

# Community Needs Assessment and Market Study Results for the Mississippi Main Street Association



## Executive Summary

The Mississippi Main Street Association is an economic development organization that focuses on downtown revitalization in its member and network communities. This study is intended to gather information on:

1. Main Street as a catalyst for downtown revitalization,
2. citizens perception of Main Street communities,
3. local shopping patterns,
4. Main Street Communities' market analysis, and
5. community level Main Street programs' relationship to community engagement and local shopping.

Rural Mississippi towns have survived for years due to community engagement and resiliency. Locally sourced food, healthcare, and other goods and services provided by community members could be found in town centers. However, as economies and society changed people began traveling to larger stores and towns to shop and work causing community engagement activity to decline. Additionally, younger community members left for bigger areas with more opportunities and jobs. Rural communities have suffered brain drain, population loss, and vacated businesses.

Mississippi Main Street is working to address these issues and revitalize the core of their communities, stimulate engagement, and grow local economies. This study uses

data and statistical evidence from community feedback to provide Main Street with a better understanding of where their economic growth is going, what the community members would like to see new in their areas, and creative ideas for revitalization moving forward. This study consists of market information for Mississippi's Main Street communities and the results of digital surveys that were distributed in Main Street communities using social media.

The market data revealed that retail leakage is occurring consistently in the books and building materials industry sectors in most Main Street communities, while retail leakage in other sectors is variable depending on community size, proximity to neighboring communities, retail diversity, and other factors discussed in detail later in this report. The community surveys revealed that residents are consistently leaving their local communities to shop for goods and services such as upscale dining, entertainment, clothing, and recreational goods in other areas. They also revealed that respondents are often willing to shop locally for necessity goods and services if they are available, affordable, and what they need.

The study also uncovered that the communities with established Main Street programs had higher levels of community engagement. In addition, communities with higher levels of community engagement were also prone to higher levels of local shopping for goods and services. Further, a

community where a Main Street program had been in practice longer was more likely to have higher levels of local shopping for amenity goods and services such as upscale dining, clothing, and entertainment purchases.

Other observations from the study include that respondents would like to see more experience-based businesses in their communities such as restaurants and more family-oriented activities. The respondents expressed a desire to see more revitalization efforts in their community and more local business growth and shopping options.

## **Introduction and Background**

The Mississippi Main Street Association was established in 1984. It has 48 designated Main Street communities and one network level community in the state. The organization's mission is to be the catalyst for the preservation and economic revitalization of Mississippi's historic downtowns and traditional commercial districts. Its goal is to provide education, services, public relations, marketing, advocacy, and resources for member communities.

The average population of Mississippi's Main Street communities is 14,654. On average the Main Street communities established their programs 20 years ago. However, it must be noted that some programs were inactive for a period and have only recently become active again.

## **Project Overview**

### ***Strategic Planning and Market Studies***

The Covid-19 pandemic left Main Street directors in need of a plan to move forward in the face of new challenges. Many Main Street programs had experienced significant staffing and board changes and needed updated organizational planning to properly address these changes. The state Main Street Association reached out to Mississippi State University Extension and Community Design Solutions to conduct strategic planning and market research in every member community. The goal was to provide all Main Street directors with realistic, actionable plans based on sound economic and market data and to provide opportunities for buy-in from board members and community stakeholders.

Strategic plans and market studies were created for 46 towns. The market studies used retail trade analysis in addition to ESRI Business Analyst software. Additional information was derived through data from the Mississippi Department of Revenue, from EMSI software, and from community surveys.

### ***Community Surveys***

Community surveys were created for 46 communities in the program to determine levels of community engagement, shopping patterns, and how respondents felt about their community. The respondents were asked what types of new businesses they would like to see in their town. They were also asked what their town is known for, and how they felt the community can improve.

This report analyzes the existing data collected through the strategic planning processes and the market studies and compares the existing data of multiple Main Street communities.

