Carroll County

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Retail Business Retention & Expansion Executive Summary

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Introduction

Retention of existing businesses and community encouragement of local firms' continued growth has become an essential aspect of many local and regional economic development programs. While attraction of new businesses is a highly visible aspect of most economic development programs, studies have shown that the businesses that already exist in a community account for between 60% and 90% of all positive net change in local employment. Recognizing the importance of these local firms, the Carroll County Economic Development office conducted a Business Retention and Expansion (BR&E) Program to assist these companies in achieving their growth objectives and to improve the overall business environment in Carroll County.

BR&E Program Objectives

The objectives of the Carroll County BR&E Program are to:
1) Identify and address concerns and issues of existing businesses
2) Identify opportunities and create programs to stimulate local job growth
3) Attract new businesses to the area
4) Collect and analyze business information for use in the comprehensive plan

BR&E Program Outcomes

Expected outcomes of the program are to improve services, improve infrastructure, grow existing businesses, enhance organizational visibility, and retain the quality of life in Carroll County.

BR&E Program Participants

The first step in building a local BR&E program is to survey existing businesses about their perceptions, plans, and concerns. To effectively accomplish this task, Carroll County was accepted for membership to The Ohio BR&E Initiative under the sponsorship of the Carroll County Economic Development office. Gary Hall, Economic Development Director served as Coordinator of the program. Task Force members represented various segments from throughout the community including local and county government, education, economic development, business, healthcare, and church. See Appendix C for a list of Task Force members.

The Ohio BR&E Initiative, located on The Ohio State University campus in Columbus, is sponsored jointly by Ohio State University Extension and the Department of Agricultural, Environmental and Development Economics. Representatives from the Initiative assisted in development of the questionnaire, planning of the survey implementation, and analysis of the results.

Community Overview Summary

The following is a summary of data provided by census information and other secondary sources.

- In 2000, 28,836 people lived in Carroll County. The county's population increased over the past two decades and grew at a faster rate than the State of Ohio (8.7% for Carroll County vs. 4.7% for the State).

  The change in population occurred at different rates throughout the county. While overall county population increased in the 1990s, the population of Carrollton Village grew from 3,042 in 1990 to 3,190 in 2000– an increase of 4.9 percent over the ten-year period. In comparison, Malvern grew 9.5%, from 1,112 to 1,218, and Minerva's population decreased from 4,318 to 3,934, an 8.9% decline.

  In 2000, Carroll County's average population was older than that of the State of Ohio. The county's median age was 39 compared to 36.2 for the State. Also, the county had a larger percentage of residents over the age of 65 (14.2% vs. 13.3%)

- Compared to the State of Ohio, Carroll County had a lower household income in 1999. 69.6% of households had incomes less than $50,000 in 1999 compared to 59.8% for Ohio households, nearly a 10% difference. The median income for Carroll County was $35,509 compared to the State's median household income of $40,956.

- In 1999, 8.5% of families in Carroll County had income below the poverty level. This is higher than the Ohio average of 7.8%.

- The county homeownership rate in 2000 was higher than the State of Ohio (80% and 69.1%, respectively). Property values were lower in Carroll County compared to the State ($89,700 versus $103,700). The county had significantly fewer multi-family residences (6.6%) compared to 24.1% for Ohio.

- Most workers who resided in Carroll County in 2000 were employed by the Manufacturing sector (28.6%), followed by Educational, Health and Social Services (16.1%) and Retail Trade (10.8%).

- In 2000, 80.1% of persons 25 years and older in Carroll County were high school graduates. This is slightly below the Ohio average of 83%. Also in 2000, 9.1% of Carroll County residents 25 years and older held a bachelor's degree or higher. This is less than half the state average of 21.1%.

- The average travel time to work for Carroll County workers in 2000 was 27.5 minutes. This compares to 22.9 minutes for workers across the State of Ohio. Most commuters drove alone (83.7%). Fifty-seven percent of Carroll County's workforce commuted out of the county in 2000. More workers (3,856 vs. 5,125) traveled out of the county in 2000 than in 1990. Most commuted to Stark County (5,125 workers), followed by Tuscarawas (840 workers), Columbiana (297 workers), Jefferson (178 workers) and Harrison (160 workers). Stark County provided most of the in-commuters in 2000—956 workers, which is up from 763 in 1990.

- Carroll County experienced a net gain of 29 businesses from 1990 to 2001.

