

# Independent Retail Assessment Program (IRAP)

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## Introduction

Are you concerned about the viability of your downtown or about the future of the independent retail businesses in your area? This publication will help you to better understand the factors affecting small, independent retail businesses and how retailers in your area can do a better job of competing in today's market. We start with a discussion of major trends in retailing. Then we explain why a customer-centered assessment is a useful way to provide constructive feedback to small, independent retail businesses. Next we discuss the factors influencing retail trends and strategies and how marketing theory can help local small businesses be more competitive. The final section provides a step-by-step method for getting constructive feedback from customers through the Independent Retailer Assessment Program (IRAP).<sup>1</sup> The objectives of the IRAP are to increase the competitiveness of independent retail businesses, to provide retail businesses with information about consumers' impressions and experiences, to recommend actions to strengthen the competitiveness of participating businesses, and to recommend action steps to be taken by local chambers of commerce and other local community development organizations.

The program is done in several stages. In stage one, the program organizer promotes the program and signs up firms. In stage two, the program organizer recruits volunteer shoppers to visit participating retail businesses. In stage three, the volunteer shoppers make unannounced, anonymous visits to participating retail businesses. In stage four, the program organizer analyses the shopper's reports and compiles a summary report with recommendations for action by participating businesses and community leaders. In stage five, results of the assessment are reported back to the businesses by the program organizer, and selected aspects of the findings are brought to the broader community for consideration and action.

The appendix provides references to key resource materials for the IRAP Shopper's Manual. It is arranged in sections by topic area.

## Overview of Trends in Retailing

Why are consumer impressions so important? What is today's consumer looking for? How can small, rural businesses improve their competitive advantage? These are just a few of the questions and issues retailers in smaller, rural trade centers have faced during the past several decades. Various factors have contributed to the decline of rural retail centers, including the development of shopping centers, malls, and super discount stores. Other, less obvious factors have also contributed to this decline. For instance in some rural areas, road improvements and the construction of new highways have provided rural residents with improved access to new markets and alternative retail centers. In other communities, an unintended outcome of school consolidation has been the decrease of traffic through downtown retail centers. Television advertising also has been an important factor, increasing consumer awareness of new products and other shopping alternatives in nearby markets. These factors have been devastating to small

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<sup>1</sup> It should be noted that the Independent Retail Assessment Program is designed strictly for retail businesses. The program is not designed for service firms such as hairdressers and repair shops that might also sell related products.

towns, particularly main streets that once were the primary location of retail goods and services.

Consumers have been attracted to regional malls and “big box” retailers by high-quality promotions, a wide selection of merchandise, discount prices, and ample parking. More recently, consumers have been attracted to e-retailing on the Internet because it is a convenient way to buy products. Consumers can shop during their lunch hour, while at work, or from the comfort of their own homes, nearly anytime or day of the week. It has been estimated that households spent more than \$20 billion shopping online in 1999. By 2003, online shopping is expected to increase to \$1.4 trillion annually in the United States. As a result, the viability of local retail businesses and the attraction of new retail businesses to downtown locations have become pressing problems for many community leaders and community/economic development practitioners. Not only are these trends problematic for the economic base of rural communities, but also many would argue these problems also begin to weaken local culture and community vibrancy. The Independent Retail Assessment Program is one strategy for improving the competitiveness and long-term viability of independent rural retailers.

### **Why this program?**

How many times have you avoided shopping downtown because it was inconvenient? How many times have you been “turned off” or even left a store vowing never to return because of the attitude or indifference of a store employee? And, more often than not, instead of complaining to the manager, you probably complained to other potential customers like your family and friends. In today’s competitive retail environment, maintaining customer satisfaction and providing quality service are key factors in the success of small businesses. Specifically, small businesses need to evaluate strengths and weaknesses to remain viable and meet long-range business goals. Like the mystery shopper programs conducted by consulting firms for large retailers, restaurants, and hotels, the Independent Retail Assessment Program applies a customer-centered approach to assessing the strengths and weaknesses of small retail enterprises by providing information about their shoppers’ impressions and experiences. If you are working with retail business owners interested in constructive feedback about their business, the IRAP is for you.

