

# Violet Town StreetLife Project

Sustaining and Expanding Business Opportunities

## BUSINESS SURVEY REPORT April 2007



Violet Town Action Group Inc.



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# 1. Background

## *1.1 Introduction*

This report presents findings of the business survey and informal discussions with a range of proprietors and managers conducted by the Violet Town StreetLife Project in March and April 2007.

The purpose of the survey was to collect information which would:

- assist in building a business register;
- identify the type of support individual businesses felt would support their development and expansion;
- identify ways in which business activity in Violet Town could be developed; and
- ensure that all businesses have an opportunity to participate in determining priorities for Violet Town StreetLife project.

Additional information was also gathered through discussions with proprietors of small businesses and other individuals researching and planning the establishment of small businesses in the town.

## ***1.2 Background to the StreetLife Project***


The Violet Town Action Group, in partnership with the Strathbogie Shire Council, was successful in attracting Victorian State Government funding under the "StreetLife" Program to undertake a range of business development and business promotion initiatives, for the benefit of the Violet Town business community. These initiatives include:

- developing an understanding of the businesses operating in Violet Town and district including home based and the Market based businesses;
- developing an understanding of the support required to develop and expand businesses;
- assisting businesses to plan for their development and expansion by providing information, resource materials and links to appropriate business support agencies such as the Aus Industry Small Business Advisors and Small Business Victoria Mentors;
- organising Business Network meetings and Workshops/Seminars that provide opportunities for sharing information, experiences and learning within the community; and
- project management of initiatives that will promote Violet Town businesses.

The Violet Town StreetLife project commenced in late February 2007 and will operate until September 2007 unless further funding is obtained.

## ***1.3 Methodology***

The Business Survey was distributed to 106 small businesses in Violet Town and district that were identified by the Violet Town StreetLife Steering Committee and by proprietors who had not received a survey responding to a media release.



Businesses which operate farms without any value adding operations were not included in accordance with the funding guidelines of the StreetLife project.

Participants completed a hardcopy version of the questionnaire and sent it back using an addressed envelope.

The data collection period for the StreetLife Business Survey was advertised as 14 March – 30 March 2007, however surveys have been accepted until analysis was commenced on 15 April 2007.

During the period 30 March – 11 April the StreetLife Coordinator conducted follow-up visits with a number of Violet Town businesses that had not responded, to encourage participation.

30 completed surveys were returned from 29 small businesses, one respondent indicated that they were no longer in business and another indicated that they did not wish to participate in the survey. There were no unopened surveys marked “returned to sender”. Thus only one survey was considered “out of scope” leaving a 28.6% response rate. This response rate provides a reliable basis for extrapolations to the broader Violet Town business community. However, such estimates should be interpreted with some caution due to the risk of non-response bias errors.

Discussions with 19 small business operators have also informed this report in particular in relation to issues affecting their business decisions which they would like support with and what they believe to be required to develop business activity in Violet Town. Five of these businesses also completed the survey.

The Violet Town StreetLife project will continue to accept surveys in order to prepare a business directory (hard copy and web-based). The information gained will be added to the data base and when appropriate up-dated information will be provided to the Business Network and the community.

## **2. Research Findings**

### *2.1 Business Characteristics*

#### **2.1.1 Industry businesses operate in**

A wide range of industries were represented in the responses, with a number of businesses indicating that they operated across two or more industries. This particularly related to businesses offering accommodation which was connected with tourism and also those that worked within the agricultural sector providing services such as manufacturing, construction and finance and insurance.

Retail trade was the industry with the highest response at 38% (11), this was followed by the agricultural industry at 31% (9). Manufacturing, construction, accommodation and tourism were the next largest areas of operation at around 17% (5). Businesses providing education services were 10.3% (3) of respondents. Other businesses operating in Violet Town include communication, media and marketing services, personal services and information and communications technology. At the time of collation there were no responses from businesses working in the transport and storage industries and health and community services.

