

SCHUYLKILL RIVER NATIONAL & STATE HERITAGE AREA
OUTDOOR RECREATION BUSINESS STUDY

June 2004

SPONSORED BY:



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Schuylkill River National & State Heritage Area

Outdoor Recreation Business Study

EXECUTIVE SUMMARY

This study examines the potential of business development along the Schuylkill River Heritage Area (SRHA). The study was funded with funding assistance from the Pennsylvania Department of Conservation and Natural Resources through the Schuylkill River National & State Heritage Area grant program. The project was designed to determine whether the economy in the areas along the SRHA will support businesses and services related to outdoor recreation.

External Environment

An analysis of the external environment shows that the Philadelphia Federal Reserve District economy is showing signs of improvement. Both the unemployment rate and inflation is declining and projected to continue to decrease. Interest rates from 2003-2005 will increase by a small margin and within a range that is usually reflective of a strong economy. Corporate profits are also steadily rising providing another indication of a strong economy. Overall the region is growing in population with four of the five counties showing positive growth projections through 2008. The political and legal environment of the area appears to support the development of active lifestyles through recreation, sports and fitness.

Industry Trends

Trends in the sporting goods industry show that overall the industry is in a state of maturity. Because of this, distributors will seek more efficient operations and customer service becomes an area for differentiation. In addition those owners having more than one location achieve economies of scale. Due to the existence of supercenters, smaller retailers must examine niche businesses that do not compete directly with mega-retailers. Sporting goods executives view strategic alliances and joint ventures as avenues for growth.

Area Evaluation

An analysis of the areas potential for new business development indicates that, in general, the area is understored and has strong potential for new business development.

Residential and nonresidential (tourists) support in the area for amusement and recreation services is strong, indicating that people want to spend money for outdoor and health-related products and services. The Buying Power Index (BPI) for the five-county market area indicates a strong consumer ability to buy within the market area. The Sales Activity Index indicates that the area is slightly below the sales activity average for the United States as a whole. The Quality Index indicates that the SRHA has an above national average quality for the sale of products. Thus there is a higher than average buying power of consumers who reside in the area.

Recommendations

Findings of this study indicate there is a lack of businesses in the heritage corridor that cater to consumers' needs and wants. The following are recommendations:

- Current businesses should expand marketing efforts to better reach the local and tourist market
- Existing and future businesses along the corridor should form or look to an existing organization to create partnering opportunities for marketing and advertising
- Existing businesses should explore opening other locations to take advantage of economies of scale
- There is potential for partnership development with current business and organizations within the corridor. Potential partnerships include Valley Forge National Historical Park, The King of Prussia Mall and Cabela's
- Potential exists for a planned shopping center which allows for a planned mix of complementary retailers to exist profitably in a given area

Summary

In summary, there is great potential for new business development along the SRHA. Economic indicators are strong, population for the area is increasing, there is government and local support for new businesses and several indices show high buying power for outdoor and recreational-related businesses.

Schuylkill River National & State Heritage Area

Outdoor Recreation Business Study

BUSINESS LANDSCAPE ASSESSMENT

Review of the Mission, Vision and Goals

The mission of the Schuylkill River National and State Heritage Area is to “Conserve, interpret and develop the historical, cultural, natural, and recreational resources related to the industrial and cultural heritage of the Schuylkill River Valley of Southeastern Pennsylvania” (Schuylkill River Greenway Association, 2003).

The vision of the Schuylkill River Greenway Association is “a Schuylkill River region fully revitalized and restored: A region whose citizens understand value and are fully committed to preserving and sustaining their cultural heritage and natural environment for future generations”. The mission of the Schuylkill River Greenway Association is to inform, lead and assist communities, organizations and citizens to achieve that vision (Downs, 2004).

The goals (Zwikl, 2003) are to:

- a. Stimulate the local and regional economies through heritage tourism.
- b. Explore options to encourage the private sector to provide the outdoor recreation services needed for Schuylkill River Heritage Area (SRHA) visitors and residents.
- c. To encourage non-profits and entrepreneurs to work together to provide appropriate services.
- d. To distribute the completed study to any business interested in establishing an outdoor recreation business in the SRHA.

The scope of this study is to determine what factors would encourage new business development within the SRHA, as well as factors needed to sustain and/or expand existing businesses along the Schuylkill River Valley (Downs, Focus Group Follow-up, 2004).

External Environment

Economic Analysis of the Philadelphia Federal Reserve District

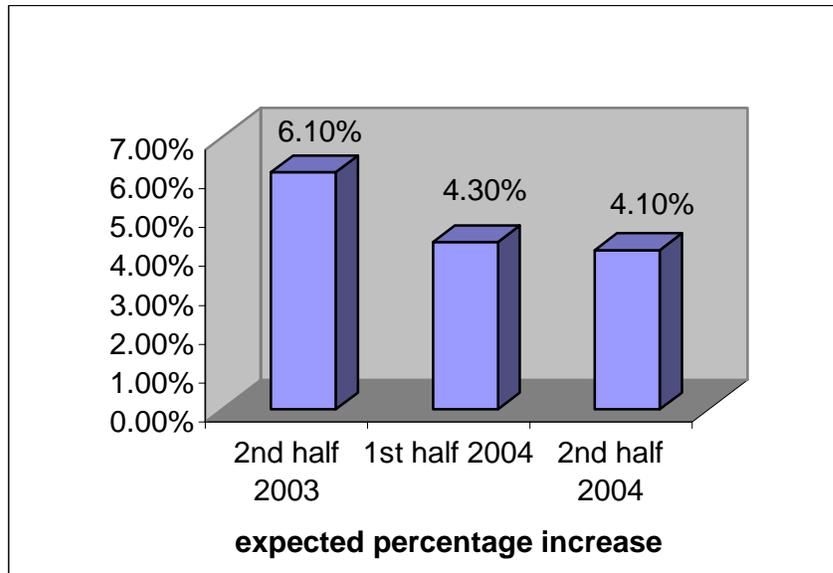
Information displayed in this economic outlook forecast relates to the Philadelphia Federal Reserve District. The Philadelphia Federal Reserve District is responsible for the Third District, which covers Eastern Pennsylvania, Southern New Jersey, and the state of Delaware. This study focuses on five counties (Montgomery, Philadelphia, Chester, Schuylkill, and Berks), which are part of the Philadelphia Federal Reserve District. This economic outlook focuses on five elements of the economy: economic growth, inflation, unemployment rates, interest rates, and corporate profits.

Economic Growth Estimates for the Philadelphia Federal Reserve District

The Federal Reserve Bank of Philadelphia projected that the Philadelphia Federal Reserve District's economic output would increase at an annual rate of 6.1% in the second half of 2003. They also predicted that this trend would continue in the first half of 2004 at a rate of 4.3 percent. Similar results are expected during the second half of 2004, where forecasters predict an increase of 4.1% (see graph 1). The increase in economic output cited is of particular interest and importance as it reflects even higher estimates than previously reported by The Federal Reserve Bank of Philadelphia. This increase

reflects even greater optimism compared to previous reports by The Federal Reserve Bank of Philadelphia relative to the region's growth.

Graph 1: Economic Growth for the Philadelphia Federal Reserve District

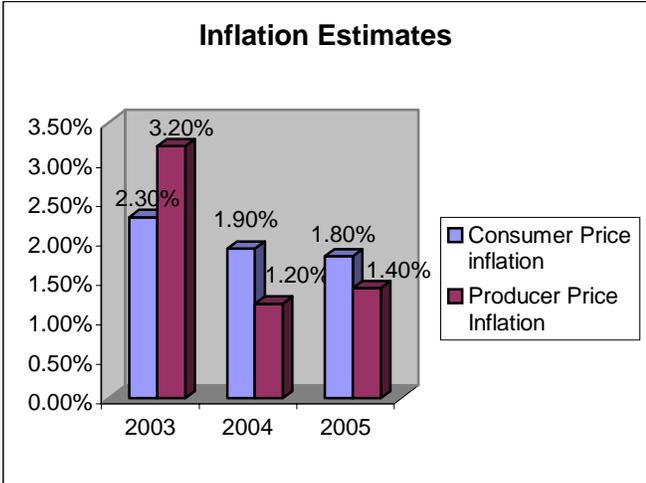


Inflation Estimates for the Philadelphia Federal Reserve District

The Federal Bank of Philadelphia forecasted that consumer price inflation for the Philadelphia Federal Reserve District averaged 2.3% in 2003. Consumer price inflation is expected to fall in 2004 to 1.9% and decrease slightly to 1.8% in 2005 as shown in graph two (2).

The Federal Bank of Philadelphia predicted that Producer Price Inflation (PPI) for the Philadelphia Federal Reserve District at a 3.2% average. PPI is expected to decline to 1.2% in 2004. In 2005, the forecasters believe this percentage will increase slightly and reach the rate of 1.4% (see graph 2).

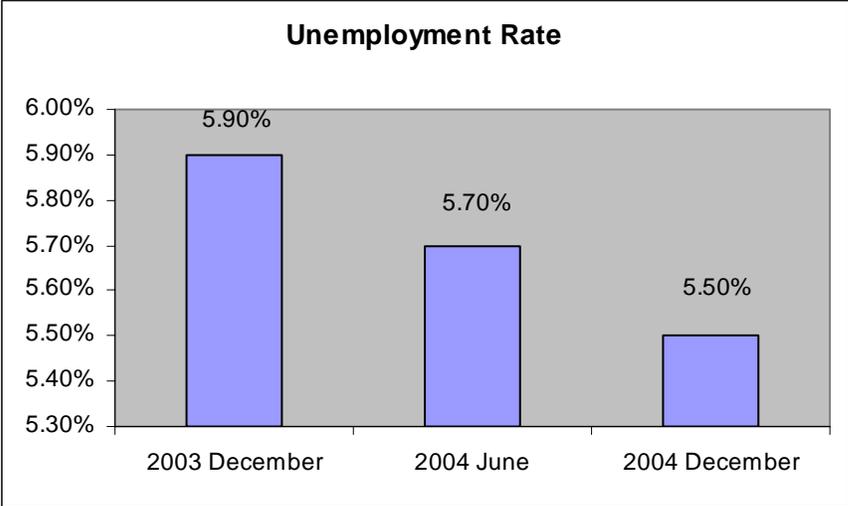
Graph 2: Inflation Estimates for the Philadelphia Federal Reserve District



Unemployment Rate Estimates for the Philadelphia Federal Reserve District

The Federal Bank of Philadelphia predicted an unemployment rate for the Philadelphia Federal Reserve District in December 2003 averaging 5.9 percent. That number is expected to decrease in June 2004 to 5.7 percent. A similar trend is projected for December 2004, as experts expect the unemployment rate to drop to 5.5% (graph 3).

Graph 3: Unemployment Rate for the Philadelphia Federal Reserve District

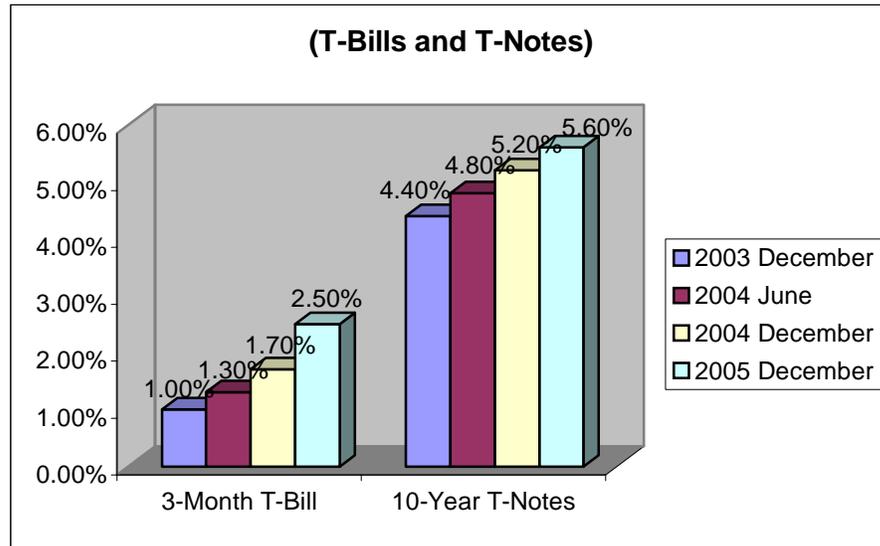


Interest Rates Estimates for the Philadelphia Federal Reserve District

The Federal Bank of Philadelphia projections predicted that the 3-month Treasury Bills would average 1.0% in December 2003. Experts expect that number to climb to 1.3% by June 2004 as presented in graph four (4). This trend is expected to continue as estimates of 3-month T-Bills will rise to 1.7% by December 2004 and to 2.5% by December 2005.

The Federal Bank of Philadelphia predicted 10-year Treasury Notes to experience similar growth as the 3-month Treasury Bills over the next two years. Ten-year Treasury Notes were expected to average 4.4% in December 2003. Experts expect that number to climb to 4.8% by June 2004. Estimates indicate that the rate will rise to 5.2% by December 2004 and to 5.6% by December 2005 (see graph 4).