### **What factors influence retail trends and strategies?**

If businesses want to maintain market competitiveness, they must implement strategies to help them continually adapt to the dynamic rural marketplace. The changing demographics of rural America are another key factor that influences retail trends and strategies. Traditionally, the rural family has typically been larger than its urban counterparts. However, rural communities are now attracting families from urban areas, and fewer rural families are raising children. This change in rural demographics impacts the types of products, pricing, promotion, and store formats desired by consumers. Another significant impact on rural businesses is increased retail competition. Research has shown that the tendency of rural consumers to “inshop” or “outshop” is influenced by their level of satisfaction with local retail establishments, their level of involvement or desire for community-wide activities, the age of their youngest child, and their socioeconomic position.

## How can marketing theory help our local small businesses?

Understanding the competitive retail environment is critical to the success or failure of businesses. Successful businesses are developing strategic plans to strengthen their competitive advantage. The strategic planning process involves a seven-step plan. These steps are:

1. Defining the business mission
2. Conducting a situation audit
3. Identifying strategic opportunities
4. Evaluating strategic alternatives
5. Establishing specific objectives and allocating resources
6. Developing a retail mix to implement strategy
7. Evaluating performance and making adjustments.

The IRAP focuses on Step 2, conducting a situation audit, which provides an analysis of the local retail environment and a specific retail business. This audit is sometimes referred to as a SWOT analysis: Strengths and Weaknesses of the business and Opportunities and Threats of the retail environment. The IRAP identifies the strengths and weaknesses of the retail business so that management is better informed and, consequently, more able to determine strategic opportunities and possible threats to the long-term success of the business.

In today's competitive environment, rural retailers must also understand the strategies of mass merchandisers and how the competition impacts their business. "Big box" retailers such as Wal-Mart and Kmart are increasing at a significant rate throughout America's cities and towns. Kmart has expanded rapidly by opening retail stores in large to mid-size cities and towns all across the United States, where previously its major market was larger cities and towns. In contrast, Wal-Mart initially focused its stores in smaller towns, usually becoming the dominant retailer in town. These merchandisers have captured the market share from competing independent retail businesses. Substantial changes in operations are usually required for independent retailers to survive in such an environment.

"Big box" retailers typically have competitive advantages in three key areas: distribution, pricing, and service. Merchandise buying is conducted directly from a distribution center, eliminating the "middleman" (an agent acting between producer and consumer). The merchandise is shipped directly to the centers and taken to the retail stores daily. With their own distribution centers, the superstores can reduce procurement costs and save money on shipping, making it very difficult for smaller retailers to compete on price.

Another reason why independent retailers have difficulty competing on price is the "everyday low price" system. With this pricing strategy, customers are encouraged to think that everything is low priced, every day. This strategy allows "big box" retailers to spend less on print advertising. Consequently, it is very important for independent retailers to use an effective pricing system. Weekly sales and weekly promotional items are strategies used to attract customers into the smaller, independent retail store.

Independent retailers usually do not have the funds to advertise on television, so it is also important for them to create effective ads for other mediums such as radio, flyers, and newspapers.

“Big box” retailers also offer a convenience known as “one-stop shopping.” The average shopper likes conveniences, and superstores offer just that by having a large variety of products under one roof. Because the “big box” retailers also know that many people prefer low prices to specialized service, they offer minimal services as another means of reducing expenses and maintaining lower prices. In addition, most employees are primarily concerned with stocking shelves and lack extensive product knowledge. Many other services are not available at “big box” retailers such as gift-wrapping, delivery, in-store credit, high-quality selection, special brands, and special orders. It is these characteristics of mass merchandisers that independent retailers must take advantage of to be successful.

Consumers choose where to shop. Such factors as retail business type, merchandise selection and cost, and services offered all affect where people shop. Many towns have strong industrial sectors, but the retail sector is so weak that the money earned is spent elsewhere. Money earned in a community has the potential of turning over five or six times, approximately doubling the economic activity of the local area. When the money is spent elsewhere, this benefit is lost. Communities can develop many creative strategies to help improve their retail sector. Some towns have sponsored events that combine a fun activity with shopping promotions; others have featured “shop locally” campaigns with slogans promoted in newspapers, radio, and other media. Business leaders in Boulder, Colorado provide an excellent example of how a community can develop creative strategies in an effort to defend its locally owned businesses and economy against the big box chains. In 1998, a group of 150 locally owned businesses formed a coalition whose primary mission is to make the choice between shopping at a locally owned business or a big-box chain store a significant choice for Boulder residents. The Boulder Independent Business Alliance (BIBA) has developed many creative marketing, advertising, and cost reduction strategies to aid local businesses and raise community awareness.