#### **2.1.2 Markets businesses serve**

Violet Town businesses serve local, regional, state, national and international markets. Three businesses, from the agriculture/retail, accommodation and restaurant and education, information and communications industries indicated that they served all markets.

While the majority [75.9% (22)] serviced the local community, only 10% (3) of the businesses that responded to the survey indicated that their only market is the local community and a further 13.7% (4) indicated that they serviced local and regional markets. These included hairdressing, party plan, hardware, grocery, milkbar and wood supply businesses.

Some 59% (17) of businesses serve a regional market, 48% (14) provide services across Victoria, 24% (7) provided services across Australia and 17% (5) were servicing an international market.

Businesses working in the regional market only were generally working in the construction industry (building, painting). These businesses indicated that they would prefer to work in the local community but need to travel further a-field to maintain their income.

Businesses which propagated plants, provided consultancy services in relation to land management and undertook value-adding ventures to their agricultural enterprise were most likely to have state-wide markets, some also indicated they served a national market.

Businesses providing accommodation varied in their markets, some indicating that they served a regional market only, others regional and state, one that reported servicing state, national and international visitors and one indicated that they had served all markets.

The majority of businesses are home based (19), with only 13.5% (4) indicating that they sell through the Violet Town Market.

### **2.1.3 Communications**

Some 75.8% (22) of businesses have access to the internet and an email address, however, 32% of these indicated that the best way to contact them was by mail suggesting that they did not feel comfortable using email or that they did not have ready access to a computer even though they have an email address. Conversely 68% (15) of these businesses indicated that they preferred all future communication to be via email.

Only a small number of businesses indicated that they have an established website [21% (6)]. All of these are businesses serving regional, state, national or international markets. In accessing these websites it was noted that three provide basic information about the business, the services provided and contact details, one provides an opportunity to download an order form and another the ability to order and purchase on-line. At the time of writing another could not be accessed.

75.8% (22) businesses indicated that they would like their business details to be placed on both the Violet Town website ( <http://www.violettown.org.au/> ) and the Strathbogrie Shire website ( <http://www.strathbogrie.vic.gov.au/> ). A similar number (23) would like to know more about the benefits of promoting their business on a website. It is important to note that those wanting to know more about website promotion included many that do not have current access to the internet.

Another business noted that although they would like to be able to establish a website and sell in this manner, their distribution agreement does not allow this. Two businesses in the establishment phase indicated an interest in having their details in the various directories once they are open for business.

Other businesses implied that they did not wish to publicise what they had to offer as they already had access to enough work through existing networks and word of mouth.

It is interesting to note that some of the businesses that responded to the survey are already listed on the Violet Town website but did not note this on their survey response.

### **2.1.4 Businesses contributing to Councils Special Rate**

Commercially zoned properties in Violet Town have been subject to a special rate which can be utilised for marketing and promotion activities. Of the 29 respondents 27.6% (8) businesses contributed to this rate. One indicated that their landlord could but that it had not been passed on through their leasing arrangement.

Discussions with four businesses that contribute to the rate indicate a level of dissatisfaction with how the monies are handled, this included:

- Not being aware of what the money has been used for including perceptions that a significant amount is used for Council administration rather than being channelled back to the community and concerns about lack of transparency by the Strathbogrie Shire Council; and

- Being unclear about how the Violet Town community could access the funds for marketing and promotion which would support the contributing businesses as well as others.

All indicated that they were not against a rate of this kind as long as they could see positive benefits coming from it, there was clarity around accessing funds for promotional activities and that all businesses benefiting also made a contribution.

## *2.2 Business Background*

### **2.2.1 Type of business**

Businesses operating in Violet Town and district include companies [21% (6)], partnerships [21% (6)], trusts [3.4% (1)], sole proprietor/owner operated [41% (12)] and franchises [10% (3)].

By far the majority of Violet Town businesses [90% (26)] are locally owned. While no business indicated they were a branch of a national company one indicated that they were a branch of state based company and two were branches of an international companies.

All companies, partnerships, trusts and businesses that are owner operated are locally owned.