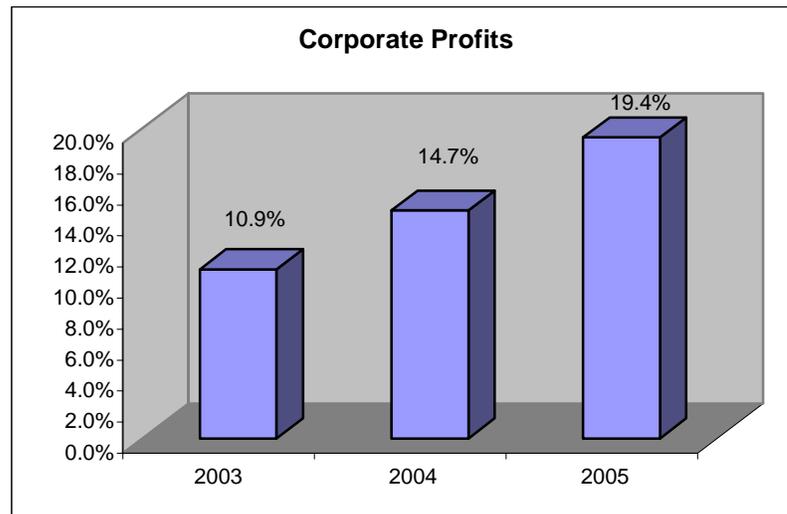
Graph 4: Interest Rates for the Philadelphia Federal Reserve District



Corporate Profits Estimates for the Philadelphia Federal Reserve District

Forecasters are optimistic about growth in corporate profits for the Philadelphia Federal Reserve District, as shown in graph five. They predicted the growth rate of corporate profits would rise from 10.9% in 2002 to 14.7% in 2004. The trend should continue and increase to 19.4% by 2005.

Graph 5: Corporate Profits for the Philadelphia Federal Reserve District



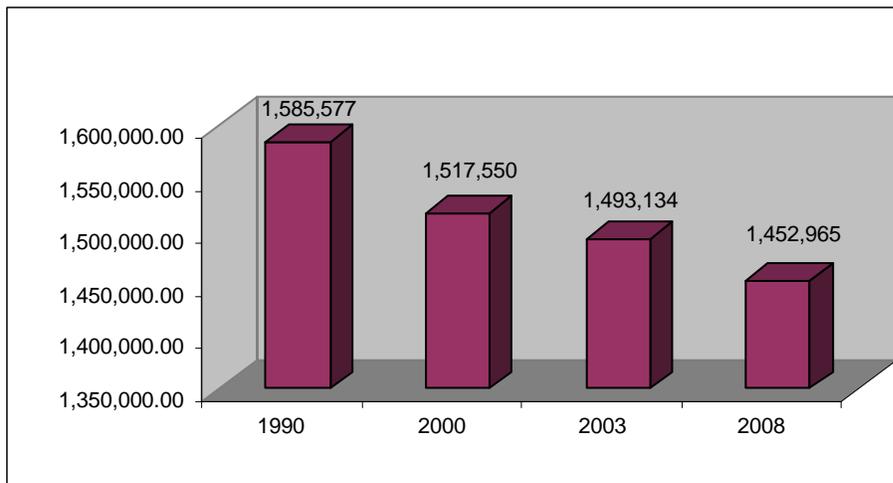
Overall, the economy is heading in a positive direction for the Philadelphia Federal Reserve District. The economic growth is on a slight decrease but by only a small percentage (see graph 1). The unemployment rate is projected to decrease by an average of .20% until the end of 2004 (see graph 2). Inflation for both producers and consumers is declining which is expected to continue (see graph 3). Interest rates, during the period of 2003 – 2005, will increase by a small margin and within a range that is usually reflective of a strong economy (see graph 4). Similar trends are expected for corporate profits (See graph 5), providing another indicator of a strong economy.

Population Projections for the SRHA

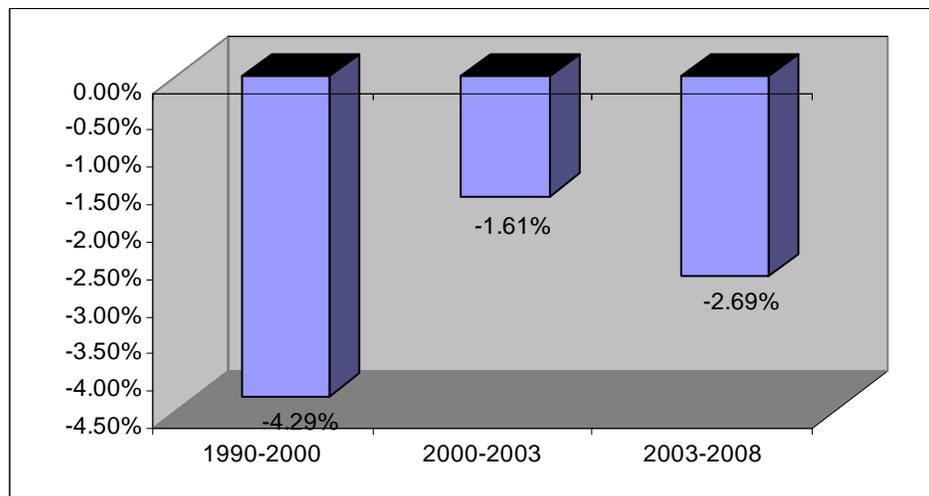
Philadelphia County

Currently (2003) Philadelphia County is the most populated county in the geographic region with a total population of 1,493,134. The population has declined since 1990 by 5.9 percent. This trend is predicted to continue from the present through the year 2008 by an estimated value of 2.69% (40,169 people) to 1,452,965 (see graphs 6 and 7).

Graph 6: Philadelphia County Population Growth



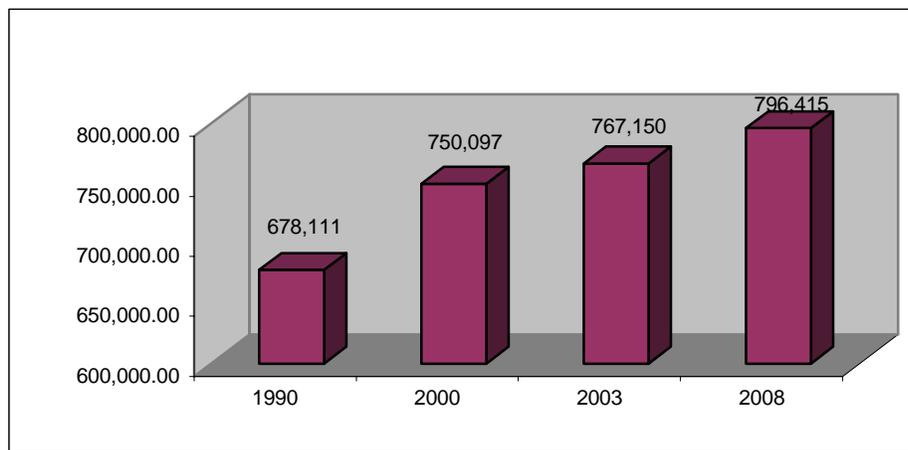
Graph 7: Percentage Population Growth for Philadelphia County



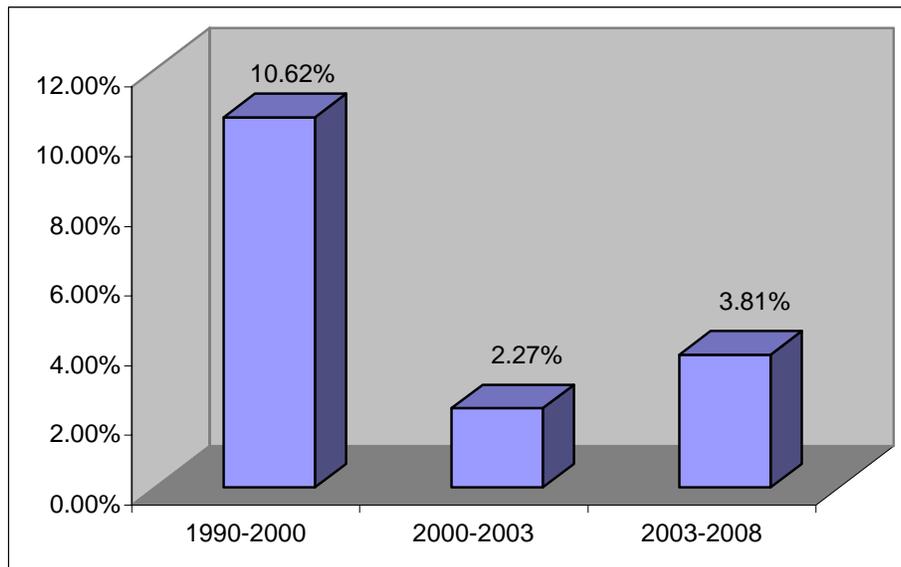
Montgomery County

Montgomery County is the second most populated county in the geographic region with a current population of 767,150. The population grew from 1990 to 2003 by 12.89 percent. The population is estimated to increase from 2003 to 2008 by 3.81% (29,265 people) as can be seen in graphs 8 and 9.

Graph 8: Montgomery County Population Growth



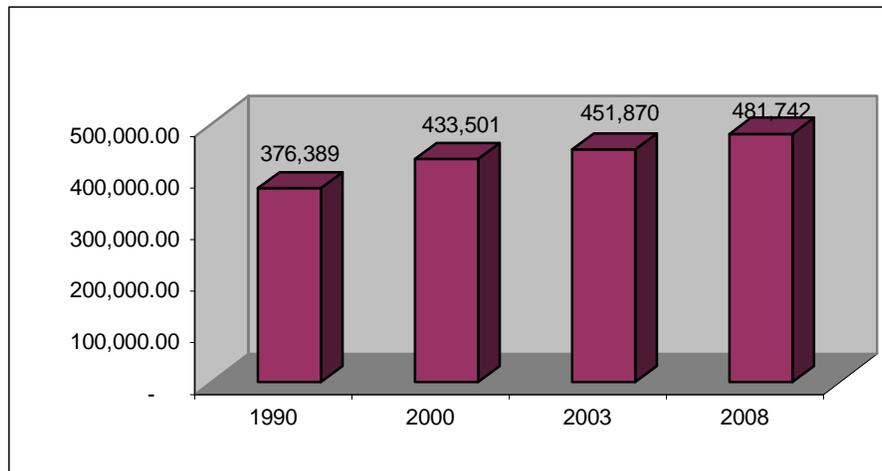
Graph 9: Percentage Population Growth for Montgomery County



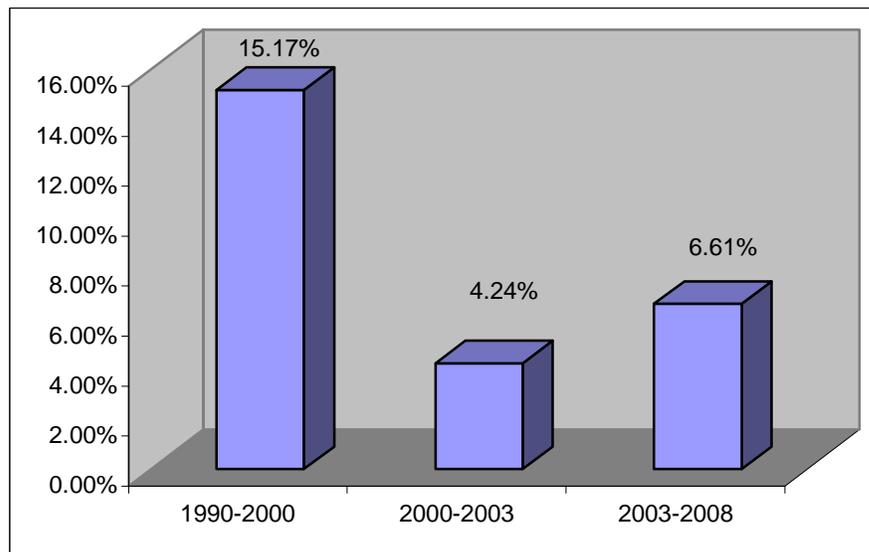
Chester County

Currently Chester County is populated by 451,870 people. Similar to Montgomery County, Chester County has been growing since 1990. From 1990 to 2003, the population in Chester County increased by 19.41% and is estimated to grow by 6.61%, or 29,872 people between the years 2003-2008 (see graphs 10 and 11).