The opening of a mass merchandise store can have both beneficial and negative effects on a small or medium-size town. One positive effect is that when a discount superstore such as Wal-Mart or Kmart opens, it generally attracts more people to the town. This, in turn, pulls more consumers to the specialty shops to explore. A possible negative effect is that the success of a superstore in a smaller town could attract more mass merchandiser stores to the area, leading to the overpopulation of discount chains, which drown the smaller specialty stores. The most pronounced negative effects are experienced by merchants in smaller, outlying towns. When a discount superstore is built in a nearby city, people leave those outlying towns in search of wider variety and lower prices. These smaller towns cannot compete because they do not have the critical mass of retail stores necessary to hold residents in town to shop.

Dr. Ken Stone, a well-known researcher in rural retail issues, lists many strategies that can be utilized for co-existing in a discount mass merchandiser environment.

- Try to figure out ways to capitalize on the increased volume of traffic in town.
- Try not to handle the exact same merchandise; sell another brand that is not

- directly comparable in price.
- Sell single items instead of pre-packaged groups.
  - Handle complementary merchandise. Customers will learn to go to more complete stores if their needs are out of the ordinary.
  - Find voids in the mass merchandiser's inventory, such as higher-priced name brands. Consider upscale merchandise.
  - Extended hours of operation are a must. Many customers live a busy lifestyle and cannot get to local stores during typical nine to five operating hours.
  - Find ways to improve return policies.
  - Find at least one competitive advantage, such as superior service.
  - Emphasize expert or technical advice.
  - Offer deliveries when appropriate.
  - Train associates on appropriate customer relations policies by using the services of university extension services, community colleges, and Small Business Development Centers. A wide array of videotapes also cover the topic.

### **What are the program objectives?**

The objectives of the IRAP program are:

- to increase the competitiveness of independent retail businesses,
- to provide retail businesses with information about consumers' impressions and experiences,
- to recommend actions to be taken to strengthen the competitiveness of participating businesses, and
- to recommend action steps to be taken by local chambers of commerce and other local community development organizations.

## What is the program process?

STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5
<i>Promote the Program and Sign-up Firms</i>	<i>Recruit Volunteer Shoppers</i>	<i>Retail Store Visits</i>	<i>Analysis of Shoppers' Reports &amp; Development of Recommendations</i>	<i>Report Back to Businesses &amp; Community</i>

**Stage 1.** Contact the chamber of commerce, business associations, business owners, and managers to introduce and generate interest in participating in the program. Set up a meeting to present the program in more detail to the community. The local Extension Service educator may find it advantageous to partner with the chamber of commerce or other business association to co-facilitate the program.

**Stage 2.** A group of five to eight volunteer shoppers are recruited to visit participating retail businesses. The program organizer assigns specific businesses to volunteer shoppers to assure that each business is visited. Appropriate volunteer shoppers will depend somewhat on the types of retail businesses participating in the program. For instance, if a sporting goods store were participating, you would want to recruit people who would typically shop at a sporting goods store. In general, though, it is best to recruit a diverse group of people you feel confident will follow through with the retail store visits and complete their reports with meaningful responses.

**Stage 3.** Retail store visits are done anonymously. Although business owners are aware that the visits will take place, managers and cashiers may not be aware that their employer has enrolled in IRAP. Business owners are encouraged not to change their operations or prepare in any way for the anonymous consumer visits. The IRAP Shopper's Manual is straightforward, is easy for volunteer shoppers to answer, and requires no prior training. The questionnaire provides an established set of procedures and guidelines, and directs volunteer shoppers to specific areas and elements to be evaluated. The questionnaire also is used to record the shoppers' impressions and experiences after visiting participating retail businesses. Volunteer shoppers also can be equipped with single-use cameras to illustrate specific points they wish to highlight about the interior of the business, the exterior of the business, and the business area in general. (Note: Single-use cameras can be optional for the program.)

**Stage 4.** Volunteer shoppers complete their reports (by filling out their Shopper's Manuals) and send them with the single-use camera to their IRAP coordinator. The coordinator then compiles a summary report including recommendations for each of the participating businesses. Volunteer shoppers' impressions, comments, and photos are included in the reports. Recommendations for action steps are developed based on volunteer shoppers' feedback and suggestions.

**Stage 5.** The IRAP coordinator meets with individual businesses to present the findings of the summary report and discuss the recommendations. Findings and recommendations are kept confidential so that individual businesses are protected from negative advertising. If issues relevant to the general business community surface as a result of the assessment, the program coordinator meets with community leaders to discuss the issues and suggest potential solutions.