### **2.2.2 Origin and reasons for commencing the business**

Some 22 (76%) businesses have been established by the current proprietor, 5 (17%) took over the business from another operator and one is a party plan provider that could be considered to have established the business in Violet Town.

“To be my own boss” [62% (18)] and “financial reasons - make money” [59% (17)] were the most common reasons for commencing in the business.

To respond to “commercial opportunity”, “providing a future for family”, to address a “gap in the market” and “frustration in previous employment” were each cited by 28% (8) of respondents to the survey.

Many respondents provided additional information to clarify their answer(s), these provide enhanced understanding of why people have established or taken over businesses. In discussions with businesses it is clear that lifestyle, ability to supplement pensions and/or farm income, plan for income upon retirement and to be able to work from home were clear drivers of the way in which proprietors approach their business.

"just one of those things which grew out of a conversation"

"to supplement my pension"

"help maintain the town's viability by preventing the closure of another business in town which would send a negative message to tourists and potential/prospective new residents"

"Thought we would like to try something different"

" to give the public a fair go, keep their costs down and do the job correctly"

"to be able to work from home"

"Interest in the hospitality industry"

"enjoyable work that enables achievement of quality work-life balance"

### *2.3 Business development*

Some 25 (86%) of respondents responded to the question with one or more views about what they needed support with to maintain their current operation or to expand their business. Fewer respondents [69% (20)] commented on what would support the development of business activity in Violet Town.

This information is also supplemented by results of discussions with 19 businesses that either visited the StreetLife Office or were visited by the StreetLife Coordinator. Five of the businesses also completed the survey, but it is important to note that information gathered in discussions extended understanding of the survey comments and/or was additional to these comments.

#### **2.3.1 Supporting the operation and/or expansion of individual businesses**

There were three key areas in which people felt they needed assistance these were:

- Assistance from government;
- Access to resources that would support their business expansion; and
- Promotion and marketing.

**Assistance from government** included:

- Being able to better understand compliance requirements for different types of businesses;
- Having information provided in plain English;
- Reducing the time taken to understand and comply with regulations through better information on websites, improved ways of completing forms, reducing the number of forms, improved responsiveness so that there is no need to constantly follow-up government organisations to check that forms have been processed and approval has been given; and
- Support to ensure that older and disabled people living in the town have access to businesses, this included both transport from their home to the

facilities available as well as supporting businesses to improve physical access.

It was recognised that there are three levels of government with different compliance requirements. In discussions with businesses few understood where to start in seeking information about their existing or proposed business and compliance requirements. Additionally, those who were working had little time during business hours to make phone calls and/or visit government organisations. Others indicated that they understood a significant amount of information was likely to be accessible via the internet but that they either did not have access to it, were not confident in using it or their ISP service was very slow.

While to comments regarding responsiveness from government related to all levels of government, Strathbogie Shire Council was mentioned specifically by a significant number of proprietors.

**Access to resources** included:

- Being able to respond to the uneven workflow that occurs by accessing skilled and reliable labour in times when there is a peak in demand. There is a sense that if these peaks could be responded to in a more efficient manner that businesses would have an opportunity to expand and create additional on-going employment. Additionally, some businesses feel burdened by taking on casual staff that requires a significant amount of paperwork and knowledge (PAYE tax, superannuation, Work Cover payments etc) and that people who are receiving income supplements are also burdened with significant paperwork when they undertake casual work that has varied hours which means that they are not willing to undertake work in this manner, thus limiting business expansion;
- Accessing finance at affordable rates;
- Accessing a business consultant at affordable rates and who understands the sort of business being operated as well as the issues affecting rural and regional businesses;
- The need for networking opportunities so that information can be shared between businesses within the town, the services provided are better coordinated and support proprietors to have a work-life balance while ensuring the public has access to services and enable businesses to access information about government and other support available; and
- Through access to natural gas, reducing input costs and thereby increasing competitiveness in a national market and consequently profitability.