Survey Highlights

The following is a summary of the responses to the Carroll County Retail BR&E survey.

- Respondent profile. Approximately 120 retail businesses were mailed surveys. The Retail BR&E Task Force completed 51 business visits, yielding a response rate of 42.5%. Thirty-seven, or 73%, of the businesses are single location establishments, nine (18%) are branch stores, franchises or offices of multi-unit firms, and 2 (4%) are headquarters of a multi-unit firm.

  Most respondents expect the number of customers, sales, and profits to increase in the next three years. 78.3% of respondents are forecasting an increase in sales. Approximately 6% believe the number of customers and sales will decline in the next three years, while nearly 15% expect profits to fall.

	% of Responses - Increase	% of Responses - Remain the same	% of Responses - Decrease
Number of customers	74.5%	19.1%	6.4%
Sales – total revenue	78.3%	15.2%	6.5%
Profits	63.8%	21.3%	14.9%

Most reasons given for growth were related to business operations, such as "better sales strategy and a friendlier atmosphere", "building up customer base", "price increases", "changes in product mix", "more competitive products and services", "new facility", "expanded advertising". Other explanations for growth were attributed to the regional growth of the area ("more people", "more visitors", "population increase") and downtown revitalization ("downtown renovation should create more business to move in", "town renovation will be done and help pull people in").

The decrease in customers, sales and profits was attributed primarily to the cost of permits, cost of fixed overhead, cost of labor, and taxes.

All of the responding businesses have less than 50 current full-time employees.

Number of Current Full-time Employees	Number of Respondents	Percent of Respondents
25 or less	35	87.5%
26 to 50	5	12.5%
More than 50	None	NA

Number of Current Part-time Employees	Number of Respondents	Percent of Respondents
25 or less	32	94.3%
26 to 50	None	NA
More than 50	2	5.7%

Most of the respondents' customers come from Carroll County. The following table ranks origins of customers by region.

Rank of Origin of Customers

Region	%
1) Carroll County	50.6%
2) Other counties in Ohio	23.8%
3) Adjacent counties in Ohio	23.6%
4) Outside Ohio, in the U.S.	1.7%
5) Outside U.S.	.18%

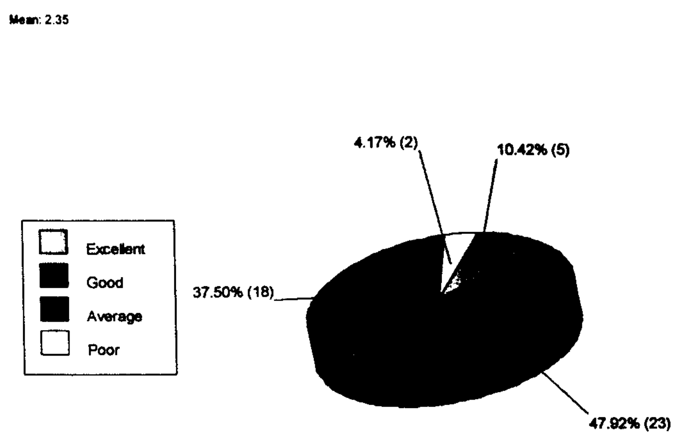
Most respondents' customers are Local Residents. The following table ranks the type of customer.

Rank by Type of Customer

Region	%
1) Local residents	73.7%
2) Visitor - tourists	10.3%
3) Seasonal residents	10%
4) Visitor – business people	6%

- Local Business Environment. Twenty-eight respondents (58% of the total that responded to this question) rated Carroll County as an Excellent or Good place to do business. Eighteen (37.5%) gave the Local Business Environment an Average rating and two (4%) rated it Poor.

What is your overall opinion of Carroll County as a place to do business?