## IRAP Coordinator Checklist

The program coordinator's responsibilities are:

- ✓ Determine program policies (e.g., set program fee, number of retail businesses per program, program application deadlines, etc.).
- ✓ Set deadline for completion of retail visits and consumer reports.
- ✓ Recruit a diverse group of volunteer shoppers.
- ✓ Prepare and send out individual volunteer shopper packets.
- ✓ Participate as a volunteer shopper when appropriate.
- ✓ Review volunteer shopper reports.
- ✓ Write and present a summary report including recommendations for each participating business based on volunteer consumer reports.
- ✓ Write and present a summary report including recommendations for the general business community (local government, chamber of commerce, civic organizations, etc.) based on volunteer shoppers' impressions of the surrounding business area.

## How do we gain support for the program?

Gaining local support for the program should not be difficult. An effective way to get the word out is to distribute a program brochure. Plan to send the brochure to independent retail businesses, chambers of commerce, local elected officials, local economic development organizations, and community organizations. You might consider piloting the program with one or two businesses and then marketing the program more widely after the pilot is completed.

## Suggestions for Implementation

- Work with a supporting organization such as the local Chamber of Commerce or Economic Development Authority. This will involve local partners and give legitimacy to the program.
- Identify specific goals for program results such as:
  - Develop business management seminars
  - Improve business climate of community
- If you are doing a community wide assessment, send letters of invitation to all independent, local businesses and invite them to participate in the IRAP program. Most businesses will be pleased to participate. Those that do not want to participate have the option to decline. Be specific on the benefits to participating businesses, such as:
  - Will receive an individual business report identifying strengths and areas for improvements
  - Will receive recommendations to improve customer service, pricing, product offerings, etc.
  - Will receive recommendations on how to compete with WalMart
- In addition to evaluating participating businesses by visiting in person, have telephone contact with them too. If they put you on hold for several minutes, this could be a problem for customers. Recruit 5 - 7 visitors per business.
- Recruit volunteers with varied backgrounds and diversity in:
  - age, occupation, gender, and from within and outside the community

- Train volunteer shoppers. Devote a couple of hours to going over each element of the Shopper's Manual to make sure they understand the questions being asked. For example, do the visitors understand the difference between a low and high perceived value per dollar?
- Supply store hours to volunteer shoppers. This will help volunteer visitors plan their time and avoid attempted visits to a participating business on a day the business is closed.

## Resource Materials

### Trends in Retailing

Dougherty, Michael and Christopher Plein. Challenges and Opportunities for West Virginia's Local Governments, *The West Virginia Public Affairs Reporter*, Vol. 14, No. 4:10-16, 1997.

*The authors present the findings of a statewide survey of local government officials in West Virginia. The objective of the survey was to gain a better understanding of local government needs and concerns in the state. The results indicate that issues of economic development are the top four priorities for local government officials. The recruitment of new retail business received the second highest average score in the survey, making it the #2 statewide priority for local government officials.*

Goodman, Lowell. Changes in Retailing and the Smaller Community in North Dakota, *Economic Development Review*, Spring 1995, pp. 91-92.

*The author discusses changes in retailing and the community in North Dakota including the changes in the concentration of retail dollars, the decline of the retail base, the percentage of total taxable sales, and population and trade area population.*

Johansen, Harley E. Economic Decline in America's Small Towns, Final Report, EDA Grant No 99-07-13763, 1994.

*The author examines the effect of population change on business establishments in rural towns. Findings suggest that rural small towns' role as a retail center has declined with the decline in population of rural residents. In particular, retail decline has been greatest in areas with more distant access to urban centers.*

Kay, David L. Local Government Fiscal Implications of the Changing Landscape of Retailing in the Rural Northeast, Working Paper, Cornell Local Government Program, 1996.

*The author examines the relation between changing patterns of rural population, the location of business activity, and local government finance.*

Kean, Rita, LuAnn Gaskill, Larry Leistriz, Cynthia Jasper, Holly Bastow-Shoop, Laura Jolly, and Brenda Sternquist. Effects of Community Characteristics, Business Environment, and Competitive Strategies on Rural Retail Business Performance, *Journal of Small Business Management*, April 1998.

*The authors study the interrelationships between community characteristics, business environment, competitive strategies, and business performance of 456 small businesses in 48 rural communities in 12 states.*

Leistriz, Larry, Janet Ayers, and Kenneth Stone. Revitalizing the Retail Trade Sector in Rural Communities: Lessons from three Midwestern States, *Economic Development Review*, Fall 1992, pp. 49-54.