The same surveys were offered in all communities, but some local Main Street programs opted to change the surveys to make the questions more applicable to their specific local needs. Such particularized data are not included in this report. Also, some directors chose not to use the digital survey. The

responses from these communities are not included in the overall analysis. The information from these differing surveys can be found in the individual community reports. This report contains findings from 36 Main Street Communities.

### ***Respondents***

The number of respondents in the summary analysis is 5,719. The average number of responses per community was 320. The surveys were distributed through a digital anonymous link that was posted on each community's social media channels and on each Main Street programs' social media channels. On average 1.89 percent of the population in the local Main Street communities responded to the survey. The largest community response rate was 9.5 percent. It must be assumed that the respondents to the survey have some interest in their community or their Main Street program to have seen the survey link on the social media sites.

### ***Socio-demographic Information***

The survey respondents were asked several questions regarding their age, gender, income level, and marital status. The average age of the respondents was 44, while the average number of years that the respondents have lived in their local community was 28 years. Twelve percent of the respondents are single, 58 percent are married, 3 percent are divorced, and 20 percent are widowed. The remaining 7 percent of respondents chose not to answer the question. Fifty-eight percent of the respondents said they were female, 19 percent said male and 23 percent preferred not to respond. Also, 62 percent of the respondents have a household income of over \$50,000, 15 percent have a household income of less than \$50,000, and 23 percent of respondents preferred not to answer the question. The average population of a Main Street Community is 14,654.

## **Results**

### ***Market Analysis Summary***

A retail trade analysis using the ESRI (Business Analyst) mapping software was conducted to determine retail leakage in the Main Street Communities. Demographic information regarding age, income, spending profiles, and market segments were also analyzed.

Multiple trends were identified in the process. Leakage was occurring in sectors such as books and reading materials, building materials, and non-store retailers across many of the communities. However, leakage sectors were extremely varied and were subject to where a town was in proximity to other larger towns, as well as goods and services that were available in those towns.

For example, a community that did not allow alcohol sales would leak alcohol sales to other communities, while a town that was located near a large shopping complex would likely leak clothing sales if clothing options were not available in the local area. It was also noted that towns that had general merchandise stores were often drawing in shoppers from outside the community.

Market segments were also analyzed. Market segments are portions of the population that have similar characteristics. The market segments or market trends were examined for the populations in and nearby the Main Street Communities. The market segments tended to be similar in most of the Main Street Communities. The three most popular market segments identified by ESRI were designated as Southern Satellites, the

Rural Bypasses, and the Rooted Rural. All three of these market segments are older, with the median age being 40 to 45. All three are typically married without children at home, and all three are concerned about cost. They may use technology, but not as a primary means of doing business or receiving information. Their household spending is below average in all categories, and healthcare is one of their biggest expenses. These segments enjoy the outdoors for recreation and often work in healthcare, manufacturing, and agriculture.

### **Shopping Patterns**

The survey respondents were questioned about where they purchase certain goods and services. They were asked if they shopped in their local communities or in a nearby community. They were also asked if they shopped online.

The survey revealed that 59 percent of the respondents shop locally for fast food; 62 percent shop locally for groceries; 65 percent choose local pharmacies; and 66 percent use local banks. 57 percent of those surveyed choose local hair stylists, salons, and dry cleaners, and 40 percent to 50 percent are choosing local options for healthcare, dental care, eye care, auto parts, and lawn care.

