

SURVEY OF NORTH MARKET STREET MERCHANTS

**A COOPERATIVE PROJECT OF THE
UNIVERSITY OF DELAWARE'S CENTER FOR COMMUNITY DEVELOPMENT
AND THE
CITY OF WILMINGTON'S DEPARTMENT OF PLANNING**

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PREFACE

This report is the result of a cooperative project of the City of Wilmington's Planning Department and the University of Delaware's Center for Community Development. The City's efforts to promote the strengthening of retail and commercial activity in the section of Market Street north of Vandever Avenue led to a request to the Center for Community Development to conduct a survey of merchants to determine their views about their own needs and about the initiatives that should be taken to enhance business activity.

Brian Maddox, a graduate student at the Center for Community Development, served as an intern with the Department of Planning during the 1994-1995 academic year, receiving support from the federal government's Department of Housing and Urban Development Community Development Work Study Program. Under the supervision of Jerome Wallace, Director of the Planning Department's Economic Development Unit, Mr. Maddox prepared this report.

The survey instrument was developed at the Center for Community Development with the advice and assistance of Mr. Wallace and a number of others including Julie Sills from the Delaware Economic Development Office, Ted Nutter from the Wilmington Economic Development Corporation, John Stapleford from the University's Bureau of Business and Economic Research, and Clinton Tynes from the University's Small Business Development Center.

The surveys were conducted on North Market Street by Mr. Maddox and graduate students from the Center for Community Development who participated in a seminar on Local Economic Development: Policy and Practice.

We greatly appreciate the assistance of all of those who contributed to the development and implementation of the North Market Street Merchant's Survey and particularly the contribution of the merchants on North Market Street who took time out of their busy days to express their ideas and concerns about improving the economic health of this important commercial center.

Timothy K. Barnekov, Director
Center for Community Development

SURVEY OF NORTH MARKET STREET MERCHANTS

The North Market Street survey identifies the problems, concerns, and issues which hinder business operations for the merchants along the North Market Street corridor. By obtaining information from the merchants, the goal is to pinpoint specific problem areas where the merchants and the City of Wilmington may work together to develop strategies for solving these problems, concerns, and issues.

SCOPE OF THIS REPORT

This report will outline the work performed jointly by the Wilmington Planning Department and the University of Delaware's Center for Community Development. The objectives of this work are threefold: (1) to identify the problems facing merchants in operating businesses on North Market Street; (2) to develop a partnership between the merchants and the City of Wilmington which will help foster communication as to how the City can help the merchants; and (3) to develop strategies to strengthen the economic and retail activity throughout the North Market Street corridor.

The survey was conducted between October and November of 1994. It encompassed the area of North Market Street between Vandever Avenue and 35th Street. The survey identified a total of 92 registered businesses of which 39 were not contacted because they were identified either as a church or as closed or the owner was unavailable to complete the survey. The remaining 53 businesses were contacted and 23 returned the questionnaire. The survey was conducted by graduate students from the Center for Community Development.

The five areas explored in the survey were: (1) startup and background issues, (2) funding, (3) services needed, (4) training, and (5) vision for the future.

STARTUP AND BACKGROUND ISSUES

How did you decide what type of business to open?

Experience in the field and an opportunity to take over a business were the principal factors determining the type of business opened.

Experience in the field	43 percent (10)
Took over from previous owner	26 percent (6)
Identified a need within the community	13 percent (3)
Desire to be self-employed	4 percent (1)
To help promote native foods	4 percent (1)

No response	9 percent (2)
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How long have you been at this location?

1 to 4 years	43 percent (10)
5 to 9 years	9 percent (2)
10 to 14 years	26 percent (6)
15 or more years	22 percent (5)

Why did you make your decision to locate your business here?