*The objective of this study was to identify successful strategies used by communities and businesses in 37 rural communities in Indiana, Iowa, and North Dakota that have better than average retail sales to determine their common characteristics and operational methods.*

Pinkovitz, William. E-commerce and Retail: Major Changes Underway, Business Briefs, Cornell Cooperative Extension Association of Oswego County Small Business Program, Vol. 20, No. 1:1-2, 2000.

*The author provides data on on-line shopping, sales, shopper demographics, and household spending on-line and projections from Cyberatlas.*

Schuler, Alan and Larry Leistritz. Threshold Population Levels for Rural Retail Businesses, Agricultural Economics Miscellaneous Report No. 132S, Department of Agricultural Economics, North Dakota State University, Fargo, ND, 1990.

*Business and community leaders often question the population levels necessary to support adequate sales volume for a particular type of business. The authors examine the population levels associated with 16 business types in North Dakota towns with populations between 200 and 10,000.*

Sclove, Richard. Counter the Cybernetic Wal-Mart Effect, *Christian Science Monitor*, March 28, 2000.

*The author explores the implications of tax-free e-commerce for democracy and civic life.*

Stone, Kenneth. "Impact of Wal-Mart Stores on Iowa Communities: 1983-1993", *Economic Development Review*, Spring 1995, pp. 60-69.

*This article reports the results of a 1993 study that examined the impacts of WalMart stores and other mass merchandisers in Iowa. Sales changes are reported by merchandise category for host towns, non WalMart towns, cities and small towns. An important finding was the saturation of discount stores in small towns and the resultant loss of business is documented. Dramatic changes in the buying habits of consumers was also reported.*

Wall, Milan and Vicki Luther. What's Behind Small Business Success: Lessons from Rural Communities, *Heartland Center for Leadership Development*, 1992.

*Through the examination of newspaper archives and nominations from the executive directors of Chambers of Commerce through the state of Nebraska, the authors selected 9 outstanding, yet typical, small businesses for site visits to identify lessons and characteristics that lead to success.*

## Factors that Influence Retail Trends and Strategies

Alba, Joseph, et. Al. Interactive Home Shopping: Consumer, Retailer, and Manufacturer Incentives to participate in Electronic Marketplaces, *Journal of Marketing*, Vol. 61, July 1997, pp. 38-53.

*The authors study the implications of electronic shopping including the advantages of locating and comparing product offerings. Consumers' incentives and disincentives to purchase through home shopping is compared to traditional retail formats. Competitive relationships among retailers, manufacturers, and retail/manufacturers are examined.*

Anonymous. Many Small Businesses Have Their Own Web Site, *Boston Business Journal*, Vol. 19:32, September 1999, p. 28.

*This article discusses annual e-commerce sales and makes projections ranging from \$25 billion to \$300 billion in total online sales. Obstacles businesses must overcome in establishing a web presence include start-up costs, security issues, consumer trust, and technical skills to maintain the site.*

Ayers, Janet, Larry Leistritz, and Kenneth Stone. Rural Retail Business Survival Implications for Community Development, *Journal of the Community Development Society*, Vol. 23:2, 1992, pp. 11-21.

*This study identified successful strategies utilized by rural communities and businesses. Three general findings resulted from the study: constant change occurs in rural communities, there is no "ideal community", and little differences existed with regard to concerns and issues of communities. Specific areas of business strategy were discussed including business financing, business recruitment, and promotional campaigns. Implications for community development are also suggested.*

Bangsund, Dean A., F. Larry Leistritz, Holly E. Bastow-Shoop, and Ronald Anderson. Community Trade Analysis Handbook: A Guide to Using and Interpreting Information Available to Rural Businesses and Communities, Extension Report No. 24, North Dakota State University Extension Service, 1995.

*This publication provides information and tools to help individuals, businesses, and community leaders make decisions on a variety of business and retail trade problems by providing a tool and information on retail trade patterns and economic trends that can help people make informed decisions about their future business activities.*

Bastow-Shoop, Holly, et. al. Factors Affecting the Financial Viability of Rural Retail Businesses, *Journal of the Community Development Society*, Vol. 26:2, 1995, pp. 169-185.

*Discussion of the economic impact to rural retailers and its relationship to a shrinking market is presented. The financial characteristics and performance of rural retail businesses in twelve states were analyzed including total assets, debt, net worth,*

*sales volume, net profit, return on assets, and return on equity. This study gives data that may be useful to make comparisons on financial data.*

Edmonson, Brad. A New Era for Rural America, *American Demographics*, September 1997, p.p. 30-31.