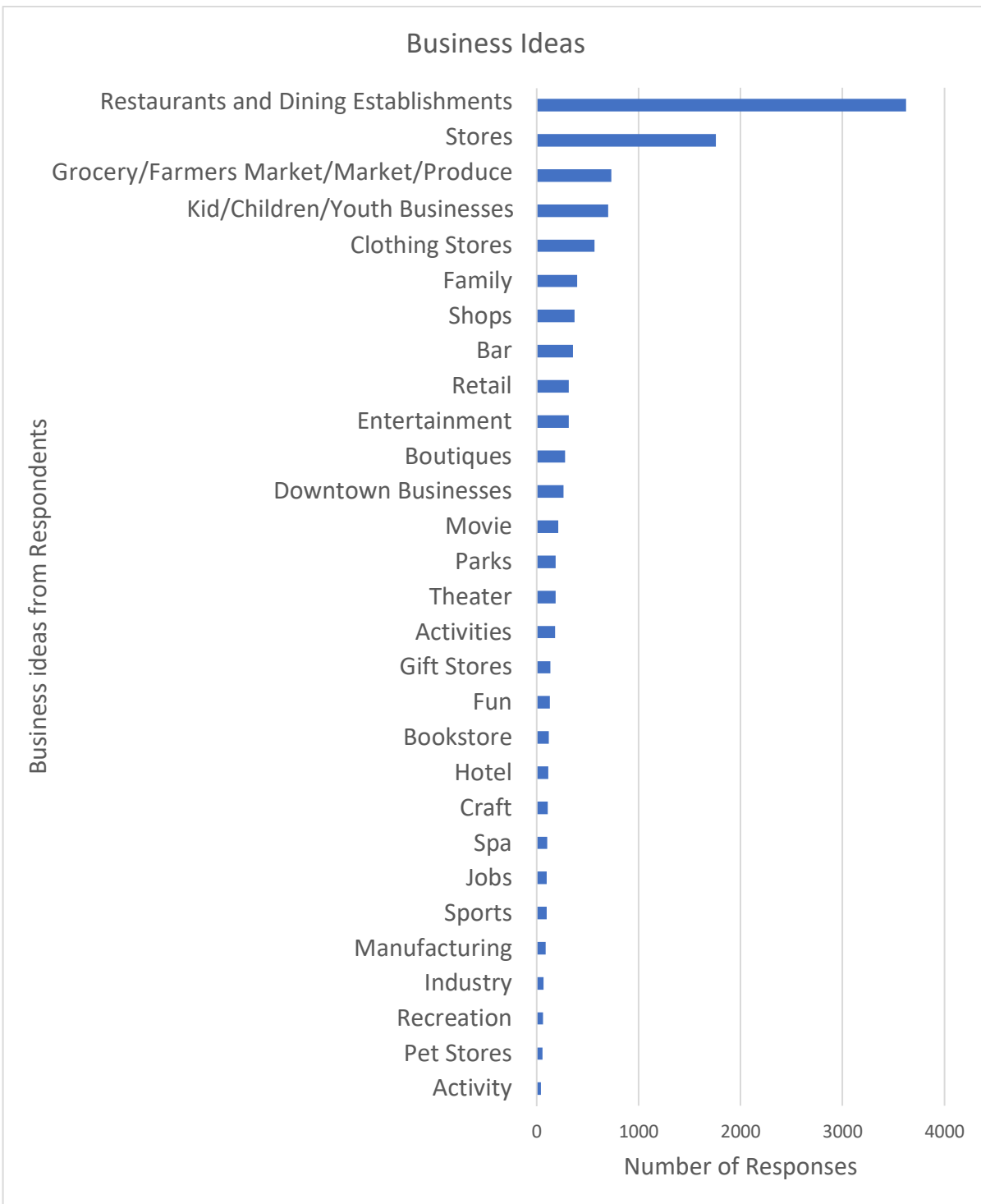
Categories in which respondents choose to shop out of town include hunting and fishing supplies, upscale dining, nightlife (30 percent shopped locally), and recreation (22 percent chose local options), and clothing and books (17 percent shopped locally).

### **New Business Ideas**

The respondents were asked what type of business they would like to see in their community. More and better restaurants and dining options was the most popular response (3,623 responses). The second most popular response was more stores and shopping options, whether locally owned or chain stores (2,125 responses). Businesses that cater to needs for children were mentioned 702 times, while grocery stores and farmers markets were mentioned 731 times. Other popular responses were clothing stores, bars, family friendly businesses, and entertainment and recreation-based businesses. Additionally, downtown businesses were mentioned 262 times.