Graph 10: Chester County Population Growth



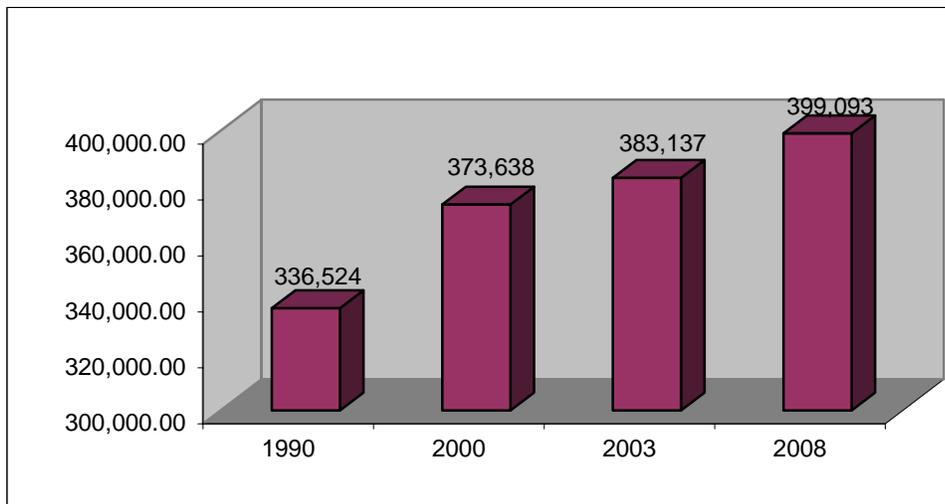
Graph 11: Percentage Population Growth for Chester County



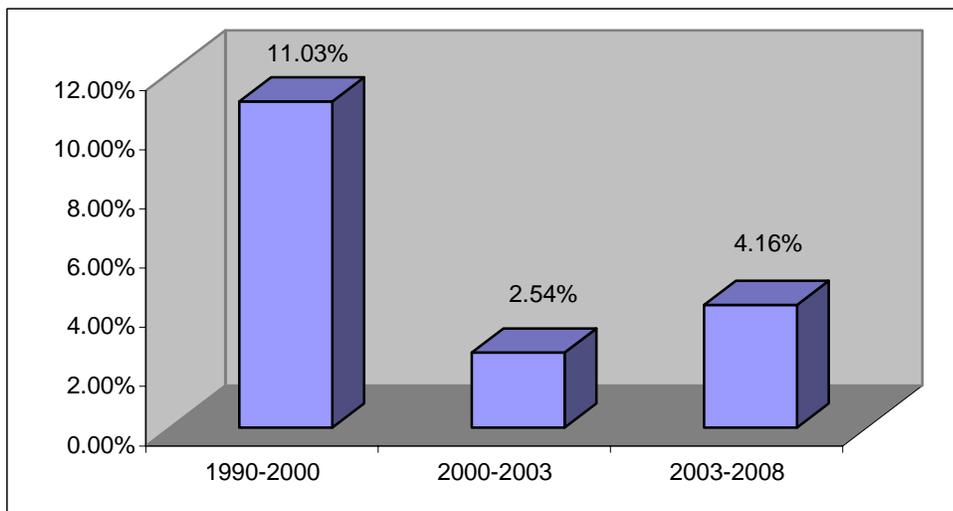
Berks County

Currently 383,137 people reside in Berks County. Berks experienced significant growth between 1990 and 2003 as the population increased by 13.57 percent. Berks County's population is expected to grow by 4.16% (15,956 people) by 2008 (see graphs 12 and 13).

Graph 12: Berks County Population Growth



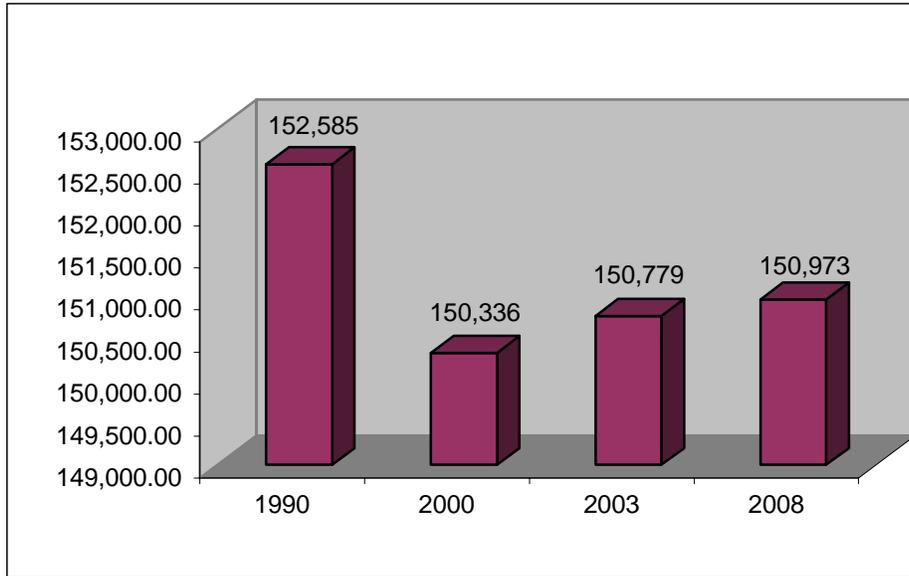
Graph 13: Percentage Population Growth for Berks County



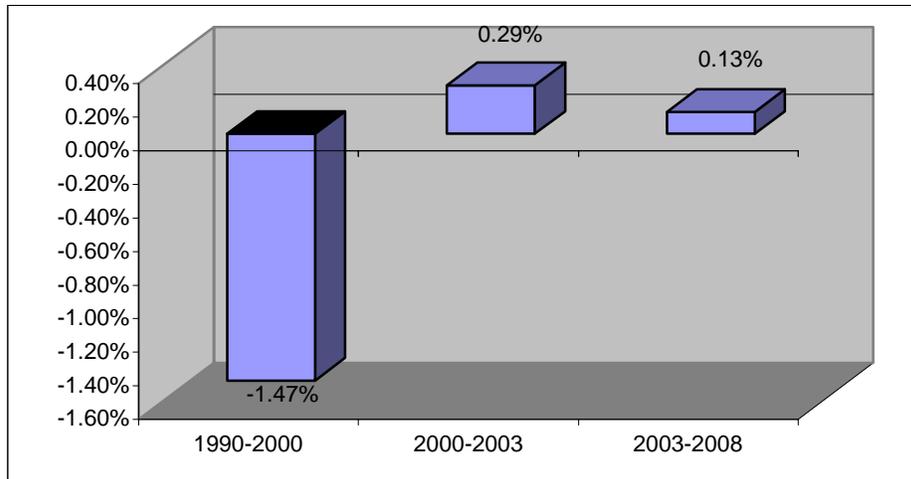
Schuylkill County

Between 1990 and 2000, Schuylkill County had a decrease in population by 1.18 percent. Currently 150,779 people reside in the Schuylkill County, but that number is estimated to increase by .13% (194 people) by 2008 (graphs 14 and 15).

Graph 14: Schuylkill County Population Growth



Graph 15: Percentage Population Growth for Schuylkill County



Summary – Population Growth

Chester County is the fastest growing county among the Schuylkill River Heritage Area. Growth in population is expected to continue in Montgomery and Berks Counties. The number of additional people living in Montgomery County will be greater than the other three counties studied. Philadelphia County's population has decreased in population. That trend is expected to continue through 2008. All population data and projections were taken from the Claritas site report data (April 7, 2003).

Political / Legal Environment Effecting the SRHA

The Federal Government continues to increase its support for bicycle transportation. The government budgets transportation money for bicycle-specific facilities like bike paths and road improvements. Increasing government support parallels the bicycle industry's key initiatives for a more bike-friendly America. Cycling facilities construction is at an all-time high (National Bicycle Dealers Association, 2002). This will be an important factor in the industry's future growth.

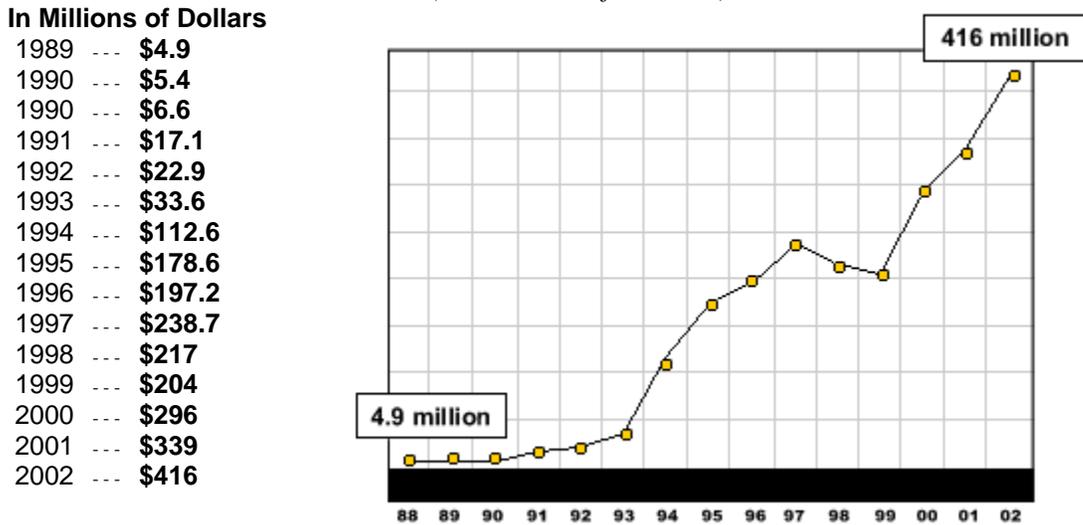
On March 19, 2001 The Sporting Good Manufacturer's Association (SGMA) reported that Congress authorized the Land Conservation, Preservation and Infrastructure Improvement Trust to spend \$12 billion over the next six years for conservation, parkland purchases, and grants to states and cities for parks, fields, and recreational facilities (SGMA Press Release 2/10/04).

The Great Outdoors Act is before congress and is aimed at promoting active lifestyles through recreation, sports, and fitness. According to a SGMA press release (4/1/2004), the bill would create a multi-billion dollar trust fund to support historic preservation, park maintenance, recreation, and conserve wildlife. Annual allocations

would include \$450 million (which Congress has already earmarked for 2004 according to another SGMA press release [1/11/04] for the Land and Water Conservation Fund) and \$125 million to the Urban Park and Recreation Recovery Program. This legislation provides permanent funding for trails, parks, wild lands, ball fields, courts, and playgrounds. This is viewed as an important factor by industry proponents that will promote future growth of the industry by creating a culture and infrastructure that promotes healthier American lifestyles.

According to The Pedestrian and Bicycle Center Fact Sheet (www.walkinginfo.org) the Federal Highway Administration (FHWA) has increased spending on bicycle and pedestrian projects from 1989 to 2002, from \$4.9 million to \$416 million (see graph 16). This increase is another example of the Federal Government's support for fitness activities.

Graph 16: FHWA Obligations for Bicycle and Pedestrian Projects
(in Millions of Dollars)



Social / Cultural

According to the Sporting Goods Manufacturer's Association (5/13/04), between the years 2005 and 2010 the age group of children aged 5 through 19 will grow slightly. This is significant to outdoor recreation businesses (outfitters included) because this age group is the "mainstay of the sports-playing, equipment buying, sports apparel and athletic footwear-wearing group." In general, there are still large numbers (eighty-five percent of all Americans) who participate in sports or exercise (Leisure Intelligence Group, 2001).

Industry Trends

In an article titled *Forecasting the Future of the Sporting Goods Industry – 2010*, the Sporting Goods Manufacturer's Association projects the following developments in the sporting goods industry, of which Outfitters are a part (the ramifications of these developments as they effect outfitters are also noted):

1. Eight of ten sporting goods executives view strategic alliances and joint ventures as growth engines for the future.
2. Consolidation within the industry will continue.
3. The slow growth of the sporting goods industry suggests the industry is in a state of maturity. As a result, all distribution channels will seek to operate more efficiently in order to bring adequate to superior returns to investors and/or owners. Businesses will seek out relationships that are win/win situations wherever possible. The big fish will continue to eat the small fish, or, more appropriately, the strong fish will eat the weak.
4. Power will continue to shift from the manufacturer to the retailer. The supercenter concept (such as Sports Authority and Dick's) will continue to grow. This poses challenges to the specialty sporting goods retailers (independents and small regional chains such as Nestor's and Schuylkill Valley Sports) as the supercenters seek to sell a wider variety and greater assortment of goods at lower prices. Small single store independents

competing with supercenters and small regional chains will be forced to consider the economies of scale and scope associated with multiple store ownership. In addition, small independents need to consider small niche product categories that will not attract larger chains and supercenters.

USES OF THE SCHUYLKILL RIVER NATIONAL & STATE HERITAGE AREA A REPORT ON THE COMPONENT PARTS

Hiking

The American Hiking Society states that hiking is one of America's fastest growing recreational activities. In 2000, almost one-third of Americans went hiking. The USDA Forest Service predicts "steep increases" in backpacking and hiking activities over the next 50 years. The Society's Fact Sheet points to recreation and entertainment as growth industries, citing an increase in spending over a fifteen-year period (6.5 percent of total consumer spending to 10.5 percent). The number of people backpacking is expected to grow by 26 percent by the year 2050. However, the 2003 Sporting Goods Manufacturer's Association's Topline Report states that the participation in *day hiking* has declined over the last three years from 39,015,000 Americans in 2000 to 36,778,000 day hikers in 2002; a decline of 5.7%.

Hiking's current impact on businesses along trails is impressive. A 2001 study of the visitors to the trails at Rio Grande National Forest estimated that each hiker spent \$567.93 for lodging, \$319.44 for food, and \$168.44 for transportation. In another study, after one season, 61 businesses along a 35-mile stretch of the Missouri River State Trail reported the trail having a positive effect on business. Eleven new businesses along the trail cited the creation of the trail as a major factor in their location decision. In addition, 17 businesses increased their business as a result of the trail being developed. A fact

sheet, citing a Greenways Incorporated report, states that although all visitors to trails are not hikers, trails can foster substantial economic activity through new and existing business development and tourism. The types of businesses attracted are bike shops, cafes, and bed and breakfasts (See appendix 1 for potential business start-up ideas). Six new trail-related stores have opened, and two businesses have relocated next to the Baltimore and Annapolis Trail Park in Maryland, says the Greenways report (American Hiking Society).

Bicycling

According to the National Bicycle Dealers Association, the sales of bicycles 20" and up has increased from 9.9 million units sold in 1988 to 13.6 million units sold in 2002; an increase of 37.4 percent (table 1). More recently, bicycle sales increased from 10.9 million units in 1996 to 13.6 million units in 2002; an increase of 25 percent over six years. In 2001 the average selling price rose from \$350 to \$382; an increase of 9.1 percent in one year (*Bicycle Retailer and Industry News*, 2002).

Table 1: Bicycles Sold 1981-2002

Year	Bicycles Sold (Millions), 20" and up wheel sizes	Bicycles Sold (Millions), all wheel sizes
2002	13.6*	19.5*
2001	11.3*	16.7*
2000	11.9*	20.9*
1999	11.6*	17.5*
1998	11.1*	15.8*
1997	11.0*	15.2*
1996	10.9	15.4
1995	12.0	16.1
1994	12.5	16.7

Table 1 Continued: Bicycles Sold 1981-2002

Year	Bicycles Sold (Millions), 20" and up wheel sizes	Bicycles Sold (Millions), all wheel sizes
1993	13.0	16.8
1992	11.6	15.3
1991	11.6	
1990	10.8	
1989	10.7	
1988	9.9	
1987	12.6	
1986	12.3	
1985	11.4	
1984	10.1	
1983	9.0	
1982	6.8	
1981	8.9	
...1973	15.2 (record high)	

Source: Bicycle Manufacturers Association, and apparent market consumption based on U.S. Department of Commerce import statistics, and estimates of domestic market production by National Bicycle Dealers Association Retail Data Capture program.

* indicates projected figures

In 2000, *fitness* bicycling included 11,435,000 Americans and 11,153,000 in 2002. This reflects a 2.5% drop over a three-year period (SGMA Sports Participation Topline Report, 2003). The SGMA states that participation, not total industry sales, is the best indicator of the trends developing in a particular sport and overall industry health (*Ibid*). In the same SGMA report *recreational* biking over the same three-year period increased by 1 percent from 53,006,000 in 2000, to 53,524,000 in 2002. Although fitness bikers are expected to use trails, the more appropriate measure is the number of recreational bikers, of which there are 42,371,000.

Characterization of the buyers of bicycles in 2000 shows baby-boomers continuing to dominate spending on bikes. Boomers are looking for low-impact ways to

exercise and biking is positioned to take advantage of this trend. Another group of users are the “enthusiast” riders. These frequent riders have tripled in numbers during the 1990s. Enthusiast owners are also the opinion leaders of the group. On average, they recommend bikes to six friends or acquaintances a year, with more than three of them buying on their advice. Bikers today are generally better educated consumers that spend less time shopping than in 1990, but shop more frequently (National Bicycle Dealers Association, 2004). The biggest influences on their buying are friends and salespeople. The implication is that because they are better educated they know what they want and take the time to shop several locations to get it.

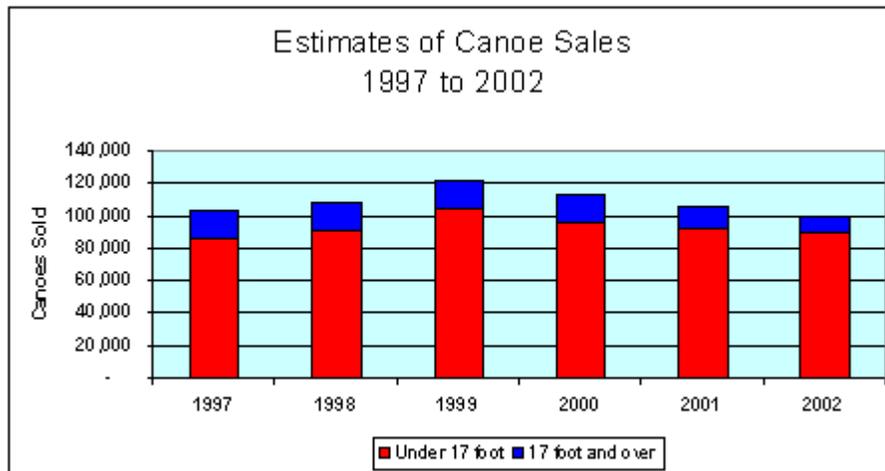
Boating

National trends are reported here for canoe and kayak sales and general boating population estimates for the United States (see table 2). Compared to their base year of 1997, total canoes sold (all types) dropped 3.5% from 1997 to 2002; the last year sales statistics are given. However, during the same period, sales of canoes under 17 feet increased by 3.9%, and represent 88.6% of all canoes sold. Kayak sales are reported for the years 2001 and 2002 only. Kayak sales dropped during this period from 357,100 units in 2001 to 340,300 units sold in 2002, a drop of 4.7% (National Marine Manufacturers Association, 2003). The growth in *participation* in kayaking is impressive over the same three-year period. According to the SGMA Topline report (2003), participation in kayaking grew from 4,137,000 in 2000 to 5,562,000 in 2002; a 34% increase. Participation in canoeing dropped by 16.8% over the three year period from 13,134,000 participants in 2000 to 10,933,000 in 2002 (SGMA Sports Participation Topline Report, 2003).

Table 2: Estimates of Canoe and Kayak Sales

Estimates of Canoe Sales

	1997	1998	1999	2000	2001	2002
Under 17 foot	85,300	90,800	103,800	95,200	91,800	88,600
17 foot and over	18,300	17,000	17,200	16,600	14,000	11,400
Total	103,600	107,800	121,000	111,800	105,800	100,000
Percent Change		4.1%	12.2%	-7.6%	-5.4%	-5.5%



Estimates of Kayak Sales

	2001	2002
Unites Sold	357,100	340,300
Type of Craft	2001	2002
Whitewater	7.6%	5.2%
Expedition	4.1%	2.9%
Day Touring	15.2%	13.1%
Touring Tandem	0.8%	0.4%
Sit-in Recreation	41.2%	48.6%
Sit-on Recreation	24.9%	25.2%
Inflatable	6.2%	4.6%
Total	100%	100%

SOURCE: NMMA January 2003

Experts in the leisure industry report that the number of people participating in a recreational activity is an excellent indicator of future usage and purchase potential. Population estimates for people engaged in boating is presented below. Total people participating in recreational boating for the base year of 2000 was 69,820,000 and had increased by 2.5% by 2002 to 71,644,000 people (table 3). Recreational boating populations by category are shown below.

Table 3: 2002 Population Estimates – Recreational Boating

	2002	2001	2000
People Participating in Recreational Boating	71,644,000	67,973,000	69,820,000
Water Skiers	5,458,000	5,921,000	6,736,000
All Boats in Use	17,353,400	17,191,600	17,032,400
Outboard Boats Owned	8,381,100	8,335,700	8,288,400
Inboard Boats Owned	1,705,700	1,681,700	1,662,500
Sterndrive Boats Owned	1,767,100	1,740,700	1,708,700
Personal Watercraft	1,353,700	1,293,900	1,239,400
Sailboats Owned	1,612,800	1,625,000	1,637,200
Misc. Craft Owned (Canoes, rowboats, dinghies, and other craft registered by the states)	960,000	953,000	946,000
Other (Estimated canoes, rowboats etc. not registered by the states)	1,573,000	1,561,600	1,550,200
Outboard Motors Owned	8,976,500	8,759,400	8,702,800
Inboard Engines Owned (Includes gasoline, diesel, and jet drive marine engines)	2,216,800	2,207,000	2,185,000
Boat Trailers Owned	7,683,900	7,563,900	7,448,400
Marina, Boatyards, Yacht Clubs, Dockominiums, Parks, & Other	12,000	12,000	12,000

\$30,308,782,000 spent at retail during 2002 for new and used boats, motors and engines, trailers, accessories, and other associated costs.

12,886,792 boat registrations as of December 31, 2001 for the U.S. and territories.

Cross Country Skiing

Cross country skiing is another use of the Schuylkill River Heritage Area. According to Chris Frado, Executive Director/President of the Cross Country Areas Ski Association, cross country skiing is a recreational activity that is experiencing slow growth (Phone conversation with Frado, 2004). The segment driving industry sales, according to Frado, is the elite racer or high performance cross country skier. This segment continues to outspend other skiers by buying the most recent technologies in skis and multiple pieces of equipment. Total industry sales increased from \$3.5 million in 2001 to \$3.8 million in 2001; a 9% increase (SGMA Recreation Market Report, 2003). A point-of-interest here (according to Frado) is that the move toward “big box” retailers like The Sports Authority is not effecting the traditional cross country ski retailers as this segment is too small to attract big box retailers. An outfitter locating near the SRHA may want to consider cross country ski rentals and/or sales as a component part of their product offerings.

Fishing

The Schuylkill River is increasingly becoming more popular among freshwater game fisherman (Depth Interview, 2003). 34.1 million people, or 16 percent of the population, fished in the U.S. in 2001 and spent \$36 billion (U.S. Fish & Wildlife Service, 2001). This is a three percent decline in participants since 1996. Overall expenditures for equipment dropped 22 percent. According to the same survey, freshwater fishing has declined eight percent from 1991 to 2001. The SGMA Recreation Market Report (2003) lists fishing equipment (sporting goods) sales at the wholesale level holding steady at \$1 billion in 2001 and 2002.

Wildlife Watching

The development of the Schuylkill River Heritage Area will enable new wildlife watchers and avid wildlife watchers to have access to the Schuylkill River and its environs. Wildlife watching has increased by five percent from 1996 to 2001 (U.S. Fish & Wildlife Service, 2004). Expenditures during this same period rose by 16 percent. Targeting wildlife watchers is another way in which small outfitters can cater to a market that is largely ignored by larger sporting goods retailers.

Uses/Activities of the Schuylkill River Heritage Area (SRHA)

The following table lists uses/activities of the SRHA which have been identified through interviews with the staff of the Schuylkill River Heritage Area, SRHA literature, participants in the in-depth interview/focus group, and research into heritage corridors, biking trails, community trails, and rails to trails:

Table 4: Uses/Activities of the SRHA

<ul style="list-style-type: none">• walking• fitness walking• power walking• jogging• running	<ul style="list-style-type: none">• bicycling• day hiking• canoeing• kayaking	<ul style="list-style-type: none">• rafting• fresh water fishing• water skiing• wildlife watching
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The following table adapted from the Sporting Goods Manufacturer's Association's *America's Favorite Sports and Activities in 2003* identifies the top thirty

sports/activities categories of Americans (ages six and over), of which freshwater fishing, day hiking, fitness walking, and running/jogging rank in the top nine.

Table 5: The Top 30 Sports/Activities - Participants Ages Six+

Ranking out of 30	Sports/Activity (2003)	# of Participants (In millions)
1	Bowling	55.0
2	Treadmill Exercise	45.6
3	Fishing (Freshwater - Other)	43.8
4	Stretching	42.1
5	Tent Camping	41.9
6	Billiards/Pool	40.7
7	Day Hiking	39.1
8	Fitness Walking	37.9
9	Running/Jogging	36.2
10	Basketball	35.4
11	Dumbbells	30.5
12	Weight/Resistance Machines	30.0
13	Hand Weights	29.7
14	Calisthenics	28.0
15	Golf	27.3
16	Barbells	25.6
17	Darts	19.5
18	Inline Skating	19.2
19	RV Camping	19.0
20	Stationary Cycling (Upright Bike)	17.5
21	Abdominal Machine/Device	17.4
22	Tennis	17.3
23	Ice Skating	17.0
24	Soccer (Outdoor)	16.1
25	Horseback Riding	16.0
26	Fitness Swimming	15.9
27	Hunting (Rifle)	15.2
28	Saltwater Fishing	15.2
29	Target Shooting (Rifle)	15.2
30	Softball (Regular)	14.4

When the fifty-five and over age group was surveyed, SRHA uses aligned well with this group. As the table shows, four Heritage Area uses (fitness walking, freshwater

fishing, day hiking and running/jogging) rank in the top fourteen (SGMA's *Age 55+ - They Keep on 'Ticking,'* 2003).

Table 6: The Top 15 Sports/Activities - Participants Ages 55+

Ranking out of 15	Sports/Activity	# of Participants (in millions)
1	Fitness Walking (100+ days/year)	6.5
2	Stretching (100+ days/year)	4.1
3	Treadmill Exercise (100+ days/year)	3.9
4	Golf (25+ days/year)	3.6
5	Freshwater Fishing (15+ days/year)	1.9
6	Recreational Vehicle Camping (15+ days/year)	1.7
7	Free Weights: Hand Weights (100+ days/year)	1.7
8	Bowling (25+ days/year)	1.7
9	Day Hiking (15+ days/year)	1.5
10	Weight/Resistance Machines (100+ days/year)	1.5
11	Stationary Cycling: Upright Bike [Regular] (100+ days/year)	1.3
12	Abdominal Machine/Device (100+ days/year)	1.2
13	Free Weights: Dumbbells (100+ days/year)	1.0
14	Running/Jogging (100+ days/year)	.87
15	Calisthenics (100+ days/year)	.83

Using selected sports participation trends provided by the Sporting Goods Manufacturer's Association's *Topline* report (2003), uses of the SRHA can be viewed in terms of participation over time. In general the number of people participating in these activities has declined from the SGMA benchmark year of 1987 (except for fitness walking, recreational walking, trail running, and kayaking, which have posted increases.). However, the numbers look very different, if viewed from the year 2000. The categories of fitness walking, running/jogging, walking, trail running, bicycling, and kayaking have all increased from 2000 – 2002, despite a recession during this time period.

Table 7: Selected SGMA Sports Participation Trends Related to the SRHA

(in Thousands)

	1987 Benchmark	1990	1995	2000	2001	2002	% Change (2000- 2002)	% Change (1987- 2002)
Trail Activities								
Fitness Bicycling	n/a	n/a	n/a	11,435	10,761	11,153	-2.5	-17.7
Fitness Walking	27,164	37,384	35,621	36,207	36,445	37,981	+4.7	+39.8
Running/Jogging	37,136	35,722	32,534	33,680	34,857	35,866	+6.5	-3.4
Walking (Recreational)	n/a	n/a	n/a	82,561	84,182	84,986	+3.0	+5.1
Hiking (Day)	n/a	n/a	n/a	39,015	36,915	36,778	-6.0	-4.8
Trail Running	n/a	n/a	n/a	5,232	5,773	5,625	+7.5	+7.2
Bicycling (Recreational)	n/a	n/a	n/a	53,006	52,948	53,524	+1.0	-1.9
Skiing (Cross country)	8,344	7,292	5,458	4,613	4,123	4,080	-11.6	-51.1
Water Activities								
Canoeing	n/a	n/a	n/a	13,134	12,044	10,933	-16.8	-19.7
Kayaking	n/a	n/a	n/a	4,137	4,727	5,562	+34.0	+58.9
Rafting	n/a	n/a	n/a	4,941	4,580	4,431	-10.4	-20.4
Water Skiing	19,902	19,314	15,376	10,335	8,301	8,204	-20.6	-58.8

AREA EVALUATION INFORMATION

In assessing any site for potential business operations, it is essential for planners to have a good understanding of the market from which the planners/businesses will draw the majority of their consumers. The following data and analysis provide the essential and basic data that can be used to assess the value of operating a business enterprise within the Schuylkill River National and State Heritage Area.

Although this information is aimed toward new businesses moving in to the area, it can also be used by current business operations. Current businesses can assess why they're not receiving the amount of business they are expecting and build the results into their marketing and business plans. Tactical executions should be more accurate as these

data are built into the businesses plans. Of particular importance to current business owners would be the “value” of their marketing plans and executions. The area evaluation will help the business owner target those groups of customers who may have a need or want for the products and services offered.

The data presented and analyzed in the following pages are drawn from many different sources including, but not limited to, the *United States Bureau of the Census*, *The S and MM Survey of Buying Power*, *Mediamark Research Inc., Editor and Publisher Market Guide*, *Standard Rate and Data Service (SRDS) Lifestyle Analyst*, and *The Marketer’s Guide to Media*. It should be noted that data differ slightly for each source of data and information. The researchers have assembled all of the data that were then adapted and modified for the specific purposes of this report. Additionally, the researcher’s collected, analyzed and extrapolated the data to allow for forecast estimations as to what the market may look like today and over the next several years. Data are reported for the five-county area that is included in the Schuylkill River National and State Heritage Corridor area (i.e. Berks, Philadelphia, Montgomery, Chester and Schuylkill Counties).

Each of the area evaluation metrics is given, and the data inputs are also provided on a county-by-county basis. The data have been tabled to allow the reader an easier time in their search for particular bits of information and data.

Buying Power Index

The Buying Power Index (or BPI) is a statistic that represents the market's (i.e. the five county area) ability to buy products and services as a percentage of the total U.S. potential. The BPI is determined by an area's retail sales, population, and EBI (effective buying income expressed as a percentage of the United States totals). These inputs are then weighted according to the importance of each of the input variables (i.e. retail sales, population and EBI). The BPI is one of the most frequently used measures to estimate potential for sales of a good or service. Because some of the counties from which information was gathered are not entirely within the Schuylkill River Heritage Area, the data reported will have a slightly inflated value. Having said this, however, there is a strong possibility that the businesses within the corridor will draw customers from the five-county area, thus the values shown are fairly representative of what can be expected by businesses that plan to locate in the area.

Thus, the BPI is calculated as follows:

$$BPI = (Population \times 2) + (Retail Sales \times 3) + (EBI \times 5) / 10 \text{ (the sum of the weights)}$$

The area BPI is shown in table 8, "Schuylkill River Heritage Area Buying Power Index Data". The overall buying power index for the five-county market area, as shown in the table is 1.1464. This index indicates a strong consumer ability to buy within the market area. The BPI number indicates that over 1.14 percent of all U.S. retail sales come from this market area.

Table 8: Schuylkill River Heritage Area Buying Power Index Data

	Total Five-County Area	Schuylkill	Berks	Chester	Montgomery	Philadelphia
Population	3,222,600	149,300	377,300	442,000	757,100	1,496,900
# of Households	1,239,400	60,500	143,100	161,800	289,600	584,400
Total Effective Buying Income (EBI) (\$000)	\$65,230,225	1,971,223	6,623,983	13,163,656	21,232,420	22,238,943
Median Household EBI	\$42,328	27,017	38,987	61,842	53,799	29,995
% of Households with \$35,000 - \$49,999 EBI	N/A	19.1%	21.5%	15.1%	18.1%	17.6%
% of Households with \$50,000+ EBI	N/A	16.5%	33.6%	62.8%	54.2%	24.7%
Total Retail Sales (\$000)	\$37,095,721	1,607,868	4,563,960	7,579,619	12,170,937	11,173,337
Buying Power Index (BPI) (%)	1.1464%	.0423	.1264	.2176	.3536	.4065
% of Total U.S. Retail Sales	.0102	.0004	.0012	.0020	.0033	.0030
% of Population	.0112	.0005	.0013	.0015	.0026	.0052
Total U.S. Retail Sales (\$000) = \$3,627,218,024 Total Five-County Population = 3,222,600 Total Five-County Retail Sales (\$000) = \$37,095,721 Market Area's % of Total U.S. Population = .01123				BPI = 1.1464 SAI = .9107 QI = 102.357		
Source of figures: U.S. Census and the Pennsylvania State Data Center (PSDC)						

Sales Activity Index (SAI)

The Sales Activity Index (SAI) is a rough measurement of the per capita retail sales that a market area has, compared with the United States as a whole. Thus, the SAI represents the market area's sales percentage when compared to the nation as a whole.

The calculations to determine the SAI are as follows:

SAI = The Market Area's % of U.S. Retail Sales / The Market Areas % of the United States Population.

The SAI for the SRHA is thus computed as follows:

$$SAI \text{ for the SRHA} = .0102 / .0112 = .9107$$

The number 91 represents a value below the sales activity average for the United States as a whole, thus there is less sales activity in the five-county market area than there is, on average, within the United States. The 91, however, is close to the mean of 100, thus the activity is not extremely low but caution is advised.

Quality Index (QI)

The quality index, or QI, gives an indication of the extent the SRHA is at, above or below par within the United States. The QI can be calculated as follows:

$$QI = \text{The Market Area's BPI} / \text{The Market Areas \% of the U.S. Population}$$

The QI for the SRHA is shown below.

$$SRHA \text{ QI} = 1.1464 / .0112 = 102.357$$

The QI = 102.357. This index indicates that the SRHA Market Area has an above national average quality for the sales of products. It indicates a higher than average buying power for consumers who reside in the market area.

Index of Retail Saturation (IRS)

The index of retail saturation (IRS) is a measure of potential sales per square foot of store space for a given product or service line. Due to a lack of data and a lack of retailers operating businesses near the corridor, there are not enough data units to

generate a useful IRS. It is the belief of doctors James and Denise Ogden, experts in retailing, however, that the market area in general is *understored*. An understored market area means that there are too few stores and/or too little selling space devoted to particular product or service lines. It is desirable for a retailer to enter an understored area because there are not enough businesses providing products and services that will meet or exceed customer wants and needs. This area appears to be an outstanding area for the development of additional recreational businesses.

GROSS AND NET ADEQUACY OF THE TRADING AREA

As is known, a major problem of trading area evaluation is the development of an estimate of the total amount of business a trading area can generate and what share of that business a specific business can expect to gain from the area. In this study, the researchers looked at various categories of retail spending, thus the data generated had to be extrapolated from several sources and presented to the reader. Please keep in mind that the data presented are estimates of potential activity within the given trading area.

Gross Adequacy

Simply stated, gross adequacy is the ability of the five-county trading area to support retail operations without taking into account any type of retail competition. Thus gross adequacy measures the total amount of business available to ALL competing retailers within the trading area (i.e. the five-county SRHA). Gross capacity represents the trading area's total capacity to consume. In order to develop this estimate, the total number of consumers within the five-county area, and their need and want for "outdoor" and recreational products were studied.

In order to determine gross adequacy, two levels of consumer support were assessed: Residential support and Non-residential support. Residential support levels represent the major consumers of goods/services for the trading area and represent the most important consumers. Residential support levels come from the residents of the market/trading area. In order to assess the residential support levels the researchers conducted two types of analyses: population-demographics and household-residential.

Non-residential support levels measure consumers who reside outside of the market/trading area, but contribute to the area's capacity to consume.

Residential Support Levels

The total population for the five-county area under study is approximately 3,222,600 people. This population represents a total of 1,239,400 homes in the market area. The total retail sales for the five-county area are approximately \$37,095,721,000. On the surface these data look very promising for new or current business operations. Although the totals above look extremely promising, we decided to further subdivide the retail sales figure to look for sales activity that occurs for the different types of retailers that may be attracted to the area. Lifestyle plays a major role in the patronage of retail outlets. The following lifestyle categories appear to be "best fits" for patrons of outdoor-type of activities. Each of the following categories was studied and the total households and indices are provided for activity within the categories. It should be noted that the base SMSA (Standard Metropolitan Statistical Area) used for these data was Philadelphia.

Table 9: Sales Activity and Index by Retail Type

Type of Activity	Households	Index
Attend Cultural/Arts Events	35,162	77
Gourmet Cooking/Fine Foods	38,033	75
Travel in the United States	99,985	101
Travel for Business	25,833	79
Travel for Pleasure/Vacation	75,826	90
Likes Community/Civic Activities	28,225	109
Interested in our Nation's Heritage	17,462	99
Bicycling Frequently	52,883	98
Health/Natural Foods	44,969	84
Physical Fitness/Exercise	92,331	95
Running/Jogging	26,790	81
Walking for Health	87,068	101
Casino Gambling	32,531	82
Boating/sailing	23,202	80
Camping/Hiking	59,082	89
Fishing Frequently	75,108	104
Horseback Riding	16,744	82
Hunting/Shooting	42,099	97
Recreational Vehicles	26,312	90
Wildlife/Environmental	41,621	97

(Adapted and modified from *SRDS The Lifestyle Market Analyst, 2002*; *SRDS The Lifestyle Market Analyst, 2003*)

The “households” column displays the number of households that have indicated an interest in the above activities. The index is a national base (=100) that shows how the area is above, at or below the national average in terms of participation in each of the listed activities. These data tell us of the interests of our targeted area. The higher indices represent above average spending or interest in the above activities. It appears that there is sufficient support at all levels (i.e. for all activities mentioned earlier in table 9) for the development of additional retailing venues that deal with the above area. Those psychographic data above show the best indices are for Travel in the U.S., Community/Civic Activities, Walking for Health and Fishing Frequently. It would be

wise for new businesses (and current businesses) to focus on the higher indexed areas when developing their operations.

It appears that the Schuylkill River National and State Heritage Area has a substantial residential support level (\$37,095,721,000) for the development of additional retail outlets for the five-county area. It is recommended that retail developers pay attention to the indices listed above for each of the various types of outdoor activities they are developing. Also keep in mind that data are not tracked for specific businesses, but rather for general categories. One type of retail business may fall into (or at least partially into) more than one category.

In addition to the above support levels, Berks County has recently seen the opening of a new Cabela's category killer store (Hamburg, PA). A category killer is defined as a very large specialty store concentrating on a single product line or product category, such as sporting goods. Estimates show that this store will be the largest tourist attraction in the state of Pennsylvania. The sheer magnitude of the store will increase the number of people coming into the corridor area significantly. Estimates of customer traffic into the store range from eight million to fourteen million visitors a year. As can be seen, the low-end estimate will create significantly more consumer traffic for the corridor area. In addition to the residential support levels, Cabela's will increase the amount of nonresidential support as well. Retail merchants wishing to stay successful will use the additional store traffic as a positive, and develop a product mix and integrated marketing communications' campaign that attracts many of these visitors. If the history of Cabela's developments holds true, many new businesses (including many good fits for the corridor area) will develop around the superstore. In areas where

Cabela’s has opened a new store, numerous hotels, gas stations, convenience stores and other complementary businesses have established operations around the supercenter to take advantage of the “law of cumulative attraction” and to further exploit the large numbers of potential consumers who migrate to the trading area. One can expect additional restaurants and hotel/motel developments as a result. These, in turn, provide additional residential and nonresidential support.

Breaking the support levels down by product category is often a better indicator of the total adequacy for support of a retailer. The following tables indicate the current support levels for each category of business entity. The data are limited to the five counties surrounding the corridor. Additionally, the number of establishments of like businesses is shown to further provide data in regard to support levels.

The following table represents total sales receipts for “Arts, Entertainment and Recreation” activities within the five-county area. In addition, the number of establishments that fit this NAICS code is given for each county.

Table 10: Sales Receipts and Numbers of Retailers for the Five-County Corridor Area for “Arts Entertainment and Recreation”

County	Establishments (#’s)	Sales Receipts (in \$1,000’s)
Berks	920	\$ 16,720
Chester	1,391	35,034
Montgomery	2,604	68,461
Philadelphia	3,307	59,759
Schuylkill	194	3,981

Note: The numbers generated are for all activities that fall into the Arts, Entertainment and Recreation Category. According to the Census Bureau this includes “(1) Establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural or educational interest; and (3) establishments that operate facilities or provide for services that enable patrons to participate in **recreational activities** or pursue amusement, hobby, and leisure time interests” (U.S. Census Bureau 2002 Economic Census; Claritas).

We can further break down the retail sales figures for the five county areas utilizing additional Claritas data (combined with Census data). The following tables shows that breakdown by retail sales for outdoor activities. All data are in \$1,000's.

Table 11: Retail Sales (in \$1000's) - Sporting Goods Stores

Berks	There are no current data since the opening of the Cabela's store. This needs to be updated as data become available
Montgomery	\$105,350
Philadelphia	63,742
Chester	40,372
Schuylkill	Because the sales are so low, these data are also not available

Table 12: Retail Sales (in \$1000's) - Food Services and Drinking Places

Berks	\$ 297,320
Montgomery	770,923
Philadelphia	1,316,422
Chester	333,093
Schuylkill	These data are not available because of the low amount of sales

Table 13: Retail Sales (in \$1000's) – Restaurants

Berks	\$ 134,924
Montgomery	385,156
Philadelphia	514,253
Chester	147,504
Schuylkill	34,278

Table 14: Retail Sales (in \$1000's) - Limited Service Eating Places

Berks	\$ 117,232
Montgomery	257,032
Philadelphia	441,066
Chester	124,999
Schuylkill	37,289

**Table 15: Retail Sales (in \$1,000's) - Amusement and Recreation Services
(Including River Rafting)**

Berks	N/A
Montgomery	\$112,814
Philadelphia	65,241
Chester	47,349
Schuylkill	9,723

These data indicate that there are opportunities for additional businesses within the corridor area. Amusement and Recreation Services appear to be understored (that is, there are too few businesses offering needed services and products). It is recommended that individuals businesses wishing to operate in the corridor undertake additional analyses focused on their product or service category.

In addition to these levels of residential support, the types of businesses and activities who may have an interest in the area would also have heavy support from nonresidential sources. Nonresidential sources are typically tourists and other visitors who come for day trips or extended stays. This source of support offers additional retail dollars for business operations.

Nonresidential Support Levels

Although the majority of retail sales come from residential support levels, it is also wise to take into account support levels from nonresidents. When assessing nonresidential support levels, data from travel and tourism sources are utilized for best guess estimations of spending levels within a given geographic area.

Nonresidential support levels are additional good news for potential retailers along the SRHA corridor. The travelers indices for the types of retail establishments wanted in the corridor appear to be high indicating a desire to spend money for outdoor- and health- related products and services. As stated earlier, Cabela's will provide increasing amounts of nonresidential support.

Pennsylvania is ranked as one of the top destination areas for tourism. Additionally, Philadelphia provides the fourth highest area of origin for leisure trips making nonresidential support for the corridor high (*Domestic Travel Market Report, 2003 Edition*). Business and leisure travel visitors made over 11.5 million trips to the region last year. Of those trips, approximately twenty-five percent (25 %) were discretionary leisure visits, forty-five percent were to visit friends or relatives and thirty percent were for business trips (*Domestic Travel Market Report, 2003 Edition; Travel 2003 and Beyond: A study of leisure travel markets and media; The Minority Traveler, 2000 edition; The Greater Philadelphia Tourism Marketing Corporation research*).

Using the same sources as above, spending on tourism can be estimated. Over \$20 billion was generated as a direct economic impact on the region. Estimated spending for the five counties is shown below:

**Table 16: Estimated Spending for Nonresidential Visitors
(In \$ millions)**

Berks	\$ 700
Montgomery	960
Philadelphia	1,900
Chester	510
Schuylkill	192

Given these data it would appear that there is significant support for new recreational and tourism-based business development for the Heritage (corridor) Area.

Net Adequacy

Net Adequacy is like gross adequacy, except it takes into account competition. Thus, net adequacy is the area's ability to provide retailer support (in unit or dollar consumption) after competition has been taken into account. Simply stated, net adequacy is the proportion or percentage of sales volume a specific retailer can expect to receive from the trading area. Because this business analysis was developed for groups of different service and product retailers, the data will reflect the entire group as a whole.

Net adequacy is computed by dividing the area's capacity to consume with its capacity to retail. Because of the way data are collected, it is impossible to utilize secondary data to generate enough information in regard to the gross leaseable areas of the current businesses. It is recommended that another study be undertaken to estimate the per square foot selling space for each of the many different categories and types of businesses that are established and retailing in the Heritage Area. These data would give a better indication of the area in terms of it being over or understored.

From the number of current retail establishments in the region, and with the amount of current and potential dollars that are brought into the region, it appears that the Heritage Area is a highly attractive site for future business development between and among existing, or new business development. It is further recommended that a marketing program be developed and executed by the SRHA for the current businesses, and another to attract potential businesses to the area.

GROWTH POTENTIAL

In an effort to maintain a “dynamic” document, growth potential for the trading area has been analyzed. The analysis was created in order to show acceptable levels of support for the retailers in the future. Our growth potential analysis was developed utilizing visual observations. The findings are as follows:

1. There is a lack of businesses in the heritage corridor that cater to customers’ needs and wants.
2. The current businesses located within the corridor need to expand their marketing efforts, particularly in the market area. Philadelphia should be a prime target for the expanded advertising and marketing efforts.
3. A business organization, much like a chamber of commerce, should be developed in order to create economies of scale for the marketing and advertising of the Heritage Area.
4. Additional partnerships should be developed, especially with the new Cabela’s store in the Berks Country region.
5. Additional nonresidential support levels can be increased through the use of better-targeted marketing programs.
6. There is a large potential for growth in the area. The surrounding cities offer a lot of potential in terms of leisure visits to the area. Furthermore activities within the area are expanding.

7. Partnerships should be developed with the current organizations within the corridor. In particular, the Valley Forge National Historical Park (VFNHP) should be better exploited in order to capture visitors to that area for additional spending within the corridor. As a retail partner, the King of Prussia Mall could be tapped. The Mall is the second largest in the United States and the largest on the East Coast. The Mall provides access to marketing opportunities aimed at a large number of visitors to that retail location.
8. We feel that there are many types of businesses that would do well within the corridor. These activities deal with outdoor recreation and related products. Additionally, we feel that well-located hotels, motels and bed-and-breakfast outlets would do well. Eateries should also do well when located within the corridor.

RETAILER RECOMMENDATIONS

Mature Industry

This research has revealed those activities current users engage in along the Schuylkill River Heritage Area are largely in the mature stage of the product and/or industry life cycle. Businesses competing in mature industries or markets usually experience sales increases that are at the rate of inflation, showing little or no real overall growth. Profit levels for businesses competing in mature industries or markets engaged in the activities along the trail are, on average (historically), just above the businesses' costs. The overriding issue for businesses competing in mature industries or markets is how to develop strategies that can result in higher profits and higher returns on investments. As a result, businesses competing in mature industries or markets must, in general, manage costs carefully. Small businesses are often unable to quantify all of their costs accurately and have the additional problem of projecting those costs into the future with accuracy. This problem is even more acute with new small business start-ups. Thus, a recommendation for any new business start up in the Heritage Area is to seek

professional help (such as a small business development center, as well as accounting, marketing and legal help) so that all expenses are realistic and timely.

If a potential businessperson is considering opening an outfitters-type business in the SRHA, they must recognize they are entering a generally mature industry or market. This requires patient capital, meaning the investment in this area will generally take several years to breakeven and will eventually result in a return on the initial investment. Breakeven periods are greater for businesses entering mature industries or markets than growth industries. Although the category of sporting goods is mature, an outfitters-type retailer located in an *understored* area can be very successful and prosper in an *overall* mature environment. This is especially true if the business locates in an area of sufficient population (market size) to support the business initially and the projected growth rates for the market area are above average. For example, pizzerias are competing in a mature market. Nevertheless, pizzerias are opening all the time on the edges of suburbs (the “ruburbs,” or rural suburbs) where the fastest growth outside of major population centers is occurring. Competitors eventually move in, but by then the first mover into the area has the advantage of name recognition, superior strategy development and implementation and brand (store) preference which enables the retailer to weather competitive incursions into its market area.

Strategies

Strategies for businesses competing in mature industries or markets are consolidation, diversification and differentiation. A consolidation strategy means the number of competitors competing in a given industry or market is reduced by mergers and acquisitions. As stated earlier, this is currently what is happening in the

manufacturing sector of the sporting goods industry. Mergers and acquisitions allow businesses to increase their customer base while cutting down on fixed costs such as the number of top executives, salaried managers, and underutilized plant and equipment. A similar (but different) strategy for small retail businesses is to either acquire a competitor or to open up another location in an adjoining geographic area. This area should be one that the small business owner perceives as understored, or an area they can win market share by serving customers in a superior way as compared to existing competitors, or they have a cost advantage over existing competitors. A second retail location allows for greater economies of scale relative to marketing costs, inventory costs, and administrative costs. For example, if a retailer opens a second location in an adjoining geographic area, often the advertising costs stay the same, but are now divided between two stores with greater combined sales than a single store. Only one phone directory ad is needed to serve both locations. Only one ad in the local paper is needed to serve both locations. Therefore a recommendation is given that existing “best practices” businesses in the area of the corridor be encouraged to consider opening a second location. This is a timely strategy suggestion for existing retailers in the SRHA because of the continued growth of “big box” retailers like Sports Authority, Dick’s and Cabela’s that often offer identical products or substitutes, a greater selection, and lower prices. Schuylkill Valley Sports and Nestor’s are local retailers that are expanding or have expanded, in order to stay viable in the future. Other retailers competing in the sporting goods industry may want to do the same. Differentiation for a business in a mature industry can take the form of providing customer services that other businesses do not offer.

Planned Shopping Center Approach

Another consideration (recommendation) is an alternate retailing format. This would be a planned shopping center approach to opening a business that addresses the undermet needs of many of the users of the Heritage Area. This alternate retailing format (as compared to traditional stand-alone retailers) offers the participant/owner the prospect of shared overhead costs and shared marketing costs. This reduces the initial level of investment and decreases the breakeven point of the business. This format also allows for a planned mix of complementary retailers, reducing direct competition and fostering complementary sales of merchandise. An example might be a person renting bicycles and surreys. Another renting kayaks and canoes. A third business owner might focus on hiking and camping supplies, while another concessionaire provides food and drinks. All of this could be found in close proximity to a bed and breakfast. This planned tourist shopping center approach tests the viability of each component part of the overall business location at minimum costs, minimizes investment exposure, and provides a functioning model of which components are generally needed along the SRHA.

SITE AREA RECOMMENDATIONS

The ideal site for a local outfitter or a retail rental business combines the following attributes:

- **The site is in close proximity to a local population base (such as a city or borough) and is within three to five miles of additional clusters of people.**

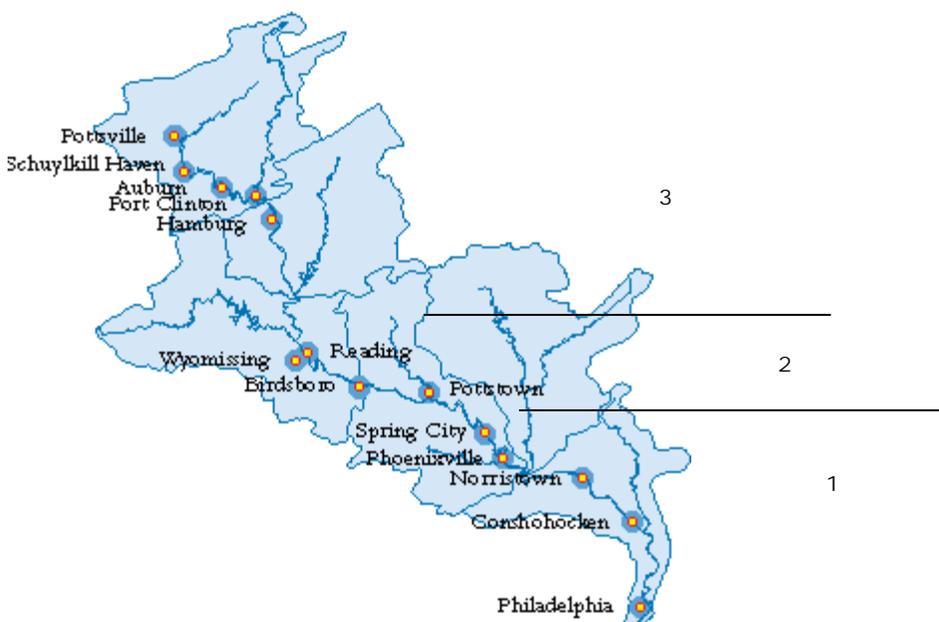
- The site is at (ideally) or in close proximity to the trail, a boat access point, rest rooms and changing facilities, and food.
- The site has ample parking and is well lit.
- The site has good visibility from major roads and access to major highways.
- The site is in an area where local government or a governmental agency (or agencies) is actively supporting new small business formation.

Site Recommendations

Although the Schuylkill River is continuous from Pottsville to Philadelphia, it is logical to divide the river into sections for discussion and site recommendations. This section is divided into three areas for discussion (Graph 17):

1. The lower section of the Schuylkill River from Phoenixville through Valley Forge National Historical Park to Conshohocken
2. The mid section of the Schuylkill River from Reading through Birdsboro and Pottstown to Phoenixville
3. Reading through Leesport and Hamburg to Pottsville

Graph 17: Site Map



Phoenixville through Valley Forge National Historical Park to Conshohocken

The Schuylkill River from Phoenixville through VFNHP to Conshohocken is the lower section of the river and has the following attributes:

- Access to the largest population base in the SRHA
- Access to local businesses along the trail
- Beautiful scenery including the river itself along much of this section

Valley Forge National Historical Park is at a confluence of trails; the Schuylkill River Trail, the Perkiomen Trail, a future trail leading to the Schuylkill Canal Park (just below Mont Clare) (Bicycle Coalition of Greater Philadelphia Regional Bike Map, no date), and the bike paths within the park itself. According to Deidre Gibson, Director of Planning for Valley Forge National Historical Park (VFNHP), the park has five hundred thousand visitors per year, of which eighty percent are recreational users. The park expects an additional seven hundred thousand additional visitors after the Museum of the American Revolution is built. This represents an increase in visitors of one hundred and forty percent. In addition, VFNHP is looking for vendors to establish businesses along the trail – at or in the park itself in the form of concessions – to better satisfy the needs of its visitors. The immediate area has no bed and breakfast businesses at the current time. This is an ideal location for a bed and breakfast.

Many of these visitors are out-of-state visitors spending more than one day at the site. In a convenience sample taken on Saturday, June 12, 2004, of the 135 cars parked at the Visitor's Center, forty five were from out-of-state, or thirty three percent. These are target customers for anyone opening a bed and breakfast, rental businesses along the trail, and hiking needs and accessories.

When the section of the Schuylkill River Trail opened in 2002 at VFNHP, the park saw forty to fifty thousand bikers *per month*. In a convenience sample taken on Saturday, June 12, 2004, of fifty-four cars parked on the east side of the park at the Betzwood Trailhead, twenty-four had bike racks on the back (forty-four percent). At this parking location there are facilities, parking, and a boat access ramp. There are two additional boat ramps north of the park at and just below Mont Clare in the Phoenixville area – another major population area. To the south of the park is the city of Norristown, a large urban center. An eight-mile stretch of the Schuylkill River at VFNHP is free of dams in this area, making it ideal for canoeing and kayaking. In addition, Routes 23, 422 and the Pennsylvania Turnpike provide easy access to the park.

A drawback to this location is the crossing of a major intersection to access a very narrow bridge crossing Route 422. This intersection separates the VFNHP Visitor’s Center from the east side location that has the facilities, actual trail, and boat ramp. Another drawback is the costs associated with developing a business in this area – this area has some of the most expensive real estate in the state. In general, business expenses are higher here than at any other point along the river.

The following table summarizes the pros and cons of this stretch of the SRHA:

Table 17: Phoenixville through VFNHP by Forge Park to Conshohocken	
Opportunities	Drawbacks
Growth in the number of tourists projected for this area	The crossing of a major intersection to access a narrow bridge crossing Route 422
Valley Forge National Historical Park is seeking vendors	High real estate costs
Access to trails is high	Potentially higher business expenses

Reading through Birdsboro and Pottstown to Phoenixville

The area from Reading through Birdsboro and Pottstown to Phoenixville (the mid-section of the river) has the following attributes:

- Traverses one of the fastest growing parts of one of the fastest growing counties in the state, Montgomery County, at its midsection
- Includes the major population areas of Reading, Pottstown, and Phoenixville
- Route 724 on the western shore and Route 422 on the eastern shore run parallel to the river from Reading to Phoenixville
- The river is scenic and the Schuylkill River Trail, although not complete runs by the river in many locations.

This area is also a logical stopping point for those traveling the length of the Schuylkill River Trail (when completed), with Pottstown and Birdsboro being at the geographic center of the Schuylkill at miles 54 and 64 respectively along the 120 mile-long Schuylkill River Water Trail. Pottstown is about nine miles from Birdsboro to the north and nine miles from Spring City and Royersford to the south. This makes Pottstown an ideal destination for the intermediate distance biker looking for a two to three hour outing in either direction. The dams at Linfield to the south of Pottstown and Birdsboro to the north offer approximately eighteen miles of unobstructed water for canoeing, kayaking, and fishing.

As a population center, Pottstown offers all the local services Heritage Area users may want. In addition, the Schuylkill River Heritage Area offices are located next to the river and offer a natural stopping-off point for users of the Heritage Area. The SRHA has also expressed an interest in discussing the development of their property to accommodate a business that caters to trail and river users' needs. This could be the ideal location for the planned shopping center retailing format discussed in the *Retailer Recommendations* section of this study. While Pottstown offers lower business

development costs than the Valley Forge site recommendation, it does not have the population base that Valley Forge has. Multiple businesses using a single site retailing format recommended in the *Retailer Recommendations* section offers the opportunity to bring start-up costs down to the point where the initial investment is in line with the potential return on investment (relative to the level of risk exposure). This format also allows for a planned mix of complementary retailers, reducing direct competition and fostering complementary sales of merchandise. The SRHA office offers ample parking.

The major drawback of this location is population density relative to the Valley Forge recommendation. A limitation of the Heritage Area office site in particular relative to site area recommendations is little to no visibility of the site from major roadways. The site does have easy access to Routes 422 and 100. Pottstown's Riverfront Park has a sanctioned Schuylkill River Water Trail landing for canoes and kayaks, although largely unimproved, it suffices today. Across the river below the Hanover Street bridge is an official Pennsylvania Fish and Boat Commission (PFBC) boat launch, which is also a Schuylkill River Water Trail landing. The following table summarizes the pros and cons of this stretch of the SRHA:

Table 18: Reading through Birdsboro and Pottstown to Phoenixville	
Opportunities	Drawbacks
Unobstructed water offers greater opportunities for water sports and fishing	Lower population density
High potential for planned shopping site	Little to no visibility of the site from major roadways
Good parking	No current access to the Schuylkill River between Reading and Pottstown
Easy access to Routes 422 and 100	

Reading through Leesport and Hamburg to Pottsville

This area has the following attributes:

- Offers the least direct big-business competition to outfitters and sporting goods retailers (except for the big box retailer at Hamburg – Cabela's)
- Scattered population densities
- Outshopping (consumers going to areas outside the local geographic area to make major purchases) is common

The cost of doing business relative to real estate and labor costs are the lowest in all of the Heritage Area. Therefore, businesses in this area will enjoy lower overhead costs but at a much lower volume of business. This can translate into longer periods of time until breakeven is reached. A patient approach to investing is necessary in this area, as returns on investment (although lower levels of investment are necessary as compared to the previous areas discussed) may take longer than in other areas.

The Appalachian Trail crosses the Bartram Trail at Port Clinton. This brings a constant stream of summer hikers, many of whom are making their way from Georgia to Maine from April through October. This is evidenced at the business Appalachian Outfitters in Port Clinton. Their guest book records those that come into the outfitters and their point of origin. Although not on the Appalachian Trail, Appalachian Outfitters is mentioned in the book A Hiker's Companion, the bible for Appalachian Trail long distance hikers. This point is made here to reinforce the need for a trail guide for the Schuylkill River Trail.

The Reading to Leesport and Hamburg section offers the greatest population densities in this area. The Reading area has several miles of the Thun Trail completed at

this time. In addition, Reading has been in the process of revitalization for several years and has the resources to support small business development. All supporting services needed to support the trail are available in Reading. The Tulpehocken Creek (which runs into the Schuylkill at Reading) area is already heavy with hikers, bikers, and joggers, according to the December 2nd depth interview/focus group participants. There is a boat access in Reading, just above the dam, and there is about a four-mile length of the river that is dam-free. Route 422 runs the length of the Reading section of the Schuylkill River in this area. This may be the biggest opportunity for an outfitter or rental business as the City of Reading reaches out to revitalize the city. Not to be forgotten are the several affluent suburbs of Reading with high levels of disposable income. In addition, the outlets in West Reading continue to be a destination for thousands of out-of-area shoppers. The following table summarizes the pros and cons of this stretch of the Heritage Area:

Table 19: Reading through Leesport and Hamburg to Pottsville	
Opportunities	Drawbacks
Cost of doing business relative to real estate and labor costs are low	May take longer to realize return on investment as compared to other areas
High influx of summer hikers along the Appalachian Trail	
The city of Reading offers many opportunities (boat access, outlets)	
Cabela's brings in tens of thousands more tourists a year	

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APPENDIX 1: POTENTIAL BUSINESS START-UPS

Introduction

The following are representative of several businesses that may be located along the Schuylkill River Heritage Area (SRHA) corridor. They were chosen based on research and feedback from users of the corridor. Keep in mind the business descriptions are general in nature and are meant to provide a guide for start-ups.

Bed and Breakfasts

These establishments primarily engaged in providing short-term lodging in facilities known as bed and breakfast (B&B) homes. These establishments provide guest rooms in private homes or in small buildings converted for this use, and they often possess a unique or historic character. Bed and breakfast homes are characterized by a highly personalized service, and the inclusion, in the room rate, of a full breakfast, served by the owner or owner-supervised staff. Many who enter this industry are unprepared for the experience and end up going out of business. For this reason, it is important to research the industry by taking classes, reading a few books, understanding the key success factors associated with B&Bs and surveying the industry for best practices.

In order to attract enough tourists and business travelers to make a B & B profitable the business should be located in a popular vacation spot or busy commercial location. If a suitable home for this business is not already owned, start-up costs may be prohibitive. Table A-1 provides a summary of potential requirements for this type of business.

Table A-1: Potential Requirements - Bed & Breakfast Establishment																					
Start-up costs	<p>Building suitable for a B&B. If one isn't already owned, figure that cost in.</p> <p>Other items:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Expected Cost</th> </tr> </thead> <tbody> <tr> <td>Furnishings and Renovation</td> <td>Depends on condition of property. Can range from \$8,000 - \$50,000+</td> </tr> <tr> <td>Mattresses, sheets, blankets</td> <td>\$1,500</td> </tr> <tr> <td>Smoke Detectors</td> <td>\$200</td> </tr> <tr> <td>Directional Road Signage</td> <td>\$1,500</td> </tr> <tr> <td>Front Entrance Sign</td> <td>\$500</td> </tr> <tr> <td>Legal Fees, Permits, Licenses</td> <td>\$400</td> </tr> <tr> <td>Promotion and Advertising</td> <td>\$1,500</td> </tr> <tr> <td>Business Supplies</td> <td>\$200</td> </tr> <tr> <td>Kitchen Equipment</td> <td>\$400</td> </tr> </tbody> </table>	Item	Expected Cost	Furnishings and Renovation	Depends on condition of property. Can range from \$8,000 - \$50,000+	Mattresses, sheets, blankets	\$1,500	Smoke Detectors	\$200	Directional Road Signage	\$1,500	Front Entrance Sign	\$500	Legal Fees, Permits, Licenses	\$400	Promotion and Advertising	\$1,500	Business Supplies	\$200	Kitchen Equipment	\$400
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Legal Fees, Permits, Licenses	\$400																				
Promotion and Advertising	\$1,500																				
Business Supplies	\$200																				
Kitchen Equipment	\$400																				
Potential Earnings	\$40,000 - \$600,000+ depending on number of rooms																				
Typical Fees	\$80 - \$350 / night																				
Advertising	B&B Associations, on-line, referrals, co-op advertising, direct mail, the location itself																				
Qualifications	Management/business skills; Desire to please guests; Availability 7 days a week.																				
Staff Required	Depends on size of establishment																				
Other Costs	Insurance																				

Bicycle Rental

The majority of bicycle rental businesses are located around heavily trafficked tourist spots. The major cost will be the cost of the bicycles which cost about \$300/each (see table A-2). Money can be saved by buying used bicycles, but repair costs will be more costly and take more time. There is higher money making potential in areas that do not allow cars, such as in park or restricted areas. Because of the weather in the area, the

money-making potential is seasonal. Choosing the right location is essential for this type of service.

Table A-2: Potential Requirements - Bicycle Rental Business	
Start-up cost	\$7,500 – 12,000
Potential Earnings	\$50,000 – 80,000
Typical Fees	\$12 – 15 per half-hour rental
Advertising	Flyers, brochures, Yellow pages, radio
Qualifications	Management/business skills
Equipment needed	Fleet of bicycles and repair equipment
Other Costs	Liability/theft insurance

Canoe Rental Service

Although a seasonal business, canoe rentals are very popular around tourist destinations. Safety must be a primary focus and skilled employees must be hired. Start-up costs are initially high, but once established, in two to three years, continuing costs will be low. The attractiveness of the river will draw people back. Marketing to groups such as schools, churches and youth groups is a good strategy. Table A-3 provides a summary of potential requirements.

Table A-3: Potential Requirements - Canoe Rental Service Business	
Start-up cost	\$50,000 – 150,000
Potential Earnings	\$45,000 – 60,000
Typical Fees	\$15 – 20 per hour rental
Advertising	Brochures, outdoors magazines, recreation guides, sporting goods shops, referrals, on-line, co-op advertising.
Qualifications	Experience with operating a water-oriented business, canoeing skills, business/management skills
Equipment needed	Staging area, canoes, paddles, life preservers, van for return of canoes
Staff	Need a skilled staff
Other Costs	Insurance, maintenance, replacement of canoes and paddles

Outdoor Adventures

An outdoor adventure business takes groups of people into the outdoors for camping, hiking, and experiencing the wilderness. Some businesses focus on self-development, fitness or learning how to live in the wilderness. Another approach is to create activities of groups to learn about their members (i.e. corporate getaways, freshman orientation for local colleges, etc.). To run an outdoor adventure business, the owner must have a strong love for outdoor activities and of educating others to respect nature. Table A-4 provides a summary of potential requirements.

Table A-4: Potential Requirements - Outdoor Adventures Business	
Start-up cost	\$5,000 – 10,000
Potential Earnings	\$50,000 – 100,000
Typical Fees	Varies, depends on length of excursion, group size and corporate versus individual rates (range \$50-1,000 / person).
Advertising	Outdoor magazines, brochures, newspapers, direct mail, Yellow pages, radio
Qualifications	Outdoor leadership skills and experience, knowledge of the natural world, first aid training, strong planning skills
Equipment needed	Outdoor equipment, van, office set-up
Staff Required	Yes
Other Costs	Insurance, equipment repairs and replacement

Recreation Activities Consultant

A recreation activities consultant gets hired by hotels, companies and individuals to arrange interesting outings. The consultant is in charge of making sure everything goes smoothly for participants, from dining to sight seeing activities. This position

entails long hours, mostly spent in planning before the event. Startup costs are low (see table A-5). Income potential for this business is dependent on one's ability to network.

Table A-5: Potential Requirements - Recreation Activities Consultant Business	
Start-up cost	\$1,000 – 3,000
Potential Earnings	\$30,000 – 50,000
Typical Fees	\$500 - \$1,000 /job (plus travel expenses)
Advertising	Recreation associations, direct mail, co-op
Qualifications	A degree in recreations management would be helpful
Equipment needed	Good resource materials and road atlas software, books on tourism of the area
Staff Required	Part-time staff on an as-needed basis
Other Costs	Association dues

Sightseeing Excursions

A sightseeing excursion business owner will organize tours around the local area. This may include excursions to dinner theatres, shopping, and antique stores. Also included would be historic tours such as to Valley Forge. Other offerings may include fall foliage tours, and visits to an Amish farm (see table A-6 for requirements).

Table A-6: Potential Requirements - Sightseeing Excursions Business	
Start-up cost	\$5,000 – 10,000
Potential Earnings	\$20,000 – 45,000
Typical Fees	\$5 - \$20 per person, per trip
Advertising	Local interest magazines, brochures, newspapers, community bulletin boards
Qualifications	Strong planning skills, knowledge of area, driver's license
Equipment needed	Van or bus
Staff Required	Yes
Other Costs	Insurance, vehicle maintenance

Boat Maintenance and Cleaning Service

Boat owners typically have more than average disposable income and the majority of boat owners hate the maintenance and upkeep on their boats. Once a large customer base has been established, employees can be hired to clean and maintain the boats while additional business is generated. Table A-7 provides potential requirements.

Table A-7: Potential Requirements - Boat Maintenance and Cleaning Service Business	
Start-up cost	\$2,000 – 10,000
Potential Earnings	\$30,000 – 60,000
Typical Fees	\$55/hour
Advertising	brochures, newspapers, co-op with boat retailers and restaurants, Yellow pages
Qualifications	Certification as a boat mechanic would be helpful, Business/management skills
Equipment needed	Tools, storage space, cleaning supplies
Staff Required	No
Other Costs	Insurance, repairs

Kiosks or Cart-Retailing

For many a retail store is cost prohibitive. A cart or kiosk has become a viable and low-cost answer to the start-up costs of owning or renting a building. For cart retailing the right product and a good location are essential. Although no special training is required, the business does require stamina. In order to build a customer base, consistent hours must be maintained. An alternative to buying a cart is to rent it for a short time and see how it goes. Rentals average about \$600/week. Table A-8 provides a summary of potential requirements.

Table A-8: Potential Requirements - Kiosks or Cart-Retailing Business	
Start-up cost	\$3,000 - \$5,000 for carts; \$8,000 - \$12,000 for a kiosk; + inventory costs which depend on the type of products sold.
Potential Earnings	\$20,000 – 60,000
Typical Fees	Depends on what is sold in the kiosk.
Potential Products	Flowers, food (e.g. coffee, ice cream...), tourist items, etc.
Advertising	Flyers, co-op with other retailers
Qualifications	Business/management skills
Equipment needed	Cart and supplies
Staff Required	No
Other Costs	Insurance, repairs

Miniature Golf Course

A miniature golf course required drive-by traffic to draw people to the course without a major advertising expense. Customers are more likely to return if there is a creative theme. Because of the high start-up costs for construction, it will take 3 – 5 years to recoup the investment. Start-up costs can be minimized if the owner(s) have the construction expertise to build the course on their own. Table A-9 provides a summary of potential requirements.

Table A-9: Potential Requirements - Miniature Golf Course	
Start-up cost	\$75,000 - \$150,000
Potential Earnings	\$50,000 – 75,000
Typical Fees	Admission fees of \$5-10 / person
Advertising	brochures, newspapers, co-op with other retailers, yellow pages
Qualifications	Design and building skills, creativity
Equipment needed	Clubs, balls, maintenance equipment
Staff Required	Yes
Other Costs	Insurance, repairs

Reasons for Business Failure

It is estimated that one-third of the small businesses within the U.S. close within two years of opening. Below is a list of the top reasons that businesses fail:

- Undercapitalization
- Poor leadership
- Poor or no business plan
- Company's offering did not match customer needs
- Technical problems
- Poor market timing
- Overestimation or underestimation of market size
- Ineffective marketing
- Insufficient distribution
- Management neglect

According to a USA Today survey (2003) the following are the top concerns for small businesses:

- The economy: 16%
- Being able to afford health benefits: 12%
- Attracting good employees: 12%
- Competition from other businesses: 11%
- Keeping costs in line/maintaining profit margin: 11%

There are several factors that help to ensure the success of small to medium enterprises (SME). One of the key success factors is the ability to network. Establishing collaborative relationships with other companies within a given industry is key to gaining leverage and keeping current. Karen Klein provides the following tips for small business success:

1. Manage costs and emphasize personal relationships – Tactics include taking advantage of cash discounts, keeping inventory low, and providing outstanding personal service.
2. Don't undercharge for your products and service – Calculate costs associated with offering the product or service and price accordingly.
3. Create an online customer community to bring traffic to your Web site – A web site offers an avenue for customers to talk about topics related to a particular business. For example Big Fish Bait & Tackle offers extensive content on their site holds contests, message boards and offers expert advice. The result: increased customer loyalty and revenues.
4. Take a strategic approach to marketing – Understand marketing concepts and apply them to planning for your business. The shotgun approach does not work.
5. Meticulous financial planning is crucial to start-up success – Realistic estimations of start-up costs, equipment needs, supplies and other fees will lessen headaches down the road. A business plan is essential to record expectations.
6. Overcome bad timing by pulling back, cutting expenses and consolidating effort – Many businesses experience difficulties due to bad timing. It is important to pull back when the environment is not responding to the new business. Analyze ways to cut expenses while maintaining operations until conditions improve.
7. Business expansion is possible with strong centralized operations – Once you have a strong business it's time to think about expansion.
8. Start small and do research and test marketing as you go – It's important for new business start-ups to go slowly. Learn the ropes and when revenue starts flowing in, expand.

A few additional tips were provided by Meir Liraz (2003):

- Maintain a balance between work, play and family
- Be prepared for change
- Do something you love

Although there are many risks associated with starting a new business venture, the rewards can be great. Much depends on how one defines success. According to Graham

Beaver, “For many small-firm owner-managers, success can be measured in their capacity to sustain a lifestyle business that has been established to provide a measure of independence with an acceptable income at a ‘comfort-level’ of activity” (2003, p. 113).

While each person’s definition of success is different one thing is clear: planning is essential to ensure success for new companies.

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APPENDIX 2: RESEARCH TEAM

J.R. (Doc) Ogden, Ph. D.

James R. Ogden (Doc) is currently the Chair of the Department of Marketing at Kutztown University as well as a Senior Partner and CEO of the Consulting Firm Ogden, Latshaw, Ogden and Associates. He is in demand as a public and motivational speaker, having given presentations during the last few years all over the world. In addition, Ogden has published in leading journals and is the author of five books on business (including retailing and integrated marketing communications [IMC]). He teaches classes in retailing, marketing research and IMC.

Doc's academic training includes a Ph.D. with concentrations in research and statistical methodology, psychology and business; a Master's in Marketing and a Bachelor's in General Business and Business Education with minors in English, Language and Literature. Doc sits on the board of directors for two corporations and has worked for an array of other corporations including General Motors, Meijer, D&B, to name just a few. He has consulted for many others in the areas of advertising and marketing. He is an expert on marketing and has testified before the house and senate in the state of Colorado as such. Ogden has been listed in over 40 "Who's Who" publications and has been given Outstanding Educator awards on numerous occasions. Ogden has been cited for "Excellence in Marketing Education" and has received the prestigious *Freedom's Foundation at Valley Forge* Award for "Excellence in Economic Education".

Roger Hibbs, D.B.A.

Roger D. Hibbs is currently an Associate Professor of Management at Kutztown University. Prior to his coming to Kutztown, Dr. Hibbs worked for twenty years in retailing in the swimming pool industry, leaving Anthony and Sylvan Pools in 1998. Positions he held in the pool industry were sales person, sales manager, general sales manager, regional sales manager, general manager, and vice president and general manager. While in the swimming pool industry he served on the board of directors of the Pennsylvania and New Jersey swimming pool trade association. In addition, he participated in the industry's first national pilot program in hands-on training as an instructor. He has been a featured speaker at trade shows with topics ranging from integrating financing into the sales presentation to pool chemical sales and water chemistry. Currently he serves on the advisory board of the Kutztown University Small Business Development Center.

Dr. Hibbs teaches small business management, entrepreneurship, and business policy and strategy at the undergraduate and graduate levels at Kutztown University. He has been a guest lecturer at Buckinghamshire-Chilterns University College in Buckinghamshire, England and teaches entrepreneurship classes there in the summer. His formal education includes a D.B.A., marketing concentration, an M.B.A., marketing emphasis, and a B.S. in education.

Denise T. Ogden, Ph. D.

Denise T. Ogden is currently an Assistant Professor in Business Administration (Marketing/Management) at Penn State University's Berks/Lehigh Valley Campus and a senior partner of the Consulting Firm Ogden, Latshaw, Ogden and Associates. Her research interests include retailing, integrated marketing communications and multicultural elements of business. Ogden completed her Ph.D. in Business Administration with an emphasis in Marketing at Temple University, Philadelphia, PA. She received her M.B.A. from DeSales University (PA), a BS in Business Administration and a BA in Psychology from Adams State College of Colorado. In 2003, she was the recipient of the PSU Lehigh Valley campus Teaching Excellence award. She teaches classes in retailing, public relations and management. Dr. Ogden is a co-author of a textbook in retailing and is well-published in academic journals.

Prior to pursuing a career in academia, Denise worked over eight years for D&B (formerly the Dun & Bradstreet Corporation) where her accomplishments included development and implementation of a diversity training program and two national awards for outstanding performance. Prior to D&B, she worked two years in Public Relations for the U.S. Bureau of Reclamation.