firstfriday>, <https://downtownsouthbend.com/downtown-south-bend-first-fridays>

Marketing Strategies

Based on conversations with the Yorktown Redevelopment Commission and Staff, Veridus understands that Yorktown's aspiration is to adopt a business recruitment strategy that will produce clear marketing strategies to effectively engage site selection consultants (site selectors), real estate brokers, and corporate executives. Based on an evaluation of the town's existing initiatives and the market analysis completed in this report, recommendations are provided below to provide guidance for building relationships with relocation decision-makers and to effectively market the community, buildings, and sites for long-term viable growth.

Research and feedback from site location consultants show that an effective economic developer in the site selection process today is best equipped by educating themselves about how the industry works, knowing what questions to ask, and negotiating based on a set of clear principles.

Existing Business Recruitment Activities

From the business recruitment perspective, a website is the fundamental tool for relaying pertinent data and information to decision-makers. Relocation research begins on the internet; therefore, it is Yorktown's first opportunity to make a good impression and can position the Town as a competitive market for business attraction.

Yorktown's current website offers standard governmental services and information, community organizations, and access to public documents. Under the "Town Manager" tab is a link to economic development where there are further links: a community profile, the downtown redevelopment plan, and an upcoming event with the fire department. Additionally, the Yorktown Chamber of Commerce website is also listed as an economic development resource for interested businesses and site selectors. Overall, the information available is geared toward existing residents, not those looking to relocate business.

Economic Development Website Best Practices

Staff have indicated an upcoming revision of the website with a strong focus on relaying pertinent, clear data for site selectors and corporate executives. To ensure the website revision provides a competitive edge, Yorktown should consider following best practices:

- *Updated Demographic and Labor Force Data*

Most in the economic development field understand that workforce quality and availability are at the top of a site selector's list for evaluating a relocation project. Therefore, position recent demographic and labor force data (ideally provided by an objective third party) should be front and center on the website. This data can be found either by visiting www.census.gov or www.clustermapping.us. Additionally, explore the inclusion of unique and interesting data points that help tell the "Yorktown story," such as consumer spending data, to attract the interest of industry decision-makers.

- *Target Industries*

Companies will relocate to regions and communities where there are advantageous assets, capital, relationships, and culture. Conversely, communities need to support and attract companies that are a good match for its citizens and business network. Therefore, identification of the town's industry strengths and emerging opportunities is advantageous. Separate tabs providing detailed information on each target and emerging industry is recommended. For downtown Yorktown, the recommended target industries are:

- Upscale Marketplace (fresh produce, deli/lunch counter, alcohol)
- Restaurants/Coffee Shops/Bakeries (places to sit down/relax)
- General Stores (places that sell a variety of goods including food)
- Sports/Recreation/Hobby
- Clothing Stores

The target industries defined by Yorktown's county-wide economic development arm, the Muncie-Delaware County Economic Development Alliance, include:

- Advanced Manufacturing
- Food Processing
- Logistics and Distribution
- Alternative Energy
- Information Technology

- *Spotlight Prominent Employers*

Highlighting the community's prime companies provides insight into the industry's network, promotes the industry's strengths, and supplies a tangible connection to those already thriving in the community. Currently, a link to a full business directory is available, though it is recommended for staff to provide a direct introduction to a business/industry leader in a similar industry to the relocation lead.

Additionally, provide success stories and video testimonials from your top employers to boost interest and bridge a connection to those decision-makers researching the business-friendly environment. Also include national or expert data and content about this specific industry to further enhance the website.

- *Contact Info*

As previously mentioned, site selectors are most likely to contact a community once a shortlist of possible relocation destinations has been developed. Therefore, the Yorktown website should clearly identify the person in charge of decision-making and his or her photo and direct contact information. Currently, visitors are directed to a general number and the Yorktown Chamber of Commerce website.

- *Incentives*

While the Economic Development tab on Yorktown's government website states that the town does offer incentives such as tax abatements, training funds, and infrastructure improvements, no specific details of the financing tools are offered. More detailed information providing both parameters and the process to apply for incentives is suggested. Additionally, getting to this information in one-to-two clicks is critical.

- *GIS/Sites and Buildings*

Having access to a visual picture of where available sites and buildings are located is a necessary aspect of every economic development website. Currently, the Muncie-Delaware Economic Development Alliance showcases available building and sites located in Yorktown. However, some listed properties have incomplete site details and lack pictures—all critical information for site selectors to choose Yorktown for

relocation projects. Furthermore, embedding a link on your page to the GIS information provides site selectors with more detailed information and thus, puts your community at an advantage.

- *News and Updates*

By highlighting the latest announcements, events, and awards, Yorktown provides site consultants and businesses with a strong characterization of the region's vitality, assets, and reputation. The current "News and Notices" section has a few good tools and topics, but is outdated.

Additionally, sending updates monthly—at a minimum—if not more frequently, is highly recommended, as well as focusing on external news such as company relocations and expansions more than internal news. Great stories on business relocations, expansions, and milestones make the best content for these updates. Currently, the town does distribute information via Facebook and a biweekly newsletter called, "What's Happening in Yorktown," which provides an update on current events and initiatives. According to numerous stakeholders both in and outside of Yorktown, the newsletter is deemed one of the best in the state with providing pertinent and unique information.

- *User Experience*

Providing a user-friendly website that is compatible with a mobile device will position your community above others with inefficient websites. Currently, the www.yorktownindiana.org website is mobile-compatible. However, if the audience is focused on corporate decision-makers for relocation, getting to the right information—whether it is data, product, or even contact information—is cumbersome. Having information readily available in one-to-two clicks from the homepage is encouraged and will prevent losing website visitors.

- *Contemporary Format*

While having strong content is critical for driving traffic to your website, having a strong, contemporary format will intrigue users and establish a great first impression. Placing high-quality images with appropriate amounts of white space and text is a general good rule of thumb for an updated website.

- *Search Engine Optimization*

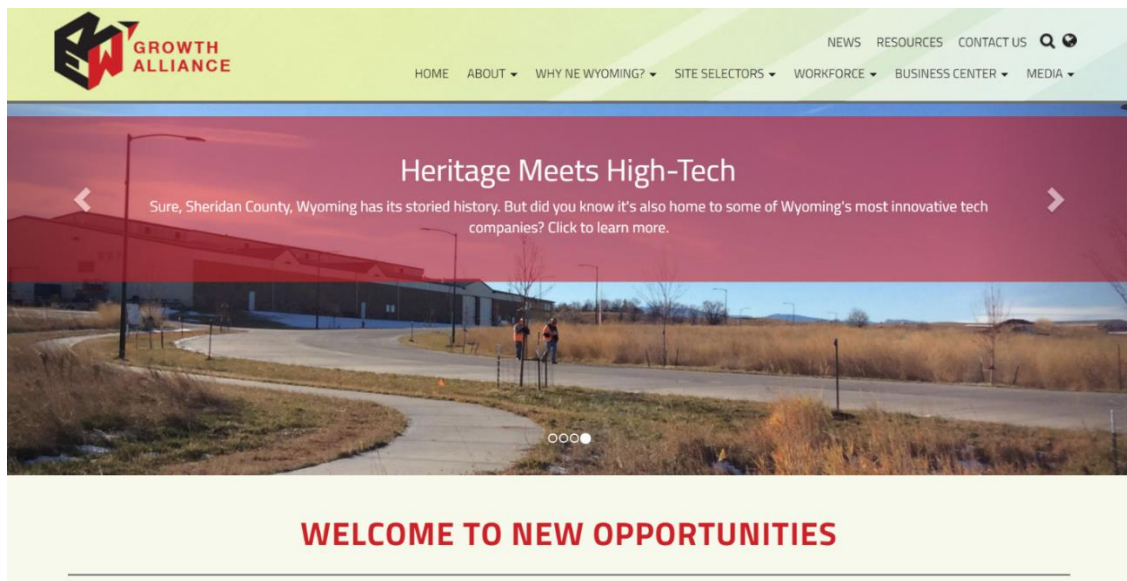
The concept of SEO (search engine optimization) is a widely debated topic as to its importance in economic development. Though having your website listed near the top in a search is ideal, the naming and easy access to your website is of upmost importance. If you do wish to pursue SEO, you can check to see how your website ranks via this marketing grader: <https://website.grader.com/>. Based on a total of 100 points, the www.yorktownindiana.org website scores 84, ranking highest under the 'security' and 'mobile' categories.

- *Social Media Marketing*

Social media platforms such as LinkedIn, Twitter, Facebook, and YouTube produce a great foundation for communities to connect with a large number of people quickly and directly. Social media has the capability to establish strategic partnerships, gather competitive intelligence, collect and understand industry data, and recruit ambassadors for the region. Furthermore, utilizing social media to push news and updates is a great way to reach your target audience with owned (internally-controlled) and earned (externally-controlled) media coverage. Currently, town staff have an active Facebook page with consistent and

frequent updates on events, public meetings, infrastructure projects, and other topics. Adding in promotional activities, such as “Property Promotion Wednesday” in which you showcase an available site or building, is a fun way to escalate your marketing reach. Lastly, establishing a biweekly or monthly blog that links to your social media accounts is another way to actively communicate with your community.

A good example of how a strong economic development website is shown below. This is the website for the Northeast Wyoming Growth Alliance. For more details, visit <http://www.newgrowthalliance.com/new-growth>.



Conferences, Trade Associations, and Trade Shows

The best way to build relationships with site selectors and corporate executives is via face-to-face meetings. Therefore, attendance at pertinent and well-attended conferences, trade shows, and trade association events is highly recommended for creating new and maintaining existing relationships. Generally, partnering with other municipalities, regional economic development organizations, or the state will allow for a greater depth and breadth of exposure and strong return on investment of your marketing budget.

Attendance and membership at the following events is recommended:

- *Indiana Economic Development Association (IEDA)*

IEDA is “made up of economic developers, utilities, attorneys, consultants, financial institutions, higher education professionals, engineers, architects and construction professionals ... passionately dedicated to attracting and retaining jobs for the great people of Indiana. In addition to frequent networking opportunities, IEDA members enjoy:

- Continuing education
- The exchange of ideas and best practices
- Interaction with legislators and state officials, and
- Professional development

IEDA also works hard to promote state and federal policies that support a positive business climate to help existing businesses flourish and attract new businesses to the state. IEDA's advocacy experts help ensure that economic development issues remain on the agenda for our state administrators and elected officials.

2017 Site Consultant Event

Wednesday, August 16, 2017 5:00 PM

French Lick Springs Hotel, 8670 West State Road 56, French Lick, IN 47432

<http://www.ieda.org/event-2552662>

2017 IEDA Annual Conference

Thursday, December 14, 2017 1:30 PM

The Alexander, 333 South Delaware Street, Indianapolis, Indiana

<http://www.ieda.org/event-2557536>

- ***Mid-America Economic Development Council (MAEDC)***

MAEDC "is an organization that provides economic development professionals with the following:

- Education on emerging trends and best practices
- Networking and gathering of new ideas from economic development professional across the Mid-America region
- Relationship-building with site selectors and corporate relocation experts
- Multi-state visibility
- Access to an up-to-date and verified site selector list
- Discounts to conferences, webinars, advanced training, and International Economic Development Council (IEDC) publications and programs
- Access to job postings

MAEDC Competitiveness Conference and Site Selector Forum

December 3-5, 2017

Chicago, Illinois

<http://www.midamericaedc.org/Competitiveness-Conference>

- ***International Economic Development Council (IEDC)***

"IEDC is a non-profit, non-partisan membership organization serving economic developers. With more than 4,500 members, IEDC is the largest organization of its kind. Economic developers promote economic well-being and quality of life for their communities, by creating, retaining and expanding jobs that facilitate growth, enhance wealth and provide a stable tax base. From public to private, rural to urban and local to international, IEDC's members are engaged in the full range of economic development experience. Given the breadth of economic development work, our members are employed in a wide variety of settings including local, state, provincial and federal governments, public-private partnerships, chambers of commerce, universities and a variety of other institutions."

2017 International Economic Development Council Annual Conference

September 17-20, 2017

Toronto, Canada

<http://www.iedcevents.org/Toronto/index.html>

- ***International Council of Shopping Centers (ICSC)***

“ICSC is an association that serves the global retail real estate industry. We provide our 70,000+ member network in over 100 countries with invaluable resources, connections and industry insights and actively work together to shape public policy.” Resources include:

- Educational programs and publications in all aspects of shopping center development, finance, management, marketing and other specialized areas of professional interest
- Meetings and programs to promote the exchange of ideas among members and to facilitate the conduct of their business
- Dissemination of information pertaining to the industry, including statistical data and research
- Professional certification programs
- Advocacy to local, state, federal and international governmental bodies
- General promotion and educational information on the industry

RECon: The Global Retail Real Estate Convention 2018

May 20-23, 2018

Las Vegas Convention Center & The Westgate Hotel

<https://www.icsc.org/>

Trade Association Membership:

- Indiana Economic Development Association (IEDA): <http://ieda.org/>
- Mid-America Economic Development Council (MAEDC): <http://www.midamericaedc.org/>
- International Economic Development Council (IEDC): <http://www.iedconline.org/>

Appendix A: Interviews and Focus Groups

Focus Group and Interviews Summary:

- Barb Turner - Restaurant
- Tim Kuzma - Recreation
- Heather Taylor – Recreation/Business Owner
- Ed Armantrout - Chamber
- Adam Unger – Business Owner
- Amy Carrow – Restaurant/Property Owner
- Megan O’Connor - Recreation
- Ron & Betty Myers – Business Owners
- Carolyn Grieves – Chamber/Formal Business
- David Spaw – Property Owner
- Chuck Ingram – Business Owner
- Izzy Ramirez – Business Manager

A total of 13 individuals from local businesses, restaurants, recreation services, and government were interviewed from Yorktown, IN. Yorktown leaders suggested the interviewees. A summary of key themes observed are explained below.

Yorktown Key Themes:

- **Welcome:**
 - Make a gateway or “Welcome to Yorktown” sign or something similar for people driving into Downtown.
- **Marketing and communication:**
 - There is a lack of marketing and communication from the town.
 - People are confused and rumors fly around about the town’s activities; they are wary of what is going on with the redevelopment. People tend to gossip about it rather than going to the town or to the Town Council to voice their concerns.
 - People think that building a new city hall is the only part of this new plan; they are not aware that it is only one important step of many outlined in the redevelopment plan.
- **The town needs:**
 - Attractive options downtown, such as family-friendly options and dining, etc.
 - There is a need for a grocery and drugstore in Yorktown.
 - Dollar General is one of the busiest, if not the busiest, place in town because of the need for convenient groceries.
- **Possible additions:**
 - Coffee shops, a family restaurant, high-end bakeries, sports bars or brew pubs, ice cream shop, butcher shops, produce (There is no fresh produce in town besides the weekly Farmer’s Market), etc.
- **Communication between businesses:**
 - Downtown business owners do not communicate with one another or work to help each other.

- Do they market or solicit their business, like to the visiting sports families?
- No cross-promotion between businesses.
- **Patronizing Downtown businesses:**
 - Many Yorktown residents, particularly Council members, police officers, etc. do not patronize the Downtown businesses.
 - It would be an interesting survey to see where the people of Yorktown go out to lunch and why, or what Downtown businesses they patronize in general.
 - The park should be used for recreation while downtown should be used for selling items and services.
 - Some downtown businesses are encouraged to upgrade their interiors and exteriors.
- **Proximity:**
 - Easy access to Fishers, Indianapolis, and Fort Wayne and all those locations offer.
- **Great school systems!**
- **Online shopping:**
 - Retail shops in Yorktown may struggle if they are added because of the prevalence and convenience of online shopping.
- **Yorktown vs. Muncie:**
 - Superior school system
 - Resale value
 - Muncie's current controversy and corruption, investigation by the FBI.
- **Executive or business coach:**
 - There are no resources for small businesses in Yorktown to have an executive or business coach that helps them to grow or develop their companies.
 - Local businesses could also benefit from marketing assistance.
- **Expendable income is prevalent in the community.**
- **Youth sports:**
 - Currently a very successful industry.
 - There is lots of potential at the sports park.
- **What people would like the town to change:**
 - Create an appeal through graphics or something to induce someone to invest or spend some money on it. An investment firm or law offices could open here.
 - Open a brew pub Downtown.
 - Make things attractive to get people here—may have to attract the businesses first and then the people may eventually relocate as well.
 - Eye appeal.
 - People love Morrow's Meadow and think it's beautiful—but it doesn't draw people to Downtown Yorktown.
 - Make the place shine and be irresistible to everyone.
 - Offer tax incentives for the rehab homes in town.
 - Getting more businesses and bringing people in. Make it a place to want to go.
 - Try to attract families with kids that are working in tech—Fishers, Pendleton, and possibly Anderson are the closest competition.
 - Keep Ball State graduates in the area.

- Take care of the Marsh and Ross buildings.
- Bring in a Walgreens, CVS, and/or grocery stores.
- Communicate with the public.
- Slow down the traffic coming into Downtown Yorktown.
- There needs to be a community coming together Downtown to help each other and tell the public about what they have.
- More focus on being welcoming and providing assistance to businesses versus strict policy and code enforcement.

Appendix B: National Market Trend Research

Beer, Wine and Liquor Stores (44531):

Mild decline is projected for the Beer, Wine and Liquor Stores industry as the millennial generation reaches the legal drinking age and the regulations on liquor stores are gradually lifted.

Industry Definition:

“Operators in this industry include retail stores specifically licensed to sell alcoholic beverages for off-premises consumption. This industry excludes wholesale, grocery, convenience and gas station stores.”

Industry Outlook:

“Over the five years to 2021, the Beer, Wine and Liquor Stores industry will likely experience mild declines in revenue.” Additionally, the millennial generation, which represents a greater percentage of the population than the Baby Boomers, will all reach the legal drinking age over the next decade, so operators “will cater to a growing market of new, young consumers whose tastes are entirely different from consumers in other age groups.” However, the competing industries like Supermarkets and Grocery Stores will increasingly take part in the retail alcoholic beverages market. “Per capita expenditure on alcohol is expected to decline slightly over the next five years at an annualized rate of 0.2%.” “Consumers who continue to drink have shifted their preferences toward high-margin craft beers and local products. Additionally, a projected decrease in the healthy eating index may slightly limit revenue decline, because less health-conscious consumers are likely to consume more alcohol. Over the five years to 2021, revenue is forecast to decrease at an annualized rate of 0.5% to \$49.0 billion.”

Overview:

“Operators in the Beer, Wine and Liquor Store industry remained in high spirits over the five years to 2016, despite experiencing very little revenue growth during the period.” Consumer taste preferences have shifted from popular global beer brands to local craft styles with high-quality ingredients and unique flavors. “Deregulation of liquor stores and renewed consumer demand for craft beer brands bolstered profitability.” “Industry revenue is expected to grow at an annualized rate of 2.1% over the five years to 2016, increasing to an estimated \$50.1 billion.” In 2012, Washington State enabled private businesses to enter this industry through legislation that privatized state-run liquor stores, and this has provided additional revenue for the Beer, Wine and Liquor Stores industry. “IBISWorld expects industry revenue to decline a slight 1.0% in 2016. Industry profit has also increased from 1.0% in revenue in 2011 to an estimated 2.5% in 2016.” The industry has faced increasing competition from external competitors like wholesaler clubs and supermarkets that offer lower priced alcoholic beverages. “Over the next five years, the industry is expected to benefit from continued reductions in both alcohol retail regulations and excise taxes on the sale of alcohol. However, per capita alcohol consumption among consumers has declined gradually and is expected to damage the industry’s revenue prospects. Over the five years to 2021, industry revenue is projected to fall an annualized 0.5% to \$49.0 billion.”

Key Statistics Snapshot

Revenue
\$50.1bn

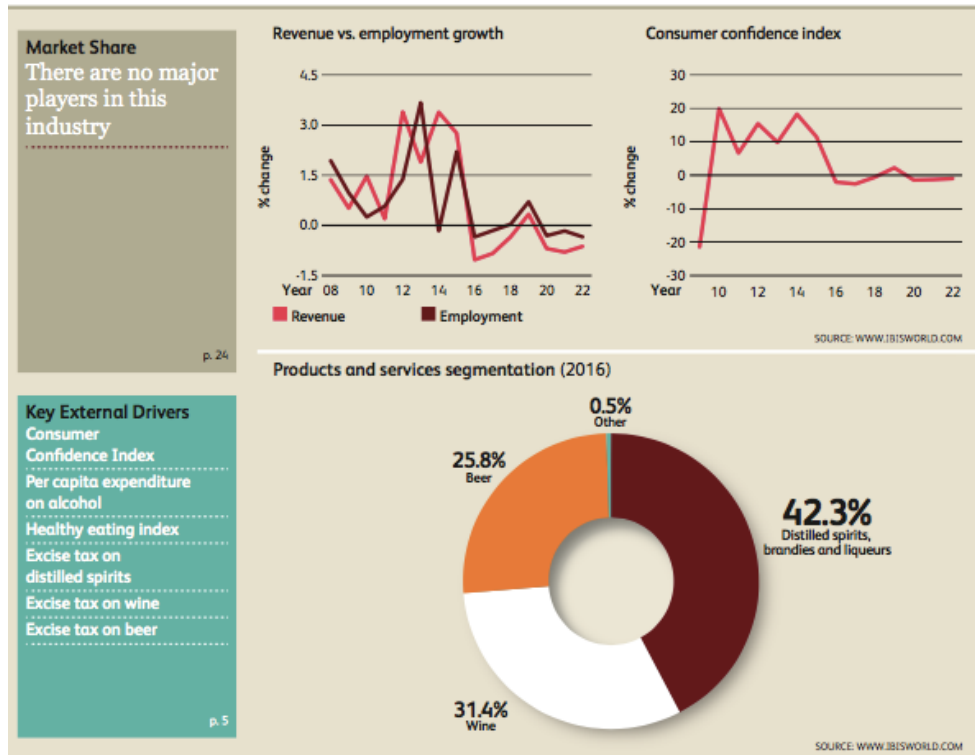
Profit
\$1.3bn

Annual Growth 11-16
2.1%

Wages
\$3.5bn

Annual Growth 16-21
-0.5%

Businesses
41,590



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Key Economic Drivers/Key External Drivers:

- Consumer confidence index
- Per capita expenditure on alcohol
- Healthy eating index
- Excise tax on distilled spirits
- Excise tax on wine
- Excise tax on beer

Major Players:

- There are no major players in this industry. “The vast majority of beer, wine and liquor stores are owner-operated, and therefore, the industry consists almost entirely of small businesses.” Businesses in this industry include:
 - Total Wine & More

Market Share Concentration:

There is a low market share concentration in the Beer, Wine and Liquor Stores industry. “Many stores are family owned and independently operated, and the vast majority of industry companies employ fewer than 20 people.” One reason the concentration of ownership of industry stores is low is “state regulations that

prohibit vertical and horizontal integration among alcoholic beverage producers, distributors, and retailers.” However, the industry should consolidate to a small degree as states gradually lift some of these restraints. “The industry will likely become slightly more concentrated over the next five years, due to the entrance of large chains.” “Over the next five years, the industry’s most prominent players are not expected to represent any more than a combined 5.0% of industry revenue.”