Chart 1. Respondents Business Ideas



## Community Improvement

The survey respondents were asked to describe one thing in their community that needed to improve. The question was open ended, and there was no word limit nor multiple choice options provided. The responses varied, but themes were evident when reviewing the information.

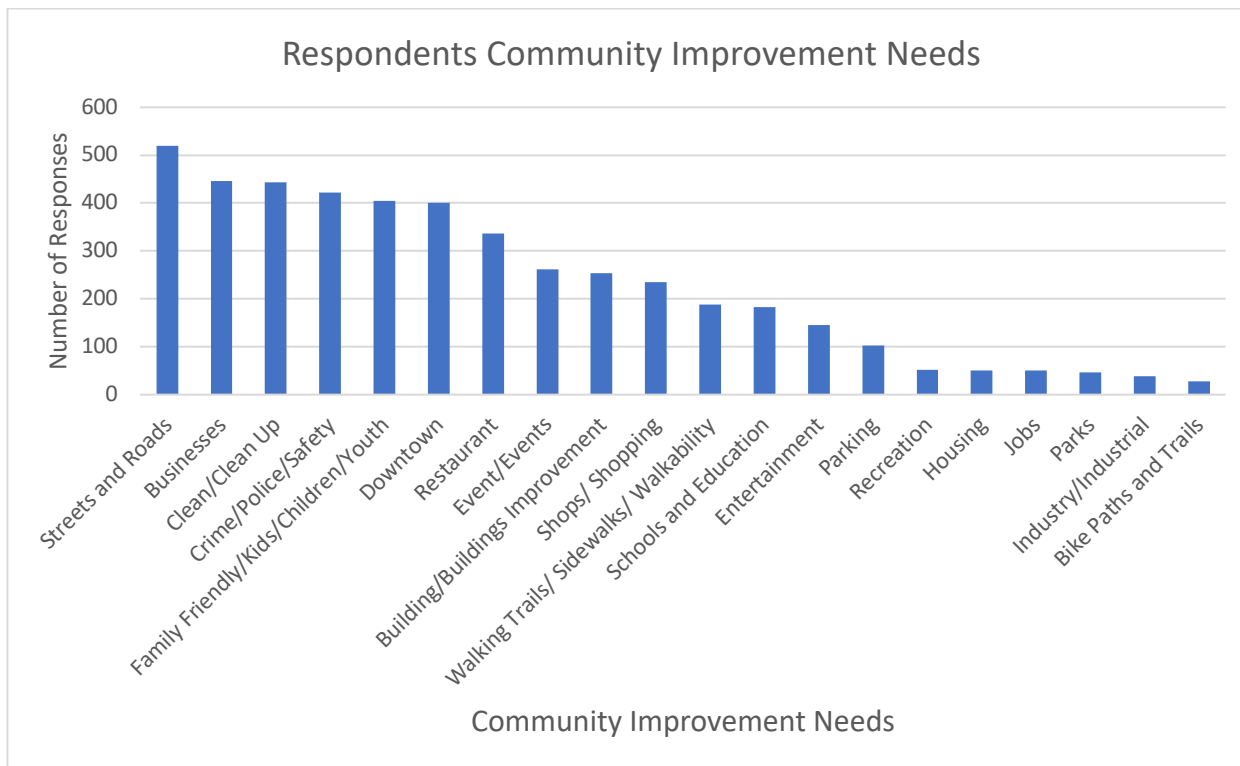
The respondents wanted to see improvements to the cleanliness and visual appeal of their towns including the appearance of their streets and roads. They also stressed sprucing up downtown areas and cleaning and improving older buildings. Street and road improvement was mentioned in response to this question 519 times, community clean-up was mentioned 443 times, and downtown improvement was mentioned 401 times. Additionally, building improvement was mentioned 254 times.