Improving business **promotion and marketing activities** was the most often reported requirement. Many businesses indicated that they had limited time for promotion and marketing, were concerned about costs relative to returns and that they were unsure of the most appropriate response for their type of business. Particular areas of interest were:

- Developing a “buy locally” program that showed the community of Violet Town and district that they would receive value for money and great service which might compensate for slightly higher prices in some instances;
- How a website could enable the business to extend its market boundary;
- How to develop a marketing and promotion plan appropriate to the business but that would also work with any town-district promotion and marketing plan. In particular consideration to be given to: costs, success of different approaches, number of approaches that are reasonable (signage, brochures, advertisements etc) and priorities; and

- Improving signage. Although not mentioned in any of the surveys almost all businesses mentioned this in discussions. Concerns were expressed about the type of signage on the entrances to the town, the age and appropriateness of some signage given that some signed businesses are no longer operating and others have holes or are faded so are difficult to read, and finally the number of signs and their location in relation to drivers being able to safely see them.

### 2.3.2 Supporting the development of business activity in Violet Town

Although fewer businesses made comments in relation to this in the survey all businesses spoken to by the StreetLife Coordinator had opinions and ideas about how business activity could be supported and developed in Violet Town.

The approaches were consistent with the support required by traders for their individual businesses, however, were expressed differently and/or were considered in a broader context. They were:

- Co-ordinated marketing and promotion; and
- Mechanisms to support business development.

The approaches to the development of a **coordinated promotion and marketing** program for Violet Town vary significantly both in terms of who marketing should be directed to as well as the scale and approach. The following summarises the different approaches proposed:

- Improve the Violet Town Streetscape;
  - Continue to decorate barrels;
  - Include signage on the barrels instead of A-boards;
  - Have all building owners up-grade the facades of shops including verandahs, signage and windows – some suggest this be done in a manner that shows the heritage of the town;
  - Attract higher quality retail outlets or encourage existing businesses to modernise their style and provide higher quality of product and service to make “the street come alive”. For example a gallery or encourage a business like Kakardi Designs to relocate to the main street or up-date restaurant facilities and promote good food;
- Come to an agreement about what it is we are trying to market and to whom. Some think that the focus should be on making sure the businesses in the town are supported by locals – those living in the town as well as those living in the surrounding rural area. Others focus on enticing people external to the district into the town and spending money and then there are those that think work needs to occur at both levels.

In relation to the “buy locally” concept a range of views have been expressed including:

- The need for businesses to be flexible in the way they deliver their services so that they meet the needs of the community for example:
  - people living in the rural areas could fax prescriptions and then pick them up later in the day, thus saving a long wait or travelling out of the district for them,
  - ensuring that take-away food is available especially when late afternoon or evening events are being held; and

- businesses offering delivery (at a charge) via a range of methods such as via the postal contractor or other businesses that travel out of town to deliver their service;
- The development of promotional campaigns modelled on the Christmas 2006 promotion and centred around a number of different celebratory dates such as Christmas, Easter, Mothers Day, Fathers Day or a locally significant date;
- There being special promotions offered by those businesses with a website that can only be accessed if people are using the Violet Town website; and
- Continue to expand the activities of Violet Town Arts in holding arts and cultural events at different venues.

It was reported that the fuel voucher system has been a positive approach that has encouraged people to buy locally.

There does appear to be a high level of agreement that Violet Town needs to stand out as offering travellers, visitors and potential residents something different, however, there is not agreement about what this should be. Some ideas include:

- Taking a long term approach which supports businesses and the community generally to adopt a sustainable approach. The town could then be promoted as being able to demonstrate models of sustainable living;
- Developing the town as a hub of arts and culture. The type of arts and cultural activities people are interested in vary and include:
  - holding a series of events that promote local food and wine utilising local venues such as The Parish Perfumery, Ellen Francis Hotel, Violet Town Hotel and other venues within the district;
  - seasonal festivals in the main street. There are different views about whether these should be held on market weekend or not;
  - holding workshops that bring people (possibly in bus loads) from Melbourne and large regional centres to the town for 2-3 days. The workshops could include jewellery making, music,, health and anything else that local people are “expert” in. Concept of a “package” – workshop, food, accommodation;
- Build on the Violet Town Market for example look at having different types of markets and get involved in organising market trains instead of “letting them happen”; and
- Develop a series of brochures which inform people about what there is to do in Violet Town – walks, market etc. Ensure that they are available to visitors and traveller as well as people making enquires about living in and around Violet Town. For example when Real Estate agents have an enquiry send a copy of the brochures and a Village Voice to the address.