Key Success Factors:

- Close monitoring of competition
- Use of high volume/low margin strategy
- Ability to control stock on hand
- Proximity to key suppliers
- Proximity to key markets
- Attractive product presentation

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Per Capita Expenditure on Alcohol (\$)
2007	43,681.9	4,435.0	42,633	39,168	154,890	--	--	3,255.6	N/A	607.8
2008	44,276.7	4,600.1	42,735	39,205	157,885	--	--	3,271.8	N/A	619.6
2009	44,504.9	4,510.3	42,883	39,226	159,423	--	--	3,308.6	N/A	597.3
2010	45,159.8	4,522.9	43,278	39,579	159,824	--	--	3,348.7	N/A	600.6
2011	45,249.6	4,203.7	43,692	39,956	160,741	--	--	3,389.2	N/A	604.0
2012	46,785.9	5,373.8	44,338	40,397	162,946	--	--	3,408.9	N/A	604.1
2013	47,672.0	5,209.5	44,511	40,709	168,924	--	--	3,541.1	N/A	601.7
2014	49,285.4	5,427.4	44,584	40,802	168,640	--	--	3,456.0	N/A	595.8
2015	50,643.9	5,176.4	45,468	41,591	172,360	--	--	3,545.6	N/A	595.2
2016	50,122.7	5,129.3	45,442	41,590	171,766	--	--	3,524.9	N/A	588.9
2017	49,702.4	5,107.3	45,789	41,954	171,498	--	--	3,511.6	N/A	589.3
2018	49,531.9	5,110.9	45,863	42,033	171,559	--	--	3,509.0	N/A	588.3
2019	49,697.4	5,155.0	46,366	42,519	172,770	--	--	3,532.3	N/A	585.5
2020	49,353.3	5,142.1	46,373	42,542	172,235	--	--	3,516.2	N/A	583.2
2021	48,959.7	5,131.5	46,482	42,672	171,949	--	--	3,503.2	N/A	581.7
Sector Rank	18/64	30/64	21/64	15/64	29/64	N/A	N/A	30/64	N/A	N/A
Economy Rank	214/1556	495/1556	208/1556	193/1556	260/1556	N/A	N/A	448/1556	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a low level of technological change in this industry. “Producing receiving technology, handheld credit card readers and mobile payment systems are increasingly popular among liquor stores, but this technology has generally existed throughout the entire retail sector over the past five years.” Other implementations of technology in this industry include:

- Electronic stock control
- Point-of-Sale software (POS) and security
- Internet sales of liquor

Chain Restaurants (72211a):

There is an overall tone of growth for the Chain Restaurants industry due to the improving economy and increased customer spending.

Industry Definition:

"The industry comprises of chain and franchised restaurants that provide food services to patrons who order and are served while seated (i.e. waiter or waitress service) and pay after eating. These establishments may provide this type of food service to patrons in combination with selling alcoholic and other beverages."

Industry Outlook:

"The Chain Restaurants industry will improve in line with the economy over the next five years. A lower unemployment rate and rising per capita income will encourage consumers to increase their spending on small luxuries, such as eating out. Consumer spending is forecast to increase at an annualized rate of 2.1% over the next five years." Full-service chain restaurants will experience intensifying competition from competitors such as fast food and fast casual restaurants that offer more value-oriented products. "IBISWorld projects that industry revenue will grow at an annualized rate of 2.0% to \$124.3 billion over the five years to 2022." The intense competition is expected to continue during the next five years. "Should food prices remain at record lows, consumers may buck the long-term trend toward eating out more often to save money by eating at home. According to data collected by the US Department of Agriculture, consumers spent more on groceries than at restaurants during the early half of 2016; using the same data, the National Restaurant Association confirmed that this contributed to an overall diminishing of restaurant sales." To stay relevant, chain restaurants need to regularly innovate their menus and shift toward healthy menu items.

Overview:

"The Chain Restaurants industry has experienced steady growth over the five years to 2017. As per capita income increased and unemployment declined, consumer confidence improved, giving a rise to greater spending on sit-down meals." "Although the average industry profit margin remains slim, profit margins at most chains have increased" as revenue has grown and costs have been minimized. "Over the five years to 2017, industry revenue is expected to increase at an annualized rate of 3.7% to \$112.3 billion. In 2017, the industry is projected to grow 1.4% as the economy continues to show signs of strength and consumers become comfortable spending money on restaurants." The major chains in the industry compete with independent full-service restaurants, major fast food chains and many other eat-in or take-out establishments. "Over the past five years, consumers have sought greater convenience at a lower cost, to the detriment of full-service establishments that serve sit-down meals. In response to greater competition, full-service restaurant chains have invested in labor-saving technology to cut costs and have redesigned restaurant layouts to create a more modern ambiance." The steady growth of the industry is expected to stabilize over the next five years to 2022. "Industry revenue is forecast to grow at an annualized rate of 2.0% to \$124.3 billion during the five-year period. Consumers will increase their spending at restaurants as the economy continues to improve and unemployment dissipates." Industry profit margins will still be threatened by the growing number of fast casual restaurants serving high-quality, reasonably priced food. "For this reason, major full-service restaurant chains will increasingly push operations abroad to emerging economies for growth."

Key Statistics Snapshot

Revenue
\$112.3bn

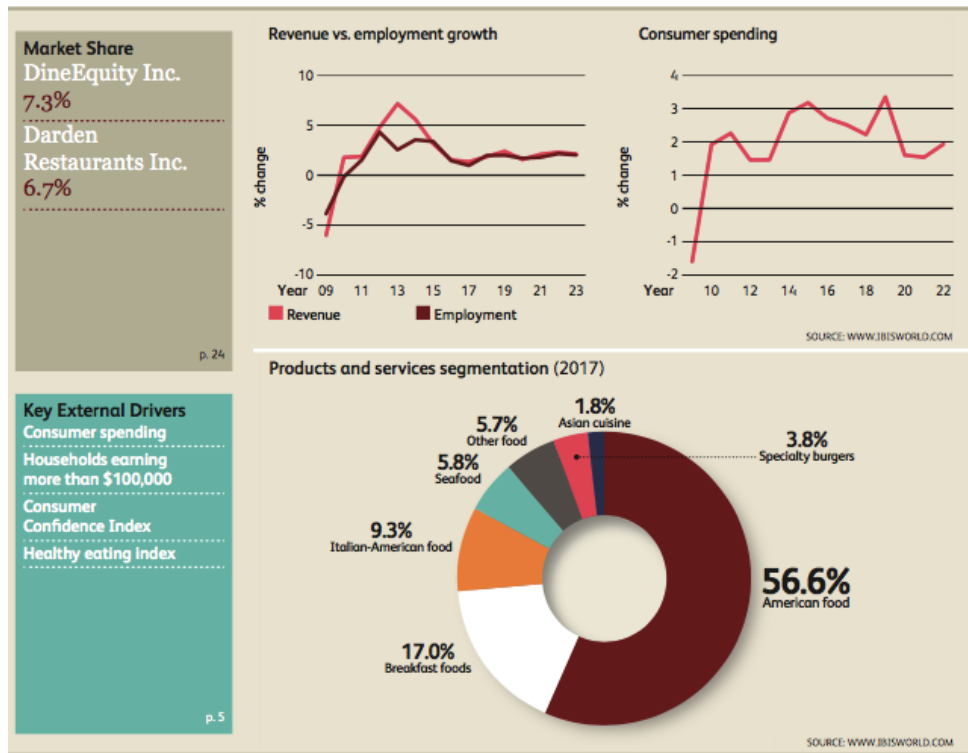
Profit
\$5.5bn

Annual Growth 12-17
3.7%

Wages
\$36.2bn

Annual Growth 17-22
2.0%

Businesses
793



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Key Economic Drivers/Key External Drivers:

- Consumer spending
- Households earning more than \$100,000
- Consumer confidence index
- Healthy eating index

Major Players:

- DineEquity Inc.
- Darden Restaurants Inc.
- Other companies include:
 - Bloomin'Brands Inc.
 - Brinker International Inc.
 - Cracker Barrel Old Country Store Inc.

Market Share Concentration:

There is a low market share concentration in the Chain Restaurants industry. “In 2017, the four largest industry players are estimated to account for 21.5% of available market share. The industry is made up of a vast array of chain and franchised restaurant operators and food concepts, as well as the extensive number of sites they operate.” The concentration level of this industry has fallen slightly in the past five years “because a number of conglomerates have offloaded underperforming chains to private equity firms.” Franchising activity has additionally grown substantially during the past five years, “as many chains expect more of a profit to be made in collecting royalties rather than being in the business of buying and selling food and beverages.” The concentration of the Chain Restaurants industry is not expected to change significantly in the near future.

Key Success Factors:

- Access to multi-skilled and flexible workforce
- Ability to quickly adopt new technology
- Ability to franchise operations
- Proximity to key markets
- Ability to control stock on hand
- Fast adjustments made to changing regulations

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Consumer spending (\$b)
2008	91,552.9	34,645.8	28,965	715	1,637,326	--	--	29,244.2	N/A	10,007.2
2009	86,030.9	33,802.3	29,040	728	1,573,894	--	--	28,210.3	N/A	9,847.0
2010	87,569.5	34,414.8	29,756	745	1,571,502	--	--	28,635.2	N/A	10,036.3
2011	89,205.4	34,879.3	30,056	756	1,595,550	--	--	29,170.2	N/A	10,263.5
2012	93,484.0	36,926.2	30,019	746	1,664,383	--	--	30,475.8	N/A	10,413.2
2013	100,188.8	39,574.6	30,547	760	1,706,818	--	--	32,561.4	N/A	10,565.4
2014	105,805.0	41,730.3	31,049	769	1,767,505	--	--	34,323.9	N/A	10,868.9
2015	109,146.9	43,981.2	31,429	777	1,827,235	--	--	35,249.4	N/A	11,214.7
2016	110,811.9	43,561.8	31,936	784	1,853,972	--	--	35,823.4	N/A	11,518.9
2017	112,310.5	44,163.1	32,398	793	1,872,065	--	--	36,248.3	N/A	11,808.4
2018	114,404.5	45,137.7	32,924	805	1,909,079	--	--	36,951.9	N/A	12,070.8
2019	117,157.8	45,985.3	33,535	816	1,947,356	--	--	37,552.8	N/A	12,475.8
2020	118,995.4	46,653.6	34,033	828	1,980,526	--	--	38,241.2	N/A	12,675.9
2021	121,491.0	47,676.9	34,575	841	2,016,098	--	--	38,878.3	N/A	12,871.0
2022	124,281.8	48,663.2	35,194	855	2,059,743	--	--	39,819.6	N/A	13,119.9
Sector Rank	5/13	5/13	10/13	12/13	4/13	N/A	N/A	5/13	N/A	N/A
Economy Rank	103/1551	69/1546	257/1551	899/1551	18/1551	N/A	N/A	47/1551	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a medium level of technology change in the Chain Restaurants industry. “Chain restaurants regularly leverage technology to reduce labor and food costs to increase sales. They also use technology to improve business processes, support growth, maintain current operations and improve meal experiences.” Some technological advances used by this industry include:

- Quality of service: this encompasses technological advances that increase efficiency and enhance the quality of the customer’s experience.
- Point-of-sale systems
- Social media

Children's & Infants' Clothing Stores (44813):

The Children's and Infants' Clothing Stores industry is projected to grow due to increased spending, especially on high-end brands but will face increasing external competition, especially from online-only stores.

Industry Definition:

"This industry includes specialized clothing retailers that sell a wide range of infant and children's wear, such as dresses, jackets, jumpsuits, sleepwear and more. Supplementary services include basic alterations like hemming, taking in or letting out seams and lengthening or shortening sleeves. Sales from department stores and online-only retailers are excluded from the industry."

Industry Outlook:

"Over the next five years, revenue for the Children's and Infants' Clothing Stores industry is expected to continue its slow decline. High levels of external competition from alternative apparel retailers and online vendors will continue to pressure revenue." Furthermore, the number of children aged nine and under and expected to continue at a slow rate of growth, which will limit the industry's potential clients. "Nevertheless, per capita disposable income is anticipated to increase more rapidly in the coming period, bolstering spending on children's clothing. Consequently, revenue generated by the Children's and Infants' Clothing Stores industry is anticipated to decline at an annualized rate of 1.4% to \$8.9 billion in 2022. This includes a contraction of 0.8% in 2018."

Overview:

"Over the five years to 2017, while macroeconomic growth has encouraged shoppers to splurge on high-end children's clothing, many apparel purchases have been captured by industries that directly compete for consumer dollars." The industry faces increasing external competition from online stores and department stores. "These factors combined have caused industry revenue to decline at an annualized rate of 1.7% over the five years to 2017, totaling \$9.6 billion. This includes a 0.1% contraction in 2017 alone." Demand for children's and infants' clothing is heavily influenced by demographic trends, too. "Over the five years to 2017, the number of children aged nine and younger increased at an annualized rate of 0.3%, which expanded the pool of young children for whom parents bought clothing." "Over the five years to 2022, the industry is expected to continue declining. Due to increasing external pressure from competing industries, industry revenue is expected to contract at an annualized rate of 1.4%, totaling \$8.9 billion in 2022. Over the next five years, a strong 2.9% annualized increase in per capita disposable income is anticipated to somewhat temper downward revenue pressures by encouraging shoppers to spend more at industry establishments." Nevertheless, industry growth is expected to be slow due to the struggle to compete with e-tailors and department stores. "Throughout the five-year period, IBISWorld estimates the number of industry operators will expand at an annualized rate of 1.0% to 12,433 companies."

Key Statistics Snapshot

Revenue
\$9.6bn

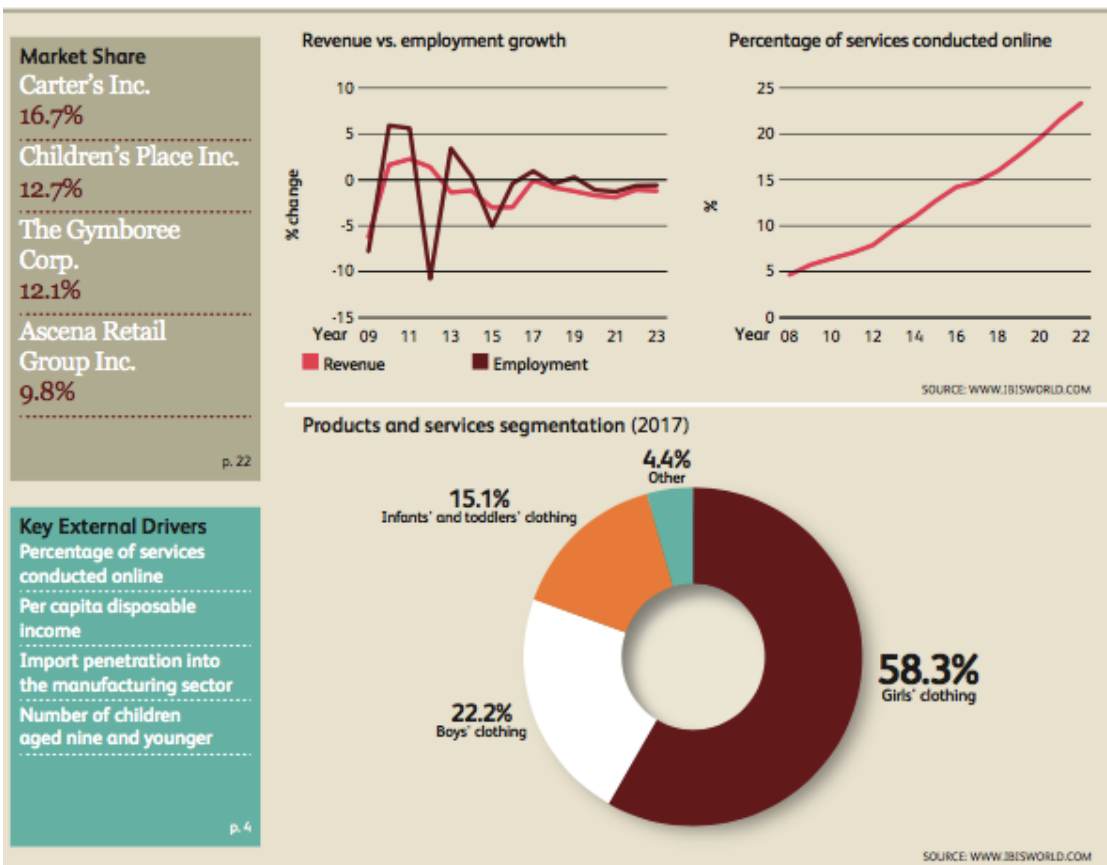
Profit
\$458.6m

Annual Growth 12-17
-1.7%

Wages
\$1.2bn

Annual Growth 17-22
-1.4%

Businesses
11,833



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Key Economic Drivers/Key External Drivers:

- Percentage of services conducted online
- Per capita disposable income
- Import penetration into the manufacturing sector
- Number of children aged nine and younger

Major Players:

- Carter's Inc.
- Children's Place Inc.
- The Gymboree Corp.
- Ascena Retail Group Inc.

Market Share Concentration:

The Children's and Infants' Clothing Stores industry has a "moderate level of market share concentration, with the four largest companies accounting for 45.8% of total industry demand in 2017. Over the past five

years, market share concentration has increased; in 2012, the industry's four largest companies accounted for 38.8% of total market share." Market share concentration has been boosted by acquisitions. "Market share concentration is likely to continue increasing in the coming years. Profit margins are relatively low in this industry, and IBISWorld estimates that some unprofitable operators will merge with or be acquired by larger operators over the five years to 2022." These mergers and acquisitions will likely cause a slight increase in the level of industry market share concentration.

Key Success Factors:

- Having a clear market position
- Ability to control stock on hand
- Attractive product presentation
- Establishment of brand names
- Superior financial management and debt management
- Experienced work force

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment (People)	Exports	Imports	Wages (\$m)	Domestic Demand	World price of cotton (Cents per pound)
2008	10,552.1	1,738.2	14,439	9,885	98,588	--	--	1,252.9	N/A	71.4
2009	9,895.8	1,539.7	14,408	9,892	90,917	--	--	1,163.8	N/A	62.8
2010	10,057.0	1,627.9	14,733	10,137	96,289	--	--	1,165.2	N/A	103.5
2011	10,283.3	1,875.1	14,988	10,294	101,696	--	--	1,278.7	N/A	154.6
2012	10,425.4	1,762.5	15,523	10,701	90,753	--	--	1,116.1	N/A	89.2
2013	10,283.3	1,898.3	15,803	10,841	93,852	--	--	1,116.8	N/A	90.4
2014	10,161.2	1,718.9	16,845	11,662	94,233	--	--	1,170.1	N/A	83.1
2015	9,855.0	1,794.5	16,623	11,568	89,456	--	--	1,193.3	N/A	70.4
2016	9,560.9	1,802.4	16,714	11,655	89,100	--	--	1,190.5	N/A	74.1
2017	9,554.9	1,795.0	16,947	11,833	89,943	--	--	1,199.3	N/A	81.1
2018	9,473.8	1,780.4	17,175	12,002	89,554	--	--	1,192.1	N/A	79.6
2019	9,355.4	1,777.8	17,383	12,167	89,795	--	--	1,190.2	N/A	79.7
2020	9,196.4	1,738.4	17,550	12,300	88,807	--	--	1,173.7	N/A	80.3
2021	9,020.3	1,717.3	17,496	12,277	87,656	--	--	1,154.8	N/A	81.1
2022	8,921.9	1,688.9	17,687	12,433	87,087	--	--	1,145.0	N/A	81.9
Sector Rank	75/148	76/148	62/148	66/148	56/148	N/A	N/A	79/148	N/A	N/A
Economy Rank	769/1740	842/1570	372/1740	409/1740	428/1740	N/A	N/A	894/1740	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

"Technological advances relevant to the industry include the use of electronic barcode scanners, automated warehouse equipment and electronic surveillance. Electronic barcode scanning systems enable efficient customer checkout and returns, store-based inventory management and fast order replacement." Additionally, "'Retail Theater' provides customers with more of an experience than just shopping;" it gives retailers the option to install high-resolution plasma displays. "With losses incurred as a result of theft, security and loss prevention advancements used by retailers include closed circuit TV cameras, source tagging, signature-capture technology (this is used at the point of sale terminal for credit card transactions), and fingerprint scanning systems that verify customer identities (to combat check fraud)." Furthermore, "radio frequency identification (RFID) technology is being introduced to make existing supply chain processes more efficient." This technology assists with forecasting demand and managing inventory levels. RFID technology also offers possible benefits to consumers, such as "faster recovery of stolen items, consumer savings stemming from reduced operating costs and faster/more reliable product calls." A growing number of retailers are also beginning to see RFID as a tool to help reduce shrinkage or waste."

Coffee and Snack Shops (72221b):

There is an overall tone of growth for the Coffee and Snack Shops industry due to increased consumer spending.

Industry Definition:

"This industry is composed of establishments that prepare or serve specialty snacks and nonalcoholic beverages including ice cream, frozen yogurt, cookies, donuts, bagels, coffee, juices, smoothies and sodas. Purchases may be consumed on site, taken to go or delivered.

Industry Outlook:

"The Coffee and Snack Shops industry's recent growth is expected to continue over the five years to 2022. Coffee and snack shops will benefit from the improving economy, the stable unemployment rate and the increasing rate at which consumers spend money on luxuries, such as eating out." Additionally, consumer spending is expected to increase because people are expected to spend more on convenient and affordable food products. "As a result, industry revenue is projected to rise at an annualized rate of 2.0% to \$45.6 billion over the period." The recovery of the US economy will also help boost demand for coffee and other snacks. "Consumer spending is expected to increase an annualized 2.1% over the five years to 2022. As consumer spending continues to rebound, consumers will increasingly translate their pocketbook flexibility into quick, satisfying edible fixes provided by coffee and snack shops." Industry operators will also stimulate renewed interest in their products by offering menu options for health-conscious consumers.

Overview:

"Over the past five years, the Coffee and Snack Shops industry has been buoyed by increased consumer spending, which was driven by higher disposable incomes and greater confidence in the economic outlook. Demand for coffee and snack shops has increased at a faster rate than most segments of the foodservice sector, as consumer increasingly seek convenience at an affordable price." "Over the next five years to 2017, industry revenue is expected to increase an annualized 4.1% to \$41.2 billion, including an increase of 2.2% in 2017." The industry has experienced changing consumer preferences during the past five years and have become increasingly health-conscious. "Operators are expanding their offerings of nontraditional, high-margin menu items" to respond to this trend. "Major operators, such as Starbucks and Dunkin' Donuts, are expected to expand their menus over the five years to 2022 to increase sales and profit margins." Both companies plan to open hundreds of new stores over the next five years. "Major chains are also expected to further invest in international growth as part of their long-term strategy, as many larger players view emerging economies as markets with huge potential for growth and long-term profitability. This international move is being made as the domestic industry approaches maturity. Over the five years to 2022, industry revenue is forecast to grow at an annualized rate of 2.0% to \$45.6 billion."

Key Statistics Snapshot

Revenue
\$41.2bn

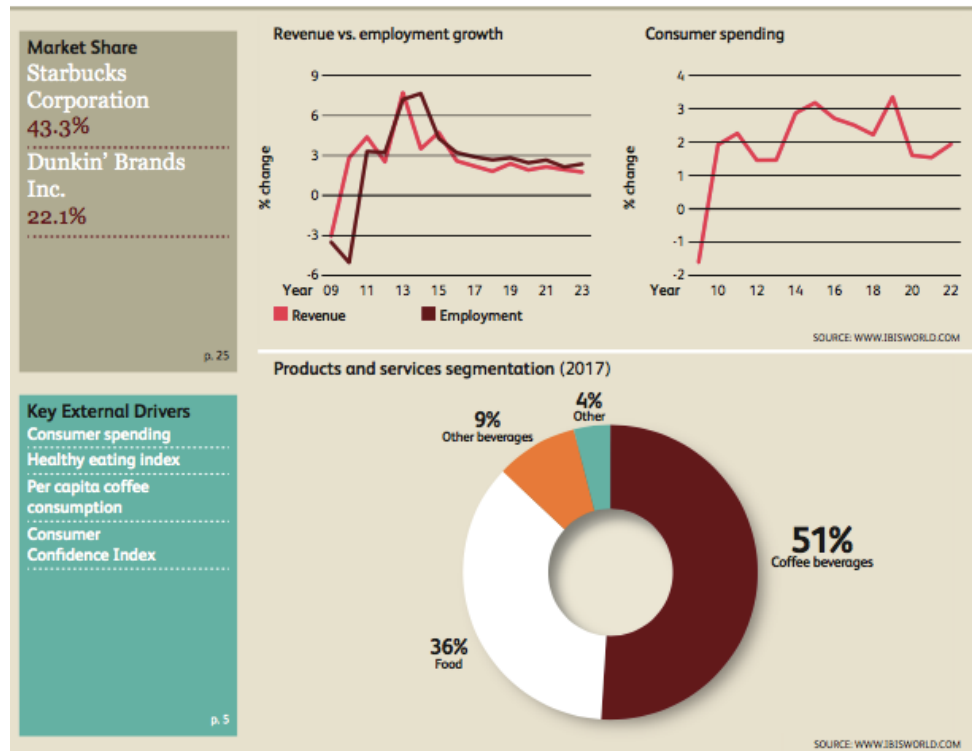
Profit
\$2.9bn

Annual Growth 12-17
4.1%

Wages
\$10.6bn

Annual Growth 17-22
2.0%

Businesses
57,965



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Key Economic Drivers/Key External Drivers:

- Consumer spending
- Healthy eating index
- Per capita coffee consumption
- Consumer confidence index

Major Players:

- Starbucks Corporation
- Dunkin' Brands Inc.
- Other companies include:
 - Tim Hortons Inc.
 - Krispy Kreme Doughnuts Inc.
 - Einstein Noah Restaurant Group

Market Share Concentration:

There is a medium market share concentration in the Coffee and Snack Shops industry. "IBISWorld estimates that in 2017, the top four players in this industry account for about 69.4% of the available market share." "Given the diversity of snack and beverage styles, as well as industry operations, nearly 48.0% of

establishments are small-business operators with nine or fewer employees, according to the US Census Bureau.” Starbucks and Dunkin’ Brands combine to make up more than 50.0% of the industry market share; they have tremendous power to determine industry trends. “Major industry players have increased acquisition activity recently, which indicates that companies are making a concerted effort to increase profitability with larger portions of market share.” Many operators have begun to undergo consolidation to keep operating costs low and remain competitive. “Over the five years to 2022, consolidation is expected to increase, as establishments are expected to move at a faster rate than enterprises, indicating that more operators will continue to increase their scale as opposed to the industry experiencing a higher influx of newer operators.”