Another theme among the respondents was business development. The respondents wanted improvements to local

businesses, and more businesses, especially downtown. As previously mentioned, downtown improvements were listed by 401 respondents. Additionally, 435 responses were about improving and increasing businesses, and 235 responses referred to shopping improvements. More specifically, restaurants were the most popular type of business cited as a means of improving the respondents' communities.

An issue of concern among the respondents was community safety and crime, with 422 responses regarding crime, police, or safety. The respondents also called for more recreational activities, especially for families and youth. Family activities were mentioned 405 times. Entertainment and recreation improvements were frequently listed by the respondents. Parks, recreation, and entertainment, events were mentioned a combined 499 times.

**Chart 2. Community Improvement Ideas**



## How promising is the future?

The respondents were asked "How promising is the future of your town?" with 0 = Not promising at all and 10 = Extremely promising. There were 5,065 responses to this question. The average score was 5.6, and 7 was the most popular response. There were 807 respondents that chose 7. Analysis was conducted to determine any correlation between the respondents' perception of the future of the community and population, income, marital status, age, and length of residence in the community.

**Results:** Respondents living in larger towns had a more positive perception of the future of their community as did those who had higher levels of income. Age was also positively correlated with a more positive perception of the future of the community. There was not a significant difference between those who were single, married, divorced, or widowed on the perception of the future of the community.

However, the length of time the respondents had been living in a community was negatively correlated with the outlook of the future of the community, meaning the longer a person had lived in a community the more negative the perception of the future of their community.

## Community Engagement

A series of questions were asked to determine the respondents' level of engagement in their community:

- Have you ever attended a public meeting on town or city affairs in this community? No = 0 Yes = 1
- Have you ever attended a public meeting on school affairs in this community? No = 0 Yes = 1
- Have you ever participated in a community improvement activity in this community? No = 0 Yes = 1
- Have you ever worked with others in the community to try to solve community problems in your current town? No = 0 Yes = 1

A linear regression was used to determine a relationship between participation in community-oriented actions previously listed above and the perception of the future of the respondent's community.

**Results:** It was found that those who had participated in meetings regarding school affairs had a more negative perception of the future of the community but participating in other community actions had a positive correlation with the perception of the future of the respondent's community.

Additionally, the sum of the responses to the community engagement questions were used to measure the level of community engagement and its relationship to the perception of the future of the community. The result was a positive relationship between a higher level of community engagement and the perception of the future of the community. The takeaway is that those that are engaged in their local community have a more positive view of their community's future.

A regression analysis was also used to examine the variables related to community engagement and respondents from