The following reasons were cited:

Price of the property or rent was reasonable	4 responses
Took over from existing business	4 responses
The traffic on North Market Street	3 responses
Recommendation of a friend	2 responses
Family lives here	2 responses
Best location available	2 responses
Other compatible businesses nearby	1 response
Availability of a vacant building	1 response
Worked for the previous owner	1 response
Site selected by national franchise	1 response

Do you have any other locations?

Yes	13 percent (3)
No	78 percent (18)
No response	9 percent (2)

Among the respondents who answered, yes, one establishment (a fast food restaurant) has two other locations in Wilmington and the other two (an equipment company and a grocery market) each have one other location in Wilmington.

How many employees do you have?

The majority of the survey respondents are small employers with less than five full-time employees and no more than five part-time employees. Four of the respondents could be considered as medium-sized employers (at least in the context of North Market Street) with a work force of 14 to 30 full-time employees.

No employees	13 percent (3)
Less than five full-time and/or part-time employees	70 percent (16)

Over fourteen full-time employees

17 percent (4)

What obstacles did you have to deal with in getting your business started?

Just under one-third (30 percent) said that they did not face any obstacles in getting their business started and another one-quarter did not respond (26 percent). The obstacles cited by the remaining 43 percent included:

Getting startup capital	22 percent (5)
Getting permits	4 percent (1)
Hiring people	4 percent (1)
Building renovations	4 percent (1)
Sales tax, financing and inflation rates	4 percent (1)
Noise, wild acting youth	4 percent (1)

What obstacles do you continue to face in running your business?

Just under 13 percent of the respondents said, "none", while 17 percent did not respond. The remaining 70 percent replied as follows (with most of these respondents citing several continuing obstacles):

Capital, cash flow	6 responses
Kids who hang around, loitering, begging	5 responses
Shoplifting, robbery, vandalism, drug dealing	4 responses
Access to well-trained labor pool	2 responses
Retention of employees	2 responses
Government paperwork	1 response
Parking	1 response
Insurance	1 response
Technical assistance and education	1 response
Too many other similar businesses nearby	1 response
Lack of day-time baby sitters	1 response
Taxes	1 response
Suburban malls, price clubs	1 response

Do you use the services of an accountant?

Yes	87 percent (20)
No	13 percent (3)

Do you use the services of a lawyer?

Yes	74 percent (17)
No	22 percent (5)
No response	4 percent (1)

What is the legal status of your business?

Over 52 percent of the businesses were set up as Sole Proprietorships. One business is not included in the count because it was set up as an S and C Corporation as well as a Partnership.

Sole Proprietorship	52 percent (12)
S Corporation	17 percent (4)
C Corporation	17 percent (4)
Partnership	9 percent (2)

Do you own or lease your space?

Own	52 percent (12)
Lease	48 percent (11)

Do you have your accounts in a bank?

All of the respondents indicated that they maintain their accounts in a bank. The banks indicated below were utilized. The total number of responses is 24 because one business indicated that it has its accounts in both Delaware Trust and Wilmington Trust.

Wilmington Trust	14 responses
Delaware Trust	7 responses
Mellon Bank	1 response
PNC Bank	1 response
No response	1 response

Do they provide you with any free services such as coin wrappers or change?

Yes	74 percent (17)
No	26 percent (6)

FUNDING

Where did you obtain the capital or startup funding to open your business?

Many of the respondents used a combination of sources to open their business, primarily friends, relatives, and personal savings. The total number of responses listed below is greater than the total number of respondents because some respondents use a combination of funding sources.

Personal savings	43 percent (10)
Relatives	43 percent (10)
Friends	35 percent (8)
Financial institution	17 percent (4)
Wilmington Economic Development Corporation	4 percent (1)
Small Business Administration	0 percent (0)
Other	4 percent (1)
No response	4 percent (1)

Did you apply for a loan from a financial institution?

Less than half of the respondents (43 percent) applied for a loan from a financial institution.

Yes	43 percent (10)
No	48 percent (11)
No response	9 percent (2)

Did you have difficulty obtaining funding?

Among the 43 percent (10) who responded, yes, to the prior question, all (100 percent) said that they had difficulty obtaining funding.