Key Success Factors:

- Having a clear market position
- Effective cost controls
- Ability to franchise operations
- Product is sold at high-profile outlets
- Market research and understanding
- Access to multi-skilled and flexible workforce

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Consumer spending (\$b)
2008	31,535.0	9,074.3	60,301	44,924	562,356	--	--	7,686.7	N/A	10,007.2
2009	30,578.8	10,562.4	59,842	44,753	542,667	--	--	7,473.9	N/A	9,847.0
2010	31,441.6	10,529.4	60,485	45,839	515,391	--	--	7,699.6	N/A	10,036.3
2011	32,820.8	11,464.8	62,050	47,298	532,458	--	--	8,051.4	N/A	10,263.5
2012	33,650.4	12,243.5	63,914	48,786	549,640	--	--	8,272.7	N/A	10,413.2
2013	36,246.6	13,470.2	66,746	50,982	589,230	--	--	9,048.2	N/A	10,565.4
2014	37,514.8	12,939.4	69,422	53,104	634,288	--	--	9,638.1	N/A	10,868.9
2015	39,288.5	13,904.1	72,106	54,927	661,499	--	--	9,975.3	N/A	11,214.7
2016	40,307.8	14,487.9	74,844	56,203	682,757	--	--	10,309.4	N/A	11,518.9
2017	41,193.7	14,980.5	77,176	57,965	702,534	--	--	10,616.2	N/A	11,808.4
2018	41,940.5	15,357.6	79,398	59,637	721,283	--	--	10,900.6	N/A	12,070.8
2019	42,942.5	15,650.3	81,811	61,267	741,677	--	--	11,170.8	N/A	12,475.8
2020	43,764.3	15,856.4	83,986	62,599	759,832	--	--	11,420.2	N/A	12,675.9
2021	44,707.2	16,288.3	86,077	64,050	780,030	--	--	11,656.9	N/A	12,871.0
2022	45,572.0	16,772.4	88,243	65,363	796,694	--	--	11,923.8	N/A	13,119.9
Sector Rank	8/13	8/13	6/13	8/13	6/13	N/A	N/A	8/13	N/A	N/A
Economy Rank	263/1551	214/1546	137/1551	154/1551	70/1551	N/A	N/A	182/1551	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a medium level of technology change in the Coffee and Snack Shops industry and the food-services sector. “These changes may not affect many operators in the industry, especially those small business owners that do not have a strong incentive to invest heavily in new technology due to the limited economies of scale available.” However, industry operators regularly use technology to reduce labor and food costs to increase sales, improve business processes, support growth, maintain current operations, and improve meal experiences. Some technology changes used by industry operators include:

- Quality of service: this encompasses technological advances that increase efficiency and enhance the quality of the customer’s experience.
- Point of sale systems
- Social media

Dollar and Variety Stores (45299):

This report addresses the industry's slowed growth due to increasing competition from other retailers and consumer access to more disposable income.

Industry Definition:

"This industry retails general merchandise such as apparel, automotive parts, dry goods, hardware, groceries and home furnishings. Typically, industry operators retail these goods at discounted prices. The industry does not include department stores, warehouse clubs or grocery stores."

Industry Outlook:

"Over the five years to 2021, the Dollar and Variety Stores industry will complete its transition into a mature industry." Industry operators will likely continue to consolidate to fight intensifying competition from mass merchandisers and large superstores during this period. "In order to compete in these tough market conditions, the industry's major players will likely increase their market penetration and continue improving their efficiency." Over the five years to 2021, the number of industry establishments will grow at a much slower rate. "Overall, as a result of heightening competition, IBISWorld expects that industry revenue will grow at a slow annualized rate of 0.4% over the five years to 2021, totaling \$67.2 billion. This includes growth of 0.4% in 2017 alone."

Overview:

"The Dollar and Variety Stores industry has performed strongly over the past five years." Following the economic recession, there was uncertainty regarding whether this industry would remain in high demand, but industry operators changed their strategies to sustain growth rates. "The recession brought structural changes in this industry and the market segment it seeks to serve." Many of their targeted low-income consumers have shifted to the middle-class, but bargain shopping has become a point of pride for many wealthy consumers, which increased the industry's customer base. "As a result of this expansion, IBISWorld estimates that industry revenue has increased at an annualized rate of 2.1% totaling \$65.7 billion over the five years to 2016." However, while the industry revenue has expanded, the Dollar and Variety Stores industry has faced a strong increase in external competition from places like warehouse clubs and supercenters, department stores, and online industries. "Each of these industries offer a similar product portfolio to industry operators, with only slight differences in regard to price, quality, quantity and store format." "Over the next five years, IBIS World expects the industry to fully transition into a mature industry." Demand will be pressured by tougher competition like Walmart, and "the decreasing number of individuals on government benefits will also erode dollar stores' sales." "Consequently, growth is expected to be slower than the previous five-year period; IBISWorld estimates that industry revenue will increase at a relatively slow annualized rate of 0.4% over the five years to 2021, totaling \$67.2 billion."

Key Statistics Snapshot

Revenue
\$65.7bn

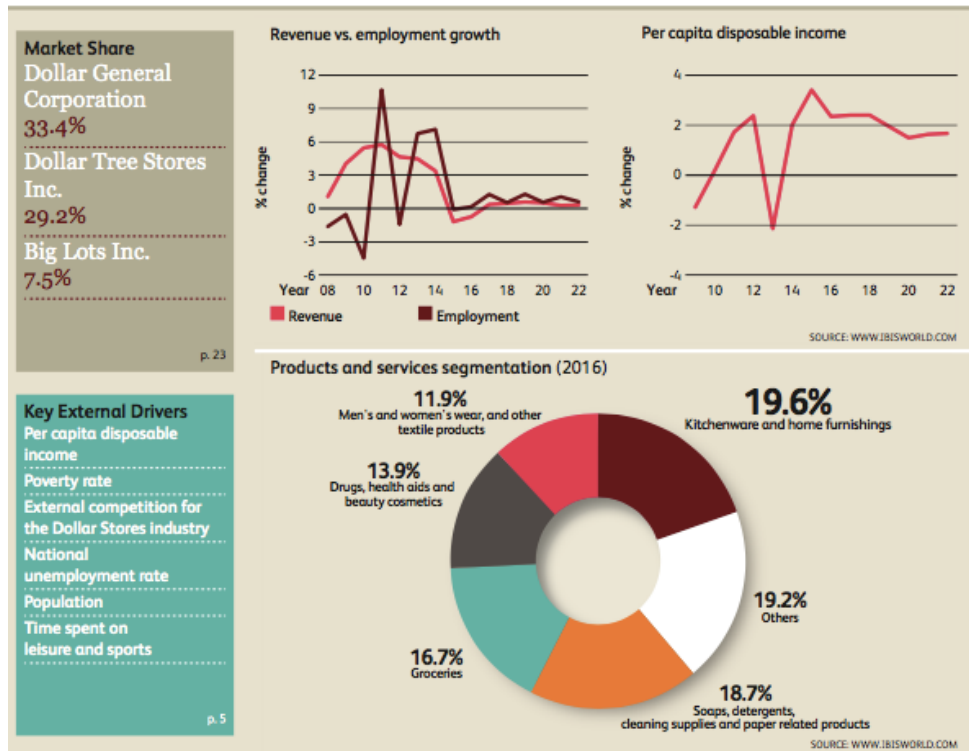
Profit
\$3.1bn

Annual Growth 11-16
2.1%

Wages
\$6.1bn

Annual Growth 16-21
0.4%

Businesses
23,277



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- Poverty rate
- External competition for the Dollar Stores industry
- National unemployment rate
- Population
- Time spent on leisure and sports

Major Players:

- Dollar General Corporation
- Dollar Tree Stores Inc.
- Big Lots Inc.
- Other companies include Fred's Inc.

Market Share Concentration:

There is a high market share concentration in the Dollar and Variety Stores industry, "with the top four players anticipated to account for 74.0% of revenue in 2016." The remaining portion of the industry's market is composed of small-to-medium-size operators that serve localized demand. "IBISWorld estimates

that 21,126 companies will actively compete for the remaining 26.0% of the market in 2016.” Due to increasing competition, the Dollar and Variety Stores industry is expected to continue to consolidate over the next five years.

Key Success Factors:

- Ability to control stock on hand
- Effective product promotion
- Having a wide and expanding product range
- Ensuring pricing policy is appropriate
- Use of high volume/low margin strategy

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Poverty rate (%)
2007	50,568.9	7,406.1	46,100	22,040	328,316	--	--	5,029.4	N/A	13.2
2008	51,114.6	7,532.3	44,218	20,118	323,019	--	--	4,976.6	N/A	14.3
2009	53,177.5	7,736.2	44,313	19,882	321,292	--	--	5,077.4	N/A	15.2
2010	56,075.8	7,845.3	45,672	20,273	306,953	--	--	5,434.0	N/A	15.0
2011	59,298.9	8,721.0	47,370	21,130	339,714	--	--	5,578.1	N/A	15.0
2012	62,055.8	9,075.1	48,746	21,211	334,787	--	--	5,662.1	N/A	14.5
2013	64,832.2	8,829.5	50,319	21,601	357,354	--	--	5,847.3	N/A	14.8
2014	67,026.6	9,715.2	53,190	22,699	382,805	--	--	6,162.7	N/A	14.8
2015	66,232.9	9,911.6	53,818	22,983	382,458	--	--	6,136.4	N/A	14.6
2016	65,740.4	9,745.8	54,527	23,277	383,034	--	--	6,130.0	N/A	14.2
2017	65,978.3	9,785.1	55,249	23,568	387,882	--	--	6,198.8	N/A	14.2
2018	66,281.3	9,819.5	55,867	23,797	389,918	--	--	6,233.3	N/A	14.2
2019	66,668.6	9,878.2	56,506	24,053	394,948	--	--	6,308.6	N/A	14.2
2020	67,010.3	9,909.7	57,188	24,319	397,153	--	--	6,346.5	N/A	14.3
2021	67,193.2	9,939.6	57,869	24,614	401,309	--	--	6,404.8	N/A	14.3
Sector Rank	15/64	17/64	15/64	28/64	10/64	N/A	N/A	18/64	N/A	N/A
Economy Rank	170/1556	302/1556	181/1556	267/1556	117/1556	N/A	N/A	295/1556	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a low level of technology change in the Dollar and Variety Stores industry. “Most operators in the general retail sector have installed point-of-sale (POS) systems across their network of stores. POS systems maintain online records of all transactions and allow management to track performance by region, store and individual sales.”

Family Clothing Stores (44814):

The Family Clothing Stores industry will see growth from high-quality clothing, but face increasing competition from e-tailers.

Industry Definition:

"Family clothing retailers stock a general line of new clothing for men, women and children, without specializing in apparel for an individual gender or age group. Additional services include basic alterations such as hemming, taking in or letting out seams and lengthening or shortening sleeves."

Industry Outlook:

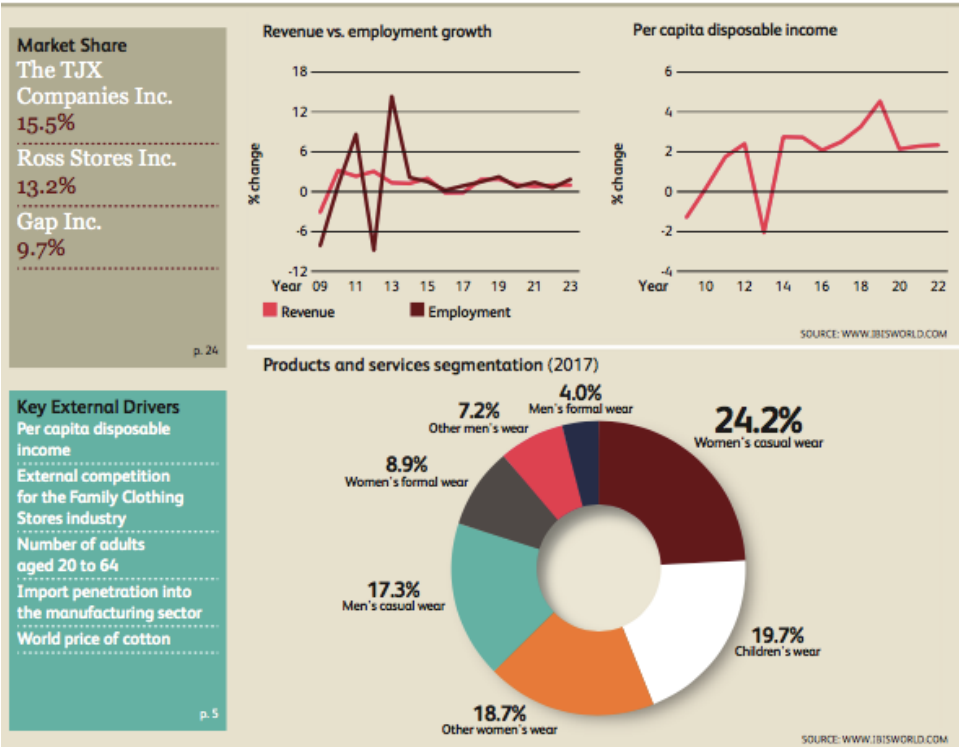
"Over the five years to 2022, the Family Clothing Stores industry is expected to perform strongly. Over the period, disposable income is expected to increase steadily, boosting demand for industry products." During the five years to 2022, the growth in the number of adults aged 20 to 64 is expected to be limited, which will be a limiting factor for demand for industry products. "The stagnation of this key demographic will be partially offset by the growth of children aged nine and under. The sale of children and infant clothing provides industry operators with a group that continuously requires new wardrobe pieces, as children quickly outgrow their old clothing. Overall, IBISWorld expects that industry revenue will grow at an annualized rate of 1.3% to \$111.8 billion over the five years to 2022."

Overview:

"Following the recession, the industry experienced moderate growth in revenue, as consumers previously strapped for cash slowly had their disposable income rise," although the industry has experienced volatile growth at times. "An emergent trend within the industry has been the growth of luxury malls and specialty clothing stores at the expense of traditional malls that tend to have Sears and J.C. Penny." "Revenue is estimated to increase at an annualized rate of 0.8% to \$104.9 billion over the five years to 2017, declining an estimated 0.1% in 2017." However, operators have been able to expand their profit margins due to the revived demand for premium-priced products. "Demand for industry products is mainly determined by demographic shifts and macroeconomic conditions, such as per capita disposable income, among others. Demand is also affected by changes in the price of inputs, which have fluctuated dramatically over the past five years, causing profit margins to be volatile over the period." Industry operators experience intense competition from external sources like department stores and online retailers, which also affects profit. This increased competition level has contributed to the current consolidation trends taking place within the industry. "IBISWorld forecasts a continued and steady recovery for the Family Clothing Stores industry. Revenue is anticipated to grow at an annualized rate of 1.3% to \$111.8 billion over the five years to 2022." Shoppers will increasingly begin to purchase clothes for discretionary purposes rather than function. "However, threats loom from competing industries, especially the E-Commerce and Online Auctions industry."

Key Statistics Snapshot

Revenue	Annual Growth 12-17	Annual Growth 17-22
\$104.9bn	0.8%	1.3%
Profit	Wages	Businesses
\$4.9bn	\$11.8bn	23,267



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- External competition for the Family Clothing Stores industry
- Number of adults aged 20 to 64
- Import penetration into the manufacturing sector
- World price of cotton

Major Players:

- The TJX Companies Inc.
- Ross Stores Inc.
- Gap Inc.
- Other companies include the Abercrombie & Fitch Co.

Market Share Concentration:

"In 2017, the top four industry participants are expected to collectively account for 40.0% of total industry revenue. This is indicative of a moderately concentrated industry and marks an overall increase over the past five years." The increase in market share concentration can be attributed to the positions of these retailers within the industry. "Their affordable prices and recognizable brands have buoyed them through

the economic recession.” “IBISWorld forecasts that concentration will increase slightly over the five years to 2022 as larger companies continue to expand through acquisitions. This strategy will be partially mitigated by consumers strengthening their purchasing power and switching from off-price retailers like TJX and Ross to higher-priced, higher-quality brands like the Gap’s Banana Republic segment.”

Key Success Factors:

- Experienced work force
- Having a clear market position
- Establishment of brand names
- Ability to control stock on hand
- Production of goods currently favored by the market

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	World price of cotton (Index)
2008	95,386.6	13,483.8	41,970	21,617	675,680	--	--	10,717.6	N/A	71.4
2009	92,447.2	13,881.8	42,069	21,360	620,909	--	--	10,600.0	N/A	62.8
2010	95,380.4	15,128.4	41,536	21,464	626,611	--	--	10,979.4	N/A	103.5
2011	97,588.4	16,585.3	41,951	21,165	680,661	--	--	11,901.1	N/A	154.6
2012	100,548.0	14,590.6	39,668	21,579	620,555	--	--	10,216.8	N/A	89.2
2013	101,893.3	16,586.4	41,455	21,208	709,397	--	--	11,084.1	N/A	90.4
2014	103,143.4	16,784.4	43,221	22,175	724,484	--	--	11,317.8	N/A	83.1
2015	105,202.1	17,464.1	44,478	22,824	735,382	--	--	11,730.6	N/A	70.4
2016	105,009.9	17,508.3	44,460	22,831	736,963	--	--	11,744.4	N/A	74.1
2017	104,855.5	17,324.0	45,217	23,267	743,376	--	--	11,820.9	N/A	81.1
2018	106,764.2	17,725.5	45,728	23,519	754,294	--	--	12,024.4	N/A	79.6
2019	108,785.2	18,139.8	47,053	24,221	771,147	--	--	12,307.6	N/A	79.7
2020	109,884.3	18,307.6	47,315	24,360	776,650	--	--	12,415.2	N/A	80.3
2021	110,764.5	18,504.0	47,961	24,673	787,535	--	--	12,584.2	N/A	81.1
2022	111,830.2	18,671.5	48,212	24,825	792,017	--	--	12,677.8	N/A	81.9
Sector Rank	11/148	12/148	37/148	48/148	11/148	N/A	N/A	12/148	N/A	N/A
Economy Rank	114/1722	192/1568	236/1722	310/1722	76/1722	N/A	N/A	188/1722	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

“Technological advances include the use of electronic barcode scanners, automated warehouse equipment and electronic surveillance. Electronic barcode scanning systems enable efficient customer check-out and returns, store-based inventory management and rapid order replenishment.” In addition, the TJX Companies Inc. uses technology including specialized computer inventory planning and purchasing and monitoring systems to price and determine inventory levels. “With losses incurred as a result of theft, retailers need to use security and loss-prevention systems such as closed-circuit TV cameras, source tagging, signature-capture technology (used at the point-of-sale, or POS, terminal for credit card transactions) and fingerprint scanning systems that verify customer identity (to combat check fraud).” Furthermore, radio frequency identification (RFID) technology “is being introduced to make existing supply chain processes more efficient. Products are ‘tagged’ with chips that ‘announce’ their identity when hit with a non-line-of-sight electromagnetic field. This assists with forecasting demand and managing inventory levels.” In addition, RFID technology provides many possible benefits to consumers, such as the “faster recovery of stolen items, consumer savings stemming from reduced operating costs, and faster, more reliable product calls. Some major players are using labor management systems to make better use of their employees.”

Fast Food Restaurants (72221a):

There is an overall tone of growth for the Fast Food Restaurants industry as the industry operators work with changing consumer trends towards healthy menu options.

Industry Definition:

"This industry comprises restaurants where patrons pay for quick-service food products before eating. Purchases may be consumed on-site, taken out or delivered. Gross revenue is derived from both franchised and company-owned stores. Franchise fees (up-front costs associated with opening a franchise) are accounted for in industry revenue. This industry excludes coffee and snack shops. Most industry establishments also sell beverages, such as water, juice and sodas, but usually not alcohol."

Industry Outlook:

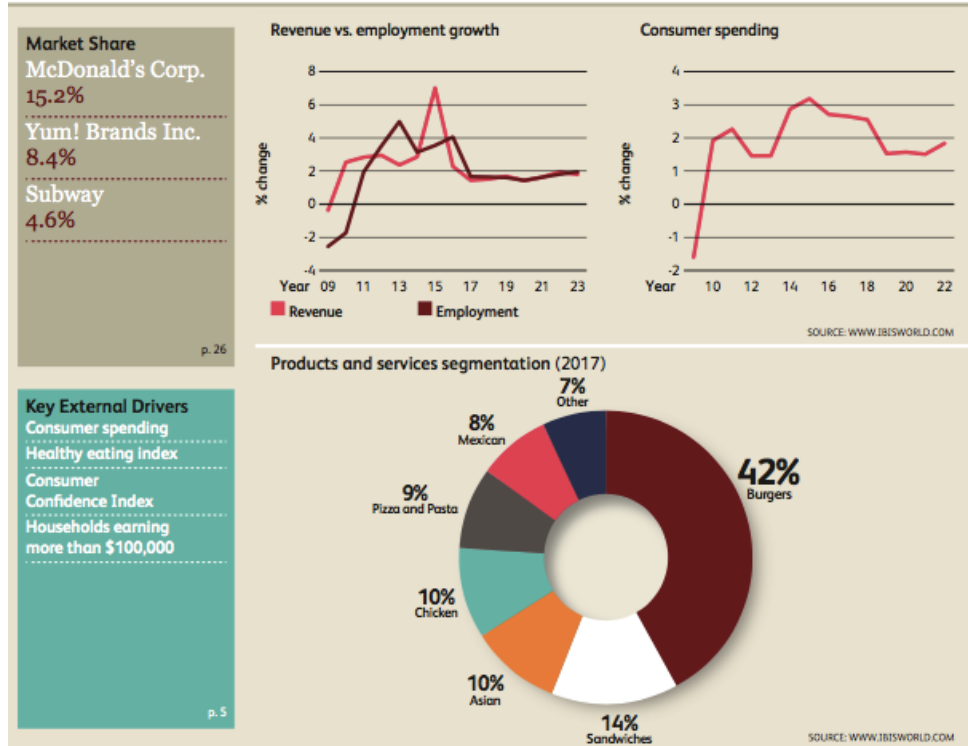
"The Fast Food Restaurants industry will continue to play an influential role in the US food services sector over the next five years. The industry's ability to provide convenient food at a low price will remain popular, especially with consumers seeking affordable food options." The industry will stay highly competitive, which restricts the industry's revenue and profit growth. "As a result, industry revenue growth is expected to be subdued, increasing at an annualized rate of just 1.6% to \$266.2 billion over the five years to 2022." Although the economy will continue to improve, the consumer confidence index is expected to decrease due to the economic turmoil in Europe and low economic forecasts for China, which will likely hamper demand for industry operators. "Nevertheless, consumer spending is estimated to increase at an annualized rate of 1.8% over the five years to 2022." As industry operators expand their menu options, "companies offering customizable and health food will experience the strongest growth." "Fierce price-based competition from fast food and fast casual restaurants will place increased emphasis on product development." "According to data collected by the US Department of Agriculture, consumers spent more on groceries than at restaurants during the early half of 2016; this has contributed to an overall slowdown in restaurant sales, according to the National Restaurant Association." To stay relevant, industry operators should innovate their menus and service offerings.

Overview:

"Over the past five years, the Fast Food Restaurants industry has struggled with consumer preferences moving away from unhealthy foods and a saturated food service landscape that has kept prices low. Compared with other operators in the hospitality sector, however, fast food restaurants performed relatively well in the early half of the five years to 2017 due to their low-price points and the extra convenience they offer." "Industry revenue is expected to grow an annualized 3.2% to \$245.4 billion over the five years to 2017. In 2017, growth is expected to reach 1.4% amid tempered consumer confidence." "As consumers continue to seek healthy and convenient meal options, operators will need to adapt their offerings to be successful." Over the next five years, industry growth is expected to decrease as the domestic economy continues to improve and consumer confidence is expected to fall some. "While no severe revenue declines are expected, fast food restaurants will continue to operate in a slow-growth environment, as many segments of the industry have reached a saturation point." Competition will continue to keep the prices low, which slows the overall growth for the next five years. "As a result of these trends, industry revenue is expected to grow at an annualized rate of 1.6% over the five years to 2022 to \$266.2 billion."

Key Statistics Snapshot

Revenue \$245.4bn	Annual Growth 12-17 3.2%	Annual Growth 17-22 1.6%
Profit \$13.0bn	Wages \$61.2bn	Businesses 208,210



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Key Economic Drivers/Key External Drivers:

- Consumer spending
- Health eating index
- Consumer confidence index
- Households earning more than \$100,00

Major Players:

- McDonald's Corp.
- Yum! Brands Inc.
- Subway
- Other companies include:
 - The Wendy's Co.
 - Burger King Corp.
 - Chick-fil-A
 - Domino's Pizza Inc.

Market Share Concentration:

There is a low market share concentration for the Fast Food Restaurants industry. "The top four players in the Fast Food Restaurants industry are expected to account for 31.6% of available market share." Almost

48.0% of the establishments in this industry are small-business operators that employ nine or fewer individuals. The concentration of this industry has decreased over time. “Over the past five years, there has been an increasing trend of the major chain operators selling their company-operated stores to focus on franchising.” “Between 2012 and 2017, the numbers of establishments and enterprises have grown slowly, causing a marginal increase in industry concentration. Industry concentration is expected to continue increasing over the five years to 2022.”

Key Success Factors:

- Business expertise of operators
- Product is sold at high profile outlets
- Access to multi-skilled and flexible workforce
- Having a clear market position
- Effective cost controls
- Ability to franchise operations

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Consumer spending (\$b)
2008	194,128.1	62,353.3	256,609	179,945	3,710,452	--	--	49,116.8	N/A	10,007.2
2009	193,420.5	64,279.5	256,172	179,297	3,615,943	--	--	49,141.9	N/A	9,847.0
2010	198,320.5	66,401.5	259,363	181,835	3,553,354	--	--	49,922.6	N/A	10,036.3
2011	203,941.3	66,394.6	262,480	184,316	3,622,440	--	--	50,650.7	N/A	10,263.5
2012	209,949.6	69,528.6	271,200	188,901	3,750,097	--	--	51,976.9	N/A	10,413.2
2013	214,917.1	71,289.2	276,380	194,378	3,936,950	--	--	54,238.4	N/A	10,565.4
2014	221,054.1	74,373.9	280,934	197,704	4,060,455	--	--	55,980.5	N/A	10,868.9
2015	236,550.2	77,061.8	289,508	202,927	4,204,388	--	--	57,892.4	N/A	11,214.7
2016	241,939.4	79,705.4	296,283	205,819	4,374,729	--	--	60,159.7	N/A	11,518.5
2017	245,414.1	81,256.6	302,179	208,210	4,447,493	--	--	61,219.3	N/A	11,823.7
2018	249,130.1	82,289.4	306,858	212,012	4,520,598	--	--	62,057.5	N/A	12,125.2
2019	253,320.5	83,737.1	310,819	215,236	4,593,209	--	--	63,044.0	N/A	12,310.1
2020	256,918.0	84,588.8	313,967	217,943	4,659,151	--	--	63,721.4	N/A	12,503.3
2021	261,097.9	85,887.7	318,294	221,417	4,734,859	--	--	64,669.6	N/A	12,691.7
2022	266,185.0	87,625.3	322,085	224,164	4,820,525	--	--	65,983.6	N/A	12,924.5
Sector Rank	2/13	3/13	1/13	3/13	2/13	N/A	N/A	3/13	N/A	N/A
Economy Rank	40/1593	37/1551	36/1593	47/1593	6/1593	N/A	N/A	25/1593	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a medium level of technology change in the Fast Food Restaurants industry. “Fast food operators regularly leverage technology to reduce labor and food costs to increase sales. They also use it to improve business processes, support growth, maintain current operations and improve meal experiences.” Some of the technological advances used by the Fast Food Restaurants industry include:

- Quality of service: this encompasses technological advances that increase efficiency, decrease customer wait time, and enhance the quality of the customer’s experience.
- Point of sale systems
- Labor scheduling
- Social media

Fish and Seafood Markets (44522):

As disposable income rises and consumers search for alternative sources of protein, the seafood industry should experience growth.

Industry Definition:

“Fish and seafood markets primarily retail fresh, frozen and cured fish and seafood items, such as tuna, salmon, lobster and shrimp. Products are sold at various brick-and-mortar locations including independent markets, delicatessens, fishmongers and butcher shops. Fish and seafood markets and counters operating within a supermarket are excluded from this industry, as are online sales of fish products.”

Industry Outlook:

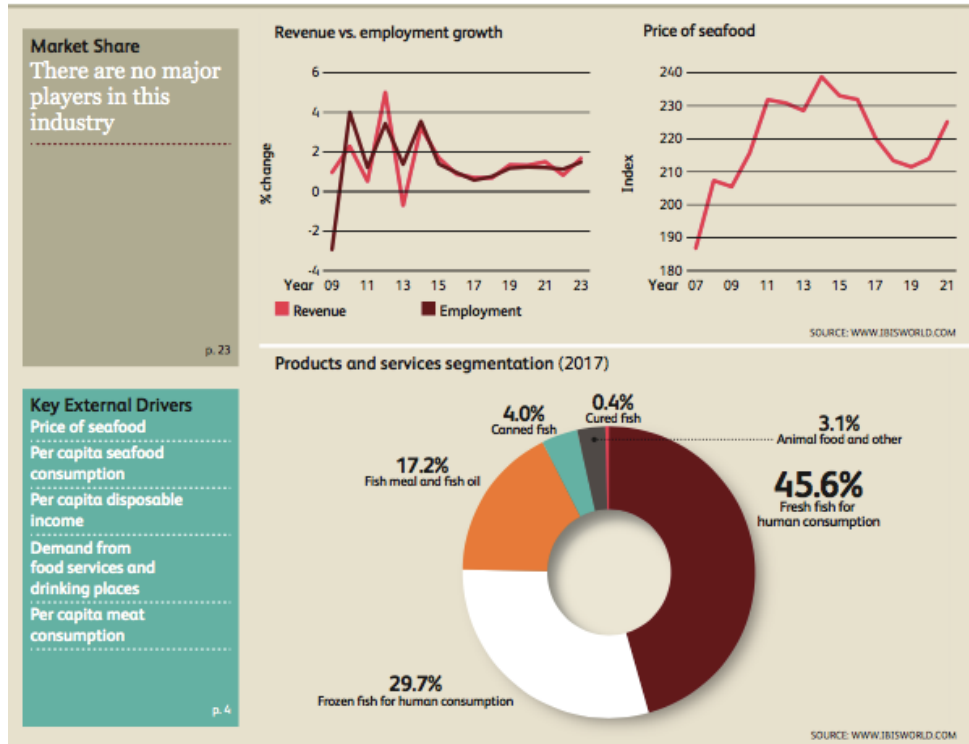
“Over the five years to 2022, consumers are likely to continue their dietary preference for seafood; however, slow growth will do little to improve demand for goods sold at fish and seafood markets. However, a steadily growing economy and improving per capita disposable income will help consumers purchase premium products at fish markets. The rising price of seafood may cause Americans to turn to more affordable retail channels, including grocery stores and warehouse clubs, to obtain their seafood products.” Additionally, many consumers are expected to choose alternative sources of protein, such as red meat and poultry, as long as there are no health and safety concerns and the retail price of red meat does not rapidly increase. “Over the five years to 2022, IBISWorld forecasts industry revenue to grow at an annualized rate of 1.1% to \$2.8 billion.”

Overview:

The Fish and Seafood Markets industry has experienced growth recently due to improving per capita disposable income, “which has allowed some consumers to purchase a greater volume of premium seafood sold at markets.” “Coupled with a renewed interest in locally sourced food, new health and nutrition trends that emphasize the importance of eating seafood are expected to drive the growth of this industry. Consequently, industry revenue is anticipated to grow an annualized 1.2% to \$2.7 billion over the five years to 2017, including projected growth of 0.7% in 2017.” Natural disasters and the lingering effects of overfishing significantly hurt the fishing industry early in the period. “Over the next five years, the industry is anticipated to benefit from favorable pricing and stabilizing consumption of seafood.” “IBISWorld anticipates industry revenue to grow at an annualized rate of 1.1% to \$2.8 billion in the five years to 2022.”

Key Statistics Snapshot

Revenue \$2.7bn	Annual Growth 12-17 1.2%	Annual Growth 17-22 1.1%
Profit \$114.2m	Wages \$319.9m	Businesses 4,636



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Key Economic Drivers/Key External Drivers:

- Per capita seafood consumption
- Per capita disposable income
- Price of seafood
- Demand from food services and drinking places
- Per capita meat consumption

Major Players:

- There are no major players in the Fish and Seafood Markets industry. Most operators in this industry are small, independently owned businesses or small chains with fewer than five stores. Some companies include:
 - Pike Place Fish Market
 - Annapolis Seafood Market
 - Monterey Fish Market

Market Share Concentration:

There is a low market share concentration in the Fish and Seafood Markets in the US. "The vast majority of operators are small, independent and privately-owned enterprises with just one outpost." "Nonemploying fish and seafood markets are estimated to account for more than 55.0% of all industry operators and no

individual operator dominates the market, with all fish markets having an estimated market share of less than 2.0%.” Since fish and seafood have a relatively short shelf life, many fish and seafood markets are located close to ports and there is little opportunity to expand to noncoastal areas. The concentration is not likely to grow in the future.

Key Success Factors:

- Attractive product presentation
- Experienced work force
- Proximity to key markets
- Ability to control stock on hand
- Production of goods currently favored by the market

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Price of seafood (Index)
2008	2,301.2	355.8	4,566	4,535	12,254	--	--	266.1	N/A	207.3
2009	2,323.4	380.8	4,422	4,388	11,894	--	--	267.0	N/A	205.5
2010	2,376.5	421.2	4,495	4,461	12,370	--	--	271.5	N/A	215.7
2011	2,388.7	393.0	4,486	4,456	12,520	--	--	271.2	N/A	231.8
2012	2,508.3	401.0	4,614	4,586	12,950	--	--	283.1	N/A	230.8
2013	2,490.6	419.8	4,492	4,459	13,128	--	--	295.2	N/A	228.5
2014	2,571.0	384.1	4,572	4,535	13,594	--	--	309.5	N/A	238.8
2015	2,614.9	453.2	4,622	4,578	13,784	--	--	314.6	N/A	233.0
2016	2,638.0	468.9	4,654	4,606	13,916	--	--	317.8	N/A	231.9
2017	2,656.5	480.6	4,689	4,636	13,996	--	--	319.9	N/A	220.3
2018	2,674.8	487.8	4,711	4,655	14,102	--	--	322.6	N/A	213.4
2019	2,710.9	497.1	4,763	4,700	14,268	--	--	326.9	N/A	211.5
2020	2,746.8	505.3	4,812	4,742	14,445	--	--	331.4	N/A	214.0
2021	2,788.1	511.7	4,864	4,787	14,620	--	--	336.1	N/A	225.1
2022	2,811.0	518.5	4,906	4,824	14,785	--	--	340.0	N/A	226.0
Sector Rank	60/63	60/63	60/63	57/63	61/63	N/A	N/A	60/63	N/A	N/A
Economy Rank	1072/1547	1218/1546	612/1547	539/1547	964/1547	N/A	N/A	1168/1547	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a low change of technology in the Fish and Seafood Market industry due to its labor-intensive nature. “However, industry operators have implemented new computer software systems and mobile credit card readers to track sales, customer shopping patterns and inventory data to improve sales numbers and reduce loss from products that have gone bad.” Higher labor productivity is helped by bar code and QR code scanning. “Technological advances have also marginally increased online sales of fish and seafood in recent years.” Because of the short shelf life of the industry products unless they are frozen, it would be of interest to develop technological improvements to lengthen the shelf life. “New developments in freezing fish and seafood for freshness are likely to extend the taste and nutritional quality of the products.”

Fruit and Vegetable Markets (44523):

There is an overall tone of growth for the Fruit and Vegetable Markets industry due to the implementation of new technology and increases in fruit and vegetable prices. Additionally, health-focused consumers with an emphasis on organic foods will drive revenue.

Industry Definition:

“Fruit and vegetable vendors sell a variety of produce, meats and other items through stands, farmers’ markets and retail locations where products are sold directly to the public. The industry’s permanent stands and markets are small and individually owned. This unique industry generates revenue from the sale of fruits and vegetables and excludes sales of produce from supermarkets, grocery stores and mass merchandisers.”

Industry Outlook:

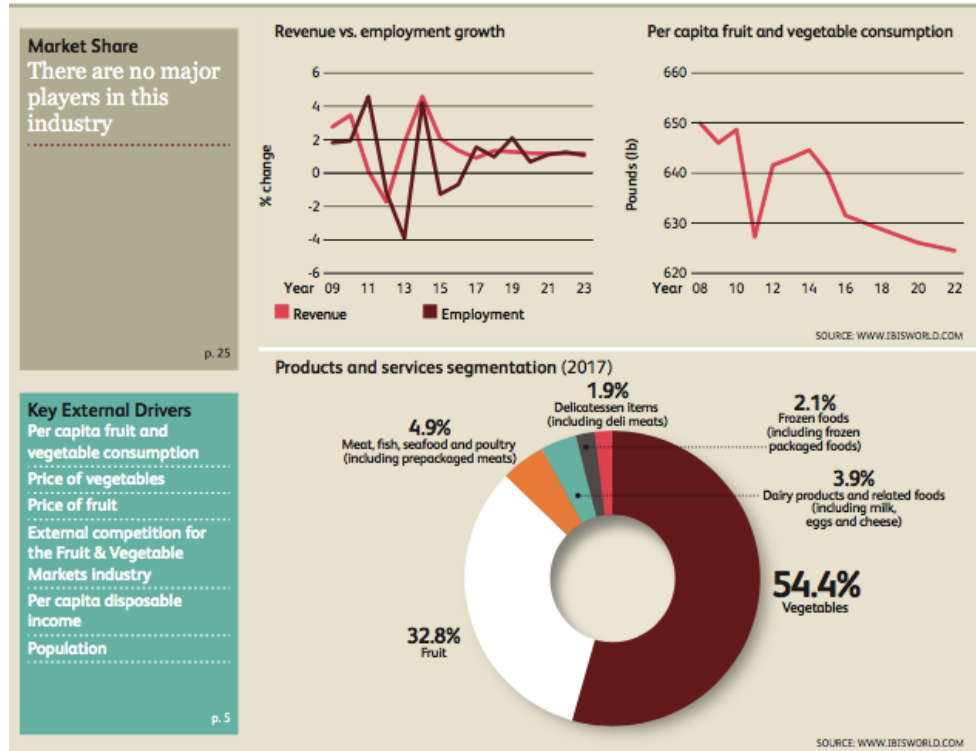
“Revenue for the Fruit and Vegetable Markets industry is expected to continue to grow over the five years to 2022, albeit at a slower pace than it did during the previous five-year period. Sharp increases in the price of fruits and vegetables, the industry’s top two revenue-producing product segments, will continue to bolster growth.” Per capita fruit and vegetable consumption should remain steady, declining at an annualized rate of 0.2% during the five years to 2022. “Despite slight declines in demand for fruit and vegetables, US consumers’ preferences have been shifting away from red meats and toward white meats.” Additionally, more governmental and school programs encouraging individuals to consume more fresh fruits and vegetables will continue to bolster demand for the industry. “Rising per capita disposable income will also bolster revenue growth, as consumers will have more money to spend on locally grown and organic price-premium products. Consequently, over the five years to 2022, revenue is expected to rise at an annualized rate of 1.2% to \$5.1 billion, with an expected increase of 1.3% in 2018 alone.”

Overview:

“Over the five years to 2017, industry revenue has grown at an annualized rate of 2.1% to \$4.8 billion, with an expected increase of 0.9% in 2017 alone.” The growth in industry revenue was driven by a rise in fruit and vegetable prices and higher demand for poultry and dairy products during the period. Additionally, there was an increase in average profit margins because of the decreasing wage costs and a product shift toward premium-priced organic foods. “The implementation of new technology, such as credit card readers and point-of-sales systems, has increased operator efficiency, improving margins. Additionally, vendors’ use of credit card readers has led to increased sales from low-income individuals as this new technology makes it so operators can accept Supplemental Nutrition Assistance Program (SNAP) benefit cards.” During the five years to 2022, the industry revenue should continue to grow, but the growth should be slower than that of the previous five-year period. “IBISWorld estimates industry revenue will increase at an annualized rate of 1.2% to an estimated \$5.1 billion in 2022.” Per capita consumption of fruits and vegetables is expected to marginally decline over the next five years, so other factors such as consumers’ health consciousness will influence demand.

Key Statistics Snapshot

Revenue	Annual Growth 12-17	Annual Growth 17-22
\$4.8bn	2.1%	1.2%
Profit	Wages	Businesses
\$201.6m	\$519.0m	12,686



Key Economic Drivers/Key External Drivers:

- Per capita fruit and vegetable consumption
- Price of vegetables
- Price of fruit
- External competition for the Fruit & Vegetable Markets industry
- Per capita disposable income
- Population

Major Players:

- There are no major players in this industry. It is primarily composed of small, individually owned business and farmer-owned markets. Some businesses in this industry include:
 - California Farmers' Markets Association
 - Dane County Farmers' Market
 - Union Square Greenmarket

Market Share Concentration:

There is a low market share concentration in this highly-fragmented industry. The top four operators will generate less than 10.0% of industry revenue in 2017. Most companies in this industry only operate one establishment. "The industry is characterized by a high number of small establishments, with 89.8% of all

establishments having less than 20 employees.” “Farmers’ markets often have associations to help vendors increase their efficiency and sales.” The market share concentration is expected to stay low because there is no cohesive organization that allows industry operators to sell their products nationwide.

Key Success Factors:

- Attractive product presentation
- Experienced work force
- Proximity to key markets
- Ability to control stock on hand
- Production of goods currently favored by the market
- Economies of scope

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Price of Vegetables (Index)
2008	4,128.9	619.4	10,889	10,808	27,625	--	--	527.8	N/A	96
2009	4,243.5	672.4	11,207	11,131	28,128	--	--	528.2	N/A	103
2010	4,390.7	710.5	11,364	11,290	28,671	--	--	539.9	N/A	103
2011	4,396.0	681.7	11,699	11,630	29,987	--	--	555.3	N/A	100
2012	4,319.9	656.5	12,097	12,025	29,641	--	--	531.2	N/A	91
2013	4,397.8	617.3	11,998	11,929	28,484	--	--	498.3	N/A	103
2014	4,599.8	705.3	12,368	12,299	29,682	--	--	530.8	N/A	101
2015	4,694.2	767.2	11,849	11,783	29,307	--	--	531.8	N/A	108
2016	4,757.7	744.5	12,359	12,307	29,107	--	--	511.0	N/A	106
2017	4,801.0	752.0	12,720	12,686	29,559	--	--	519.0	N/A	109
2018	4,865.0	763.0	12,805	12,765	29,847	--	--	525.0	N/A	112
2019	4,927.0	772.0	13,283	13,265	30,476	--	--	536.0	N/A	115
2020	4,986.0	779.0	13,388	13,367	30,681	--	--	541.0	N/A	118
2021	5,044.0	787.0	13,551	13,533	31,021	--	--	547.0	N/A	121
2022	5,104.0	795.0	13,749	13,733	31,410	--	--	555.0	N/A	125
Sector Rank	57/63	58/63	49/63	43/63	58/63	N/A	N/A	58/63	N/A	N/A
Economy Rank	948/1593	1099/1551	410/1593	370/1593	784/1593	N/A	N/A	1091/1593	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

The Fruit and Vegetable Market has a low level of technology change, but there is some use of technology to improve operational efficiency. Some technology used in the industry includes: point-of-sale equipment, wireless technologies and smartphone apps to process electronic payments. The US Department of Agriculture gave \$3.3 million to increase the amount of wireless card machines in farmers’ markets.

Gym, Health and Fitness Clubs (71394):

There was an overall tone of growth for the Gym, Health and Fitness Clubs industry due to trends of health-conscious individuals and greater disposable income.

Industry Definition:

“This industry operates fitness and recreational sports facilities that feature exercise and other active physical fitness conditioning or recreational sports activities, such as swimming, skating or racquet sports. Operators are also involved in facilities management and fitness instruction.”

Industry Outlook:

“Over the five years to 2022, the Gym, Health and Fitness Clubs industry will lift itself to success, benefiting from expected growth in discretionary consumer spending. As consumers’ disposable incomes rise, more individuals will purchase gym memberships that include a plethora of amenities, compared with low-cost memberships that fared well over the previous period.” Personal trainers, fitness classes and group trainers will become popular with the growing trends for results-driven gyms. “In the five years to 2022, revenue is forecast to grow at an annualized rate of 1.5% to \$32.8 billion as more consumer purchase high-cost industry services, such as cohesive, individualized health plans that include trainers and nutritional guidance. In 2018 alone, IBISWorld estimates that this trend will propel revenue 1.8%.”

Overview:

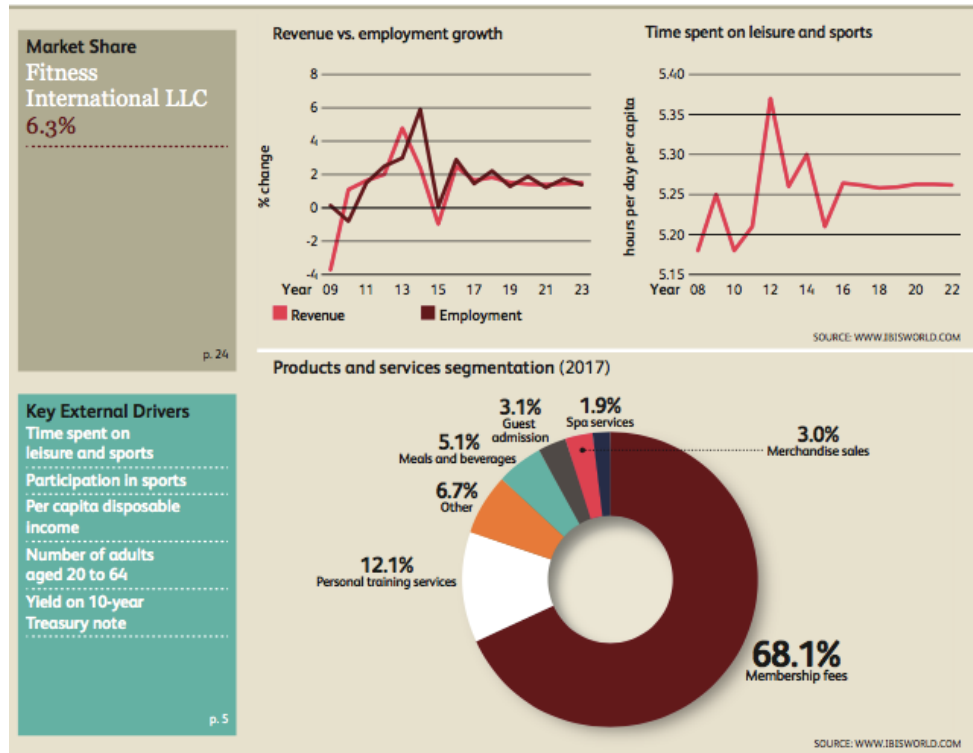
“The Gym, Health and Fitness Clubs industry has benefited from recent marketing campaigns aimed at fighting obesity, as well as consumer trends toward improved health.” “Many health-conscious individuals have incorporated fitness into their daily regimen, which has helped drive demand.” overall, gym memberships that have been offered on a monthly basis with low cancellation fees have succeeded over a five-year period; the low level of commitment is attractive to undecided consumers and increases revenue. In addition to this, “the number of adults aged 20 to 64, the largest gym-going demographic, has grown, spurring demand for gym memberships over the period. As a result, in the five years to 2017, industry revenue is expected to grow at an annualized rate of 2.1% to \$30.5 billion, including a 1.6% rise in 2017, as more consumers value fitness as a means to bolster their overall health.” Profit for the gyms with low retention rates has suffered with the growing consumer demand for low-cost monthly memberships. “Over the five years to 2022, many baby boomers are expected to sign up for health club memberships, as they grow more health conscious due to their age. Consequently, industry revenue is forecast to grow at an annualized rate of 1.5% to \$32.8 billion in the five-year period.”