*The author identifies demographic trends in small, rural towns. Migration patterns between 1990 and 1996 show that during that time the number of nonmetropolitan counties increased dramatically. Factors that contribute to the growth of rural counties include retirement, recreation, federally owned land, driving distance to a city, and interstate highways.*

Gordon, R. M. Eric and Barton A. Weitz. A Key to Best Practices in the U.S. Retail Industry, American Express and the NRF Foundation, 2000.

*The authors identify winning strategies and best practices implemented by small, independent and large, "big box" American retailers.*

Miller, Nancy J. and Rita C. Kean. Reciprocal Exchange in Rural Communities: Consumers' Inducements to Inshop, *Psychology & Marketing*, Vol. 14:7, October 1997, pp. 637-661.

*Authors in this study define the term reciprocity within the framework of the consumer/retailer market exchange. Consumers' intentions to shop with local retailers are examined. Four relationships were examined: the level of satisfaction with interpersonal or community-wide reciprocity, moral motivation, social motivation, and economic motivation. The findings indicated that the levels of satisfaction with interpersonal reciprocity have a greater influence than the other three relationships.*

Maignan, Isabelle and Bryan A. Lukas. The Nature and Social Uses of the Internet: A Qualitative Investigation, *The Journal of Consumer Affairs*, Vol. 31:2, 1997, pp. 346-371.

*In-depth interviews were conducted in this study with Internet users to understand and identify consumers' perceptions and uses of the Internet. Findings identified four categories of usage: source of information, place or object of consumption, communication tool, and a social system. This article provides useful information regarding marketing practices and consumer research on the Internet.*

Yadac, Manjit, S. Thinking Strategically in the Electronic Marketplace, *Retailing Issues Letter*, Arthur Anderson, Vol 12:2, March 2000, pp. 1-5.

*The author discusses in an easy-to-read essay the strategies involved in the electronic marketplace. The evolution of media technologies is discussed to provide background information on the development of the Internet. Suggestions for managing the changing marketplace, facilitating product and information flows, effectively utilizing networks, and developing specific strategies for the future are discussed.*

## ***How Marketing Theory Can Help Local Small Businesses***

Ayers, Janet, Larry Leistriz, and Kenneth Stone. Rural Retail Business Survival Implications for Community Development, *Journal of the Community Development Society*, Vol. 23:2, 1992, pp. 11-21.

*This study identified successful strategies utilized by rural communities and businesses. Three general findings resulted from the study: constant change occurs in rural communities, there is no "ideal community", and little differences existed with regard to concerns and issues of communities. Specific areas of business strategy were discussed including business financing, business recruitment, and promotional campaigns. Implications for community development are also suggested.*

Barstow-Shoop, Holly, Dale Zetocha, and Gregory Passewitz. Visual Merchandising: A Guide for Small Retailers, RRD 155, North Central Regional Center for Rural Development, 1992.

*The authors provide information about visual merchandizing and effective marketing strategies that will enable small, independent retail businesses to compete with large urban centers for the consumer dollar. This publication is an educational program that describes how this marketing strategy can help create a positive customer image that leads to successful sales.*

Brown, Ralph B., Clark D. Hudspeth, and Janet S. Odom. Outshopping and the Viability of Rural Communities as Service/Trade Centers, *Journal of the Community Development Society*, Vol. 27:1, 1996, pp. 90-111.

*Two communities that had significant economic variations were examined to see if outshopping contributed to those differences. The findings showed that there were no significant differences in the selected 29 products that were compared for outshopping. The proximity to a metropolitan area increased the outshopping of consumers. Other factors that contributed to outshopping include higher incomes, employment, non-local employment, males and a satisfaction with life.*

Cox, Craig. Not Business as Usual: New reasons for optimism on Main Street, Utne Reader, July-August 2002, pp. 49-53.

*The author discusses several projects that focus on socially conscious business principles and the creativity of local initiatives working to overcome current development trends toward big-box chain store development. The author then discusses the economic realities of global-scale industry and makes the case that many companies are finding that scaling down operations makes more economic sense than expanding. The author sites five reasons for this; inefficient distribution of goods by large-scale business, the rising cost of shipping, the fact that local and regional companies are more able to make better use of market research, the growing service industry is local nature, and the information revolution gives smaller businesses a new advantage.*

Douglass, Sara U. et al. Images and Impressions of the Rural Retail Environment: Dialogues with Consumers and Retailers, *Proceedings of the Annual Meeting of the International Textile & Apparel Association, Inc.*, October 1995, pp. 26-28.