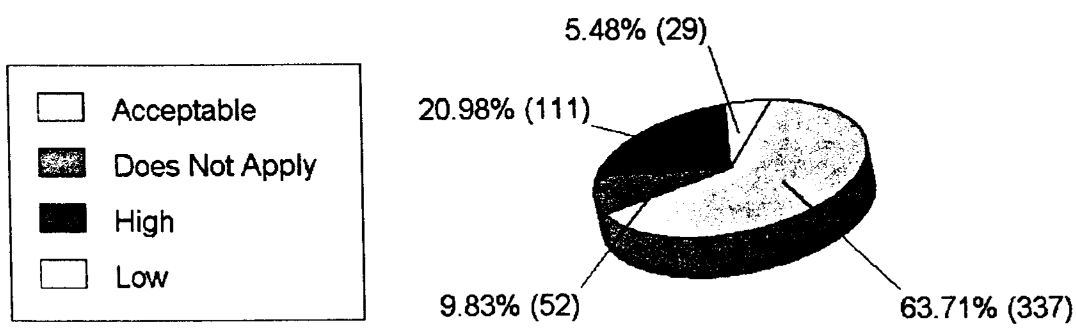


- Cost of Doing Business. Respondents were asked to indicate if the cost of the following attributes were High, Acceptable, Low or Does Not Apply. The following table ranks the attributes from lowest to highest perceived cost of doing business. Note that 1 indicates a High rating, 2 = Acceptable and 3 = Low. Building Costs were rated low in terms of cost of doing business in the county. The cost of Healthcare was perceived by the respondents as a relatively high cost of doing business.

Responses Ranked by Perception of Lowest to Highest Costs of Doing Business

	Mean Score
1) Building costs (rent)	2.33
2) Labor costs	1.952
3) Environmental regulations	1.951
4) Cost of public education	1.90
5) Corporate taxes	1.87
6) Transportation of product to market	1.85
7) Worker's compensation	1.82
8) Public utilities	1.77
9) Payroll taxes	1.76
10) Inventory taxes	1.75
11) Property taxes	1.70
12) Healthcare	1.50

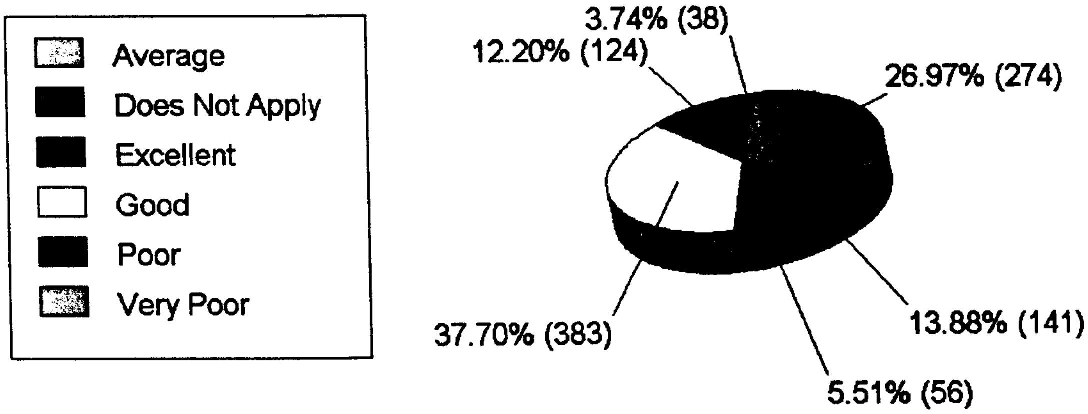
The following chart shows the percentage of ratings for the three attributes of the Cost of Doing Business. The most frequent response was Acceptable (63.7%), followed by High (21%) and Low (5.5%).



- Community Services and Attributes. Respondents were asked to rate community amenities and services. The mean scores were calculated on a scale of 1 to 5, with 1 as the highest rating of Excellent, 2 = Good, 3 = Average, 4 = Poor and 5 = Very Poor. Fire Protection received the highest average rating. Rail service was the lowest rated service. Note that items ranked 1 to 15 were rated Good to slightly above Average and those ranked 16 and lower were rated Average or slightly below Average.

Responses Ranked	Mean Score
1) Fire protection	2.13
2) Snow and ice removal	2.25
3) Police protection	2.27
4) Hotel facilities	2.32
5) Natural gas services	2.36
6) Postal service	2.45
7) Solid waste disposal	2.49
8) Conference facilities (tie)	2.51
8) Electrical services (tie)	2.51
10) Street and sidewalk cleaning	2.55
11) Water and sewers	2.57
12) Healthcare services (EMS, hospitals, clinics)	2.66
13) Street repairs	2.67
14) Telecom services	2.79
15) Roads and highways	2.81
16) Recreation/cultural activities/entertainment	3.07
17) Parking	3.13
18) Shopping/professional services	3.14
19) High speed Internet access	3.26
20) Air service	3.36
21) Public transportation	3.46
22) Rail service	3.62

The following chart shows the percentage of ratings for all 22 of the items listed in the previous table. The most frequent response was Good (37.7%). Twenty-seven percent rated them Average, 12% rated them Poor, 5.5% gave Excellent ratings and nearly 4% rated the amenities Very Poor.