Key Statistics Snapshot

Revenue
\$30.5bn
Profit
\$3.9bn

Annual Growth 12-17
2.1%
Wages
\$10.4bn

Annual Growth 17-22
1.5%
Businesses
97,646



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Key Economic Drivers/Key External Drivers:

- Time spent on leisure and sports
- Participation in sports
- Per capita disposable income
- Number of adults aged 20 to 64
- Yield on 10-year Treasury note

Major Players:

- Fitness International LLC
- Other companies include:
 - Life Time Fitness Inc.
 - 24 Hour Fitness Worldwide Inc.
 - Equinox
 - Town Sports International Holdings Inc.
 - Gold's Gym International Inc.

Market Share Concentration:

There is a low market share concentration in the Gym, Health and Fitness Clubs industry, with “the top four operators in the industry comprising 20.5% of total revenue in 2017.” This can be attributed to many

industry operators having a market niche with their local clientele. The larger players in the Gym, Health and Fitness Clubs industry have several locations throughout the US, while the smaller players are usually independently owned and operate in only one or two states. “Over the past five years, the proportion of businesses that employs 20 people or more has increased, indicating that concentration is rising. The industry’s market share will become more concentrated over the next five years, as larger operators acquire small, niche gym and health and fitness clubs.”

Key Success Factors:

- Easy access for clients
- Effective product promotion
- Economies of scale
- Provision of appropriate facilities
- Having a good technical knowledge of the product
- Business expertise of operators

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment (People)	Exports	Imports	Wages (\$m)	Domestic Demand	Healthy eating index (%)
2008	27,269.8	13,273.8	92,566	88,605	624,709	--	--	8,828.8	N/A	65.3
2009	26,256.6	12,321.4	91,212	86,993	625,586	--	--	8,593.0	N/A	66.0
2010	26,544.3	12,949.2	89,895	85,595	620,575	--	--	8,675.7	N/A	67.3
2011	26,977.9	13,148.3	89,715	85,283	629,882	--	--	8,885.7	N/A	66.0
2012	27,519.7	13,751.5	93,706	88,970	645,612	--	--	8,963.2	N/A	66.7
2013	28,835.8	14,651.5	94,330	89,520	664,899	--	--	9,345.7	N/A	67.1
2014	29,528.8	15,533.5	98,723	93,488	704,190	--	--	9,923.1	N/A	67.3
2015	29,242.2	16,068.6	99,380	94,196	704,574	--	--	9,898.5	N/A	66.7
2016	29,967.9	16,075.4	102,083	96,760	724,989	--	--	10,201.7	N/A	66.8
2017	30,459.2	16,378.3	103,077	97,646	735,498	--	--	10,370.1	N/A	66.9
2018	31,016.3	16,691.2	104,973	99,424	751,799	--	--	10,610.9	N/A	66.9
2019	31,488.3	16,956.4	105,629	99,973	761,453	--	--	10,768.3	N/A	67.0
2020	31,935.8	17,198.2	107,384	101,635	775,811	--	--	10,976.7	N/A	67.7
2021	32,380.6	17,487.8	108,118	102,271	785,272	--	--	11,129.6	N/A	67.2
2022	32,847.0	17,740.0	110,242	104,307	798,967	--	--	11,333.0	N/A	67.9
Sector Rank	3/19	4/19	2/19	2/19	2/19	N/A	N/A	3/19	N/A	N/A
Economy Rank	353/1593	197/1551	105/1593	103/1593	66/1593	N/A	N/A	189/1593	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a medium level of technological change in the Gym, Health and Fitness Clubs industry. “Most fitness centers compete to be the establishment with the most state-of-the-art equipment.” Operators have been encouraged to continually update their equipment because patrons are looking for equipment that can improve their fitness regimens. It is also common to supply entertainment units and free Wi-Fi in industry establishments. “Fitness centers use computers to manage operations and to keep a database of members. Many gyms also offer electronic payment options, which incorporates computer technology.”

Hobby and Toy Stores (45112):

The Hobby and Toy Stores industry is projected to decline while competition intensifies and disposable income levels recover.

Industry Definition:

“Operators in this industry sell a broad range of toy and hobby goods, such as traditional dolls and toys, electronic toys (including video and electronic games), board games, hobby kits and craft supplies. These goods are retailed to the general public after they are purchased from domestic and international manufacturers and wholesalers. Companies that primarily retail used toys, fabric and sewing supplies or children’s apparel and furniture are not included in this industry.”

Industry Outlook:

“IBISWorld expects Hobby and Toy Stores industry revenue to grow sluggishly over the five years to 2021. Improved economic conditions will boost consumer spending and confidence, encouraging consumers to spend more on toys and hobby goods.” However, the industry will continue to experience competition from discount department store and e-commerce channels that offer products at discounted prices. “Despite mounting competition, the industry is expected to rise an annualized 1.5% during the next five years to reach \$21.4 billion by 2021.”

Overview:

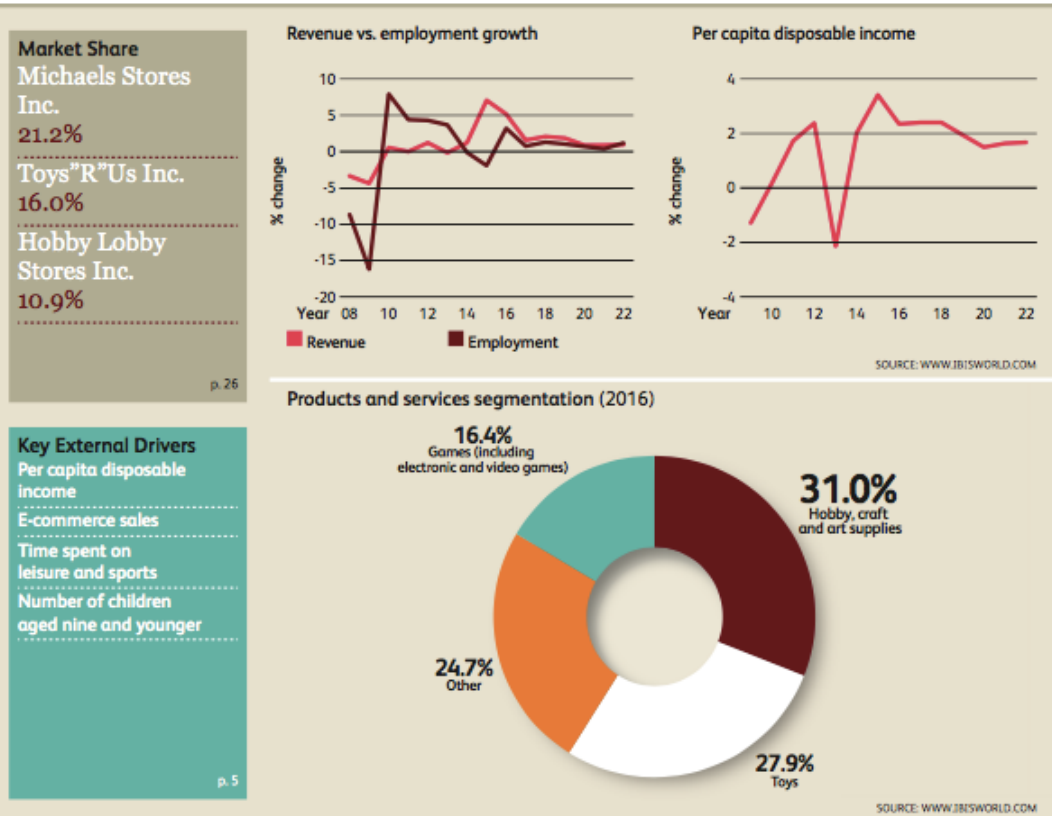
“Over the five years to 2016, the industry has largely rebounded from recessionary lows, in line with the strengthening economy. Despite this, competition from discount department stores and e-commerce channels has absorbed the increased demand for industry products by offering low prices and a one-stop-shop experience. Accordingly, discount stores have become the leading hobby and toy retailers during the five-year period. IBISWorld expects revenue from hobby and toy stores to grow at an annualized rate of 2.9% to \$19.1 billion during the five-year period, including a 5.2% boost in 2016.” Many players have been driven out of the industry due to the intensively competitive environment. “Due to this consolidation, large-scale companies are making up a significantly hefty share of the total industry.” The profit has largely recovered from recessionary lows due to the dominance of these larger companies. “As these operators continue to make up a larger share of the overall industry, profit is expected to increase. In 2016, profit is expected to account for 6.8% of industry revenue.” The industry is expected to grow over the five years to 2021 despite the intensely competitive environment. “IBISWorld expects industry revenue to increase during the next five years at an annualized rate of 1.5% to reach \$21.4 billion by 2021.”

Key Statistics Snapshot

Revenue
\$19.9bn
Profit
\$1.4bn

Annual Growth 11-16
2.9%
Wages
\$2.4bn

Annual Growth 16-21
1.5%
Businesses
18,170



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- E-commerce sales
- Time spent on leisure and sports
- Number of children aged nine and younger

Major Players:

- Michaels Stores Inc.
- Toys "R" Us Inc.
- Hobby Lobby Stores Inc.
- Other companies include the Walt Disney Co.

Market Share Concentration:

"The Hobby and Toy Stores industry is characterized by a moderate level of concentration. In 2016, the three largest industry companies are expected to account for 48.2% of industry revenue. The industry has become more concentrated in the past five years, as indicated by an annualized 0.2% decline in the total

number of industry companies since 2011.” While the overall economy strengthens, the smaller operators in the industry have struggled to stay in business as consumers are increasingly shopping online or at discount department stores. “The growing number of mergers and acquisitions within the industry have also contributed to growing industry concentration.” While the market is dominated by major players like Toys “R” Us, the majority of the industry operators are small and have low levels of employment. “IBISWorld estimates that by the end of 2016, the industry will include 18,170 operators, the majority of which will be single-owner or small family businesses.” “Due to their small size and the intense competition from external players, most small stores in this industry will continue to maintain only one or two locations over the five years to 2021.”

Key Success Factors:

- Stocking seasonal products
- Access to highly skilled workforce
- Having an exclusive sales contract
- Development of new products
- Attractive product presentation

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Number of children aged nine and younger
2007	18,635.2	3,512.6	25,433	21,782	151,953	--	--	2,232.6	N/A	39.8
2008	18,009.9	3,175.4	23,836	20,095	138,792	--	--	2,057.5	N/A	40.2
2009	17,222.3	3,055.6	22,294	18,959	116,352	--	--	1,905.1	N/A	40.8
2010	17,316.3	3,090.3	22,078	18,311	125,569	--	--	1,961.2	N/A	40.5
2011	17,316.5	3,332.2	22,159	18,364	131,091	--	--	2,008.5	N/A	40.5
2012	17,526.8	3,415.7	22,251	18,601	136,715	--	--	2,047.9	N/A	40.5
2013	17,498.2	3,167.1	22,016	18,342	141,725	--	--	2,135.6	N/A	40.5
2014	17,712.6	3,424.8	21,683	18,046	141,556	--	--	2,132.9	N/A	40.5
2015	18,962.0	3,753.2	21,605	18,141	138,829	--	--	2,275.1	N/A	40.9
2016	19,940.2	3,886.9	21,722	18,170	143,272	--	--	2,368.6	N/A	41.0
2017	20,254.2	3,934.2	21,512	17,966	144,347	--	--	2,394.0	N/A	41.1
2018	20,673.8	4,001.7	21,402	17,829	146,220	--	--	2,433.7	N/A	41.1
2019	21,057.4	4,072.7	21,351	17,759	147,740	--	--	2,467.5	N/A	41.2
2020	21,242.5	4,112.3	21,249	17,647	148,768	--	--	2,487.7	N/A	41.3
2021	21,431.8	4,148.5	21,166	17,562	149,337	--	--	2,502.0	N/A	41.5
Sector Rank	35/64	36/64	39/64	37/64	33/64	N/A	N/A	39/64	N/A	N/A
Economy Rank	448/1557	595/1557	304/1557	303/1557	295/1557	N/A	N/A	574/1557	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

“Advancement in distribution logistics is the single biggest change in technology that has revolutionized this industry. Before the introduction of electronic data interchange (EDI), retailers relied on printed orders, delivery notes, and invoices to request and receive merchandise from suppliers. The development and implementation of EDI effectively computerized this process, enabling operators to streamline the ordering process and benefit from resulting cost efficiencies.” Installing the point-of-sale (POS) systems further allowed retailers to access detailed information on product sales, margins, profit, and inventory. This information provides “a better product mix to consumers, assist with the ordering process, ensure that popular items are always in stock, and aid management with the compilation of company budgets.” The advances in product innovation and the introduction of electronic and interactive toys have additionally influenced the performance of the industry.

Meat Markets (44521):

There is an overall tone of decline for the Meat Markets industry due to intensifying competition from supermarkets, grocery stores and other retailers.

Industry Definition:

"This industry includes meat markets, butcher shops and delicatessens that primarily retail fresh, frozen and cured meats and seafood. Establishments that primarily retail fish and seafood are covered in the Fish and Seafood Markets industry (IBISWorld report 44522). Butcher shops and deli counters owned by and operated in larger supermarkets are excluded from this industry."

Industry Outlook:

"Growth is expected to remain tepid for the Meat Markets industry, despite projected growth of meat and poultry consumption through 2016." The industry will face competition with warehouse clubs, superstores and supermarkets, but demand will pick up for specialty shops offering high quality cuts and other hard-to-find meat. "In the five years to 2021, IBISWorld expects revenue to increase at an annualized rate of 0.3% to \$7.6 billion." The number of establishments will grow slightly, and the prices of red meat and poultry are "expected to decrease at a faster rate than the rise in per capita meat consumption over the five years to 2021." Finally, "many consumers are expected to continue to diversify their diets and turn away from meat market for the convenience of and lower prices offered at supermarkets and large-scale retailers."

Overview:

It has become increasingly difficult to succeed in the meat markets industry. "Meat markets faced growing competition from supermarkets, grocery stores and big-box retailers over the five years to 2016." However, in the five years to 2016, industry revenue is expected to increase an annualized 0.8% to \$7.5 billion. As per capita disposable income strengthens, consumers are expected to spend more on the Meat Market industry's goods, so industry revenue was expected to grow 0.1% in 2016. In the five years to 2021, the heightened competition is expected to pressure operators and keep industry revenue under severe pressure. "Industry revenue is therefore anticipated to increase an annualized 0.3% to \$7.6 billion in the five years to 2021. Nevertheless, the number of establishments is projected to increase an annualized 0.7% over the same period, as operators merge to contain costs and expand their geographic reach, and nonemployers enter the industry at a faster rate."

Key Statistics Snapshot

Revenue
\$7.5bn

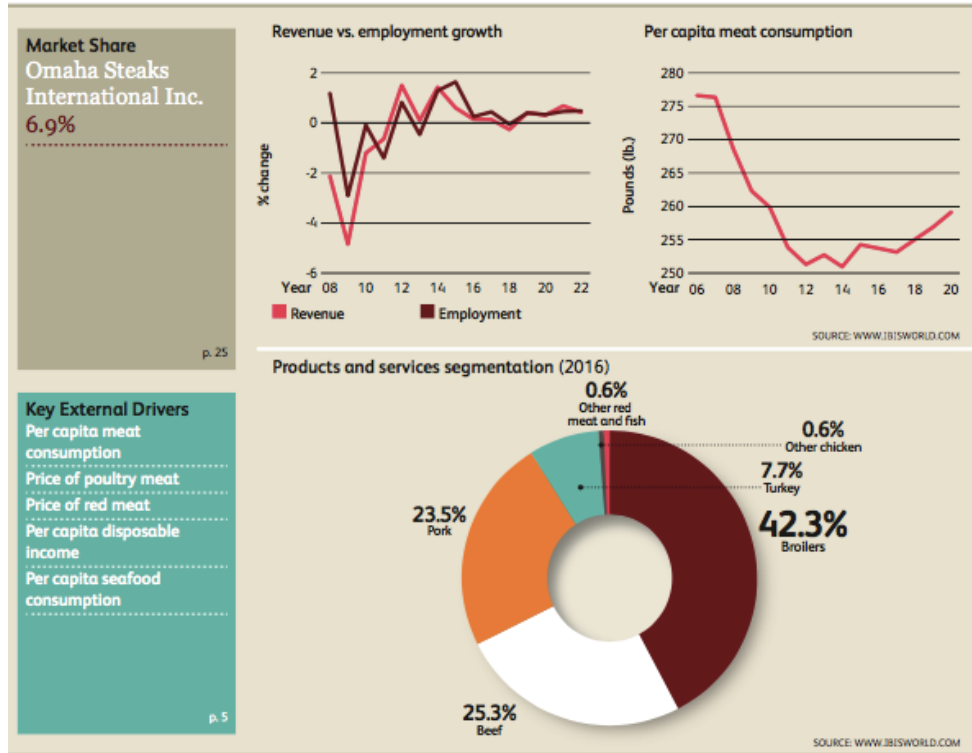
Annual Growth 11-16
0.8%

Annual Growth 16-21
0.3%

Profit
\$233.3m

Wages
\$872.0m

Businesses
9,095



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Key Economic Drivers/Key External Drivers:

- Per capita meat consumption
- Price of poultry meat
- Price of red meat
- Per capita disposable income
- Per capita seafood consumption

Major Players:

- Omaha Steaks International, Inc.
- Other companies include the Honey Baked Ham Company and Logan Farms.

Market Share Concentration:

The level of market share concentration in the Meat Markets industry is low. “According to IBISWorld estimates, the top three major players in this industry account for less than 12.0% of the available market share, indicating that this industry exhibits a low level of concentration.” Based on the US Census Bureau’s Statistics of US Businesses data, “IBISWorld estimates that an estimated 55.0% of US meat markets employ less than five people.” Recently, franchising has gained popularity in the industry to help gain geographic reach and increase economies of scale to lower overall operating costs.

Key Success Factors:

- Being part of a franchising chain
- Attractive product presentation
- Experienced work force
- Using marketing of differentiated products
- Controlling stock
- Having a good reputation

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Per capita meat consumption (lb)
2007	7,928.8	1,072.7	9,174	9,032	42,475	--	--	882.4	N/A	276.4
2008	7,759.9	1,119.2	8,743	8,620	42,977	--	--	816.6	N/A	268.6
2009	7,384.3	1,191.5	8,888	8,760	41,725	--	--	829.7	N/A	262.3
2010	7,295.5	1,299.3	8,929	8,815	41,689	--	--	839.7	N/A	259.9
2011	7,248.8	1,203.2	8,753	8,644	41,105	--	--	833.5	N/A	253.8
2012	7,357.8	1,194.1	9,108	8,577	41,443	--	--	848.3	N/A	251.3
2013	7,365.2	1,225.3	9,026	9,009	41,252	--	--	857.1	N/A	252.7
2014	7,470.5	1,082.3	9,042	9,019	41,784	--	--	865.7	N/A	251.0
2015	7,515.6	1,235.4	9,214	9,063	42,470	--	--	873.4	N/A	254.2
2016	7,526.8	1,233.5	9,279	9,095	42,577	--	--	872.0	N/A	253.7
2017	7,537.0	1,218.7	9,404	9,177	42,765	--	--	875.5	N/A	253.1
2018	7,517.3	1,209.9	9,392	9,158	42,742	--	--	874.4	N/A	255.0
2019	7,548.3	1,212.1	9,551	9,227	42,913	--	--	878.3	N/A	256.9
2020	7,571.6	1,209.0	9,568	9,235	43,057	--	--	881.5	N/A	259.1
2021	7,623.3	1,234.5	9,630	9,299	43,256	--	--	886.5	N/A	260.7
Sector Rank	53/64	56/64	54/64	50/64	54/64	N/A	N/A	56/64	N/A	N/A
Economy Rank	775/1556	955/1556	461/1556	418/1556	649/1556	N/A	N/A	888/1556	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a medium level of technology change in the Meat Markets industry. The industry relies on commercial meat and food processing equipment to produce meat products. Other technology used by the industry includes computerized point-of-sale (POS) systems that control and record merchandising, distribution, sales and stock markdowns. The electronic data interchange (EDI) and barcode scanning have improved distribution, and companies have created online presences through online retail and social media.

Men's Clothing Stores (44811):

Growth for the Men's Clothing Stores in the US industry is projected largely due to economic gains.

Industry Definition:

"Men's clothing stores retail a variety of men's and boys' suits, formal wear, shirts, t-shirts, casual slacks, jeans, sport coats, blazers, sports apparel, sweaters, overcoats, raincoats and accessories. Operators may also offer custom suits and other clothing through alterations such as hemming, taking in or letting out seams and lengthening or shortening sleeves."

Industry Outlook:

"Revenue for the Men's Clothing Stores industry is forecast to contract over the five years to 2022, declining at an annualized rate of 0.8% and totaling \$8.9 billion." As economic factors like the national employment rate and the number of households earning more than \$100,000 slow, the industry will begin to decline. "Furthermore, increased competition from online retailers of men's clothing and discount stores will continue to pressure industry revenue. However, the upward trajectory of the overall economy and improvements in per capita disposable income will keep the industry from declining rapidly; in 2018, IBISWorld anticipates that revenue will contract at a slow rate of 0.5%."

Overview:

This industry has grown over the five years to 2017 with lower unemployment levels and an increase in per capita disposable income. "The industry is reliant on low unemployment levels, as office apparel is a large product segment for the industry; when employment levels suffer and job security becomes less reliable, men have less incentive to purchase work-related attire." Additionally, low employment indicates lower consumer confidence and disposable income. "Over the five years to 2017, a 10.3% annualized decline in unemployment, coupled with a 1/6% annualized increase in per capita disposable income, boosted industry demand. These factors led revenue to grow at an annualized rate of 0.1%, totaling \$9.2 billion." The operating landscape for the players of the Men's Clothing Stores industry has changed with the growth in online shopping. "Merger and acquisition activity has also characterized the industry over the five-year period; in 2014, Tailored Brands Inc. acquired previous major player Jos. A. Bank and now controls a notable share of the otherwise fragmented men's clothing store market." "Over the five years to 2022, IBISWorld expects that industry revenue will begin to steadily decline, as the national employment rate and consumer confidence take unfavorable turns. Although increases in per capita disposable income will keep the industry from declining rapidly, revenue is expected to contract at an annualized rate of 0.8%, totaling \$8.9 billion."

Key Statistics Snapshot

Revenue
\$9.2bn

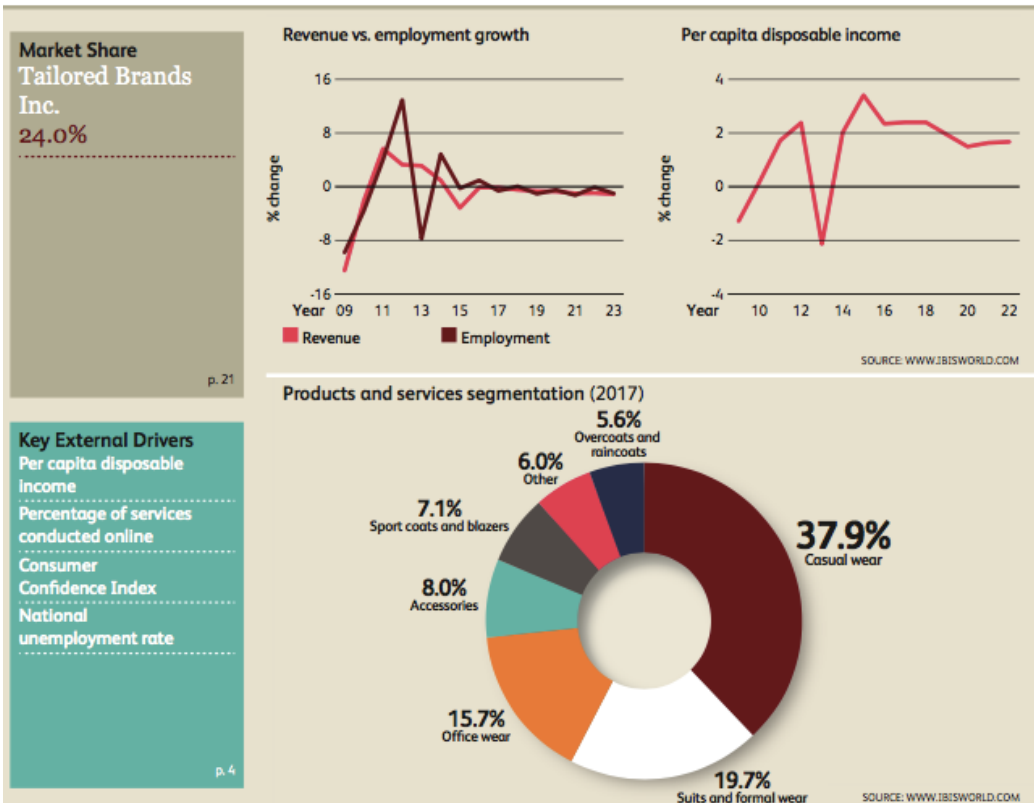
Profit
\$249.3m

Annual Growth 12-17
0.1%

Wages
\$1.7bn

Annual Growth 17-22
-0.8%

Businesses
9,050



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- Percentage of services conducted online
- Consumer confidence index
- National unemployment rate

Major Players:

- Tailored Brands, Inc.
- Other companies include the Destination XL Group Inc.