Some people say that individuals are denied loans because of a lack of collateral or poor credit history. Has this been your experience?

Over 60 percent (6) of the ten merchants who said that they had difficulty obtaining funding indicated that lack of collateral or poor credit history had been their experience.

Do you feel you were turned down because of race, gender (if the respondent is female), or location of your business?

Only one merchant who had difficulty obtaining funding indicated that they had been turned down because of race, gender or location of their business.

Did you have a business plan?

At startup, just under half of the respondents (48 percent) had a business plan.

Yes	48 percent (11)
No	30 percent (7)
No response	22 percent (5)

Do you have an ongoing need for small business loans or a line of credit?

Over half of the respondents said that they have an ongoing need for small business loans or a line of credit.

Yes	52 percent (12)
No	39 percent (9)
No response	9 percent (2)

What would you use the financial assistance for?

Among those who responded, yes, to the previous question, the following uses for financial assistance were identified:

Purchase merchandise	5 responses
Invest in business	2 responses
Buy building	1 response
Labor training	1 response
Working capital	1 response
Increase market share	1 response
Relocate	1 response
Advertising	1 response

Are you aware of the Key Loan program?

No respondents indicated that they were aware of the Key Loan program.

Yes	0 percent (0)
No	96 percent (22)
No response	4 percent (1)

SERVICES NEEDED

Are you aware of the services offered to businesses by the following organizations?

Fully 57 percent (13) of the respondents were unaware of the services provided by any of the organizations listed below while 39 percent (9) were aware of the services of one or more of the organizations. The count is greater than the number of responding businesses because some of the respondents identified more than one organization.

City of Wilmington Commerce Department	2 responses
Wilmington Economic Development Corporation (WEDCO)	8 responses
Small Business Development Corporation (SBDC)	4 responses
Delaware Economic Development Office	2 responses
Not aware of any	13 responses
No response	1 response

Have you used any of the services of these agencies?

Just four businesses (17 percent) had used the services of any of the above agencies. One respondent (other below) had used the services of both WEDCO and the SBDC.

Yes	17 percent (4)
No	70 percent (16)
No response	9 percent (2)
Other	4 percent (1)

Is parking a problem for your customers?

Nearly 40 percent said that parking is a problem for their customers.

Yes	39 percent (9)
No	61 percent (14)

Do you feel there is presently adequate business transportation for your customers?

More than 50 percent of the respondents said that bus transportation is adequate and only 9 percent responded, no. An additional 30 percent did not know, 4 percent said that the question did not apply to their business, and 4 percent did not respond.

Yes	52 percent (12)
No	9 percent (2)
Don't know	30 percent (7)
Does not apply	4 percent (1)
No response	4 percent (1)

Would the addition of shelters for bus passengers help your customer traffic?

Over 43 percent answered, yes, to this question and only 9 percent responded, no. Another 43 percent said that they did not know and 4 percent felt that the question did not apply to their business.

Yes	43 percent (10)
No	9 percent (2)
Don't know	43 percent (10)
Does not apply	4 percent (1)

Would passenger van or mini-bus service to and from this area suit your customers' needs?

Forty-three percent answered, yes, to this question as well while 13 percent said, no, and 35 percent responded, don't know.

Yes	43 percent (10)
No	13 percent (3)
Don't know	35 percent (8)
Does not apply	4 percent (1)
No response	4 percent (1)

Do you have adequate business insurance?

The vast majority of the respondents (87 percent) said that they have adequate business insurance but 13 percent said that they do not.

Yes	87 percent (20)
No	13 percent (3)

Is neighborhood crime a problem?

According to 78 percent of the survey respondents, neighborhood crime is a problem.

Yes	78 percent (18)
No	22 percent (5)

How does it affect your business?