*This research involved a regional research project sponsored by the U.S. Department of Agriculture. The primary objective of the project was to identify means by which retail environments of rural communities could be optimized to strengthen retail activities and increased consumer satisfaction levels. Marketing and management operations and retailers' and consumers' perceptions were investigated.*

Henderson, David. Rural Retail Sales and Consumer Expenditure Functions, *The Journal of Agricultural Economic Research*, Vol. 42:3, 1990, pp. 27-34.

*This research article examines retail sales for three community sizes and seven types of retail businesses. The discussion of the economic vitality of rural communities and how to measure economic success is included.*

Herbig, Paul A. and Hugh Kramer. The Effect of Information Overload on the Innovation Choice Process, *Journal of Consumer Marketing*, Vol. 11:2, 1994, pp. 45-54.

*This article examines information overload of mass communications and its effect on innovation overload. This discussion article identifies managerial implications, examples of innovation overload, and the rationale behind the phenomenon.*

Hines, Andy. Do You Know Your Technology Type?, *The Futurist*, September-October 1997, pp. 10-11.

*This article identifies four primary motivational orientations with regard to technology: family, career, entertainment, and status. Additionally, twelve technology types are discussed. Specific technology products for each of these types are mentioned.*

Lumpkin, James R., Jon M. Hawes, and William R. Darden. Shopping Patterns of the Rural Consumer: Exploring the Relationship between Shopping Orientation and Outshopping, *Journal of Business Research*, Vol. 14, pp. 63-81.

*This article identifies shopping-orientation groups of rural consumers. Differences among these groups were analyzed with respect to outshopping behavior. Three groups were identified: inactive inshoppers, active outshoppers, and thrifty innovators. This research indicates that the three shopping orientation groups differ as to their attitudes and patronage behavior.*

Lyons, Daniel. How to Succeed in Small Business...By Really Knowing What Your Customers Want, *VARBusiness*, Vol. 11:4, September 1995, p9A, 3p, 4c.

*The author discusses the different ways small business view technology as opposed to big corporations. Factors that distinguish between small and large businesses include affordability, return on investment, and simplicity. Technology tools that small businesses wanted include multi-user systems, expanding servers, telephony and peer-to-peer networks.*

Miller, Nancy J. and Rita C. Kean. Factors Contributing to Inshopping Behavior in Rural Trade Areas: Implications for Local Retailers, *Journal of Small Business Management*, April 1997, pp. 80-94.

*Three factors that historically are used to explain why consumers outshop were examined to measure their degree of influence on inshopping behavior: demographic and lifestyle variables, socioeconomic attitudes, and attitudes about local retail facilities. Additionally, the impact of community-wide reciprocity was examined. Findings are suggested to offer retailers insight for strengthening competitive strategies and for meeting local consumer expectations.*

Mitchell, Stacy. Homegrown Economics: In Boulder, local businesses stay ahead of the chains, *Utne Reader*, July-August 2002, pp. 46-49.

*The author discusses how business leaders in the city of Boulder, Colorado have developed the Boulder Independent Business Alliance (BIBA), a coalition of 150 locally owned businesses. The mission of BIBA is to make the "local or chain?" choice a big consideration for local consumers. The association has developed many creative strategies for helping locally owned businesses compete with big-box chain stores and helped raise local awareness.*

Stone, Kenneth E. Competing With the Discount Mass Merchandisers, *Executive Summary of a Presentation*, 1998.

*Stone is one of the most well respected researchers in the study of Wal-Mart and its effect on rural communities. This presentation discussed the change of retailing over the last decade, the impact of mass merchandisers on small businesses, and tips on how local merchants can compete. Tips include attitudes and actions; merchandise assortment, marketing, customer service, and customer relations.*

Stone, Kenneth E. Competing With the Mass Merchandisers, *Small Business Forum*, Spring 1991, pp. 33-45.

*This article was based on over 700 retail trade analyses of Iowa towns. The author discusses how large chains operate, and specifically addresses Kmart and Wal-Mart strategies. Factors discussed include market size, distribution system, pricing, merchandise mix, and service. The author offers specific tips in marketing, service, and customer relations.*

U. S. Department of Commerce. Falling Through the Net: A Survey of the "Have Nots" in Rural and Urban America, <http://www.ntia.doc.gov/ntiahome/fallingthru.html>, retrieved October 1, 1999.