Some concern was expressed about who would organise festival events, whether there would be any funding available to support them. However, it was recognised that Violet Town has had successful events in the past so why not again? Some of those previously involved report that they would be reluctant to step forward because the level of work and responsibility required as well as current personal commitments and changes of direction.

An alternative view is that instead of putting energy into “promoting Violet Town as different” it would be far easier to leverage off the plethora of events and activities occurring in the surrounding regional towns, for example rowing events at Nagambie, car racing at Winton, the alternative farming field days in Seymour and Dairy Week in Shepparton. It was recognised that this will require businesses to have a well developed understanding of the events and which ones provide the best opportunities as well as linkage and coordination with event organisers so that they can assist in promoting Violet town as a place to stay and the businesses which would support the accommodation businesses to deliver a high quality stay.

- Improve the understanding of all Visitor Information Centres in the surrounding areas, in particular, Nagambie, Seymour, Shepparton, Benalla, Wangaratta, about Violet Town including its location, attractions and accommodation. This would enable referrals especially when there are periods of heavy booking, for example rowing championships, conferences and expo's, Wangaratta Jazz Festival and so on.
- Improve all signage, this includes:
  - Entrances to the town especially from freeway to ensure people are aware of how close the town is and what services and facilities it has to offer as well as how far it is to other townships and cities via Violet Town;
  - Ensure that signs are not “on top of one another” and thus hard to read and/or detract from one another;
  - Remove old and outdated signs; and
  - Ensuring signs are maintained and up-dated on a regular basis as a demonstration of pride in the town.

A number of approaches were identified to **support and expand business activities** in Violet Town, these were:

- Support the establishment of a co-operative for locally made produce and art work along similar lines to the “Made in Mansfield” shop. Participating businesses would pay a membership fee, participate on a sales roster and in the management of “the books”. All items would be sold on commission so that the co-operative is able to generate some funds for promotion, marketing, up-grading etc. It is considered important that the quality of items for sale be of high quality.
- Support the establishment of a strong trader's group or business network. A range of ideas were presented about its role including:
  - An organisation that is motivated, mutually supportive, town and community focussed, this includes
    - having a positive and solution-focussed approach to solving problems and issues affecting the business community as a whole as well as individual businesses; and
    - providing opportunities for people to learn about the plans of existing businesses such as expansion, up-grading of facilities, changes in how they work for consideration of the impact;
  - Having a focus on businesses adopting a sustainable triple bottom line strategy that includes:
    - a customer service charter (minimum service standards delivered by all businesses consistently);
    - ensures community shops locally;

- encourages tourists to return plus positive word of mouth; and
- engenders commitment to corporate social responsibility;
- being inclusive of all businesses, this includes home based businesses and businesses that operate from the surrounding small towns;
- operating in a professional manner with an appropriate governance structure; and
- providing opportunities to access business development and support programs.

Several proprietors, particularly from the hospitality industry, have indicated a desire to work together to maximise business in the town. It is felt that they do not know enough about the type of service and facilities available, the costs and so on. Some indicated that this limits their confidence in making referrals as well as limits opportunities. Coming together was identified as a way of exploring opportunities at a range of levels such as:

- to develop “packages” to sell to different groups of people from outside the local area;
- bulk purchasing; and
- joint marketing and promotions.

Some also indicate that they would like to support existing businesses, however, find this difficult to do when the supplies they require are not currently available (e.g. fresh vegetables and food).