Among those who said that neighborhood crime is a problem, the following impacts on business were cited:

Loss of potential customers	7 responses
Vandalism	5 responses
Loss of potential employees	3 responses
Loitering	3 responses
Drug dealing	3 responses
Harassment of customers	2 responses
Cost of insurance goes up	2 responses
Late response time by police	2 responses
Graffiti	1 response

TRAINING***Do you need training for employees?***

Just over one-quarter of the respondents feel that they need training for their employees.

Yes	26 percent (6)
No	61 percent (14)
Does not apply	4 percent (1)
No response	9 percent (2)

What kind of training do you need?

Among those who indicated that their employees need training, the following types of training were mentioned:

- Small business training
- Training in the use of computers
- Self-esteem
- Budgeting
- Conflict resolution, team building
- Basic vocational training
- Mechanical training in fuel injection engines, air conditioning
- Specialized training for mechanics
- Hair styling

Are you interested in any professional development programs for yourself?

Nearly half of the respondents said that they are interested in professional development programs for themselves while 43 percent said that none are needed.

Yes	48 percent (11)
No	43 percent (10)
No response	9 percent (2)

What kind of programs do you need?

Those who said that they are interested in professional development programs mentioned the following types of programs:

- Loan packaging
- Small business training
- Language education
- Cash flow management, budgeting
- Conflict resolution
- Electricity, refrigeration, and air conditioning repair
- Technical/professional education
- Bookkeeping
- Marketing

Is there any type of technical assistance you need for running your business?

Nearly one-third of the respondents indicated that they need technical assistance while just over 60 percent said that they do not.

Yes	30 percent (7)
No	61 percent (14)
Don't know	4 percent (1)
No response	4 percent (1)

What kind of technical assistance do you need?

Those who responded, yes, indicated that they would like small business training, loan packaging or computer training.

Do you use a computer in your business?

Nearly three-quarters of the respondents do not use a computer in their business.

Yes	22 percent (5)
No	74 percent (17)
No response	4 percent (1)

Those respondents who said that they do not use a computer gave the following reasons:

- Their business is too small
- Cannot afford one
- Want to keep things simple
- Have a computer but not the operational software

Do you think you will acquire a computer in the future?

Of the 17 respondents who said that they do not now have a computer, just over one-third (35 percent) indicated that they think they will acquire one in the future. An additional 35 percent said, no, while 30 percent said that they do not know.

Yes	35 percent (6)
No	35 percent (6)
Don't know	30 percent (5)

Would you be willing to participate in a program to teach young adults how to run a business?

Just under 22 percent of the respondents said that they would participate in a youth mentoring program while 35 percent said that they would not be willing to participate.

Yes	22 percent (5)
No	35 percent (8)
Don't know	30 percent (7)
No response	13 percent (3)

Do you advertise?

Two-thirds of the respondents advertise while just over one-quarter do not.

Yes	65 percent (15)
No	26 percent (6)
No response	9 percent (2)

Those who advertise utilize the following approaches:

Yellow pages	9 responses
Direct mail	2 responses
Church briefings	2 responses
Penny savers	1 response
News Journal	1 response
Radio	1 response
Flyer	1 response
Television	1 response
Trade shows	1 response

VISION

What kinds of new retail businesses does your community need?

With the exception of a laundry business (2 mentions) and a small shopping center (2 mentions), the following types of businesses were each mentioned once: discount store, youth recreation center, day care facility, video store, optical shop, shoe store, clothing store, print shop, fax center, professional services, art or dance school, photographer, sports store, flower shop, hair salon, carpet center, supermarket.

Do any of the existing businesses on North Market Street need to expand?

Nearly one-quarter of the respondents felt that some of the existing businesses need to expand while just over half said, no.

Yes	22 percent (5)
No	52 percent (12)
Don't know	4 percent (1)
No response	22 percent (5)

Several respondents representing existing businesses said that their business need to expand.

What kinds are there too many of already?

The following businesses were identified:

Restaurants	7 responses
Food markets	4 responses
Fast food outlets, sub shops	3 responses
Liquor stores	2 responses
Salons, beauty supply stores	2 responses
Boot leg barber shops	1 response
Dry cleaning	1 response
Auto repair	1 response

What kinds of public services would best help your community and your business to prosper?

The most frequently mentioned services were more police patrolling (13 responses), better trash collection and/or more garbage cans (9 responses), and cleanup and beautification of vacant lots, streets (6 responses). Also mentioned each by one respondent were solving the loitering problem, public bathrooms, a better transportation system, more security lights and changing the school bus stops and bus shelter. Three respondents said that the police are doing a good job and two said that trash collection is good.

If you had the financing, what other services, products, or new businesses would you like to provide in this community?

Respondents cited a variety of objectives which would be pursued if additional financing were available including: expanding service, improving the facade of their business, developing parking spaces for customers, providing more show cases in their store, starting a restaurant or food processing business, an auto shop, temporary services, a youth recreation center, a bakery, a laundromat, a convenience store, a property renovation business, a child care center for working parents, or a clothing business.

Do you have any expansion plans?

Just under 40 percent of the respondents have plans to expand while nearly 60 percent do not.

Yes	39 percent (9)
No	57 percent (13)
No response	4 percent (1)

Among those who indicated that they have expansion plans, five said that they would like to expand at an alternative site outside of the city, four cited their current site, and three specified an alternative site in the city (several mentioned more than one alternative).

What do you feel it takes for a small business to succeed on North Market Street?

Among the reasons given for small business success on North Market Street were the following:

Honesty, effectiveness in dealing with customers	6 responses
Good management	4 responses
Sweat equity, perseverance	4 responses
Devotion to serve the neighborhood	3 responses
Good location, traffic	2 responses
Low pricing	2 responses

Knowing the needs of customers, financial help, limited crime, beautification of facades, adequate working capital, providing a product that is needed, high volume, parking, being an owner-operator, and realistic expectations were each mentioned once.

How do you see the business community changing on North Market Street in the next three to five years?

Of the nine respondents who answered this question, the following views were stated:

Things will be better or are improving	4 responses
Things will stay the same	2 responses
More cooperation	1 response
Declining	1 response
Depends on the crime situation	1 response

Are you aware of the new business association which is forming on North Market Street?

Only 22 percent (5) of the respondents were aware of the formation of a new business association on North Market Street.

Yes	22 percent (5)
No	65 percent (13)
Don't know	13 percent (3)

Have you joined this association?

Only 13 percent of the respondents said that they had joined the new business association. The most frequent reason given for not joining the association was that the respondent did not know about it.

What activities or programs would you like this business association to become involved in?

Just over half of the respondents (52 percent) provided suggestions for the activities and programs of the new business association which included:

Mend fences among businesses, better coordination	3 responses
More police protection	2 responses
Bring youth into activities	2 responses
Support neighborhood events	1 response
Establish code of conduct for businesses	1 response
Establish collective purchase program	1 response
Promote better image of area	1 response
Make area entirely commercial on one side of street	1 response
Help solve problems of small businesses	1 response
Involve Vo-Tech Schools in training	1 response
Provide information	1 response
Bring people into the area	1 response

Are you a member of any other business association?

Over 43 percent (10) are members of another business association. Several respondents indicated that they are members of more than one association. The following associations were mentioned:

Delaware State Chamber of Commerce	2 responses
New Castle County Chamber of Commerce	1 response
Korean American Business Association	3 responses
Delaware Contractors	1 response
Associated Builders and Contractors	1 response
Better Business Bureau	1 response
National Federation of Independent Businesses	1 response
Liquor Association	1 response
Cannot remember	1 response

Would you be willing to participate in a neighborhood improvement district if it meant paying a small monthly fee?

Fully 65 percent (16) of the respondents said that they would be willing to participate in a neighborhood improvement district even if it meant paying a small monthly fee.

Yes	65 percent (16)
No	9 percent (2)
Don't know	22 percent (5)
No response	