*This study conducted by the Department of Commerce examined the telecommunication offerings in rural and urban areas. The research findings revealed that many of the information disadvantaged with regard to computers and modems are the most enthusiastic users of on-line services that enhance economic prospects. Examples include use of on-line classified ads, educational classes, and government reports.*

**I**ndependent **R**etailer **A**ssessment **P**rogram  
**(IRAP)**

**Shopper's Manual**

Type of store visited:

Housing, home furnishings

Clothing and apparel

Gift shop

Specialty stores

Other, please specify: \_\_\_\_\_

Auto parts and care

Gas/mini mart

Variety store

Grocery

Store: \_\_\_\_\_ Location: \_\_\_\_\_

Date: \_\_\_\_\_ Day of Week: \_\_\_\_\_ Time of Day: \_\_\_\_\_

Surrounding Business Area	
1.	What was your first impression of the area? (1=Poor, 10=Excellent)
	1    2    3    4    5    6    7    8    9    10
2.	Was the surrounding area what you expected?
	_____ Yes                  _____ No
3.	Did you find adequate parking nearby?
	_____ Yes                  _____ No
4.	If you visited this store after dark, were parking areas well lit?
	_____ Yes                  _____ No                  _____ N/A
5.	Did you feel safe/secure shopping in this business area?
	_____ Yes                  _____ No
6.	Were street signs visible?
	_____ Yes                  _____ No
7.	How would you rate traffic patterns in the business area? (1=Poor, 10=Excellent)
	1    2    3    4    5    6    7    8    9    10
8.	Was the business area "pedestrian-friendly?"
	_____ Yes                  _____ No

9. Comments: (Please comment on your impressions of the overall aesthetics of the business area, signage, types of stores, etc.)

## Selling Skills

10. How would you rate the appearance of the sales associates? (1=Poor, 10=Excellent)

1    2    3    4    5    6    7    8    9    10

11. Did the sales associates give you time to browse?

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

12. How many minutes until you were approached by a sales associate?

13. How would you rate the sales associates' knowledge of the product? (1=Poor, 10=Excellent)

1    2    3    4    5    6    7    8    9    10

14. How would you rate the sales associates' willingness to find a particular product? (1=Poor, 10=Excellent)

1    2    3    4    5    6    7    8    9    10

15. Comments: (Please comment on your impressions of the friendliness of the sales associates, knowledge, appearance, etc.)

## Visual Displays

16. How would you rate the appearance of displays (colors, lighting, creativity)? (1=Poor, 10=Excellent)

1    2    3    4    5    6    7    8    9    10

17. How easy was it to find the merchandise? (1=Hard, 10=Easy)

1    2    3    4    5    6    7    8    9    10

18. How would you rate the readability of the signage (sales signs, merchandise locations, etc.)? (1=Hard, 10=Easy)

1    2    3    4    5    6    7    8    9    10

19. How would you rate the appropriateness of the shelving, hanging racks, etc.? (1=Poor, 10=Excellent)

1    2    3    4    5    6    7    8    9    10

20. Does the business advertise a web site?

Yes             No

21. Is the web site advertisement clearly visible to customers?

Yes             No

22. Does this business sell products that could be marketed on the internet?

Yes             No

23. Comments: (Please comment on your impressions of the appearance and use of displays, etc.)

## Pricing

24. How easy were the hangtags to read? (1=Hard, 10=Easy)

1    2    3    4    5    6    7    8    9    10

25. Was the pricing what you expected?

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

26. How would you rate the perceived value per dollar of the merchandise?  
(1=Low, 10=High)

1    2    3    4    5    6    7    8    9    10

27. Comments: (Please comment on your impressions of the pricing, comparable pricing to other businesses, etc.)

## Product Offerings

28. Did the business offer the kinds of products you expected?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

29. Were the product offerings comparable to other businesses?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

30. Comments: (Please comment on your impressions of the range of products offered, etc.)

## Overall Assessment

31. How would you rate the attitude of the employees? (1=Poor, 10=Excellent)

1    2    3    4    5    6    7    8    9    10

32. Were you thanked for your patronage and asked to return?

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

33. Based on your shopping experience would you return to this business?

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

34. List the 5 most positive things you observed about the business.

1.

2.

3.

4.

5.

35. What will you remember most about the business six months from now?

36. **Recommendations:** What recommendations would you have for improving this business?

## Shopper Profile

Name:

Address:

Telephone:

Email address:

Age:

Male       Female

Single       Married

Occupation: