

Appendix

Survey Analysis Statistical Information



SURVEY RESULTS (ages 16-90)

Segmentation based on market-user inference

Survey Statistics

506	Survey participants
46.7%	Average age (mean)
50.1	Median age
16.6	Standard Deviation
95%	Confidence Level
4.35%	Margin of Error

By Age (sample size)

120	Young Adult
309	Adult
76	Senior Citizen

By Location (sample size)

327	Long Grove - 10 miles
95	10-25 Miles from Long Grove
84	25+ miles from Long Grove

Village of Long Grove

Report Prepared by Illinois Business Consulting

December 12, 2014



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IBC Overview

Founded in 1996, Illinois Business Consulting is the nation's premiere student run consulting organization. Since 1996, we have served over 500 unique clients on over 1,200 projects. IBC engages in 30-40 projects each semester. Our clients range from Fortune 500 multinationals to non for profits and startups. Operating within the Illinois College of Business, IBC has access to significant resources which help us provide unique and specialized service to our clients.

IBC currently has over 250 students with various levels of education and areas of expertise. Our organization draws members from various colleges such as the College of Business, College of Engineering, and College of Liberal Arts and Science. Around 60% of our members are undergraduates, with another 20% of MBA students and the remaining 20% in various other graduate study programs. By drawing from such a diverse pool of students, IBC is able to bring many types of expertise into client engagements and provide well rounded solutions to its clients.

The IBC mission is to "Develop tomorrow's leaders by fostering a learning environment where a diverse group of students can leverage their education, experience and the resources of the University of Illinois to provide value to our clients through consulting engagements." This focus allows our members to learn and grow while applying their skills to add value to our clients and their businesses.



Core Issue

The historical downtown business district of Long Grove provides a unique shopping and dining experience to nearby residents and out of town tourists. A commercial crossroads for the local agriculture industry during its mid-19th century inception, the business district's historic image has been preserved through business owners' cooperation with strict building codes and permitted uses while the surrounding area has developed into an upscale community 30 miles northwest of Chicago. A troublesome trend of declining foot traffic and retail activity, as well as frequent closings of small businesses has materialized over the past decade.

The Village of Long Grove engaged Illinois Business Consulting ("IBC") to analyze the current brand of Long Grove, the needs of existing and potential patrons, and develop a strategy to expand product and service offerings to meet these needs. IBC approached the problem through the overarching question of "What can the Village of Long Grove do to stimulate its downtown business district?" The chosen course of action over the semester-long engagement was to accomplish three objectives, each of which are listed below:

1. Conduct an analysis of Long Grove's current brand and existing customer behavior,
2. Conduct an analysis of Long Grove's surrounding market demand and potential to broaden its customer base
3. Present recommended courses of action to increase the appeal of the downtown business district.

The first two objectives are closely related and can be described as observing what Long Grove currently offers, observing what potential customers in Long Grove and the surrounding area would like Long Grove to offer, and identifying the disconnect between supply and demand. To accomplish these first two objectives, IBC distributed a survey comprised of questions designed to reveal preferences of each participant. The survey was distributed through the Village of Long Grove's own listserv, and distribution was supplemented by reaching out to contacts of IBC engagement team members.

A total of 506 people responded to the survey. After viewing the initial results, IBC decided to segment the results demographically for comparison purposes, assuming that the key demographic drivers of differences in results would be attributable to age as well as location of residence in relation to Long Grove.

Age was broken into the following segments:

- Young Adults, defined as ages 16-32 (**120 respondents**)
- Adults, defined as ages 33-64 (**309 respondents**)
- Senior Citizens, defined as ages 65+ (**76 respondents**)

Location of residence was broken into the following segments:

- Long Grove and within 10 mi. radius from Long Grove (**327 respondents**)
- Between 10-25 mi. radius from Long Grove (**95 respondents**)



- Greater than 25 mi. radius from Long Grove (**84 respondents**)

Upon analyzing the survey results (greater detail will be provided in following sections of this paper), IBC turned its focus to the third objective of the engagement, which is to recommend Village actions to increase the appeal of the downtown business district. Having identified the disconnect between existing supply and demand through the survey results, IBC provided an analysis of each point of disconnect where the survey revealed demand for a good or service that was not currently being offered in downtown Long Grove to the respondents' satisfaction. For each point of disconnect, IBC identified the characteristics of a business that would be advantageous in Long Grove, as well as characteristics of a business that would be disadvantageous in order to distinguish what qualities would be needed in a business to be successful in Long Grove. The intention of this analysis is to be used to identify businesses, whether existing or not, that could have success in Long Grove, and those identified businesses would be encouraged by the Village to invest in Long Grove. The primary tool used in this assessment was the SWOT analysis, which identifies strengths, weaknesses, opportunities, and threats.



Socializing

The historical downtown business district of Long Grove provides a unique experience to nearby residents and out of town tourists. The image of Long Grove has been preserved through building codes and controlled usage. Long Grove attracts people for business, leisure, and living with its distinctive environment. In order to improve the current decline in sales revenue, foot traffic, and business operations, it is imperative to understand the market demand for socializing opportunities.

Survey Results

The goal of creating a survey was to understand the current versus the desired perceptions of socializing, dining, festivals, theatres and other entertainment options in Long Grove. The survey responses were categorized into different age categories: Teens and Young adults (16-24), Adults (25-64), and Senior citizens (65+). The questions we asked regarding socializing were:

1. What do you typically do in historic downtown Long Grove?
 - Our objective with this question was to figure out which age group is currently using Long Grove as a socializing destination.
2. What would you like to see more of in your community/ or surrounding communities? (Please rank your preference on a scale of 1 to 10)
 - Our objective with this question was to determine the current demand for socializing establishments in Long Grove.
3. Please specify what type of socializing you would like to see more of.
 - Our objective with this question was to determine the type of socializing establishments to recommend to Long Grove.
4. How much are you willing to spend on a typical night out?
 - Our objective with this question was to further determine the type of socializing to recommend so that it fits within the potential consumers budget.

Long Grove has the opportunity to provide socializing environments that are not currently being offered. Survey results indicated that the average spending amount per night, between all age demographics, is 51 – 100 dollars. Below are graphs depicting the results from the survey.

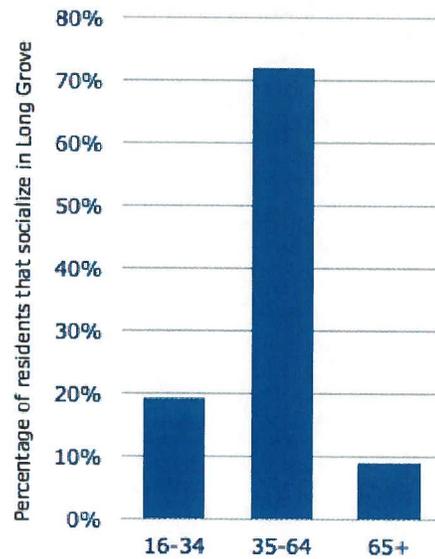


Age Group	Socializing scale of Preference
16-32	3.1
33-64	3.4
65+	3.8

What would you like to see more of in Long Grove?

1 - Most preferred
10 - Least preferred

What do you typically do in historic downtown Long Grove? - Socializing



16 - 32: 6 responses
33 - 64: 49 responses
65+: 13 responses



Recommendations

Socializing Establishment Chains: Commercialized establishments, by their nature, embody a stronger brand image than most dining, recreation, and shopping establishments. Residents and nearby consumers have shown interest in a variety of socializing establishments. Finding a proper socializing chain to fit within the unique experience of Long Grove offers many challenges, portrayed below in a SWOT analysis and accompanied by additional graphics.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Unique experience • Support collaboration between existing businesses • Opportunity to integrate functions 	<ul style="list-style-type: none"> • Ingress and egress • Does not attract all age demographics • Must stay open later
Opportunities	Threats
<ul style="list-style-type: none"> • Meet consumer demand • Improve local economy • Attract a new demographic 	<ul style="list-style-type: none"> • Existing chains may dilute brand image • Start-up costs • Competition from surrounding towns • Resident and political resistance

Strengths

- **Unique experience:** Socializing provides a unique experience that brings people to Long Grove and promotes additional economic benefits as people patronize local venues.
- **Market experience:** Long Grove has thrived in the past and will continue to do so in the future by supplementing new information and trend to already existing business acumen.
- **Support collaboration between existing businesses:** Local businesses allow outside food into their establishments, fostering cooperation and mutual support to build interest and spur consumer spending within the downtown area.
- **Dual function:** Socializing characteristics could be integrated into existing business venues to supplement primary functions. For example, restaurants could bring in local music talent on busy weekend evenings.



Weaknesses

- **Ingress and egress:** Only one main road bi-sects the downtown area of Long Grove. Additionally, sidewalks are sparse and hard to find. This inhibits pedestrian flow throughout the downtown area.
- **Doesn't attract all age demographics:** Many functions of Long Grove deemed as socializing do not cater towards younger demographics. This limits its ability to maximize foot traffic and economic growth.
- **Stay open later:** Most stores and restaurants close soon after sun-down. Many in the survey cite the desire for businesses to stay open later.

Opportunities

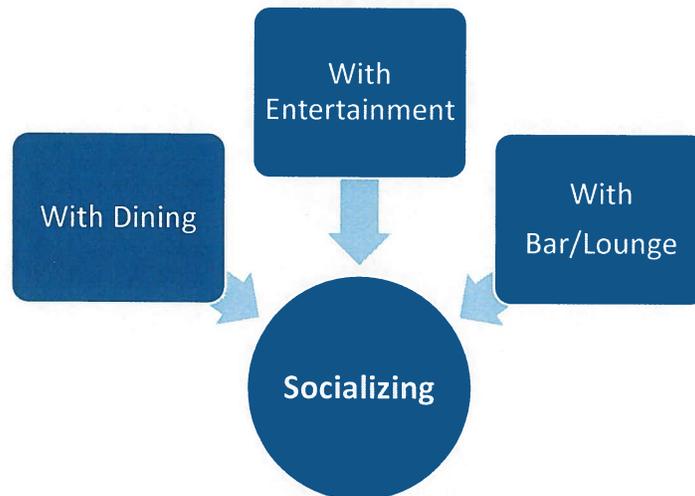
- **Increased demand:** The socializing category satisfies a currently unmet demand among the young adult and adult market segment. However, different age segments have different socializing demands that must be met in a unique manner within Long Grove. Adults prefer casual-based socializing whereas young adults prefer entertainment-based socializing.
- **Dual-function:** Both segments like the notion of socialized dining and the possibility of dual-functioning spaces (restaurant/bar, lounge/theater, dining/comedy club, etc.). Both age groups also expressed interest in later operating hours and bar-by-night socializing opportunities.
- **Events and Multi-purpose space:** These spaces provide socializing opportunities that can be custom-tailored experiences for a specific group of people. This function aligns well with Long Grove's premium, destination-based, brand image. The one drawback, as pointed out in the SWOT analysis, is ingress and egress of Long Grove. The point of entrance and departure for a business would be difficult in Long Grove due to the layout of the historical downtown.
- **Socializing Categories by use:** Three main categories comprise Long Grove's current and future socializing demand as shown below.

Threats

- **Resident and political resistance:** Certain permits or political backing may be necessary to support the opening of local bar/lounge or other socializing establishments.
- **Existing chains may dilute brand image:** Long Grove's image must remain intact. Existing chains may dilute the current image and damage the rustic charm that the town has worked hard to create and maintain.
- **Start-up costs:** Overhead costs may be very high for new establishments requiring permits, fees, construction costs, etc.



- **Competition from surrounding towns:** Many surrounding communities already boast thriving socializing scenes in their downtown area. This competition may make it challenging for Long Grove to draw larger crowds.



With Dining

High-end or casual dining restaurant/ bistro with a social lounge can capitalize on Long Grove’s higher disposable income.

With Entertainment

Comedy clubs, musical performances, local talent concerts, and galleria integrate socializing and destination events.

With Bar/Lounge

Casual or rustic style with a modern twist honors Long Grove’s brand image, while embracing the modern life-style.

Point of Difference: Long Grove offers a unique opportunity to customize a social experience for its local population. Surrounding communities are often highly elastic and open to chain and commercial development, while Long Grove has maintained its brand equity and premium image without risking the dilution of its core values. It is imperative that Long Grove businesses create a unique experience in order to keep up with the competition. A unique experience includes maintaining memorable traits and supporting collaboration between existing businesses.



- **Key Attributes:** Socializing establishments in Long Grove must include the following traits:

Boutique atmosphere

Locally based

Boutique atmosphere – must appear “special”

Locally based – must be specific to greater Long Grove

Rustic modern

Medium to high-end oriented

Rustic modern – blending of traditional and contemporary style and service

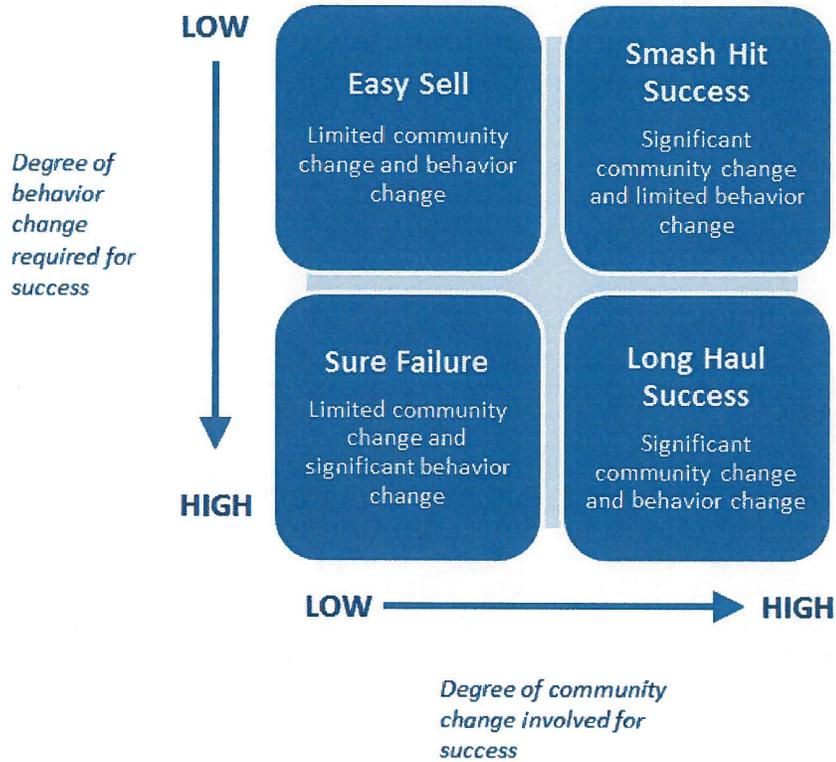
Medium to high-end oriented – capture demand and maximize margins

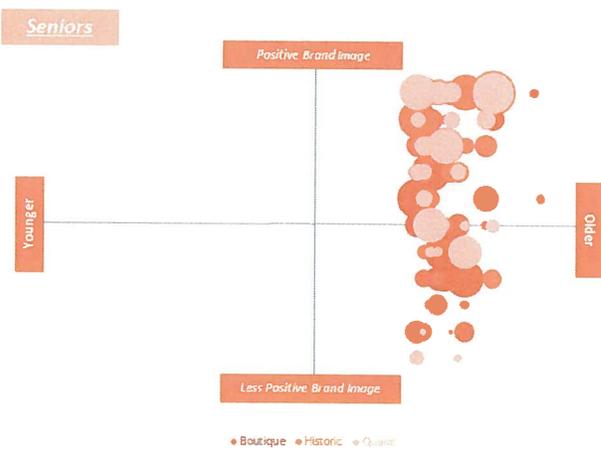
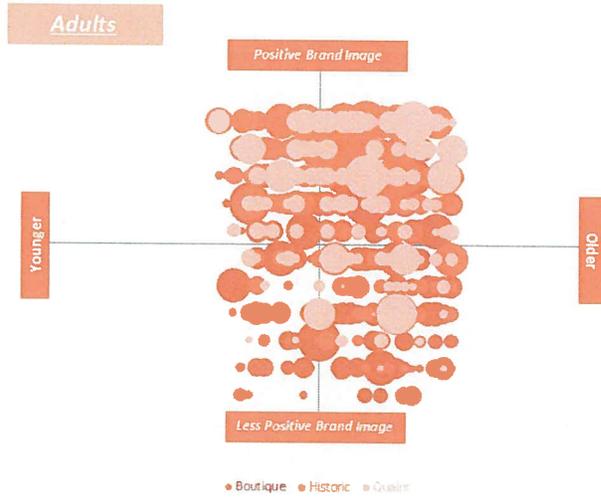
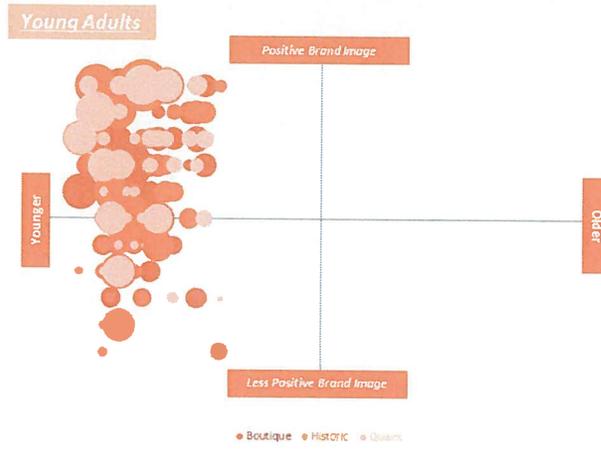
- **Consumer analysis:** Consumers in Long Grove and its surrounding areas have a high disposable income and are less-price sensitive. Most indicated that they are willing to spend money on day-excursions to destination locations. Both family and non-family segments additionally provide an opportunity for growth in socializing establishment market share among the greater Long Grove region.

Socializing to Spur Change: On the Change versus Behavioral Alteration chart, Long Grove is currently not poised for success. The community has not adapted to changing consumer demands; thus, significant alterations in modern consumer behavior are required to patronize the community. Long Grove can leverage significant community change in the socializing category to move its current status into the “Long Haul Success” region. If socializing endeavors become popular, Long Grove could even see a shift into the “Smash Hit Success” region, where modern consumer behavior requires little change to cater to the community.



Change Versus Behavior alteration





Perception Mapping

Perception maps visually portray how survey participants view Long Grove under three defining characteristics of “boutique, historic, and quaint.” Questions offer participants the opportunity to rate specific words under these three categories on a scale of 1 to 10, based upon their perceived relevance to Long Grove.

Each word is assigned a “positive” or a “negative” connotation; thus, allowing one to accurately map all responses visually along a dual-axis scatter-plot system. Furthermore, we have separated all responses into three different age categories: young adult, adult, and senior citizen.

When reading the perception maps to the left, identify the two axes and refer to the area of highest visual concentration among scatter-plots.

These areas quickly and visually represent how survey respondents, by age, viewed Long Grove’s three defining characteristics as “positive” or “negative.” Social aspects play a predominant role in the understanding and support of current-state perceptions.



Summary

Socializing represents an enormous potential growth category for Long Grove. Survey results indicate that the current demand for new and improved venues with which to socialize are high among local residents. By tailoring to these shifts in demand without alienating its core-consumer, Long Grove can begin to rebuild its once strong brand equity.

By focusing on the three main types of socializing and the four key attributes that comprise the Long Grove image, significant community-wide improvement can be made in the socializing category to ultimately push Long Grove into a better position for commerce and social success.

Dining

Introduction

A key aspect of the revitalization strategy involves the town's ability to provide restaurants, bars, festivals, theatres, and other entertainment options that can attract a significant amount of traffic. Increased foot traffic for restaurants, bars, festivals, theatres, and other entertainment options that a city or village has to offer translates into increased economic benefits for the village. Given the village of Long Grove's plan to revitalize its downtown, we decided to analyze the current options Long Grove offers versus what it needs to offer in terms of restaurants, bars, festivals, theatres and other entertainment options in order to generate increased foot traffic. This section focuses specifically on restaurants.

Survey Results

The goal of creating a survey was to understand the current perception of dining, bars, festivals, theatres and other entertainment options in Long Grove vs. what people would ideally like to see more of in Long Grove. We categorized the survey responses according to different age categories namely: Teens and Young adults (16-32), Adults (33-64), and Senior citizens (65+). The questions we asked on the survey regarding restaurant dining are as follows:

1. Do you typically dine in the historic downtown Long Grove?
 - Our objective with this question was to know if restaurant dining in Long Grove is popular.
2. Would you prefer to see more dining in your community / or surrounding communities? (Please rank your preference on scale of 1 to 10)
 - Our objective with this question was to gauge potential demand for restaurant dining in Long Grove.
3. Please specify what type of dining you would like to see more of.

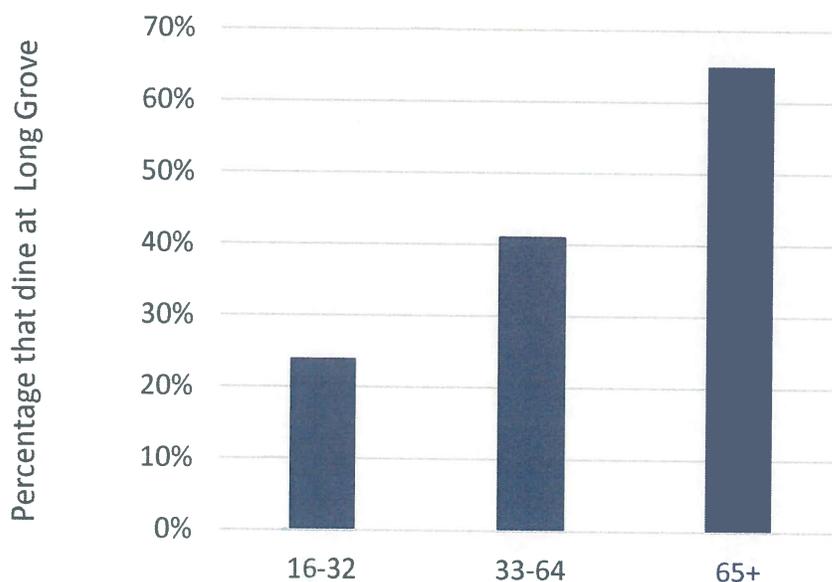


- Our objective with this question was to know the type of restaurants to potentially recommend to Long Grove.

We received a total of 351 responses. Specifically, we received 71 responses from teens & young adults, 234 responses from adults, and 46 responses from senior citizens. The survey results regarding the first question shows that 24% of teens & young adults dine in Long Grove, 41% of adults dine in Long Grove, and 65% of seniors dine in Long Grove (see Exhibit 1). We also asked survey respondents to rank their preference for more dining on a scale of 1-10 (1-most preferred and 10-least preferred). The survey results showed that on a scale of 1-10, teens & young adults ranked their preference for more dining as 3.7, adults ranked their preference for more dining as 2.4, and senior citizens ranked their preference for more dining as 2.4 (see Exhibit 2).

Exhibit 1

What do you typically do in historic downtown Long Grove?-Dining



16-32: 71 responses
33-64: 234 responses
65+: 46 responses

Exhibit 2 What would you like to see more of in Long Grove- Dining?



Age Group	Dining scale of Preference
16-32	3.7
33-64	2.4
65+	2.2

1- Most preferred
10- Least preferred

We also asked survey respondents to specify their restaurant preferences. Recurring restaurant preferences include variety of ethnic dining (Asian, French, and Italian etc.), fine dining, casual dining, fast-casual dining, and breakfast places, but not fast food restaurants. The survey results highlight that we do not see significant dining from all the age groups except senior citizens; however, all age groups would like to see more dining in Long Grove based on survey results. In summary, the implication of the survey results is that there is a significant demand for dining in Long Grove, but Long Grove does not currently offer the types of restaurants that are demanded.

Recommendation

Given the existing gap between demand and supply for dining, Long Grove can revitalize its downtown by attracting diverse types of restaurant businesses (ethnic dining, fine dining, casual dining, fast-casual dining, and breakfast places) to cater to the wants of the people. This section goes into detail about the strengths and weaknesses of each specific restaurant business. This section also analyzes the potential opportunities and threats that could affect the success of each restaurant category in Long Grove.

Casual Dining: Casual dining restaurants are full-service restaurants that are usually moderately priced and geared towards families.

Strengths



- **Customer base:** Casual restaurants can attract a wider variety of customers as compared to fine dining restaurants due to its moderate pricing and atmosphere.¹ The atmosphere of casual restaurants makes it easier for casual restaurants to attract families with children compared to fine dining.
- **Healthy options & Authenticity:** Casual dining restaurants are beginning to provide healthier food options on their menus given our healthy conscious society. For example, Applebee's promotes its under 550 calories menu.² In addition, casual dining restaurants are promoting their use of organic and locally sourced ingredients.

Weaknesses

- **Volatile commodity costs:** Increases in the costs of important ingredients can affect the profitability of casual dining restaurants.³ Due to price sensitivity, it may be difficult for casual dining restaurants to pass on the higher costs of input to customers in the form of higher prices.
- **Competitive industry:** The restaurant & food industry is very competitive in general. Fast casual restaurants that provide fast service and high quality menus are stealing customers from casual restaurants. Furthermore, more grocery stores are offering ready-to-eat meals that provide better value compared to casual restaurants.⁴

Opportunities

- **Family customer base:** There is a significant family population base in Long Grove that has expressed demand for a casual dining restaurant. This means they will patronize a casual dining restaurant if one were to open in Long Grove.
- **High Income level:** The median income level in Long Grove is \$191,522.⁵ This suggests that residents in Long Grove can afford to patronize casual dining restaurants.
- **Low real-estate cost:** The real estate cost of establishing a casual dining location in Long Grove is less expensive compared to opening up a location in the city. On average, rent cost is about \$37 per square foot for doing business in Chicago while rent cost is about \$21.43 per square foot for doing business in Chicago suburbs.⁶

Threats

¹ Monica Parpal, "An Overview of Different Restaurant Types" (foodservicewarehouse, 2014): <http://www.foodservicewarehouse.com/education/restaurant-management-and-operations/an-overview-of-different-restaurant-types/c27994.aspx> (accessed November 17, 2014)

² Bruce Horowitz "Restaurants say consumers are finally ordering healthy" (USA Today, 2011): <http://www.usatoday.com/money/industries/food/2011-04-12-healthy-food-restaurants-applebees.htm> (accessed November 17, 2014)

³ "Causal Restaurants-Business Challenges" (Hoovers, 2014): <http://subscriber.hoovers.com.proxy2.library.illinois.edu/H/industry360/overview.html?industryId=1443> (accessed November 17, 2014)

⁴ Ibid.

⁵ "Long Grove (Village), Illinois" (U.S. Census Bureau, 2012): <http://quickfacts.census.gov/qfd/states/17/1744524.html> (accessed November 17, 2014)

⁶ Ryan Ori "Downtown office rents spike 28 percent since 2006" (Crain's Chicago business, 2012) <http://www.chicagobusiness.com/realstate/20120806/CRED02/120809886/downtown-office-rents-spike-28-percent-since-2006> (accessed November 17, 2014)



- **Economic downturn:** The threat of an economic recession could negatively impact the success of casual dining in Long Grove. Consumers tend to decrease restaurant spending during tough economic times.⁷
- **Poor Visibility Location:** Restaurants usually prefer high visibility locations that can generate high customer traffic.⁸ In the case of Long Grove, the zoning laws could affect the ability of a casual dining restaurant to choose a high visibility location that can attract both Long Grove and non- Long Grove residents.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Customer base • Healthy options and authenticity 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Volatile commodity costs • Competitive industry
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Future customer base • High income level • Low real estate cost 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Economic downturn • Poor visibility location

Breakfast Restaurants: Restaurants that offer breakfast are becoming a popular trend.

Strengths

- **Increasing popularity/revenue:** According to a survey conducted by Bain, breakfast has accounted for over 60% of restaurant traffic growth in the last five years. In 2010, breakfast restaurants generated over \$37 billion in sales.⁹

⁷ “Causal Restaurants-Business Challenges” (Hoovers, 2014): <http://subscriber.hoovers.com.proxy2.library.illinois.edu/H/industry360/overview.html?industryId=1443> (accessed November 17, 2014)

⁸ “Choosing a New Restaurant Location” (On the Fly, 2014): <http://blog.foodservicewarehouse.com/new-restaurant-location/> (accessed November 17, 2014)

⁹ “Food fight: How to win in the new Battle over breakfast” (Bain, 2011): (http://www.bain.com/Images/INDUSTRY_BRIEF-Food-fight-how-to-win-battle-over-breakfast.pdf) (accessed November 17, 2014)



- **Affordability:** Breakfast restaurant options are usually cheaper compared to fine dining.

Weaknesses

- **Limited options:** Most breakfast restaurants that only offer breakfast options but no lunch or dinner options can miss out on potential increase in revenue.
- **Brand recognition:** Most breakfast restaurants do not have strong brand recognition compared to fast casual and fast food restaurants. Lower brand recognition could limit the potential for increase in revenue.

Opportunities

- **Minimal competition:** There is a significant demand for a breakfast place in Long Grove, that is not being met.
- **Low real estate cost:** The real estate costs of establishing a breakfast location in Long Grove are less expensive compared to opening up a location in the city. On average, rent cost is about \$37 per square foot for doing business in Chicago while rent cost is about \$21.43 per square foot for doing business in Chicago suburbs.¹⁰

Threats

- **Poor Visibility Location:** Restaurants usually like to choose high visibility locations that can generate high customer traffic.¹¹ In the case of Long Grove, the zoning laws could affect the ability of a breakfast restaurant to choose a high visibility location that can attract both Long Grove and non- Long Grove residents.
- **Economic downturn:** The threat of an economic recession could negatively impact the success of breakfast dining in Long Grove. People usually reduce restaurant spending during tough times.¹²

¹⁰ Ryan Ori "Downtown office rents spike 28 percent since 2006" (Crain's Chicago business, 2012) <http://www.chicagobusiness.com/realestate/20120806/CRED02/120809886/downtown-office-rents-spike-28-percent-since-2006> (accessed November 17, 2014)

¹¹ "Choosing a New Restaurant Location" (On the Fly, 2014): <http://blog.foodservicewarehouse.com/new-restaurant-location/> (accessed November 17, 2014)

¹² "Causal Restaurants-Business Challenges" (Hoovers, 2014): <http://subscriber.hoovers.com.proxy2.library.illinois.edu/H/industry360/overview.html?industryId=1443> (accessed November 17, 2014)



Strengths	Weaknesses
<ul style="list-style-type: none"> • Increasing popularity/revenue • Affordability 	<ul style="list-style-type: none"> • Limited options • Brand recognition
Opportunities	Threats
<ul style="list-style-type: none"> • Minimal competition • Low real estate cost 	<ul style="list-style-type: none"> • Poor visibility location • Economic downturn

Ethnic Restaurants: Restaurants that provide diverse food options from different cultural backgrounds.

Strengths

- **Multicultural Society:** As America is becoming an increasingly multicultural society, there is a large demand for ethnic restaurants to cater to the wants of diverse ethnic groups.¹³
- **Healthy options:** Ethnic restaurants are becoming increasingly popular for the healthy options they provide. For example, Asian cuisine is usually considered healthy because it contains more of vegetables, less fried food, and less red meat.¹⁴

Weaknesses

- **Market Penetration Difficulty:** Unlike fast food and fast casual restaurants, it is usually difficult for ethnic restaurants to enter into some new markets. For example, it may be hard for an Asian restaurant to be successful in a predominantly white community if there is no significant Asian population there. As a result, it is difficult for ethnic restaurants to expand across the country like chain restaurants such as McDonald's.

¹³ Jee Lee and Johye Hwang "Popular Ethnic Foods in the United States: A Historical and Safety Perspective" (Comprehensive Reviews in Food Science and Food Safety, 2014): <http://onlinelibrary.wiley.com/doi/10.1111/1541-4337.12044/full> (accessed November 17, 2014)

¹⁴ Joanne Chen "The Forgotten Health Benefits of Chinese Food" (Times, 2013): <http://ideas.time.com/2013/02/28/the-forgotten-health-benefits-of-chinese-food/> (accessed November 17, 2014)



- **Volatile Commodity costs:** Increase in the costs of important ingredients can affect the profitability of ethnic restaurants.¹⁵ Increase in the price of ingredients is usually due to high demand or shortages. Due to price sensitivity, it may be hard for ethnic restaurants to pass on the greater costs to customers in the form of higher prices.

Opportunities

- **Historically a European Community:** Long Grove is historically a European town with residents from diverse ethnic backgrounds. Therefore, there is a great potential for European ethnic restaurants (Italian, French, German) to be successful in Long Grove.
- **High Income level:** The median income level in Long Grove is \$191,522.¹⁶ This suggests that residents in Long Grove can afford to patronize ethnic restaurants which are usually on the high price end.

Threat

- **Economic downturn:** The threat of an economic recession could negatively impact the success of ethnic restaurants in Long Grove. Consumers usually cut down spending including restaurant spending during tough economic times.¹⁷
- **Brand Fitting:** It may be difficult for ethnic restaurants such as Mediterranean and Asian to fit with Long Grove's brand, which has a predominantly European feel.
- **Poor Visibility Location:** Restaurants usually like to choose high visibility locations that can generate high customer traffic.¹⁸ In the case of Long Grove, the zoning laws could affect the ability of an ethnic restaurant to choose a high visibility location that can attract both Long Grove and non- Long Grove residents.

¹⁵ "Causal Restaurants-Business Challenges" (Hoovers, 2014): <http://subscriber.hoovers.com.proxy2.library.illinois.edu/H/industry360/overview.html?industryId=1443> (accessed November 17, 2014)

¹⁶ "Long Grove (Village), Illinois" (U.S. Census Bureau, 2012): <http://quickfacts.census.gov/qfd/states/17/1744524.html> (accessed November 17, 2014)

¹⁷ "Causal Restaurants-Business Challenges" (Hoovers, 2014): <http://subscriber.hoovers.com.proxy2.library.illinois.edu/H/industry360/overview.html?industryId=1443> (accessed November 17, 2014)

¹⁸ "Choosing a New Restaurant Location" (On the Fly, 2014): <http://blog.foodservicewarehouse.com/new-restaurant-location/> (accessed November 17, 2014)



Strengths	Weaknesses
<ul style="list-style-type: none"> • Multicultural society • Healthy options 	<ul style="list-style-type: none"> • Market penetration difficulty • Volatile commodity costs
Opportunities	Threats
<ul style="list-style-type: none"> • Historically a European community • High income level 	<ul style="list-style-type: none"> • Economic downturn • Brand fitting • Poor visibility location

Fast Casual Dining: Fast casual dining restaurants are restaurants that do not offer full table service, but offer a higher quality of food with fewer frozen or processed ingredients than a traditional fast-food restaurant

Strengths

- **Brand Name:** Fast casual restaurants often have well-established brand images especially in suburban areas. Because these brand names are so popular and widely recognized and the price point is relatively affordable, they can generate a significant amount of both traffic and sales. Fast casual restaurants are ideal for people going on a quick lunch break.
- **Repeat Customers:** Because fast casual restaurants are priced moderately, they have the potential to generate repeat traffic, especially from local residents.

Weaknesses

- **Dependence on economic conditions:** Because fast casual restaurants are noticeably pricier than fast-food restaurants, individuals who do not have enough disposable income will opt to dine at cheaper alternatives. Thus, the profitability of fast casual restaurants is reliant on good economic conditions.
- **Competitive industry:** Fast casual restaurants face competition not only from each other, but also from traditional fast-food establishments. A hallmark of fast



casual restaurants is offering healthier, higher-quality food, but fast-food restaurants have begun to offer more premium, health-conscious choices as well.

Opportunities

- **Young adult customer base:** Fast casual dining is largely preferred by teenagers and people between the ages of 20-30. Because Long Grove and the surrounding communities have a large number of individuals that belong to these age groups, fast casual establishments can be profitable.
- **High Income level:** Because individuals in Long Grove and the surrounding communities are relatively wealthy, they can afford to dine at fast-casual establishments and will often prefer to do so over fast-food counterparts.

Threats

- **Corporate brand image:** Because fast casual restaurants have well-established brand-names that are known nationwide, there is a possibility that they may be deemed too “corporate” for historic Long Grove’s atmosphere.
- **Poor Visibility Location:** Because historic Long Grove is somewhat secluded and not a high-traffic area, fast casual establishments located in Long Grove will not generate as much traffic or sales as they would in a more visible location.
- **Competition Between Locations:** Fast casual restaurants often have chains in high-traffic areas, and there are a number of these locations in relatively close proximity to historic Long Grove. As such, customers may choose to go to the existing locations rather than Long Grove for their fast casual dining needs.



Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong brand names • Repeat customers 	<ul style="list-style-type: none"> • Dependent on economic conditions • Strong competition
Opportunities	Threats
<ul style="list-style-type: none"> • Large young adult population • Repeat customers 	<ul style="list-style-type: none"> • Corporate brand image • Low visibility • Inter-business competition

Fine Dining: Fine dining establishments are full service restaurants that often have specifically dedicated meal courses. Fine dining restaurants often use very high-quality ingredients and place a heavy emphasis on the dining experience, and are priced significantly higher than casual or fast food restaurants.

Strengths

- **Luxury Appeal:** Fine dining is associated with a high level of status, and is often considered a special experience to individuals. Simply the luxurious nature of fine dining establishments is often enough to drive demand.
- **Low Competition:** Because fine dining is so much pricier than other tiers of restaurants, they are relatively immune to the competitive forces that exist in these other tiers. Fine dining appeals to a very specific segment of customers, and the appeal that fine dining provides to these customers is more than enough to draw them to these establishments over cheaper options.

Weaknesses

- **Heavy dependence on economic conditions:** The impact on profitability that income level has on the fine dining segment is even more drastic than it is in the fast casual segment. A large number of fine-dining customers are upper-middle class families who visit such restaurants only a few times each year. If the economy sours, the traffic to these restaurants would decrease dramatically.
- **Limited appeal:** Most individuals only visit fine dining restaurants a few times every year, and even then the concept usually only appeals to individuals with



significant disposable income. Fine dining restaurants seldom have frequent/repeat customers.

Opportunities

- **Missing Niche:** Currently, there are not many fine-dining restaurants in Long Grove or the surrounding communities, and a fine-dining destination would be able to capitalize on the lack of suppliers, building both a customer base and a brand image.
- **High Income level:** The high median income of Long Grove and its surrounding communities makes fine-dining especially viable, as the locals have significant amounts of disposable income that they are likely willing to spend on a fine-dining experience.

Threats

- **Poor Visibility Location:** Traditionally, fine dining establishments are found in highly visible areas with a lot of traffic in order to complement the prestige that comes with eating there. Historic Long Grove will likely need to undergo drastic changes in order to become an attractive location for fine dining restaurants.
- **Different Cultures:** Historic Long Grove's current atmosphere reflects a quaint, down-to-earth culture that clashes with the trendy, sophisticated feel that fine dining establishments often carry. As such, a fine dining restaurant would not fit in well alongside existing establishments in historic Long Grove.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Luxury appeal • Low competition 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Dependent on economic conditions • Limited appeal
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Fits into missing niche • High median income 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Corporate brand image • Culture clash



Summary

Restaurant dining is a significant part of revitalizing a city or village. The survey results indicate that there isn't a lot of dining activity in Long Grove currently; however, there is a huge demand to see more restaurants in Long Grove. Restaurants that have the potential to be successful in Long Grove based on survey respondents' preferences include fine dining, casual dining, ethnic dining, fast casual dining, and breakfast dining. However, it is worth noting that there are also potential challenges that could negatively impact the success of these restaurants in Long Grove.

Entertainment

Festivals

Introduction

The entertainment market is crucial to restructuring a historic downtown. We have conducted a survey to analyze the current vs. target demand of Long Grove's entertainment industry. We recommend a variety of feasible vendors for Long Grove to increase the quality of festivals. Based on the results of the survey, any of the recommendations may be used at any festival. Also, we have researched the market for movie theatres – with respect to Long Grove's current brand. We suggest two types of movie theatres that may assist the revitalization process. These recommendations may be used to revamp the entertainment industry of Long Grove.

Survey Results

Festivals:

The goal of the survey was to determine the current demand of Long Grove festivals and identify the consumers' interests. We analyzed the market into three age groups: Teens and Young Adults (16-32), Adults (33-64), and Senior Citizens (65+). We asked the following questions:

What do you currently do in historic downtown Long Grove? – Festivals

- Objective: We sought to understand the current market for Long Grove festivals. (Exhibit 3)

Would you prefer to see more festivals & concerts in your community/or surrounding communities? (Please rank your preference on scale of 1 to 10)

- Objective: We wanted to determine if there is potential for growth in this market. (Exhibit 4)

Comments Section

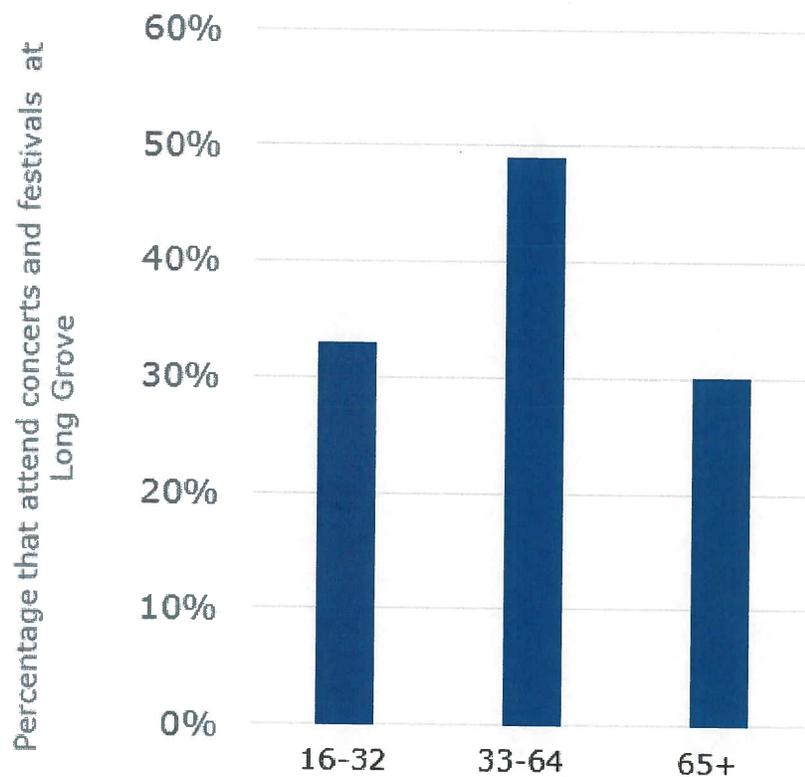


- Objective: We kept an open-ended comment section to gain any relevant information that may help to revitalize the historic downtown (Exhibit 5)

In total, we had 351 responses: 71 from Teens & Young Adults, 234 from Adults, and 46 from Senior Citizens.

Exhibit 3

What do you typically do in historic downtown Long Grove?-Festivals



16-32: 71 responses

33-64: 234 responses

65+: 46 responses

The survey results indicated that 32% of Young Adults, 47% of Adults, and 30% of Senior Citizens currently attend festivals.



Exhibit 4

What would you like to see more of in Long Grove? – Concerts & Festivals

Age Group	Concerts and Festivals scale of Preference	Overall Ranking
16-32	2.6	1
33-64	4.1	3
65+	3.8	3

16-32: 63 responses
33-64: 209 responses
65+: 40 responses

1- Most preferred
10- Least preferred

We also asked survey respondents to rank their preference for more concerts/festivals on a scale of 1-10 (1-most preferred and 10-least preferred). The survey results showed that on a scale of 1-10, teens & young adults ranked their preference as 2.6, adults ranked their preference as 4.1, and senior citizens ranked their preference as 3.8.



Exhibit 5

Festival Preferences	Quotes From Survey
Currently Too Similar	<ul style="list-style-type: none"> • "they are all the exact same " • "festivals are the exact same." • "same event year after year fest after fest"
Higher Quality Vendors	<ul style="list-style-type: none"> • "lack [...] representation by quality service providers." • "they lack a high-end feel" • "there was nothing exciting there at all" • "nothing to even showcase local restaurants"
Healthier Food Selection	<ul style="list-style-type: none"> • "would like to see a better, healthier selection of foods at festivals" • "less junk/greasy/fried foods and sweets" • "fest[s] are nothing more than friend carnival food"
Concert Setting	<ul style="list-style-type: none"> • "band not playing times we[they] were told on the phone" • "love the live music at the Tavern and Chatterbox"

These quotes were pulled from the comments section of the survey regarding festivals. Consumers demand more innovation, better vendors, a healthier food selection, and a revamped concert setting.

Recommendation - Festivals

Currently, there is a strong consumer base among all age groups attending Long Grove Festivals. However, the survey responses suggest that consumers demand a high-end feel, a healthier food selection, and a revamped concert setting. We researched a variety of markets that may be successful operating at Long Grove Festivals.



High-End Feel

Wine/Brew Tastings

Strengths	Weaknesses
<ul style="list-style-type: none"> • New generation of wine buyers • Health benefits • Benefits of Tastings • Product innovation 	<ul style="list-style-type: none"> • Competition from imports • Dependent on consumer spending • Shift in consumer tastes
Opportunities	Threats
<ul style="list-style-type: none"> • Brand image • Attract a new market • Marketing options 	<ul style="list-style-type: none"> • Local competition • Human resource costs • Age appropriateness

Strengths

- **New Generation of Wine Buyers** – Millennials are the next generation reaching the legal drinking age. Millennials are people who were born between 1978–2000; this target market consists of 70 million people. Millennials currently make up 14% of the legal age, but over the next 10 years the percentage will increase to around 40%. Millennials are well versed with online social networks and are willing to try new products.¹⁹
- **Health Benefits** – Wines are associated with preventing cardiac disease. This health benefit may encourage consumers to purchase wine products.¹
- **Benefits of Tastings** – The lobbying efforts of the Distilled Spirits Council have convinced many states to allow liquor tastings. This helps to increase store traffic and revenues. The increased interest in fine wines have made tastings more effective as marketing strategies.²⁰
- **Product Innovation** – Flavored malt beverages are growing within the malt industry. This appeals largely to young adults, but relies heavily on new innovations to keep consumers interested. Malt beverages also enjoy tax benefits over liquor.²¹

¹⁹ “Wineries” (Hoover’s Inc., 2014): (<http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1046>) (accessed December 8, 2014)

²⁰ “Beer, Wine & Liquor Stores” (Hoover’s Inc., 2014): (<http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1821>) (accessed December 8, 2014)

²¹ “Breweries” (Hoover’s Inc., 2014):



Weaknesses

- **Competition from Imports (Wine)** – Imported wines currently hold about a third of the US market. The higher-end market in the US is affected by the oversupply of wine in France and Italy.¹
- **Dependent on Consumer Spending** – There is a high correlation between income levels and wine expenditures. During recessions in the US, consumers switch to less expensive brands which affect the revenue of high-quality wines.¹
- **Shift in Consumer Tastes** – In recent years, consumer preferences shifted away from large breweries toward craft beers. Craft beers have experienced steady growth as opposed to little growth in the overall industry.³
 - **Ex.** Craft beer sales increased 15% in 2012, while total beer sales increased 1%.
- **Competition from Imports (Beer)** – Imports have been making a surge in the US markets. Imports now make up 15% of the US market for malt and beer.³

Opportunities

- **Brand Image** - This idea fits with the current wealthy/rustic brand of Long Grove.
- **Attract a New Target Market** - Quality alcoholic beverages may be a viable option to attract a new target market to Long Grove Festivals. Wine/Beer enthusiasts from surrounding areas may be drawn to visit.
- **Marketing Options** – Wine/brew tastings present a great opportunity for vineyards/breweries to market their products. This also provides current vendors the option to network with visiting consumers and develop a broader consumer base.

Threats

- **Local Competition** - Long Grove businesses may be opposed to non-local vendors for competition reasons. It may be tough for external vineyards/breweries to get consent and operate in festivals.
- **Costs Associated with Organization** - The costs to organize a tasting can be displaced on consumers through separate fees. This may detract from the opportunities for vineyards/breweries to network and offer their products.

(<http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1044>) (accessed December 8, 2014)



- **Age Appropriate Factor** - The age appropriateness of the target audience is another concern as many local students currently attend the festivals.

Healthier Food Selection

Organic Foods

Strengths	Weaknesses
<ul style="list-style-type: none"> • Rise of organics • Farmers markets • Improved cleaning technologies 	<ul style="list-style-type: none"> • Food safety issues • Unpredictable food costs • Private-label competitors
Opportunities	Threats
<ul style="list-style-type: none"> • Demand for healthy options • Low competition 	<ul style="list-style-type: none"> • Supply challenges • High costs

Strengths

- **Rise of Organics** – Organic foods is a growing market in the US. Sales of additive-free products grew 12% to over \$35 billion (Organic Trade Association). Organic products appeal to 80% of US parents. Vendors should incorporate more organic lines to take advantage of the growing market.²²
- **Farmers Markets** – Growing demand for fresh foods has increased the profitability of Farmers Markets. This industry is expanding – markets are offering farmers/suppliers the opportunity to create prepared foods for consumers.
- **Cleaning Technologies** – Companies now incorporate product rinses to make foods appear cleaner and safer.⁴
 - **Ex.** Fresh Express uses “FreshRinse” which decreases microorganisms on leafy greens.

²² “Fresh Prepared Foods” (Hoover’s Inc., 2014):

(<http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1350>) (accessed December 8, 2014)



Weaknesses

- **Food Safety Issues** – In the health industry, it is vital that the company reputation is credible. Therefore, companies must take precautionary acts to ensure no recalls due to bacteria. They must meet government health regulations and gain consumer confidence to be a successful brand.⁴
- **Unpredictable Food Costs** – Weather is a primary factor in the fluctuating food prices. Food makers cannot take advantage of changes in market prices due to the nature of the industry. Food items must be shelved immediately and companies may incur high costs.⁴
- **Private-Label Competitors** – Reputable brands that offer private-label brand salads steal consumers from the Farmers Markets. Fresh prepared salad makers and grocery chains pair up to create private-labels and increase profit margin.⁴

Opportunities

- **Demand for Healthy Options** – Our survey results indicated a growing tendency for healthier food choices throughout the surrounding area.
- **Low Competition** – Currently, Long Grove festivals offer a variety of fried foods. A quality healthy foods option will attract the consumers with very little competition.

Threats

- **Supply Challenges** – Locals who seek to profit from this business at festivals will face challenges when trying to locate suppliers.
- **High Costs** – Due to the nature of the industry, Long Grove investors may inevitably buy supplies at high costs.



Organic Coffee & Tea/Smoothie Vendors

Strengths	Weaknesses
<ul style="list-style-type: none"> • Rise of organics • Innovative product sales • Independent coffee & tea shops gaining popularity 	<ul style="list-style-type: none"> • Raw ingredient costs • Competition (beverages)
Opportunities	Threats
<ul style="list-style-type: none"> • Network for consumer base • Strong demand 	<ul style="list-style-type: none"> • Quality ingredient supply • Qualified employees

Strengths

- **Organic Products** – A shift toward organic products are increasing revenues for coffee and tea. Between 2004 and 2009, organic coffee sales grew over 20% (North American Organic Coffee Industry Report). A variety of coffee & tea products are Fair Trade Certified – companies buy products at a set price for sustainability provisions to benefit small businesses.²³
- **Innovative Products** – Specialty cafés may draw a larger consumer base through innovative products. This may also draw Millennials, who value innovation and are willing to try new product lines.²⁴
 - **Ex.** Seasonal specialties, holiday drinks, etc.
- **Independent Coffee Shops (Coffee & Tea)** – Boutique shops are gaining popularity within the US. A focus on the arts & sciences behind coffee/tea adds to the quality of beverages.⁵
 - **Ex.** Artisanal Coffee Movement – Blue Bottle Coffee (San Francisco), Stumptown Coffee Roasters (Portland), Intelligentsia Coffee (Chicago)

²³ “Coffee & Tea Manufacturing” (Hoover’s Inc., 2014):

(<http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1050>) (accessed December 8, 2014)

²⁴ “Coffee Shops” (Hoover’s Inc., 2014):

(<http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1837>) (accessed December 8, 2014)



Weaknesses

- **Raw Ingredient Costs** – Weather, political dissatisfaction, and economic issues affect beverage quality and profitability.⁵
 - Ex. Green coffee beans, tea leaves, etc.
- **Competition (Beverages)** – Coffee & Tea sales compete with popular non-alcoholic drinks such as water, sports drinks, and soda.⁵
- **Industry Concentration** – Larger companies dominate this industry. Over 90% of the sales are generated by the top 50 companies – JM Smucker, Kraft Foods, and Nestle. Small companies are at a disadvantage as larger companies may enter specialty categories.⁵

Opportunities

- **Network for Consumer Base** – Local or potential companies may use the opportunity at festival tents to market products. This may increase the consumer base for the specific company.
- **Strong Demand** – Current companies based in the Long Grove community have enjoyed success through coffee/tea/smoothie sales.
 - Ex. Liquid Fusion

Threats

- **Quality Ingredient Supply** – New companies do not have scale advantages to quality supplies; raw ingredients may be expensive to obtain.
- **Qualified Employees** – As larger companies dominate the industry, specialty stores must offer quality skills. Finding local employees with the necessary skills to create noteworthy drinks may be a difficult challenge.



Concerts

Local Musicians/Professionals

Strengths	Weaknesses
<ul style="list-style-type: none"> • Popularity • Industry network 	<ul style="list-style-type: none"> • Competition for consumer spending • Dependence on 3rd party • Competition for talent
Opportunities	Threats
<ul style="list-style-type: none"> • Local popularity • High demand for concert setting 	<ul style="list-style-type: none"> • Cost for booking musicians • 3rd party expenditures

Strengths

- **Pay Increase** – Industry wages have increased 20% for performing arts companies from 2007 to 2012. The average hourly wages have increased during this time period as well.²⁵
- **Popularity** – Performing in concerts may increase the fan base for the particular musician.
- **Industry Network** – Professional musicians have a broad network. Performing well in a concert setting may open up future opportunities for aspiring musicians to reach their career aspirations.

Weaknesses

- **Competition for Consumer Spending** – Attending concerts compete with any other form of entertainment/leisure activity. However, effective marketing and competitive prices may help to alleviate these disadvantages.⁷
- **Dependence on 3rd Party Funding** – Musicians rely on another party for investments and additional monetary support. Musicians may sometimes share profits with 3rd parties.

²⁵ "Performing Arts Companies" (Hoover's Inc., 2014):
(<http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1945>) (accessed December 8, 2014)



- **Competition for Talent** – Competition in the music industry is competitive. Well-known producers or musicians may have an advantage over upcoming stars. Differing genres may also relate to competition and selection.⁷

Opportunities

- **Local Popularity** – This will give musicians the chance to create a fan base around the Long Grove community. This may be beneficial for future gigs/events.
- **High-Demand for Concert Setting** – Our survey results indicated a strong demand for concerts among all three age groups.

Threats

- **Costs for Booking Musicians** – Festival budgets may not be sufficient to cover all requested fees to book top-performing or well-known musicians.
- **3rd Party Expenditures for Planning/Reservation** – The Long Grove community will have to bear all human resource costs to host a quality performance.

Movie Theater

Survey Results

The goal of creating a survey was to understand the current perception of dining, bars, festivals, theatres and other entertainment options in Long Grove vs. what people would ideally like to see more of in Long Grove. We categorized the survey responses according to different age categories namely: Teens and Young adults (16-24), Adults (25-64), and Senior citizens (65+). The question we asked on the survey regarding movie theaters is below:

What would you like to see more of in Long Grove?

- We asked this question to get a glimpse into the preferences of what people want in Long Grove and to assess if there is a demand among the various options.

We received a total of 351 responses. To be more specific, we received 71 responses from teens & young adults, 234 responses from adults, and 46 responses from senior citizens. The survey results broken down among age groups showed that the teens & young adults ranked it the highest at an average ranking of 4.1 and overall ranking of 4. Similarly the adults and senior citizens gave an overall ranking of 5 for movie theaters with the average rankings being 5.5 and 5.7 respectively (See Exhibit 6).



Exhibit 6

What would you like to see more of in Long Grove? - Movie Theater

Age Group	Concerts and Festivals scale of Preference	Overall Ranking
16-32	4.1	4
33-64	5.7	5
65+	5.5	5

16-32: 71 responses
33-64: 234 responses
65+: 46 responses

1- Most preferred
10- Least preferred

We also had a comment section of our survey where respondents could address their concerns with Long Grove and add their input. What was found by reading the comments was the responds were looking for a niche market. Others also wished that the movie theater would be open later than the usual business hours of downtown Long Grove and requested different styles of movies (see Exhibit 7)



Exhibit 7

Movie Theater Preferences

Quotes From Survey

Niche	<ul style="list-style-type: none"> • “It(movie theater) needs to be niche.”, “it should be a smaller theater”
Open Later	<ul style="list-style-type: none"> • “I wish there were more movie theater[s] open past 6 PM.”
Types of Movies	<ul style="list-style-type: none"> • “showing indie films”, “foreign films”

The implication of the survey result is that there is a demand for movie theaters in Long Grove, but Long Grove does not currently have a movie theater to satisfy the demand.

Recommendation

Given the existing preference for a movie theater, Long Grove can revitalize its downtown by attracting movie-goers from Long Grove and the surrounding communities. This section goes into detail about the advantages and disadvantages of various movie theater options. This section also analyzes the potential opportunities and threats that could affect the success of each movie theater category in Long Grove.



Drive-In Movie Theater:

Drive-in movie theaters are typically a large projector with an area for cars to pull up to watch the movie.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Unique experience • Low startup costs • Dual function 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Seasonal • Doesn't attract all age demographics
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Meet consumer demand • Improve local economy • Attract more foot traffic 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Community resistance • Competition from surrounding towns

Strengths of Drive-in Movie Theaters

- **Unique Experience:** Drive-in movie theaters do not provide a typical movie experience. They are not very common so people will be attracted to their uniqueness.
- **Low startup costs:** There will be lower startup costs than other styles due to the fact that a movie theater does not need to be constructed.
- **Dual Function:** When the drive in theater is closed the land can be easily repurposed for other uses.

Weaknesses of Drive-in Movie Theaters

- **Seasonal:** Drive-in theaters will be a seasonal venture as they will not have enough of a demand to operate during the winter.



- **Doesn't attract all demographics:** To enjoy the experience of a drive-in movie theater, the consumers will need to have a vehicle. This may prohibit people who do not own a vehicle for transportation.

Opportunities for Drive-in Movie Theaters

- **Meet consumer demand:** This style of theater will fit in with Long Grove's image and address the demand in the community.
- **Improve local economy:** A drive-in movie theater would provide more foot traffic for the community resulting in more consumers visiting the downtown business district.

Potential Threats for Drive-in Movie Theaters

- **Community Resistance:** Long Grove has not had a movie theater ever in its history. While a drive-in theater might fit into Long Grove's image, some residents may feel that it does not belong. This could lead to some resistance amongst the community.
- **Competition from surrounding towns:** Surrounding communities already have their own movie theaters. This could attract some of the potential consumers for a drive-in movie theater.

Luxury Movie Theaters:

These are high end movie theaters that typically offer high quality refreshments and food in the actual theater itself. They also have very comfy seats and are small in size.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Unique experience • Consumers will spend • Year round 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Doesn't attract all age demographics • High startup costs • Limited options
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Meet consumer demand • Improve local economy • Attract more foot traffic 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Community resistance • Competition from surrounding towns • Building code restrictions



Strengths of Luxury Movie Theaters

- **Unique experience:** A luxury movie theater provides a much more comfortable movie experience and it vastly differs from a regular movie theater.
- **Consumers will spend:** The average spending amount per night, between all age demographics, is 51 – 100 dollars. This means that people in the area and surrounding communities are willing to pay more for a premium experience which a luxury movie theater would provide.
- **Year round:** A luxury movie theater would not be restricted by seasons. This means that it will be operable year round.

Weaknesses of Luxury Movie Theaters

- **Doesn't attract all demographics:** A luxury movie theater doesn't always attract all age demographics. A younger crowd may be less inclined to spend as much.
- **High startup costs:** A luxury movie theater will require more startup costs as the theater will need to be constructed. Also, the movie theater would need to buy more expensive seats and decorations than a large scale chain movie theater.
- **Limited options:** Most luxury movie theaters will have few screens which means that it can only run a certain amount of movies at a time.

Opportunities for Luxury Movie Theaters

- **Meet consumer demand:** This style of theater will fit in with Long Grove's image and address the demand in the community.
- **Improve local economy:** A luxury movie theater would provide more foot traffic for the community resulting in more consumers visiting the downtown business district.

Potential Threats for Luxury Movie Theaters

- **Community Resistance:** Long Grove has not had a movie theater ever in its history. This could lead to some resistance amongst the community.
- **Competition from surrounding towns:** Surrounding communities already have their own movie theaters. This could attract some of the potential consumers for a luxury movie theater.
- **Building code restrictions:** There may be potential restrictions regarding the construction of this movie theater as it may conflict with current building code restrictions.



Shopping

Outdoor Goods Store

Introduction

When a city or village decides to work on a project to revitalize its downtown, a key aspect of this revitalization strategy involves its ability to provide restaurants, bars, festivals, theatres, and other entertainment options that can draw a significant amount of traffic to the city or village. Increased foot traffic for restaurants, bars, festivals, theatres and other entertainment options that a city or village has to offer translates into increased economic benefit for the village. Given the village of Long Grove's plan to revitalize its downtown, we decided to analyze the current options Long Grove offers vs. what it needs to offer in terms of restaurants, bars, festivals, theatres and other entertainment options in order to generate increased foot traffic that translates into increased economic benefit. This section focuses specifically on movie theaters.

Survey Results

The goal of creating a survey was to understand the current perception of dining, bars, festivals, theatres and other entertainment options in Long Grove vs. what people would ideally like to see more of in Long Grove. We categorized the survey responses according to different age categories namely: Teens and Young adults (16-32), Adults (33-64), and Senior citizens (65+). The question we asked on the survey regarding outdoor goods stores is below:

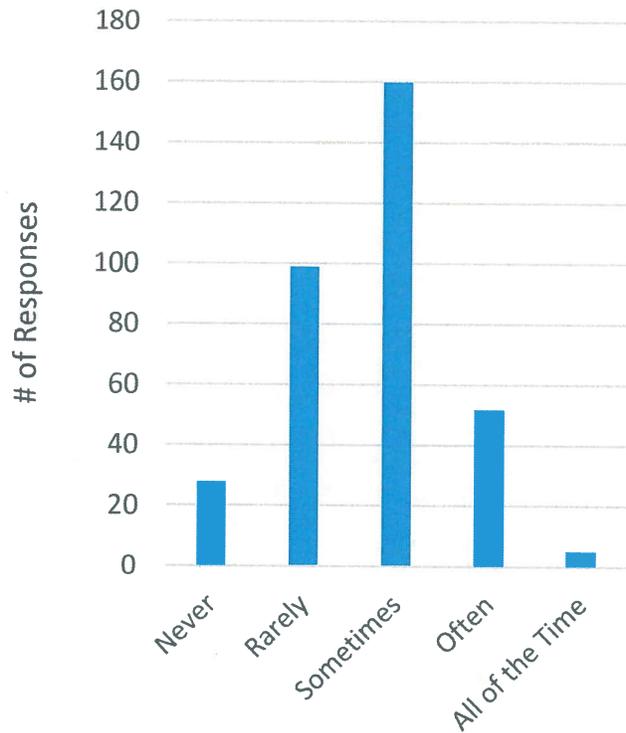
- Do you shop at an outdoor goods store?
- Would you shop at an outdoor goods store?

We asked the first question to see how the current supply for an outdoor goods store is in the Long Grove area. The second question is designed to reveal if there is a potential demand for an outdoor goods store. We received a total of 351 responses. To be more specific, we received 71 responses from teens & young adults, 234 responses from adults, and 46 responses from senior citizens. For the first question we gave options of Never, Rarely, Sometimes, Often, and All of the Time. Sometimes was the most chosen with 160 people while Rarely was second with 99 votes. Often had the third highest count of people with 52. Never and All of the Time had about 33 people together. (See Exhibit 8).



Exhibit 8

Do you shop at an outdoor goods store? (351)

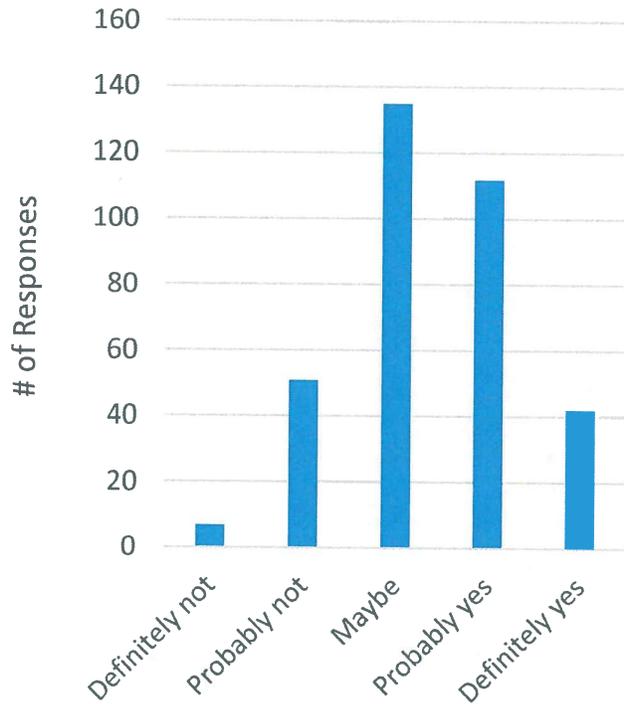


For the second question, we gave the respondents five different options: Definitely not, Probably not, Maybe, Probably yes, and Definitely yes. Maybe was the number one most chosen response with 135 responses. The next highest chosen response was Probably yes with 112. Probably not was third with 51, closely followed by definitely yes with 42. Finally, Definitely not was chosen by only seven respondents.



Exhibit 9

Would you shop at an outdoor goods store? (351)



The implication of the survey result is that there is a demand for an outdoor goods store in Long Grove, but the current stores in the Long Grove and outer Long Grove area are not satisfying this demand.

Recommendation

Given the existing preference for an outdoor goods store, Long Grove can revitalize its downtown by attracting consumers from Long Grove and the surrounding communities. This section goes into detail about the advantages and disadvantages of various an outdoor goods store option. This section also analyzes the potential opportunities and threats that could affect the success of the outdoor goods store.



Chain Outdoor Goods/Sports Store:

Large Chain Outdoor stores typically are located across the country examples include Sports Authority, Dicks Sporting Goods, or Gander Mountain.

Strengths	Weaknesses
<ul style="list-style-type: none">• Long term stability• Will have a large variety of products	<ul style="list-style-type: none">• High startup costs• Doesn't attract all age demographics
Opportunities	Threats
<ul style="list-style-type: none">• Meet consumer demand• Improve local economy• Attract more foot traffic	<ul style="list-style-type: none">• Community resistance• Competition from surrounding towns

Strengths

- **Long Term Stability:** A chain will have a lot of experience running an outdoor goods store. Therefore, they will have a better chance of remaining stable compared to smaller stores.
- **Variety of Products:** There will be a much larger variety of products which will attract more customers.

Weaknesses

- **High Startup Costs:** A large chain will require a significantly higher startup cost compared to a small business. This is due to the larger inventory that will be required from a chain store.



- **Doesn't attract all demographics:** Long Grove has a significant senior citizen population. Typically seniors are less active compared to younger demographics therefore they might not be as attracted to an outdoor goods store.

Opportunities

- **Meet consumer demand:** This will attract the respondents that said they would visit an outdoor goods store.
- **Improve local economy:** A chain outdoor goods store would provide more foot traffic for the community resulting in more consumers visiting the downtown business district.

Threats

- **Community Resistance:** A chain store does not fit in with Long Grove's current image.
- **Competition from surrounding towns:** Surrounding communities already have their own outdoor goods stores, particularly Dick's Sporting Goods located in Deer Park. This could take away some of the consumers that would frequent a Long Grove outdoor goods store.

Specialty Health Foods

Introduction

In our research to search for viable businesses to revitalize the Long Grove economy, we have chosen the specialty health foods store industry. This industry was probed in our research from respondents taking the Long Grove survey in which lifestyle preferences, purchasing parity, and requests for new businesses in Long Grove were noted. The specialty health foods industry has seen a recent spike in interest from generation of consumers who are increasingly more attentive about their health.²⁶ The specialty health foods store industry is booming in the wake of recent economic turmoil.²⁷ This growth has been the focal point in revitalizing local economies through encouraging consumer spending and fostering new establishments.

Currently, Long Grove does not have a specialty health foods store where residents can buy gourmet foods, fresh perishables and more. Through survey analysis, a specialty health foods store in the heart of downtown Long Grove would promote more foot-traffic, attract businesses and still uphold the Long Grove brand. The survey illustrated Long Grove residents demanding

²⁶ 2012 Food & Health Survey: Consumer Attitudes toward Food Safety, Nutrition and Health - See more at: http://www.foodinsight.org/2012_Food_Health_Survey_Consumer_Attitudes_toward_Food_Safety_Nutrition_and_Health#sthash.bFmVVBnR.dpuf

²⁷ IBISWorld – Industry at a Glance. <<http://clients1.ibisworld.com/reports/us/industry/ataglance.aspx?entid=1046>>



more healthy options. Furthermore, this analysis will entail a full report on specialty health foods establishments and their plan to integrate into Long Grove.

Survey Results

Specialty Health Foods Store:

The goal of the survey was to determine the current demand for a specialty health foods store in Long Grove and identify the consumers' interests. We analyzed the market into three age groups: Teens and Young Adults (16-32), Adults (33-64), and Senior Citizens (65+). We asked the following questions:

Are you more concerned with maintaining a healthy diet and lifestyle than you were 5 years ago?

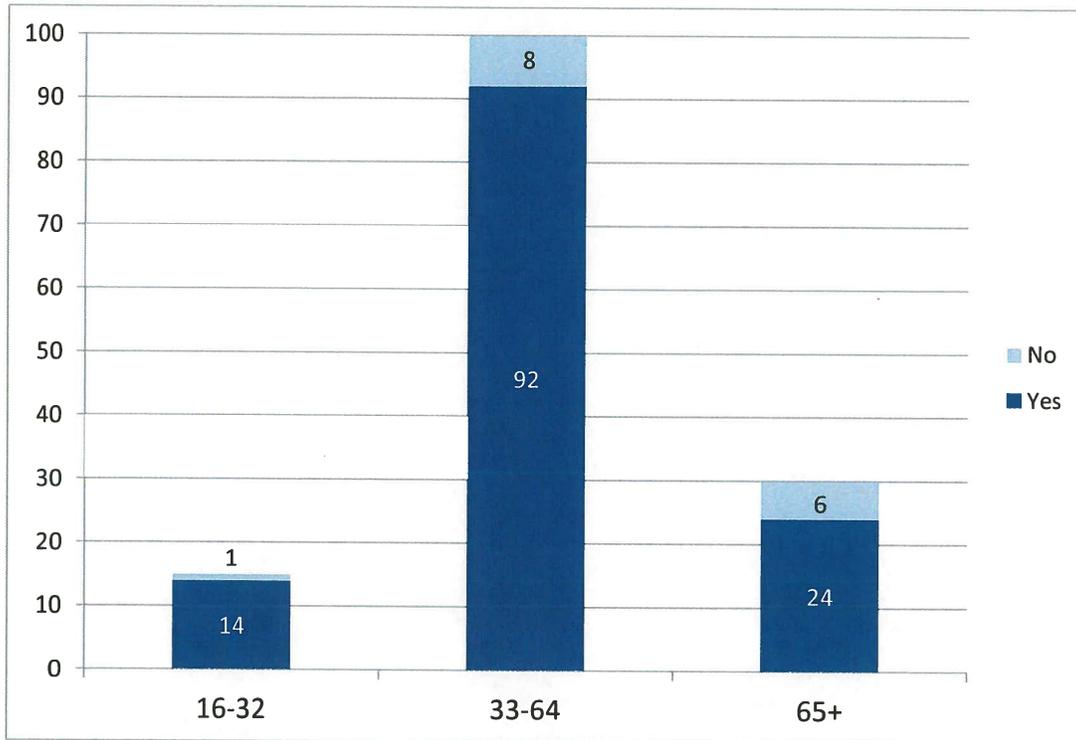
- Objective: We sought to understand the current market for Long Grove specialty health foods store. (Exhibit 10)

How often do you purchase food from a specialty health foods store?

- Objective: We wanted to determine if there is potential for growth in this section. (Exhibit 11)



Exhibit 10

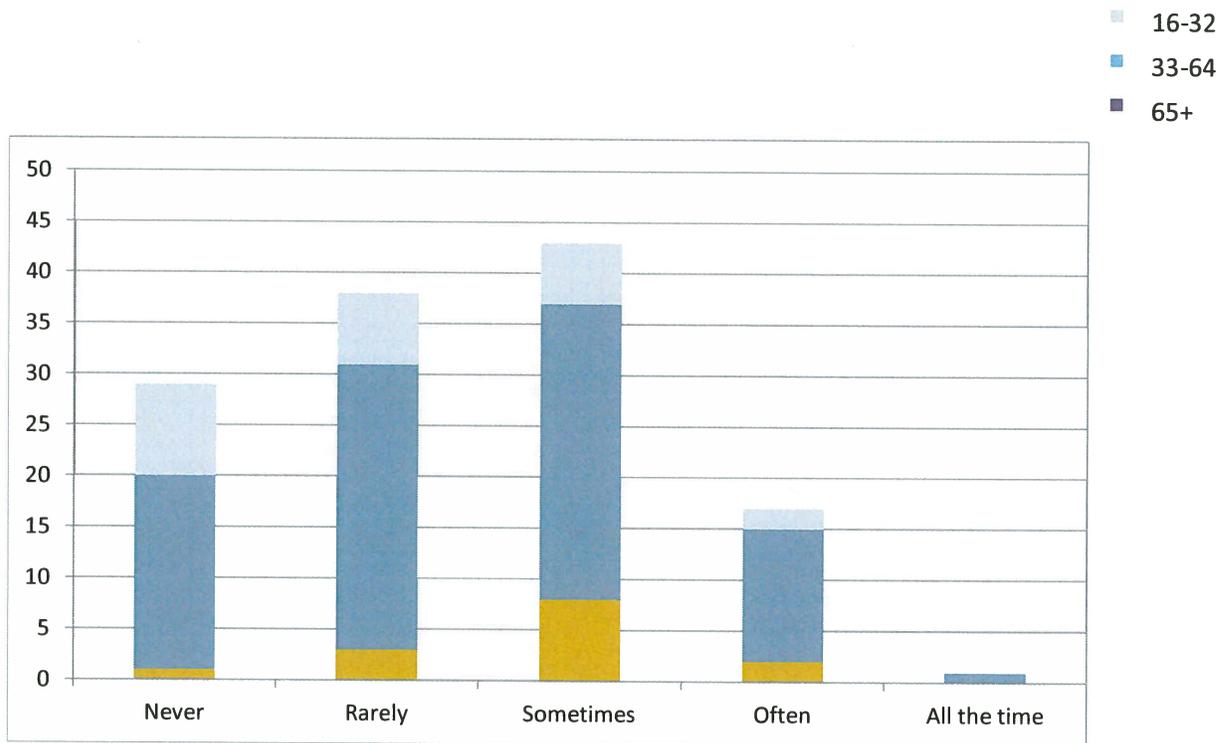


Are you more concerned with maintaining a healthy diet and lifestyle than you were 5 years ago?

The above graph is supporting evidence with the claim that more people are concerned with their health which translates into opportunity for a specialty health foods store to become present in Long Grove. Nearly 90% of the total respondents form the basis of a strong demand and the respondents who neglected maintaining a healthy diet will be exposed to the benefits of a specialty health foods store in the neighborhood. For the residents of Long Grove, there is no foreseeable loss from having a specialty health foods store in the community.



Exhibit 11



How often do you purchase food from a specialty health foods store?

This chart shows the purchasing characteristics of the respondents who currently shop at a specialty foods store. There is no distinguishable specialty health foods store in the vicinity of downtown Long Grove and therefore, many of the answers are rarely or sometimes. The convenience factor is jeopardized and by bringing the specialty health foods store to the customer, we can forecast a profitable opportunity. Ideally, we want to align the present demand with potential supply to meet an equilibrium point of sustainability.



SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Complementing the quintessential LG brand • Promote a healthier community • More intimate with the personal consumer • Offer a great variety 	<ul style="list-style-type: none"> • Competing retailers in adjacent suburbs • Strong building ordinances • Small population
Opportunities	Threats
<ul style="list-style-type: none"> • Loyal customers • Expansion to adjacent suburbs • Attracting new businesses in turn increases foot traffic • Becoming premier shop in LG 	<ul style="list-style-type: none"> • Not receiving awareness from potential customers • Time to build trust with community • Fees & regulations do not promote sustainability

Strengths

- **Complementing The Quintessential LG Brand** – The strengths of having a specialty health food store is indicative in retrospect to what the residents of Long Grove specifically need. Long Grove has long been seen as the “getaway destination” for local Chicagoans. The village of Long Grove is primed on providing residents and visitors with a “country-like” atmosphere that is very unique in nature. A specialty health food store would be ideal because it provides similar characteristics like quaint, relaxed and conservative to Long Grove.
- **Promote A Healthier Community** – Studies have shown that having a healthy diet will promote a happier lifestyle.²⁸ In addition, a specialty health foods store, with the benefits

²⁸ National Bureau of Economic Research. < <http://www.nber.org/papers/w18469>>



mentioned, promotes a community-wide effort to keep residents healthy and sustain this name across the Chicagoland area.

- **Cooking Over Marketing** – A wide variety of options in a specialty health food store adds to the uniqueness that Long Grove shops also offer. One other key strength is that specialty health foods store are not commercialized chains but instead are very niche and intimate in nature with the surrounding community. They advocate quality over quantity.
- **Intimacy With The Customer** – With a variety of foods to offer and personalty foods, customers from Long Grove and out of town feel welcomed. This builds a loyal customer base.

Weaknesses

- **Competing Retailers** – A weakness to the potential specialty health foods store is the threat of competition and competing retail stores eating up the market share with low cost products. This is always going to be an on-going threat and since a specialty health foods store prices their foods higher, customers may look to spend cheaper.²⁹ Many suburbs surround Long Grove and there are huge retailers that compete for that and Long Grove's market.
- **Strong Building Ordinances** – Also, Long Grove has strong zoning and building ordinances that may deter a store from considering Long Grove as a potential market. With strong regulations, the specialty health foods store may expect to see fees, increase inspections, and possibly not the precise infrastructure or location that they had originally intended to.
- **Small Population** – There is a small population of approximately 9,000 in Long Grove which poses a weakness for the specialty health foods store in expansion and reach.

Opportunities

- **Loyal Customers** – To sustain and implement a tactful marketing plan that will attract customers who understand the brand. A key is to have excellent customer service and delivering consistency.
- **Increase Brand Reputation** – By positioning themselves with Long Grove's brand, the specialty health foods store can take advantage of being in a popular destination. Long Grove is distinct for their unique amenities and ambiance so the specialty health foods store differentiates being in this abode as opposed to others.
- **Expansion** – They need to address current market share so expansion is on the horizon. This will be done by addressing the top two concerns above and naturally marketing will cycle through in the form of word-of-mouth across the area.

²⁹ Business Opportunities in Specialty Food Products. <
<http://productcenter.msu.edu/uploads/files/Specialty%20Food%20Products%20Report.pdf>>



Threats

- **Local Competition** – Sunset Foods has a significant market share in Long Grove so a prominent threat to their business success.
- **Awareness Factor** – With such a small population to reach, awareness will lack since there might not be huge promotions or commotion about the arrival of a new specialty health foods store.³⁰
- **Fees & Regulation** – Along with the strong building ordinances, huge fees will be associated with the cost of starting up. Long-term cash projections may not fit the statute of limitation for any owner so it will be a viable threat to their business.

Recommendations

Our final recommendation stems from the data gathered from the survey as respondents indicated what they would like to see. Long Grove should seek to open a specialty health foods store from the basis that many of the residents are consciously aware of maintaining a healthy lifestyle and translating into demand that a specialty health foods store would be profitable. Since few residents do not shop currently, there may be skepticism in the long-term performance. It should be duly noted that Long Grove does not have a specialty health foods store in the vicinity and its brand aligns with what a specialty health foods store offers – authenticity. The specialty health foods store will provide residents with viable and healthy options every day. This store is in line with the brand Long Grove presents - a conservative, cultural and promising store that will revitalize and bring livelihood to Long Grove.

³⁰ SBA. < <https://www.sba.gov/content/tips-choosing-business-location>>