Merriman Valley

RETAIL MARKET REPORT
2019 Edition

GREAT STREETS
AKRON

RETAIL MARKET REPORT OVERVIEW

Introduction

This report summarizes key findings and data from Retail Market Analysis conducted for the Akron Great Streets Program for the Merriman Valley business district. The goal of the report is to present retail market data to better understand retail market conditions for local businesses in Merriman Valley and explore opportunities to grow the district.

The report is divided into two sections. The first section presents key stats on demographics, consumer spending and retail sales for the business district's trade area. The second section of the report dives deeper into the data to better understand retail conditions for specific types of businesses within the district. This section of the report also identifies business sectors to build on and business sectors to recruit and highlights key findings and recommendations to support a vibrant neighborhood economy.

Data and Methodology

Retail Market Analysis examines demographic, consumer spending and retail sales data for Great Street business districts. Data was generated from "ESRI's U.S. Retail MarketPlace" reports. Retail MarketPlace data "provides a direct comparison between retail sales and consumer spending by industry and measures the gap between supply and demand" within specific "trade areas."

Defining Trade Areas. A "trade area" is generally defined as a geographic area in which consumers travel to buy retail goods and services. This analysis defines and analyzes consumer spending and retail sales in three trade areas for the Aster Avenue / Firestone Park business district.

Trade areas are defined as follows:
- 10 minute walk
- 5 minute drive
- 10 minute drive

Assessing Market Conditions and Opportunities. Consumer spending and retail sales data indicate the supply and demand for different types of retail goods and services within different trade areas. These supply-demand factors show areas of strength and areas of opportunity to build commerce in the business district.

- **Consumer spending** reveals market demand for specific goods or services. This is a measure annual household spending on goods and services within the trade area.

- **Retail sales** reveals market supply of goods and services. This is a measure of annual business revenues generated from selling goods and services within the trade area.

- **Retail surplus** occurs when business sectors generate more sales than residents spend on goods and services within the trade area. When retail sales (supply) exceed spending (demand), it demonstrates that local businesses meet the needs of the local community and attract consumer spending from outside the area. These strengths are what set business districts apart and help create destinations.

- **Retail leakage** occurs when there is unmet demand. When consumer spending (demand) exceeds sales (supply), it suggests that residents are traveling outside the trade area for these goods and services. This creates opportunities to recruit businesses that can capture local spending.

Defining Data by Industry. Consumer spending and retail sales are defined for industries using "NAICS" codes, or the North American Industry Classification System. ESRI data includes 27 industry groups in the "Retail Trade" sector, NAICS 44-45, and three industry groups in the "Food Services and Drinking Place," subsector NAICS 722.

Data Confidentiality. Data is suppressed for any retail sector where there are less than three businesses within the trade area. Suppressed data is shown as (***) within the report.
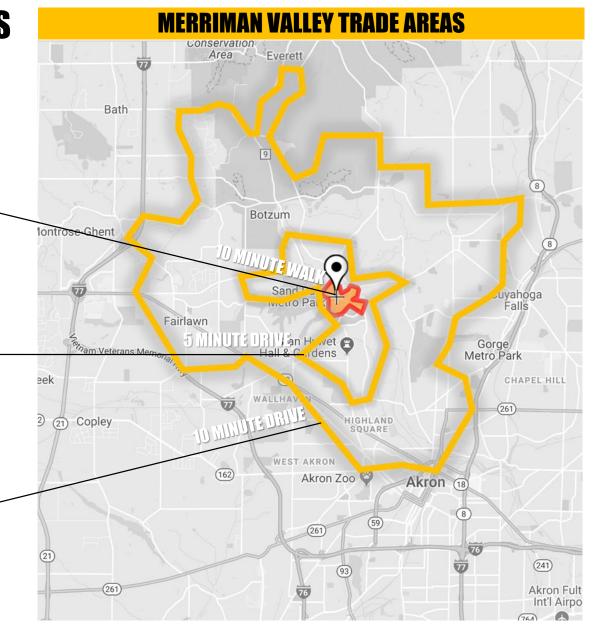
Merriman Valley

KEY STATS

Demographics

Consumer Spending

Retail Sales

MERRIMAN VALLEY TRADE AREAS

10 MINUTE WALK	
2018 Population	600
2018 Households	300
2018 Median Disposable Income	$37,000
2018 Per Capita Income	$30,000
Consumer Spending (Demand)	$7.7M
Retail Sales (Supply)	$9.8M
Leakage/Surplus	$2.1M

5 MINUTE DRIVE	
2018 Population	8,500
2018 Households	4,300
2018 Median Disposable Income	$45,000
2018 Per Capita Income	$40,000
Consumer Spending	$155.5M
Retail Sales	$41.2M
Leakage/Surplus	-$114.3M

10 MINUTE DRIVE	
2018 Population	75,000
2018 Households	33,500
2018 Median Disposable Income	$43,000
2018 Per Capita Income	$33,000
Consumer Spending	$1106.3M
Retail Sales	$1131.2M
Leakage/Surplus	$24.9M

10 MINUTE WALK

5 MINUTE DRIVE

10 MINUTE DRIVE

Merriman Valley

RETAIL MARKET ANALYSIS

Key Findings & Recommendations

Merriman Valley, affectionately referred to "The Valley" by locals, hosts a wide range of small businesses located in the valley of the Cuyahoga River in northwest Akron. Surrounded by MetroParks that are interconnected with the TowPath, Merriman Valley offers a truly unique destination for Summit County residents to live, work and play. Shopping centers along Portage Path and Merriman host a great diversity of independent businesss ranging from breweries to restaurants and health stores to clothing boutiques. Liberty Commons is home to a cluster of restaurants and clubs geared towards a younger crowd. Major shopping centers in neighboring Fairlawn and Cuyahoga Falls compete for local customers.

Continue to build a dinning destination. The Valley hosts Akron's most diverse dining scene outside of downtown, with a brewery, gastropubs, cajun, sushi, indian, greek and italian to name a few. Plus, the Weathervane Theater offers the perfect pairing for dinner and a show. Data suggests that residents spend $4.4M dining-out outside of a 5 minute drive. However, businesses within a 10 minute drive attract substantial outside spending with dozens of restaurants at Fairlawn and Portage Crossing. This competition is healthy and shows that niche bar-restaurant concepts still have room to grow.

Diversify the dining destination with specialty foods and beer, wine & liquor stores. Compliment restaurants with more specialized food based options like bakeries, butcher shops or wine stores. Working with existing restaurants to expand retail offerings is a great way to diversify revenue streams and standout in a crowd.

Recreation creates major business opportunities. Data shows an unmet demand of $5.7M for sporting goods and hobby based businesses within a ten minute drive. Active wear and sporting equipment should leverage proximity to the Tow Path, Cuyahoga River and three MetroParks within a ten minute drive.

BUILD ON THESE BUSINESSES

Data suggest that these business sectors generate more sales than residents spend on goods and services within the trade area. When retail sales (supply) exceed spending (demand), it demonstrates that local businesses are creating a destination that both serves the local community and attracts customers from outside the area.

Sector	10 Min Walk	5 Min Drive	10 Min Drive
Restaurants and Drinking Places			
Consumer Spending	$0.74M	$14.82M	$104.39M
Retail Sales	$4.32M	$9.95M	$131.15M
Leakage/Surplus	$3.58M	-$4.87M	$26.76M
Clothing & Accessories			
Consumer Spending (Demand)	$0.33M	$6.73M	$47.61M
Retail Sales (Supply)	***	$2.39M	$124.30M
Leakage/Surplus	***	-$4.34M	$76.69M

RECRUIT THESE BUSINESSES

Data suggest that there is unmet demand for these types of businesses. When consumer spending (demand) exceeds sales (supply), it suggests that local residents are traveling outside the trade area for these goods and services. This creates opportunities to recruit and grow businesses that can capture local spending.

Sector	10 Min Walk	5 Min Drive	10 Min Drive
Specialty Foods and Beer, Wine & Liquor			
Consumer Spending	$0.12M	$2.50M	$17.70M
Retail Sales	***	***	$9.64M
Leakage/Surplus	***	***	-$8.06M
Sporting Goods, Hobby, Book & Music Stores			
Consumer Spending	$0.16M	$3.19M	$22.67M
Retail Sales	***	***	$16.98M
Leakage/Surplus	***	***	-$5.69M
Health & Personal Care			
Consumer Spending	$0.50M	$10.39M	$74.16M
Retail Sales	***	***	$108.22M
Leakage/Surplus	***	***	$34.06M