Respondents were asked to consider 9 attributes by rating them in terms of how they detract from or enhance the business environment in Carroll County. The mean scores are calculated on a scale of 1 to 5, with 1 as the highest rating of Strongly Enhances, 2 = Enhances, 3 = Neither Enhances nor Detracts, 4 = Detracts and 5 = Strongly Detracts. Items ranked 1 to 6 were rated above the neutral rating of Neither Enhances nor Detracts and the items ranked below 6 were slightly below the neutral rating to Detracts from the Local Business Environment.

Responses Ranked	Mean Score
1) Safe environment	1.98
2) Overall quality of life	2.11
3) Cost of living	2.33
4) Local financial services	2.56
5) Housing opportunities	2.57
6) Work ethic of work force	2.76
7) Access to major suppliers	3.07
8) Proximity to major suppliers	3.09
9) Highway infrastructure	3.45

- Local Workforce. Respondents were asked to rate the local workforce on the following attributes. With 1 representing Excellent, 2 = Good, 3 = Average, 4 = Poor, and 1as Very Poor, the responding businesses rated Quality the highest, and Availability ranked last. Note that the respondents rated all of the attributes above Average.

Attribute	Mean Rating
1) Quality	2.59
2) Stability	2.72
3) Quantity	2.84
4) Availability	2.93

- Business Investment. Sixteen (35%) of the respondents are considering renovating or expanding their buildings or facilities. Of these companies, five plan to expand within 6 months, 2 between 6 to 12 months and 7 between 1 and 3 years. Constraints to expansion were insufficient space (6 respondents), the need for financial assistance (3), the need for physical facility planning assistance (3), and highway infrastructure (2). These expansion plans are expected to add between 11 and 17 new jobs.

  Three respondents are considering opening another store or office sometime within the next one to three years. One plans to expand in Carroll County, while the other two will open another store or office outside the county, but in Ohio.

  Five respondents are considering moving, 4 are considering selling and one business may close. The most noted reasons for moving, closing or selling were changing market conditions (6 respondents), availability of qualified labor (4), overcrowded building (3), land limitation for expansion (2),rigid code enforcement (2), and retirement (2). Six respondents are considering moving, closing or selling within the next 3 years and three respondents indicated a timeframe longer than 3 years.

- Business operations. Respondents noted the following as the 5 most needed improvements:

  1) Additional businesses that add variety
  2) More variety of places to eat in the area
  3) Special events or promotions in the area
  4) (tie) Improvement of the parking situation, such as more spaces and/or spaces that are more conveniently located

  4) (tie) Improvement of the exterior atmosphere of the area, such as front entrances, rear entrances, landscaping, street, trees, sidewalks, cleanliness, and attractive signs

  Nearly all the participating businesses are open year round. Thirty-seven (82%) have a significant increase in sales during a particular part of the year. Most respondents experience increased sales during spring, summer, and fall seasons. The three busiest business days for respondents are Friday (33 respondents), Saturday (29) and Monday (20). Wednesday is the slowest business day (7).

The three busiest business periods are:

1) Lunch (11:30 – 1:30 PM)
2) Morning (before 11:30 AM)
3) Afternoon (1:30 – 6:00 PM)

Respondents were asked what could be done to increase sales during less busy days and hours. The number one response was Nothing, followed by Advertising and Offering Product Promotions.

Over the past three years respondents took the following actions in response to customers' needs:

1) Changed products or services
2) Changed or redefined market "niche"
3) No changes made
4) Changed business hours
5) Changed primary promotion strategies

Twenty–six (84%) indicated that the changes they made were successful. Twenty-one respondents plan to add products and/or services in the next three years. Fifteen have no changes planned, eleven plan to change the mix of goods/services and eleven plan to change or add technology.