Market Share Concentration:

The market share concentration in the Men's Clothing Stores industry is low. The top two players in the industry account for 30.8% of total company revenue. "Major player concentration has increased since 2012, with acquisitions and mergers facilitating such conditions." "Rising market share is a common

attribute for an industry in the mature stage of its life cycle.” Industry expansion is limited because most major retailers will expand to sell clothing for women and children.

Key Success Factors:

- Ability to control stock on hand
- Having a clear market position
- Establishment of brand names
- Production of goods currently favored by the market
- Experienced work force
- Attractive product presentation

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establish- ments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Per Capita Dis- posable Income (\$)
2008	9,820.9	1,909.2	12,242	8,825	62,258	--	--	1,614.6	N/A	36,082.0
2009	8,594.0	1,759.6	11,760	8,468	56,153	--	--	1,441.7	N/A	35,620.0
2010	8,413.1	1,626.3	11,510	8,331	54,130	--	--	1,407.7	N/A	35,684.0
2011	8,890.0	2,083.1	11,599	8,118	56,310	--	--	1,469.7	N/A	36,299.0
2012	9,181.8	2,253.9	12,265	8,401	63,591	--	--	1,739.7	N/A	37,163.0
2013	9,468.0	2,198.7	11,570	8,255	58,656	--	--	1,526.5	N/A	36,369.0
2014	9,558.0	2,165.6	11,948	8,620	61,502	--	--	1,582.7	N/A	37,102.3
2015	9,256.3	2,083.4	12,562	9,012	61,349	--	--	1,690.0	N/A	38,367.6
2016	9,243.8	2,056.3	12,845	9,057	61,926	--	--	1,723.5	N/A	39,267.6
2017	9,232.4	2,049.5	12,839	9,050	61,538	--	--	1,714.2	N/A	40,210.0
2018	9,190.1	2,040.2	12,843	9,060	61,568	--	--	1,712.5	N/A	41,175.1
2019	9,128.1	2,022.6	12,788	9,027	60,917	--	--	1,694.6	N/A	41,975.4
2020	9,062.9	2,003.7	12,658	8,955	60,619	--	--	1,684.3	N/A	42,602.9
2021	8,973.0	1,984.8	12,555	8,883	59,846	--	--	1,662.1	N/A	43,299.2
2022	8,888.2	1,967.2	12,544	8,876	59,789	--	--	1,656.2	N/A	44,023.4
Sector Rank	49/63	48/63	48/63	50/63	51/63	N/A	N/A	46/63	N/A	N/A
Economy Rank	693/1547	787/1546	397/1547	418/1547	548/1547	N/A	N/A	668/1547	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

“Technological advances relevant to men’s clothing stores include the use of electronic cash registers, electronic scanning devices and automated warehouse equipment. Electronic barcode scanning systems enable efficient customer checkout and returns, store-based inventory management and rapid order replenishment.” Retailers also continually invest in systems and procedures that eliminate losses due to stock loss and theft. “This technology includes closed-circuit TV cameras, source tagging, signature-capture technology and fingerprint scanning systems that verify customer identities. Technology such as radio-frequency identification (RFID) is also used to reduce theft.” Overall, the use of these technologies will help the industry participants that choose to use it and give them a competitive edge over those who do not choose to use it.

Musical Instrument & Supplies Stores (45114):

The Musical Instrument and Supplies Stores industry is projected to face rising competition but stabilize from the industry's recent revenue declines.

Industry Definition:

"This industry retails an extensive selection of musical instruments, sheet music and related supplies such as microphones, amplifiers and audio systems. These products are usually sold directly to end consumers. Many industry operators also repair and rent these products and provide music instruction."

Industry Outlook:

"Following the industry's inconsistent performance over five years to 2016, IBISWorld forecasts that the Musical Instrument and Supplies Stores industry's revenue continue to decline, albeit at a slower pace, during the five years to 2021." Consumer spending will likely increase with continued improvements in the economy, which will encourage customers to spend more on discretionary goods like musical instruments. "However, the industry will continue to face competition from large, discount retailers and other online retailers." There will likely be limited demand for the industry with stagnant leisure time availability and the popularity of alternative activities. "Consequently, revenue is projected to post only slight decline over the five years to 2021, falling at an annualized rate of 0.2% to \$4.7 billion."

Overview:

"As consumer confidence and per capita disposable income increased amid recent economic growth, the industry's revenue slide has stabilized. Over the past five years, industry revenue is estimated to have fallen at an annualized rate of 2.0% to reach \$4.8 billion. Weak demand conditions following the collapse of the US economy, including poor consumer confidence and reduced disposable income, caused revenue to decline sharply at first." However, consumer spending on musical instruments and supplies is expected to modestly increase. "In 2016, IBISWorld anticipates industry revenue to grow by 0.4%. Over the past five years, heightened external competition caused industry revenue to decline." Mass merchandisers are intensifying competition with their lower prices for musical instrument product offerings. "IBISWorld estimates that margins have improved slightly over the past five years from 2.2% of revenue in 2011 to just 4.6% in 2016. The industry has combated these declines by slashing payroll expenses and introducing niche products, specialty equipment and various aftermarket services and repairs to their offerings." However, the industry's outlook appears promising. "IBISWorld expects industry revenue to fall at an annualized rate of only 0.2% to \$4.7 billion over the next five years." The largest portion of the industry's revenue, purchases of new instruments, will likely decline over the next five years. "However, consumers will continue to value the industry's extensive musical knowledge. This may not lead to substantial recovery in industry profit, but it will ensure that musical instrument and supplies stores remain a vital component of the country's musical culture."

Key Statistics Snapshot

Revenue
\$4.8bn

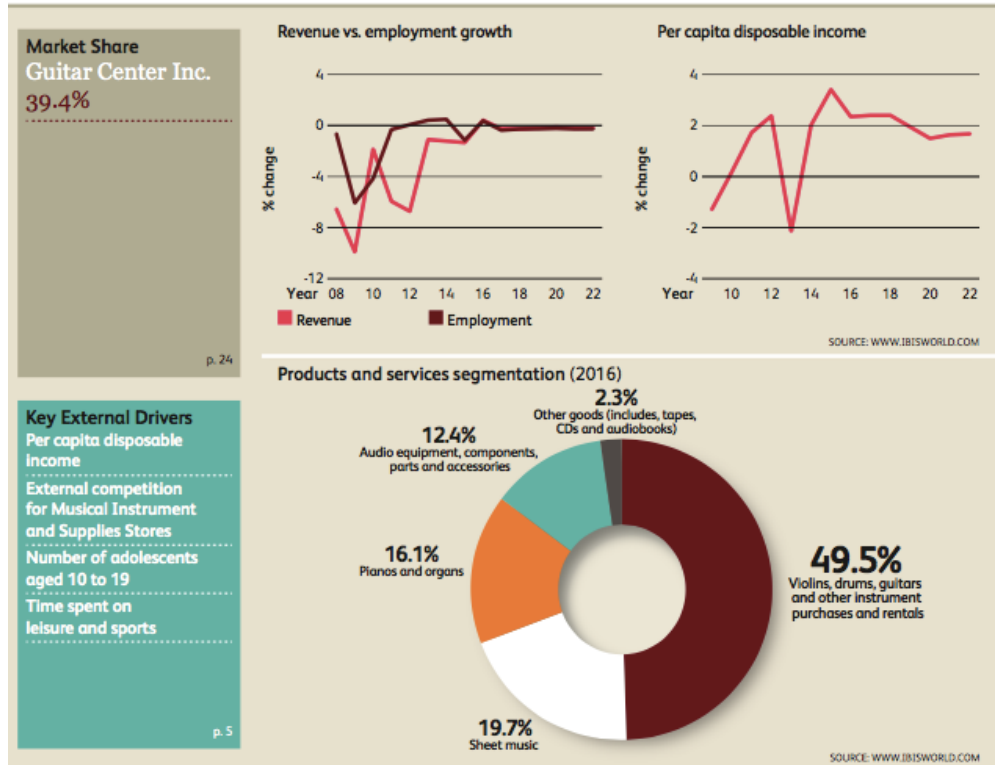
Profit
\$219.4m

Annual Growth 11-16
-2.0%

Wages
\$774.0m

Annual Growth 16-21
-0.2%

Businesses
9,897



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- External competition for Musical Instrument and Supplies Stores
- Number of adolescents aged 10 to 19
- Time spent on leisure and sports

Major Players:

- Guitar Center Inc.
- Other companies include the Sam Ash Music Corporation.

Market Share Concentration:

“Musical instrument and supplies stores have been subject to a low level of concentration over the past five years, with the industry’s two largest players expected to account for a combined 43.6% share of industry revenue in 2016. Aside from its largest player, Guitar Center, this industry is highly fragmented due to the large number of independent operators running traditional family-owned retail outlets.” Many businesses in the industry are nonemployers. “Although nonemployers are small and therefore do not generate a significant portion of the industry’s total revenue, the latest industry data from the US Census

indicates that nonemployer establishments comprise almost twice as many locations as establishments with a salaried payroll.”

Key Success Factors:

- Attractive product presentation
- Experienced work force
- Ability to control stock on hand
- Proximity to key markets
- Production of goods currently favored by the market
- Ability to educate the wider community

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Time spent on leisure and sports (hours per day per capita)
2008	6,350.6	1,140.3	10,358	9,525	39,288	--	--	937.1	N/A	5.2
2009	5,722.2	1,005.2	10,299	9,461	36,903	--	--	862.1	N/A	5.3
2010	5,615.9	1,080.3	10,120	9,309	35,368	--	--	827.6	N/A	5.2
2011	5,282.3	972.7	10,594	9,783	35,257	--	--	814.2	N/A	5.2
2012	4,927.2	911.1	10,749	9,958	35,281	--	--	778.1	N/A	5.4
2013	4,873.1	899.5	10,718	9,903	35,428	--	--	787.4	N/A	5.3
2014	4,813.8	1,002.5	10,623	9,832	35,601	--	--	781.1	N/A	5.3
2015	4,749.4	1,036.7	10,643	9,858	35,192	--	--	770.8	N/A	5.2
2016	4,768.8	1,037.1	10,683	9,897	35,321	--	--	774.0	N/A	5.3
2017	4,756.7	1,027.3	10,740	9,951	35,191	--	--	771.1	N/A	5.3
2018	4,744.1	1,019.0	10,750	9,965	35,096	--	--	768.8	N/A	5.3
2019	4,736.2	1,011.5	10,802	10,014	35,004	--	--	766.8	N/A	5.3
2020	4,731.4	1,004.3	10,789	10,003	34,926	--	--	765.2	N/A	5.3
2021	4,723.6	996.8	10,836	10,051	34,832	--	--	763.2	N/A	5.3
2022	4,715.1	989.2	10,819	10,037	34,740	--	--	761.2	N/A	5.3
Sector Rank	58/63	57/63	50/63	48/63	57/63	N/A	N/A	56/63	N/A	N/A
Economy Rank	919/1546	999/1546	431/1546	403/1546	707/1546	N/A	N/A	927/1546	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

“The internet has changed the way consumers research instruments, compare prices, and even learn how to play. Most stores have their own website where they also sell musical instruments and supplies.” These effects of e-commerce have an overall positive effect on musical instrument sales, but the impact on industry revenue is varied “with many consumers buying new and secondhand equipment online (revenue to e-commerce only shops outside this industry do not count toward the industry total).” The technological advances in the upstream manufacturing industries have led to higher-quality products being offered at lower prices. “For example, technological advances in sound reinforcement systems, recording equipment and musical instrument digital interface products have occurred during the past few years. Consumers can now affordably create an in-home recording studio, which has had a positive impact on store sales.” Other industry technological advances include mobile payment systems and automated inventory equipment. These assist retailers with more efficient management and distribution chains. “Moreover, inventory can be kept low while popular products can be ordered easily during peak periods. Furthermore, mobile payment applications and systems have made the purchase process faster and more efficient for both retailers and consumers.”

Performers and Creative Artists (71151):

There is an overall tone of growth for the Performers and Creative Artists industry due to the technological advances that allow them to advertise, promote themselves, and increase earnings and increased consumer spending with the improved economy.

Industry Definition:

"This industry consists of independent or freelance artists, writers and performers who create artistic or cultural works or productions, as well as individuals who provide the technical expertise necessary for these works. This industry includes celebrities who receive a fee for product endorsement and public appearances or speeches. This industry does not include musical artists (IBISWorld report 71113) or graphic design artists (54143)."

Industry Outlook:

"Over the next five years, the Performers and Creative Artists industry will continue to grow slowly as consumer spending is expected to grow while grant-making institutions funding is expected to stagnate. Consumers will have more discretionary income to spend on entertainment and art goods, including performances and artwork." Along with rising incomes, charitable giving to arts foundations is forecast to increase, and "artists and performers will make greater use of crowdfunding platforms to raise revenue." However, industry growth will be limited by competition from other entertainment forms like video games. "As a result, over the five years to 2021, revenue is forecast to increase an annualized 1.2% to \$36.9 billion."

Overview:

"Independent artists and performers, including freelance and bestselling writers, stage and A-list actors and painters, as well as a dozen other artistic professions, comprise the highly diverse Performers and Creative Artists industry." 97.1% of those who operate in this industry are nonemployers. "Top artists, such as famous authors and actors, are capable of earning millions of dollars per year and typically employ a team to maintain their image, accounting for the small percentage of employers within the industry." Per capita disposable income affects industry performance, as does grant-making institutions that fund many of the industry's small-scale operators. "Cutbacks pushed down this key driver, with federal funding for creative arts declining an annualized 2.3% over the five years to 2016. Conversely, consumer spending has rebounded in the post recessionary environment, which has driven people to spend and donate more on entertainment. Overall, industry revenue increased an annualized 1.8% over the five years to 2016 to \$34.7 billion, including 0.8% growth in 2016." Over the next five years, the steady growth is expected to continue while discretionary spending increases and the number of households with income to donate to art foundations rises. "However, external competition from other forms of entertainment and falling support for public arts departments and commissions at the state and federal levels are projected to moderate revenue growth. Industry revenue is consequently forecast to rise at an annualized rate of 1.2% to \$36.9 billion over the five years to 2021. Consumers will spend more money on entertainment as the economy improves."

Key Statistics Snapshot

Revenue
\$34.7bn

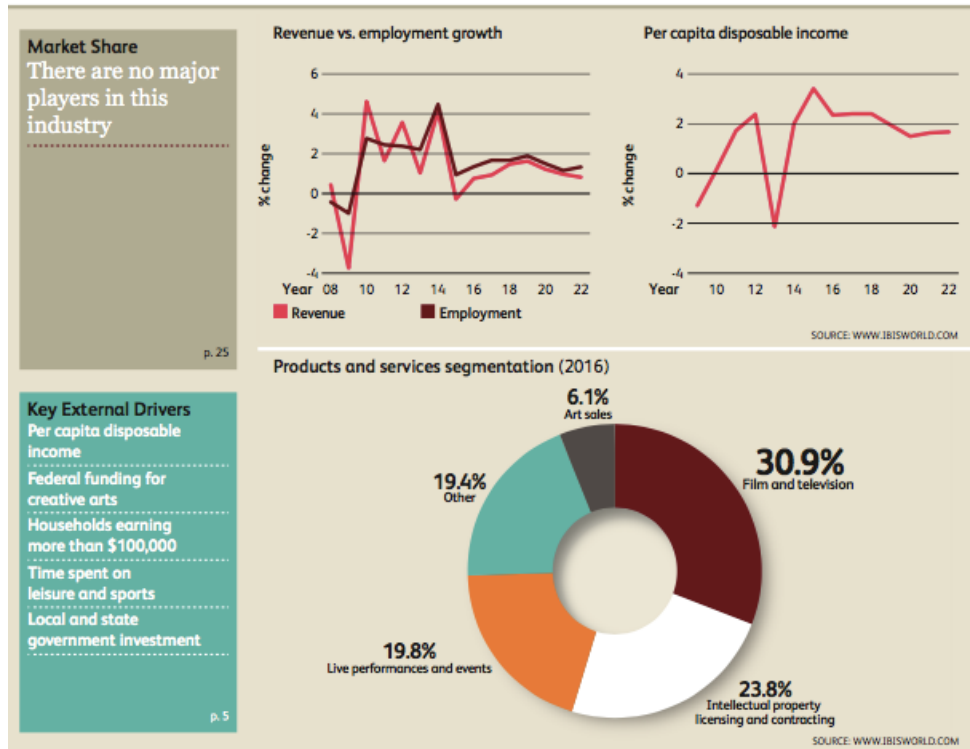
Profit
\$4.3bn

Annual Growth 11-16
1.8%

Wages
\$14.9bn

Annual Growth 16-21
1.2%

Businesses
854,461



Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- Federal funding for creative arts
- Households earning more than \$100,000
- Time spent on leisure and sports
- Local and state government investment

Major Players:

- There are no major players in this industry; “the Performers and Creative Artists industry is highly fragmented.” “Due to the industry’s decentralized nature and breadth of services, no single individual or company is able to generate even 1.0% of overall revenue.”

Market Share Concentration:

There is a low market share concentration in the Performers and Creative Artists industry. “Of the industry’s 854,461 total operators, 97.1% are nonemployers,” and none of the industry operators hold a market share over 1.0%. “The vast differentiation in industry services, wide variety of niches in the industry and low barriers to entry all contribute to this low level of concentration. The nature of artists work, which values

originality and creativity, creates an audience for the many different genres and mediums of art that exist in the U.S.”

Key Success Factors:

- Ability to attract local support/patronage
- Having a high profile in the market
- Effective product promotion
- Ability to raise revenue from additional sources
- Accessibility to consumers/users
- Having contacts within key markets

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Federal funding for creative arts (\$m)
2007	30,845.9	17,122.5	718,943	718,908	744,628	--	--	13,051.9	N/A	142.0
2008	30,980.3	17,865.8	717,415	717,378	741,451	--	--	13,564.7	N/A	161.8
2009	29,821.8	16,337.6	711,686	711,645	734,105	--	--	12,636.7	N/A	172.0
2010	31,199.7	17,023.0	731,497	731,475	754,394	--	--	13,339.0	N/A	183.6
2011	31,714.3	17,851.0	751,434	751,413	772,836	--	--	13,412.0	N/A	166.1
2012	32,845.0	18,735.9	771,379	771,329	791,205	--	--	14,297.7	N/A	154.0
2013	33,185.5	18,057.4	788,811	788,759	808,663	--	--	13,193.8	N/A	143.6
2014	34,562.9	19,556.8	822,864	821,582	844,874	--	--	14,577.3	N/A	149.0
2015	34,466.8	20,164.1	840,423	839,114	852,837	--	--	14,675.0	N/A	148.1
2016	34,728.1	20,365.2	855,794	854,461	864,318	--	--	14,866.5	N/A	147.9
2017	35,050.9	20,654.3	877,325	875,958	878,746	--	--	15,106.4	N/A	146.5
2018	35,566.1	20,956.4	893,563	892,171	893,388	--	--	15,374.4	N/A	146.9
2019	36,144.3	21,345.7	914,334	912,910	910,274	--	--	15,681.9	N/A	147.7
2020	36,584.6	21,646.6	930,879	929,429	923,925	--	--	15,927.3	N/A	146.6
2021	36,939.4	21,876.5	944,880	943,408	934,595	--	--	16,120.8	N/A	144.7
Sector Rank	2/19	2/19	1/19	1/19	1/19	N/A	N/A	2/19	N/A	N/A
Economy Rank	318/1556	167/1556	8/1556	8/1556	53/1556	N/A	N/A	134/1556	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a low level of technology change in the Performers and Creative Artists industry. “Establishments in the performing arts segment use some technology to design, build and maneuver stage sets. Computer and audiovisual technology is used to increase the dramatic effect of an artistic production. Light and sound systems can illuminate an area and provide music, while projection systems can show pictures or images. Independent artists, writers and performers can invest in sophisticated methods of communication to manage their diary and allow clients to contact them easily.” Additionally, artists use the Internet to advertise and promote themselves. “Performers can invest in computer technology and publishing equipment, such as modern printing machines and photocopiers, to produce entertainment, books and DVDs, increasing earnings and publicity.”

Single Location Full-Service Restaurants (72211b):

As the economy improves and consumer spending grows, there is an overall tone of growth for the Single Location Full-Service Restaurants industry.

Industry Definition:

"This industry includes single-location, independent or family-operated restaurants that provide food services to patrons who order and are served while seated (i.e. waiter and waitress service), and pay after eating. These establishments may sell alcohol and other beverages, in addition to providing food services to guests."

Industry Outlook:

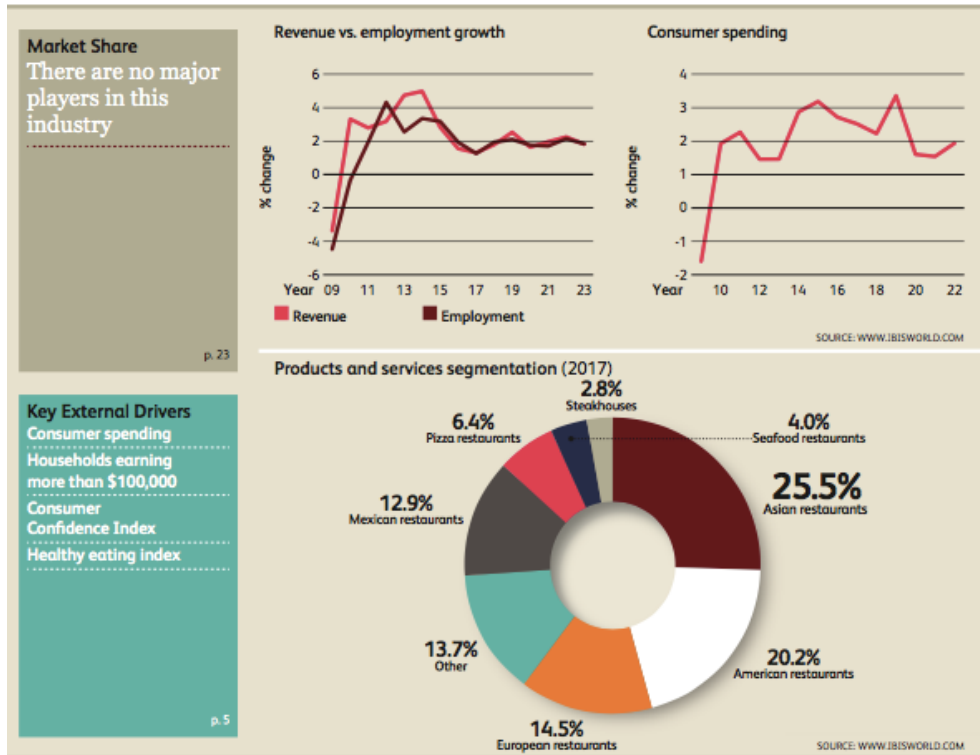
"The Single Location Full-Service Restaurants industry's growth is expected to continue over the next five years as consumers allocate a greater proportion of their budgets to meals outside the home. Restaurants will benefit as the economy improves and unemployment rates decline, leading to more consumer indulgences, such as dining out. Over the five years to 2022, consumer spending is expected to increase at an annualized rate of 2.1%, representing a slightly faster rate of growth than the previous five years." Consumer confidence, however, is expected to decline slightly which may indicate that more consumers will choose to eat at home instead of budgeting their disposable income to eating out. "Furthermore, should food prices remain low, the more salient trend toward consumers eating out more frequently may shift in favor of at-home cooking." Due to these trends, industry revenue is expected to increase at an annualized rate of 2.0% to \$207.0 billion."

Overview:

"The Single Location Full-Service Restaurants industry has experienced robust growth over the past five years. Since 2012, the improving economy and rising consumer spending have led to consistent growth in restaurant spending." The fine dining segment has especially succeeded due to the fast recovery of income levels by the affluent consumers and corporate sector, while the lower-end restaurants have struggled with low growth as consumers have shifted to the products served by fast casual chains. "Over the five years to 2017, IBISWorld estimates industry revenue will grow at an annualized rate of 3.1% to \$187.2 billion. Revenue is expected to continue its upward trajectory in 2017, growing an estimated 1.3%." The industry is highly fragmented because most industry operators are small, family-run businesses. These single location restaurants face intense competition from other places like chain restaurants, fast food restaurants, hotels, and other coffee and snack stores. "For this reason, profit margins are generally low across the industry and operators rely on high product turnover to turn a profit. The average industry profit margin has increased over the past five years, along with demand." The steady growth of the Single Location Full-Service Restaurants industry is expected to grow over the next five years while the economy improves and consumer spending grows. "Consumer spending is expected to increase an annualized 2.5% over the five years to 2022, benefiting the industry." "Rising health consciousness and ethical consumerism will present industry operators with ongoing opportunities to reach niche markets with premium products to increase profitability and revenue. The industry will also likely benefit from population and immigration growth, as well as a greater number of people living in urban areas, where restaurants are highly concentrated. Over the five years to 2022, industry revenue is forecast to grow at an annualized rate of 2.0% to \$207.0 billion."

Key Statistics Snapshot

Revenue	Annual Growth 12-17	Annual Growth 17-22
\$187.2bn	3.1%	2.0%
Profit	Wages	Businesses
\$9.2bn	\$64.9bn	258,159



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Key Economic Drivers/Key External Drivers:

- Consumer spending
- Households earning more than \$100,000
- Consumer confidence index
- Healthy eating index

Major Players:

- There are no major players in this industry. "Most players in the Single Location Full-Service Restaurants industry are owner-operators with one establishment that emphasize their independence as a unique selling point."

Market Share Concentration:

There is a low market share concentration in the Single Location Full-Service Restaurants industry. This is because most businesses in the industry are single, owner-operated establishments that are not tied to a chain or franchise operation. "As a result, no industry operator comprises more than 5.0% of industry revenue in 2017. Annual average revenue per operator is estimated to be about \$725,180 in 2017, and each establishment employs about 13 full-time or part-time staff." The low market share concentration in this industry results in intense competition between the industry operators. "The industry has low barriers

to entry and owners typically compete on price, menu offerings, cuisine and customer service.” “The industry is known for its large staff turnover, which generally depends on the number of casual staff who work in the industry while studying. The relatively low wages and lack of a well-defined career path deter many employees from seeing the industry as a long-term employment opportunity.”

Key Success Factors:

- Access to multi-skilled and flexible workforce
- Ability to quickly adopt new technology
- Attractive product presentation
- Proximity to key markets
- Ability to control stock on hand
- Ensuring pricing policy is appropriate

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Consumer spending (\$b)
2008	152,011.0	60,868.8	234,352	231,318	3,112,710	--	--	51,900.2	N/A	10,007.2
2009	146,899.7	60,949.9	234,963	231,909	2,973,817	--	--	51,401.5	N/A	9,847.0
2010	151,772.0	62,985.4	240,753	238,442	2,963,438	--	--	52,968.4	N/A	10,036.3
2011	156,006.6	64,430.7	243,182	241,051	3,020,701	--	--	54,446.3	N/A	10,263.5
2012	160,966.7	67,123.1	242,880	240,314	3,151,016	--	--	56,016.4	N/A	10,413.2
2013	168,593.7	70,303.6	247,151	245,097	3,231,353	--	--	58,502.0	N/A	10,565.4
2014	176,987.3	73,698.8	251,216	249,279	3,339,638	--	--	61,309.7	N/A	10,868.9
2015	181,986.2	77,335.8	254,293	252,985	3,445,688	--	--	62,776.9	N/A	11,214.7
2016	184,802.4	76,942.2	259,181	255,759	3,512,129	--	--	64,036.8	N/A	11,518.9
2017	187,210.5	78,122.9	262,883	258,159	3,556,201	--	--	64,929.8	N/A	11,808.4
2018	190,552.8	79,722.1	267,141	262,268	3,625,014	--	--	66,087.9	N/A	12,070.8
2019	195,368.2	81,527.9	272,229	267,144	3,701,017	--	--	67,466.1	N/A	12,475.8
2020	198,565.1	82,782.7	276,425	270,407	3,766,016	--	--	68,745.2	N/A	12,675.9
2021	202,456.4	84,472.9	280,688	273,153	3,830,135	--	--	69,810.7	N/A	12,871.0
2022	207,008.6	86,208.0	285,758	277,963	3,912,158	--	--	71,477.6	N/A	13,119.9
Sector Rank	3/13	4/13	3/13	1/13	3/13	N/A	N/A	2/13	N/A	N/A
Economy Rank	62/1551	39/1546	40/1551	37/1551	8/1551	N/A	N/A	22/1551	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a low level of technology change in the Single Location Full-Service Restaurants industry. Most industry operators are “small business owners that do not have a strong incentive to invest heavily in new technology due to the limited economies of scale available.” It is not as critical for these industry operators to lower wage costs or raise productivity because they often have extended family or friends or their own labor available at relatively low hourly rates. “Still, restaurants regularly leverage technology to reduce labor and food costs to increase sales. They also use it to improve business processes, support growth, maintain current operations and improve meal experiences.” Some uses of technological advances in the industry include:

- Quality of service: this encompasses technological advances that increase efficiency and enhance the quality of the customer’s experience.
- Point of sale systems
- Social media

Specialty Food Stores (44529):

The industry data suggests that the Specialty Food Stores in the U.S. will struggle to grow due to intensifying competition from traditional supermarkets and grocery stores.

Industry Definition:

“Stores in this industry are specialized retailers of premium food products including baked goods, candy and chocolate, snacks, dairy products, coffee, tea, soft drinks and gourmet foods. The industry only retails packaged products not sold for immediate consumption. This industry also does not include butcher shops, seafood markets, or produce markets. Producers of chocolate, bread and bakery goods are excluded from this industry as well.”

Industry Outlook:

“The Specialty Food Stores industry is expected to continue expanding steadily during the next five years as economic conditions improve and more Americans develop a taste for specialty, premium or all-natural foods.” This period will feature a rise in per capita disposable income and increased consumer confidence. However, this growth and industry performance will be constrained during the next five years due to escalating competition from the mainstream grocery stores, supermarkets, and other retail channels.

Overview:

The Specialty Food Stores industry has faced constrained growth over the past five years due to competition from other industries, such as grocery stores and traditional supermarkets that offer specialty food aisles. However, the industry revenue was brought up by more disposable income and diet-conscious consumers. “Industry revenue is expected to grow at an annualized rate of 3.0% over the five years to 2016, including a 1.9% increase to \$9.0 billion in 2016.” The profit for the industry was expected to reach 5.2% in 2016. However, over the next five years, natural food stores and regular supermarkets are expected to put greater competitive pressure on Specialty Food Stores. These competitors can generally offer lower prices than the Specialty Food Stores. “Accordingly, industry growth is expected to decelerate over the five years to 2021, despite favorable consumer preference trends and increasing disposable income levels. Consequently, IBISWorld expects industry revenue to rise a slower annualized rate of 1.6% to \$9.8 billion over the next five years.”

Key Statistics Snapshot

Revenue
\$9.0bn

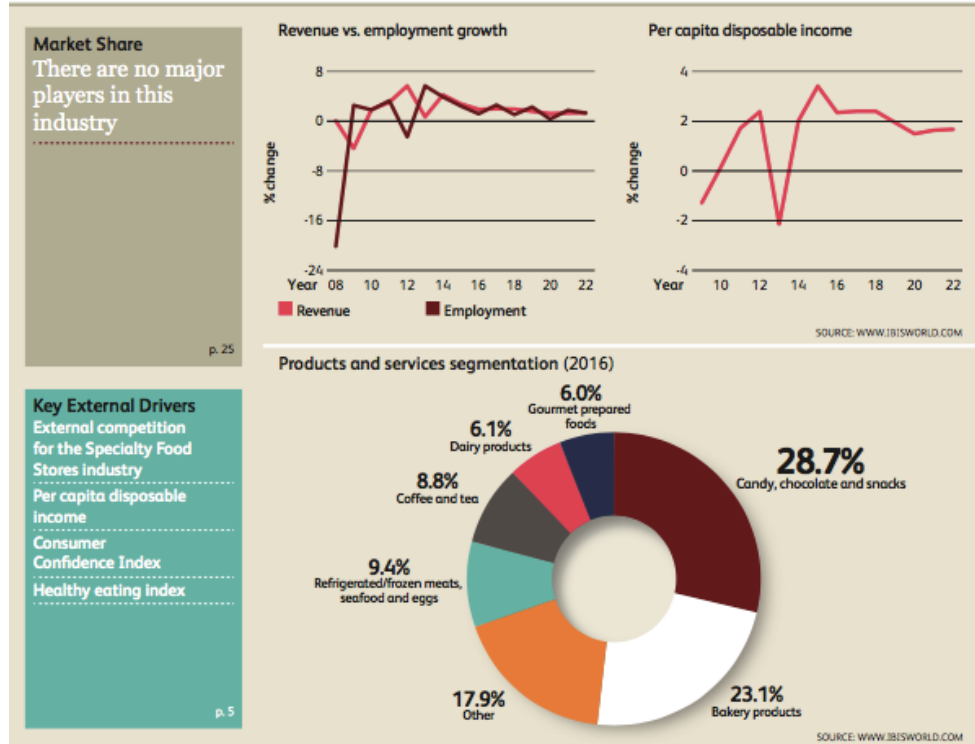
Annual Growth 11-16
3.0%

Annual Growth 16-21
1.6%

Profit
\$470.4m

Wages
\$1.7bn

Businesses
49,636



Key Economic Drivers/Key External Factors:

- External competition for the Specialty Food Stores industry
- Per capita disposable income
- Consumer confidence index
- Healthy eating index

Major Players:

- There are no major players in this industry; it is highly-fragmented. Some companies in the Specialty Food Stores industry include:
 - It'Sugar LLC
 - Penzeys Spices

Market Share Concentration:

There is a low market share concentration in the Specialty Food Stores industry. "Only an estimated 11.5% of all specialty food stores have five or more workers, while the vast majority of industry establishments are owned and managed entirely by only one person or family." Specialty Food Stores have made their own niche by specializing in certain items, like premium tea. "Overall, industry establishments prefer to remain small and local in order to offer their customers a personalized, local shopping experience and therefore

distinguish themselves from larger supermarkets and grocery stores, most of which have also begun to offer specialty foods and others similar products.” As consumer interest grows in the products this industry offers, there will likely be new participants entering the market, which will only further fragment the industry.

Key Success Factors:

- Maintenance of excellent customer relations
- Having a clear market position
- Attractive product presentation
- Production of premium goods/services
- Experienced Work Force

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Consumer spending (\$ trillion)
2007	7,748.3	2,787.9	50,694	46,766	132,997	--	--	2,349.0	N/A	11,449.3
2008	7,753.7	2,056.3	45,809	42,412	106,214	--	--	1,592.7	N/A	11,191.5
2009	7,415.4	2,039.9	46,238	42,868	108,931	--	--	1,584.5	N/A	10,924.3
2010	7,555.9	2,145.3	46,810	43,517	110,911	--	--	1,660.1	N/A	11,002.2
2011	7,786.2	2,198.8	47,270	44,033	114,564	--	--	1,737.5	N/A	11,022.6
2012	8,228.4	2,191.1	48,437	45,076	111,685	--	--	1,553.5	N/A	10,981.4
2013	8,285.7	2,224.9	48,947	45,741	118,035	--	--	1,591.6	N/A	10,964.7
2014	8,636.3	2,223.5	50,814	47,702	122,645	--	--	1,647.9	N/A	11,092.9
2015	8,877.0	2,306.4	52,362	49,201	125,652	--	--	1,694.0	N/A	11,374.2
2016	9,046.1	2,371.0	52,856	49,636	127,137	--	--	1,719.6	N/A	11,544.7
2017	9,225.1	2,430.0	54,396	51,142	130,457	--	--	1,765.8	N/A	11,852.2
2018	9,404.8	2,458.3	54,838	51,518	131,830	--	--	1,791.0	N/A	12,132.1
2019	9,553.8	2,500.3	56,361	53,011	134,835	--	--	1,832.1	N/A	12,478.8
2020	9,670.8	2,510.5	56,617	53,224	135,288	--	--	1,843.8	N/A	12,747.4
2021	9,797.3	2,542.7	57,576	54,149	137,659	--	--	1,876.9	N/A	13,045.4
Sector Rank	51/64	48/64	18/64	12/64	36/64	N/A	N/A	47/64	N/A	N/A
Economy Rank	703/1556	749/1556	188/1556	172/1556	326/1556	N/A	N/A	669/1556	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a low level of technology change in the Specialty Food Stores industry. It is “often limited to security, asset management, and point of sale systems.” Many specialty food retailers have transitions to the use of radio frequency identification (RFID) tags. “The mainstream adoption of RFID technology has allowed industry operators to maintain profitability in a highly competitive and saturated market.” This technology is used to save costs for retailers through their supply side. “While the introduction and usage of electronic data interchange has reduced common management and distribution issues, it has not yet had a significant effect on employment within this labor-intensive industry. Overall, this industry’s level of technological change is expected to remain low over the next five years.”

Sporting Goods Stores (45111):

Growth for the Sporting Goods Stores industry is projected largely due to rising disposable incomes and health consciousness.

Industry Definition:

“Sporting goods stores primarily retail new sporting goods, including bicycles, camping equipment, exercise and fitness equipment, apparel, footwear and other goods and accessories. Products are sourced from sporting goods manufacturers and wholesalers and then sold to the general public via retail stores. Department stores, mass merchandisers and retailers that exclusively sell apparel are not included in this industry.”

Industry Outlook:

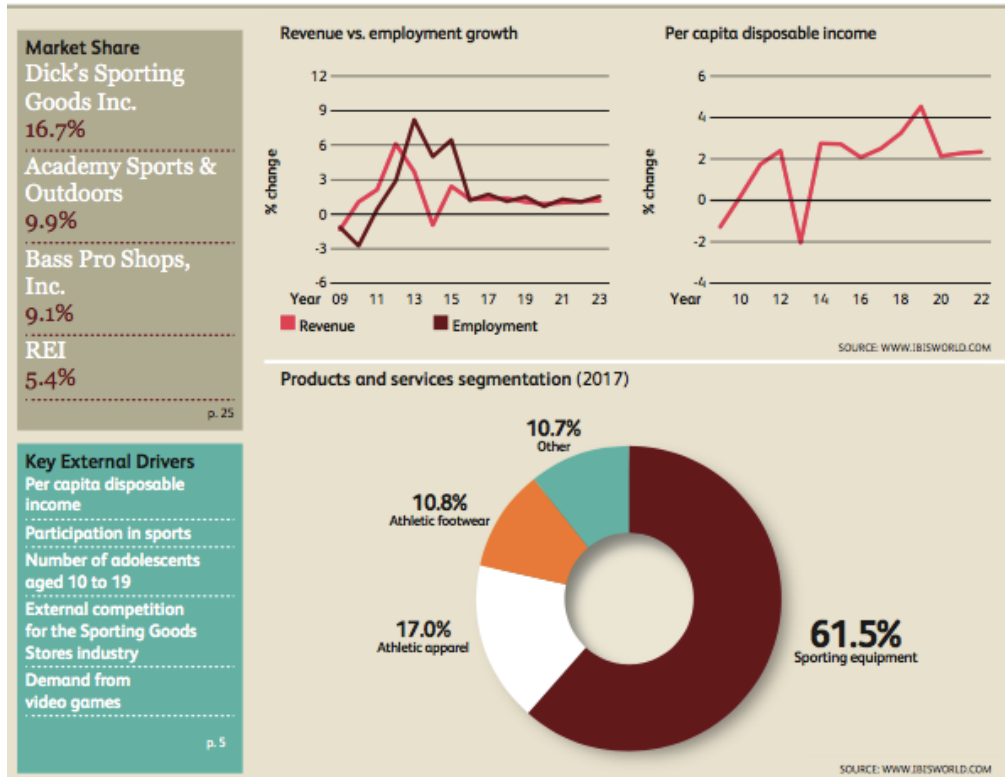
“Over the next five years, an increase in the sports participation rate will spur demand for the Sporting Goods Stores industry. The sports participation rate is anticipated to grow 2.1% over the five years to 2022, causing more individuals to require athletic apparel and footwear for their sporting activities. Furthermore, rising consumer per capita disposable income, coupled with more health-conscious individuals, will stimulate industry revenue growth, as more consumers require sporting goods for their health and fitness regimens.” The industry faces intensifying competition from mass merchandisers and department stores that offer sporting goods. “Nevertheless, industry revenue is forecast to grow at an annualized rate of 1.1% to \$51.8 billion over the five years to 2022, thanks to robust demand from adolescents aged 10 to 19, a demographic that typically drives athletic footwear sales.” In addition, the profit is expected to stay fairly steady as a portion of revenue during the next five years. “Industry operators specializing in niche markets and product portfolios, such as stores that attract active elderly clientele with sporting goods for individuals with osteoporosis and arthritis, will prop up profit margins. However, these gains will be slightly mitigated by heightening external competition to the average industry store, limiting overall average profit growth.”

Overview:

“Over the five years to 2017, the Sporting Goods Stores industry has fared well due to strong demand from health-conscious individuals. With the sports participation rate anticipated to rise 2.4% during the five-year period, more consumers have required athletic apparel, footwear and other sporting goods for their fitness regimens.” Furthermore, the robust demand from consumers aged 10 to 19 has driven industry revenue growth. “Additionally, the industry has benefitted from consolidation, which has enabled large-scale sporting goods retailers to bypass sporting wholesalers, thus securing supply-side contracts directly with the manufacturers.” Industry revenue growth has been constrained due to high price-based competition from external competitors such as department stores and mass merchandisers. “Nevertheless, over the past five years, industry revenue is expected to grow at an annualized rate of 1.5% to \$49.1 billion, which includes a 1.3% jump in 2017 alone, as more health-conscious individuals purchase lightweight athletic footwear and apparel. Profit is expected to drop slightly from 3.4% of industry revenue in 2012 to 3.0% in 2017, which can be attributed to increased investment in product line offerings and increased external competition.” During the five years to 2022, “industry revenue is forecast to grow at an annualized rate of 1.1% to \$51.8 billion, as growth in sports participation propels demand for athletic apparel, equipment and footwear.”

Key Statistics Snapshot

Revenue	Annual Growth 12-17	Annual Growth 17-22
\$49.1bn	1.6%	1.1%
Profit	Wages	Businesses
\$1.5bn	\$6.2bn	39,936



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- Participation in sports
- Number of adolescents aged 10 to 19
- External competition for the Sporting Goods Stores industry
- Demand from video games

Major Players:

- Dick's Sporting Goods Inc.
- Academy Sports & Outdoors
- Bass Pro Shops, Inc.
- REI
- Other companies include Modell's Sporting Goods.

Market Share Concentration:

"The Sporting Goods Stores industry is highly fragmented and characterized by a large number of small players as well as several companies that each contribute nearly 10.0% of total industry revenue. Many

industry operators are family owned or independently operated and cater to a market niche of local consumers.” In fact, roughly 50.0% of total industry establishments are nonemployers; they are owner-operated and have no additional employees. However, these establishments are expected to account for only 3.3% of total industry revenue. “External competition, such as consumers purchasing sporting goods at the wholesale level or manufacturers directly selling products to consumers, has placed additional pressure on sporting goods retailers. As competition has intensified, many operators have conducted mergers.” “In 2017, the industry’s top four players are expected to generate 41.1% of industry revenue.”

Key Success Factors:

- Production of goods currently favored by the market
- Management of seasonal production
- Attractive product presentation
- Economies of scope
- Having contacts within key markets

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Participation in sports (%)
2008	42,109.7	6,158.4	43,536	38,591	249,778	--	--	5,021.4	N/A	17.9
2009	41,542.2	6,000.8	42,907	37,951	246,930	--	--	4,796.0	N/A	18.2
2010	41,984.6	6,532.5	42,579	37,770	240,127	--	--	4,853.2	N/A	18.5
2011	42,877.1	6,698.8	42,578	37,795	241,173	--	--	4,983.7	N/A	18.6
2012	45,500.5	7,058.3	43,668	38,902	248,120	--	--	5,101.8	N/A	19.3
2013	47,177.2	7,372.7	44,407	39,323	268,488	--	--	5,485.5	N/A	19.3
2014	46,732.4	7,567.6	44,697	39,489	281,926	--	--	5,558.1	N/A	20.4
2015	47,864.1	7,702.5	44,883	39,634	300,116	--	--	5,979.4	N/A	21.0
2016	48,485.2	7,902.5	44,920	39,632	303,714	--	--	6,060.0	N/A	21.4
2017	49,130.4	8,033.0	45,296	39,936	308,922	--	--	6,167.3	N/A	21.8
2018	49,803.8	8,159.5	45,310	39,911	312,357	--	--	6,247.5	N/A	22.3
2019	50,330.5	8,257.1	45,692	40,229	317,057	--	--	6,342.5	N/A	22.7
2020	50,773.8	8,315.7	45,704	40,222	319,193	--	--	6,393.5	N/A	23.1
2021	51,279.0	8,430.0	45,993	40,460	323,330	--	--	6,478.9	N/A	23.7
2022	51,841.9	8,525.7	46,314	40,733	326,785	--	--	6,555.6	N/A	24.2
Sector Rank	19/63	20/63	24/63	20/63	15/63	N/A	N/A	19/63	N/A	N/A
Economy Rank	229/1662	357/1557	223/1662	211/1662	146/1662	N/A	N/A	315/1662	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

“Sporting goods stores have benefited from a range of technological advances, including the introduction of point-of-sale (POS) systems, barcode scanning and electronic data interchange (EDI). The implementation of these advances enables retailers to control and record merchandising, distribution, sales and stock markdowns via POS systems.” Barcode scanning has a multitude of advantages, such as higher labor productivity, increasing the speed of information exchange, provides retailers with greater control over the distribution of goods, and reduces potential errors along the supply chain. “Additionally, radio frequency identification (RFID) provides real-time information on inventory, helps reduce shrinkage problems and improves efficiency. Over the past five years, the declining costs of RFID systems enables smaller industry operators to implement this technology in their business.” Due to the advances in technology, consumers have altered the way they shop for sporting goods. “Key players in this industry have established their own websites, enabling them to sell sporting goods and equipment online. Such advances, however, have created further competition for this industry by providing another avenue for consumers to access and purchase sporting goods rather than visiting sports stores directly.”

Sports Coaching (61162):

There is an overall tone of growth in the Sports Coaching industry report with increased participation in sports and rising disposable income will support the industry.

Industry Definition:

"This industry includes one-on-one sports training at athletic facilities as well as camps and schools that offer instruction in athletic activities to groups or individuals. Overnight and day sports instruction camps are also included in this industry."

Industry Outlook:

"Increased promotional and governmental support for sports participation will benefit the Sports Coaching industry over the five years to 2022." Health concerns, especially regarding obesity levels in children, have led to government and community initiatives for balanced diets and exercise like sporting activities. This has boosted demand for sports instruction. "Furthermore, government support for physical education in schools and the use of media to encourage more active lifestyles are expected to drive revenue growth at an annualized rate of 0.6% over the five years to 2022 to \$7.8 billion, including an increase of 0.8% in 2018.

Overview:

"The Sports Coaching industry consists of establishments that offer instruction for athletic activities to groups or individuals." IBISWorld estimated that industry revenue would increase at an annualized rate of 3.0% to \$7.6 billion over the five years to 2017. "The industry will benefit from a rise in sports participation and a growing interest in sports." Additionally, the rise in disposable income has increased the number of consumers who are willing and able to afford sports coaching instruction; this has helped lead to a 0.8% increase in revenue in 2017. "Further boosting demand for industry services, parents have increasingly spent discretionary income on one-on-one coaching for their children." Many parents seek to enhance their child's skills due to the rising costs of college tuition and the growing salaries of professional athletes. "Over the five years to 2022, the industry is expected to continue growing, with revenue estimated to increase at an annualized rate of 0.6% to \$7.8 billion. The industry will benefit from a continued rise in sports participation, as well as growing public interest in sports indicated by strong TV ratings for sporting events."

Key Statistics Snapshot

Revenue
\$7.6bn

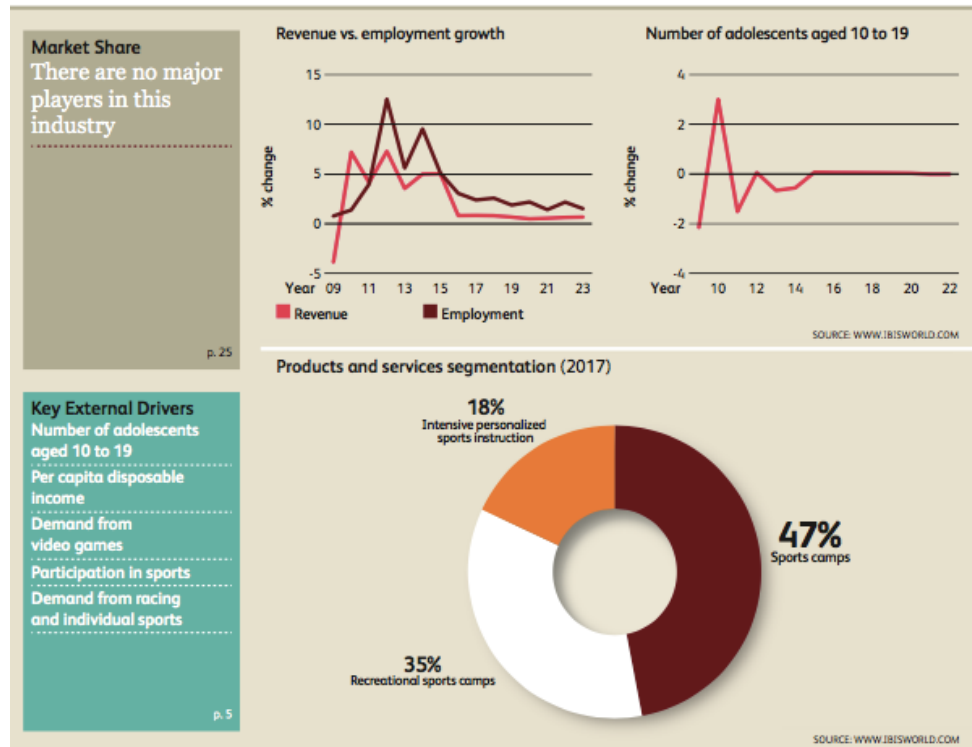
Profit
\$657.5m

Annual Growth 12-17
3.0%

Wages
\$2.6bn

Annual Growth 17-22
0.6%

Businesses
137,994



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Key Economic Drivers/Key External Drivers:

- Number of adolescents aged 10 to 19
- Demand from racing and individual sports
- Per capita disposable income
- Demand from video games
- Participation in sports

Major Players:

- There are no major players in this industry. “Due to the fragmented and regional nature of sports coaching, no one player accounts for more than 5.0% of the Sports Coaching industry’s revenue. Some other companies include:
 - IMG Academies
 - Arnold Palmer Golf Management LLC
 - US Sports Camps
 - Velocity Sports Performance Franchise Systems

Market Share Concentration:

There is a low market share concentration in the Sports Coaching industry. “This industry has a large number of small and non-employing establishments operating solely in their local area and providing sports

training in particular to young people in their communities. Nonemploying establishments account for 87.2% of total establishments, and almost 80% of employing establishments have fewer than 10 employees.” Since there are no major players dominating this industry, industry concentration is low.

Key Success Factors:

- Having a good reputation
- Offering seasonal sports coaching
- Easy access for sports students
- Access to sports volunteers
- Ability to attract local support/patronage
- Ability to raise earning from additional sporting sources

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Participation in sport in the US (%)
2008	5,653.4	2,353.5	90,958	90,639	158,371	--	--	1,712.6	N/A	0.2
2009	5,434.9	2,119.8	93,132	92,809	159,602	--	--	1,647.5	N/A	0.2
2010	5,825.9	2,288.3	94,123	93,744	161,807	--	--	1,699.9	N/A	0.2
2011	6,067.3	2,422.9	96,298	95,922	168,246	--	--	1,810.1	N/A	0.2
2012	6,509.8	2,783.3	105,499	105,052	189,347	--	--	2,093.3	N/A	0.2
2013	6,740.8	2,764.2	109,302	108,846	199,939	--	--	2,171.0	N/A	0.2
2014	7,077.7	3,097.5	121,936	121,478	219,028	--	--	2,347.2	N/A	0.2
2015	7,434.2	3,180.6	126,614	125,881	230,198	--	--	2,474.4	N/A	0.2
2016	7,495.2	3,296.5	132,764	132,335	237,236	--	--	2,541.0	N/A	0.2
2017	7,557.9	3,371.0	138,148	137,994	242,907	--	--	2,596.0	N/A	0.2
2018	7,619.2	3,401.6	143,801	139,672	249,168	--	--	2,655.8	N/A	0.2
2019	7,670.0	3,444.3	148,215	144,196	253,846	--	--	2,701.0	N/A	0.2
2020	7,707.8	3,492.4	153,835	149,991	259,393	--	--	2,752.2	N/A	0.2
2021	7,750.1	3,519.2	157,136	153,390	263,063	--	--	2,787.9	N/A	0.2
2022	7,799.2	3,559.3	163,022	159,471	268,779	--	--	2,841.7	N/A	0.2
Sector Rank	10/13	10/13	2/13	2/13	6/13	N/A	N/A	10/13	N/A	N/A
Economy Rank	773/1547	637/1546	72/1547	68/1547	188/1547	N/A	N/A	544/1547	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

There is a medium level of technology change in the Sports Coaching industry. “Sports centers catering for students with high abilities and professional athletes now provide increasingly sophisticated equipment in order to train students.” Some technologically advanced facilities and equipment include synthetic tracks, rubberized flooring, and electronic timing systems. “Digital technology and biomechanics experts are increasingly being used to analyze and assess the motion of athletes in order to improve their performance.” The use of technology in sports coaching has allowed a small number of establishments to instruct students online. “A 2008 study by the NCYS found that all member organizations rely upon website technology for communicating with their constituents.” Thus, the Internet has allowed smaller establishments in the Sports Coaching industry reach a broader market.

Supermarkets and Grocery Stores (44511):

Growth for the Supermarkets and Grocery Stores in the US industry is projected largely due to the increase of premium brand sales and health eating trends, particularly among millennials.

Industry Definition:

"The Supermarkets and Grocery Stores industry makes up the largest food retail channel in the U.S. Establishments in this industry retail general lines of food products, including fresh and prepared meats, poultry and seafood, canned and frozen foods, fresh fruits and vegetables and various dairy products. Delicatessens primarily retailing food are also included."

Industry Outlook:

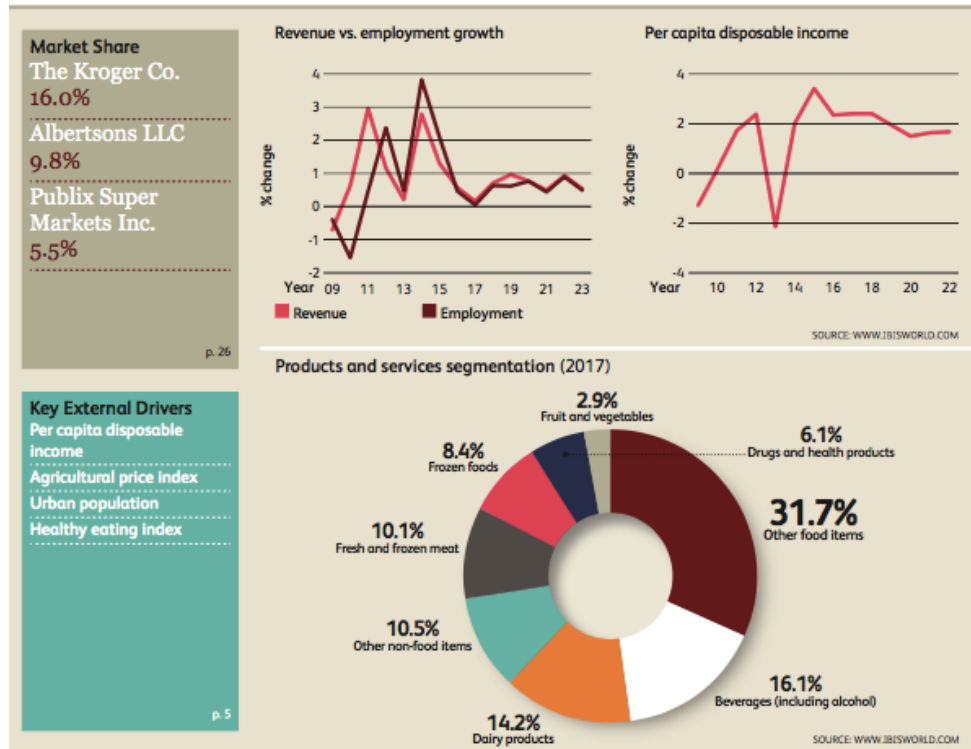
"Over the next five years, the Supermarkets and Grocery Stores industry is expected to benefit from the continually strengthening US economy. As per capita disposable income rises, shoppers will be more able to purchase premium level, value-added products at retail stores. In addition to growing demand for premium goods, operators will benefit from slowly growing input costs, as commodity markets steady compared with the cost spikes present during the previous five-year period." However, there is increasing competition from alternative retailers like dollar stores, online grocers, and wholesale clubs. "Overall, IBISWorld projects industry revenue to grow at an average annual rate of 0.8% to \$636.0 billion in the five years to 2022."

Overview:

This industry has grown over the past five years. Industry revenue has grown with the interest in premium, organic and all-natural brands. "Overall, industry revenue is expected to grow an annualized 1.0% to \$611.9 billion over the five years to 2017, including a 0.2% increase in 2017." Although there was revenue growth, alternative retailers such as warehouse clubs and supercenters brought intensifying competition to the industry. This competition from the mass merchandisers is expected only to intensify over the next five years. Another form of competition comes in limited assortment and fresh format stores like Aldi. "Due to high consolidation costs and intense price competition, industry profitability is expected to decline during the period." "Over the next five years, the industry is anticipated to grow steadily, resulting from rising discretionary income and consumer preferences." "Consequently, industry revenue is forecast to rise at an average annual rate of 0.8% to \$626.0 billion in the five years to 2022."

Key Statistics Snapshot

Revenue	\$611.9bn	Annual Growth 12-17	1.0%	Annual Growth 17-22	0.8%
Profit	\$12.2bn	Wages	\$60.3bn	Businesses	41,076



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- Agricultural price index
- Urban population
- Health eating index

Major Players:

- The Kroger Co.
- Albertsons LLC
- Publix Super Markets Inc.
- Other companies include H-E-B Grocery Company, Delhaize America LLC, Meijer Inc., Whole Foods Market, Trader Joe's, ALDI US, and Walmart Stores Inc.

Market Share Concentration:

The market share concentration in the Supermarkets and Grocery Stores industry is low. This industry is highly fragmented; over one-third of these enterprises employ less than five employees. The top three companies in the industry are expected to make up 31.3% of industry revenue in 2017. However, the remaining portion of the market is made up of small and medium-sized operators that serve local and

regional markets. “IBISWorld estimates that more than 41,070 operators will actively compete for the remaining 68.7% of market share in 2017.” “Market share concentration has fluctuated over the past five years due to a flurry of mergers and acquisitions.” “National level premium chains like Whole Foods and Trader Joe’s have also expanded their share of industry revenue over the past five years.” They offer niche products, such as gluten free and vegan goods that may not be offered by traditional stores. “As disposable income increases and consumers become more health conscious, these brands are expected to increase their share of the industry over the next five years.”

Key Success Factors:

- Access to a multi-skilled and flexible workforce
- Ability to control stock on hand
- Close monitoring of the competition
- Having access to the latest available and most efficient technology and techniques
- Proximity to the key markets

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Per Capita Disposable Income (\$)
2008	559,378.3	69,039.8	63,384	40,343	2,450,033	--	--	56,733.5	N/A	36,082.0
2009	555,457.6	72,908.7	63,634	40,456	2,440,412	--	--	57,911.4	N/A	35,620.0
2010	558,947.8	70,744.4	64,380	41,027	2,402,743	--	--	57,329.6	N/A	35,684.0
2011	575,475.0	68,135.3	64,366	40,888	2,413,784	--	--	56,625.7	N/A	36,299.0
2012	582,150.4	71,627.5	66,047	42,107	2,471,155	--	--	57,655.8	N/A	37,163.0
2013	583,392.5	71,263.7	66,286	42,526	2,482,664	--	--	57,262.3	N/A	36,369.0
2014	599,667.1	72,546.2	65,975	42,018	2,577,732	--	--	58,753.9	N/A	37,102.3
2015	607,510.9	77,740.6	65,499	41,786	2,631,929	--	--	60,122.9	N/A	38,367.6
2016	611,001.2	77,981.8	64,443	41,173	2,644,191	--	--	60,259.4	N/A	39,267.6
2017	611,942.7	78,384.4	64,300	41,076	2,645,491	--	--	60,310.8	N/A	40,210.0
2018	616,271.2	78,840.7	64,401	41,118	2,662,217	--	--	60,743.8	N/A	41,175.1
2019	622,215.3	79,805.1	64,449	41,121	2,678,664	--	--	61,219.8	N/A	41,975.4
2020	626,996.7	80,244.7	64,691	41,263	2,699,093	--	--	61,734.4	N/A	42,602.9
2021	630,073.0	80,770.3	64,810	41,332	2,710,997	--	--	62,043.1	N/A	43,299.2
2022	635,956.2	81,658.4	65,196	41,569	2,735,316	--	--	62,662.2	N/A	44,023.4
Sector Rank	2/63	1/63	12/63	18/63	1/63	N/A	N/A	2/63	N/A	N/A
Economy Rank	14/1547	36/1546	158/1547	195/1547	11/1547	N/A	N/A	25/1547	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

“Shifting demographics are anticipated to significantly influence the industry over the next five years.” As the millennial group’s disposable income rises, “industry operators will increasingly cater their services to attract these individuals.” Premium private label brands have become increasingly popular among millennials because of their preferences for healthy foods and value. “According to Mintel, 42.0% of millennial grocery shoppers find private label foods more innovative than branded products, and 70.0% believe that the quality of these store brand products has increased in recent years.” Millennials have patronized stores that sell premium private label foods like Trader Joe’s. “As limited assortment stores continue to gain market share, stores with traditional layouts will struggle to compete.” “Over the next five years, IBISWorld expects that more supermarkets will follow this trend in order to appeal to a growing millennial demographic.” Traditional supermarkets are increasingly adding services like home grocery delivery, movie rental services, ATMs, dining areas and beer and wine bars.

There is a medium level of technology change in this industry. Some of the recent technological innovations used by industry operators is pay by touch, self-checkout lanes, Ecommerce and smartphone applications, and in-store Wi-Fi.

Women's Clothing Stores (44812):

Growth for the Women's Clothing Stores industry is projected to decline due to rising external competition.

Industry Definition:

"This industry is composed of establishments that specialize in women's wear, including misses', juniors', plus-size and maternity clothing. Operators in this industry undertake sales and administrative activities, such as customer service, advertising and cash handling. Some stores also offer basic alteration services on-site."

Industry Outlook:

"Over the five years to 2022, the Women's Clothing Stores industry is expected to benefit from a rise in the number of high-income households that demand premium-clothing items. The fashion-forward nature of stores that specialize in only women's clothing convinces customers that the value of specialized products justifies the cost." However, bargain shopping is still popular and many stores are expected to feature competitive prices to lure customers as the competition rises. "Competition from online retailers is expected to be particularly intense over the next five years, largely hampering industry revenue growth. IBISWorld projects industry revenue to decline slightly at an annualized rate of 0.4% to \$41.4 billion over the five years to 2022."

Overview:

"Due to declining mall traffic and competition from thriving superstore retailers, industry revenue is expected to fall at an annualized rate of 1.3% to \$42.2 billion over the five years to 2017." However, rising disposable income and consumer sentiment are expected to boost some specialty and high-end retailers despite the industry's overall decline. "While price-conscious consumers among lower- to middle-income households are important to industry sales, the willingness of higher-income consumers to spend on luxury clothing and accessories has been the main driver behind growth in the five years following the recession." This industry excludes many popular family and unisex retailers that carry women's clothing at lower prices; therefore, many of the major players in the industry are high-end or specialty stores that "intend to sell to affluent women or niche markets." "The growth in the number of households earning more than \$100,000 is expected to have helped a number of main industry players outperform low-end retailers that have more customers but less-expensive transactions. Over the five years to 2022, industry revenue is expected to decline at an annualized rate of 0.4% to total \$41.4 billion; this includes a 0.4% decline in 2018 alone." Industry competition is expected to increase with the rise of enterprises entering the industry and internet sales. "Many companies that were traditionally store-only businesses have responded to external competition by opening online stores that complement their brick-and-mortar establishments and attracting more customers through social media. The rise of mobile technology is expected to sustain this trend in the future."

Key Statistics Snapshot

Revenue
\$42.2bn

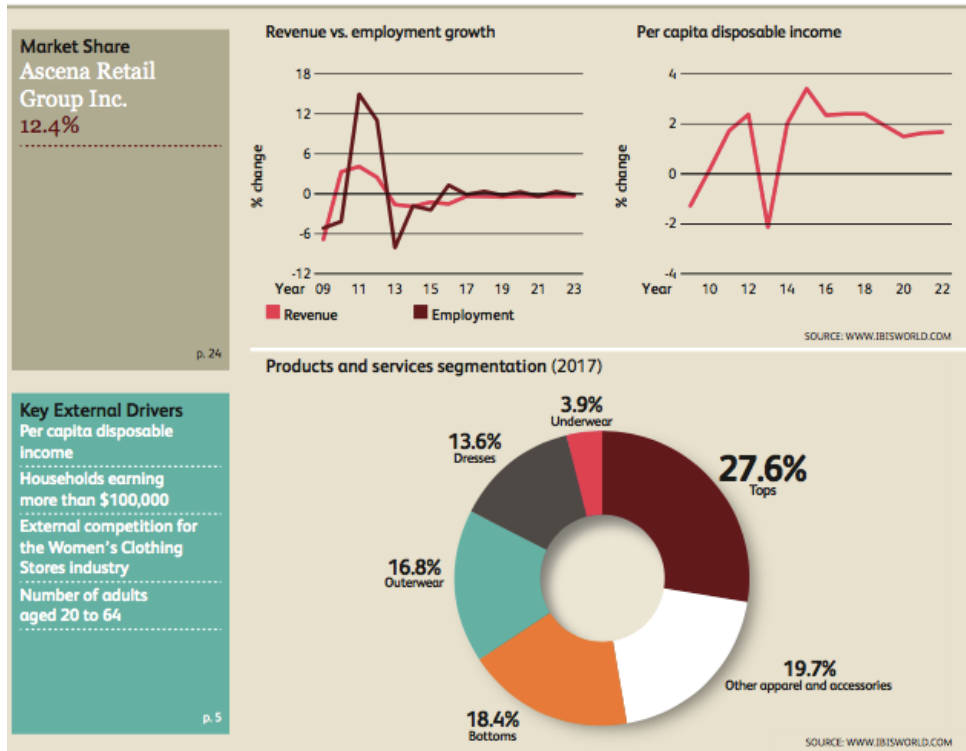
Profit
\$2.0bn

Annual Growth 12-17
-1.3%

Wages
\$5.8bn

Annual Growth 17-22
-0.4%

Businesses
35,076



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Key Economic Drivers/Key External Drivers:

- Per capita disposable income
- Households earning more than \$100,000
- External competition for the Women's Clothing Stores industry
- Number of adults aged 20 to 64

Major Players:

- Ascena Retail Group, Inc.
- Other companies include Sycamore Partners Management LLC, Chico's FAS Inc., and New York & Company Inc.

Market Share Concentration:

There is a low level of market share concentration in the Women's Clothing Stores industry. The majority of the operators in this industry operate on a local or regional scale. "In 2017, the top four industry companies are expected to account for 24.2% of industry revenue. In fact, Ascena Retail Group is the only operator expected to control more than 5.0% of the market." Industry market share has increased over the past five years with the persistence of merger and acquisition activity. "Over the next five years, merger and acquisition activity is expected to continue, resulting in a higher market share concentration."

Key Success Factors:

- Attractive product presentation
- Establishment of brand names
- Ability to control stock on hand
- Proximity to key markets
- Experienced work force
- Production of goods currently favored by up-to-date fashion trends

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establish- ments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Consumer spending (\$b)
2008	43,970.3	7,497.0	52,572	29,683	359,980	--	--	6,046.1	N/A	10,007.2
2009	40,952.7	7,076.5	51,114	28,827	341,443	--	--	5,807.0	N/A	9,847.0
2010	42,302.2	8,197.9	51,745	28,744	327,258	--	--	5,575.2	N/A	10,036.3
2011	44,035.0	8,012.2	53,185	29,406	376,174	--	--	5,898.6	N/A	10,263.5
2012	45,124.8	8,609.2	57,573	31,571	417,624	--	--	6,533.5	N/A	10,413.2
2013	44,397.6	8,804.8	56,214	32,911	383,880	--	--	6,096.6	N/A	10,565.4
2014	43,550.6	7,723.9	58,399	35,379	376,900	--	--	5,938.3	N/A	10,868.9
2015	43,005.7	8,251.5	57,153	34,786	367,774	--	--	5,800.2	N/A	11,214.7
2016	42,352.9	8,288.3	57,318	34,965	372,551	--	--	5,817.3	N/A	11,518.9
2017	42,200.3	8,226.8	57,401	35,076	372,114	--	--	5,805.6	N/A	11,808.4
2018	42,044.2	8,202.0	58,189	35,592	373,440	--	--	5,815.7	N/A	12,070.8
2019	41,842.1	8,104.4	58,236	35,682	372,599	--	--	5,796.8	N/A	12,475.8
2020	41,697.5	8,091.3	59,005	36,194	373,673	--	--	5,804.2	N/A	12,675.9
2021	41,543.0	8,008.2	58,666	36,022	372,283	--	--	5,780.5	N/A	12,871.0
2022	41,400.8	8,045.2	59,545	36,616	373,502	--	--	5,789.7	N/A	13,119.9
Sector Rank	20/63	19/63	14/63	22/63	13/63	N/A	N/A	20/63	N/A	N/A
Economy Rank	258/1547	350/1546	174/1547	216/1547	120/1547	N/A	N/A	308/1547	N/A	N/A

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Emerging Trends, Technologies, and Sub-Sectors:

“Technological advances include the use of electronic barcode scanners, automated warehouse equipment and electronic surveillance. Stock control, profitability and customer experience are all anticipated to feel the effects of the technological change occurring in the Women’s Clothing Stores industry.” Additionally, various industry participants have begun to use e-commerce “as an alternative sales medium and marketing tool. E-commerce offers consumers the ability to browse and purchase products from the comfort of their homes while giving women’s clothing stores the opportunity to sell outside their prime market areas.” The penetration of e-commerce technology is expected to grow, along with consumer usage of e-commerce technology. “With stock loss and theft affecting the industry’s profitability, retailers regularly invest in systems and procedures that aim to limit these losses. Loss prevention technology includes closed-circuit TV cameras (CCTV), source tagging, signature-capture technology used at the point-of-sale (POS) terminal for cred card transactions, and fingerprint scanning systems that verify customer identities with the purpose of combating check fraud.” Radio frequency identification (RFID) is used in the industry to more efficiently monitor and replenish inventories. “IBISWorld anticipates the use of RFID to increase over the next five years. The major benefits for retailers is identifying stock levels and monitoring inventory,” while it will also help reduce stock theft and stock loss and help improve labor use. “Despite the adoption of RFID technology throughout the supply chain, it is not expected to gain significant traction at a retail level in the near future, given the low concentration of industry operators.” However, this technology will bring significant changes to the industry beyond the next five years.