This table shows the top 5 advertising techniques used by respondents:

Top 5 Advertising Techniques Used the Most	Top 5 Most Effective Advertising Techniques
1. Weekly newspaper	1. Sponsorship of activities and events
2. (tie) Yellow pages	2. (tie) Weekly newspaper
2. (tie) Sponsorship of activities and events	2. (tie) Radio
4. Direct mail advertising	4. Yellow pages
5. Radio	5. (tie) Direct mail advertising
	5. (tie) Brochures/flyers/shopping bags

Appendix A: Transportation and Highway Infrastructure

In 2003, the Carroll County Economic Development Office conducted two Business Retention and Expansion surveys: Industrial and Retail. Several questions pertaining to Transportation and Highway Infrastructure were asked. The following is a summary of the results and a comparison of the responses from the Industrial and Retail business owners and/or operators.

Respondents were asked to rate Transportation of Product to Market in terms of the Cost of Doing Business in Carroll County. The majority of Retail respondents gave it an Acceptable rating (61%) as did the Industrial survey respondents (64%).

Respondents were asked to rate a list of Community Services and Amenities that included Air Service, Roads and Highways, Public Transportation and Rail Service. The following are the mean ratings and rankings of these items for each survey. The ratings are based on a scale of 1 to 5, with 1 as highest rating of Excellent, 2 = Good, 3 = Average, 4 = Poor and 5 = Very Poor. Note that the Industrial respondents generally gave higher ratings than the Retailers. Still, these items ranked low in both surveys relative to the other attributes on the list.

Item	Industrial Mean rating	Industrial Rank/Total # of Items	Retail Mean rating	Retail Rank/Total # of Items
Roads & Highways	2.93	14/20	2.81	15/22
Air Service	2.85	13/20	3.36	20/22
Public Transportation	3.31	19/20	3.46	21/22
Rail Service	3.33	21/20	3.62	22/22

Respondents were asked to consider a list of attributes by rating them in terms of how they Detract from or Enhance the business environment in Carroll County. The following are the mean ratings and rankings of these items for each survey. The ratings are based on a scale of 1 to 5, with 1 as the highest rating of Strongly Enhances, 2 = Enhances, 3 = Neither Enhances nor Detracts, 4 = Detracts and 5 = Strongly Detracts. Note that the Industrial respondents once again gave higher ratings than the Retailers. However, all three transportation-related attributes ranked in the bottom quartile of the list of attributes in both surveys.

Item	Industrial Mean rating	Industrial Rank/Total # of Items	Retail Mean rating	Retail Rank/Total # of Items
Access to major markets/customers	2.89	8/11	NA	NA
Access to major suppliers	3.00	10/11	3.09	8/9
Highway infrastructure	3.14	11/11	3.45	9/9

Another aspect of transportation and highway infrastructure in the county concerns where the respondents' customers and suppliers are located. The results of the Industrial survey indicated that 79% of the respondents' customers and 89% of their suppliers were located outside Carroll County. As for the retailers, 49% of their customers come from outside the county. The implications are that access to both customers and suppliers can be limited given the current condition of the county's roadways.

Respondents of both surveys were asked to indicate their Immediate and Long-Term Needs and Concerns. Many of them noted that the existing highway infrastructure did not meet their needs. The following are actual comments taken from respondent surveys.

Industrial Respondent Needs & Concerns
A four lane highway
Improve 4 lane highways accessibility
Highway Improvement
Continued rail service - Improved highways (Rt. 30)
Highway Improvement
Local road and street repair
Transportation and ease of access to interstate

Retail Respondent Needs & Concerns
We need some major highway (4-lanes) closer. To get to Stark county Rt 43 is a killer. Takes too long to get north.
Improve infrastructure of highways and roads
Access to other cities
Major Highway

Appendix B: Retail BR&E Task Force Members

Tom Konst	Deputy County Auditor	Carrollton
Michele Catlett	Consumers National Bank	Carrollton
Lester Dodds	Sweeney Dodd's Funeral Home	Carrollton
Bob Jones	Retired	Carrollton
Frank McCully	Village Council	Carrollton
George Payne	Farmer	Carrollton
Linda Shotwell	National City Bank	Carrollton
Bob Herron	County Commissioner	Carrollton
Wayne Chunat	County Arts Commission	Carrollton
Sister Elaine Weber	St. John's Villa	Carrollton
Janet Smith	Community Title Agency	Carrollton
Mike Hogan	OSU Extension	Carrollton
Rosemary Brace	Mercy Medical Center	Carrollton
Joyce Robertson	Robertson Building Center	Malvern
Bill Haun	Western Grill	Carrollton
Jack Coffy	Retired	Carrollton