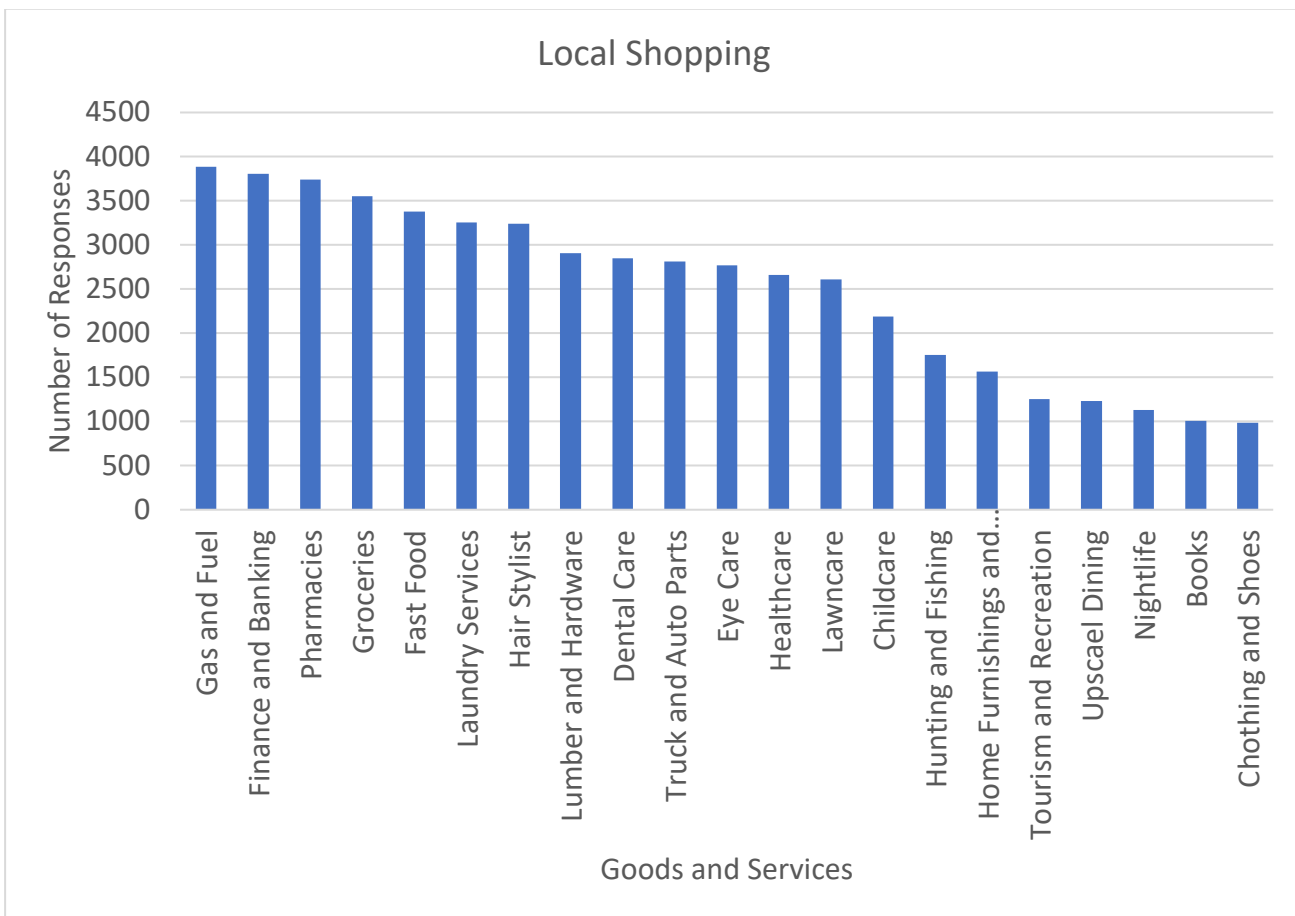
communities with longer existing Main Street programs had higher levels of community engagement. Also, those that were older and from towns with higher populations had higher levels of community engagement.

## Local Shopping Influences

The respondents were asked where they purchase 21 various goods and services. There were 5,719 respondents, but not all respondents answered where they purchased every good and service. If the respondents chose to shop in the local community the answer was coded 1. If the respondents chose to shop somewhere besides their local community the answer was coded 0. The responses were totaled for a sum of local shopping score. The scores could range from 0 to 21. The average local shopping score was 9.8.

The number of local shoppers was totaled for each item in the chart below.

**Chart 3. Number of Respondents Choosing to Shop Local**



A mean shopping score was calculated to explore this further. The mean score of each shopping item is shown in the chart below. This score is relevant because it accounts for the number of respondents. For example, childcare had 2,189 people say they shop locally for childcare, but this category only had 3,118 responses to this question. Therefore, the childcare mean was 70, which is higher than many of the

other categories. This chart depicts what goods and services respondents are choosing to shop for locally in Main Street communities, and what goods and services the respondents are choosing to shop for in communities they do not live in. A higher mean score indicates a higher number of those that responded to the question were choosing to shop locally for that good or service.

**Chart 4. Respondents' Mean Shopping Score**



Additional analysis was conducted to determine if there were differences between socio-demographics and local shopping. A t-test— a statistical test used to compare the means of two groups— was used to examine the differences between males and females choosing to shop local.

- **Result:** Males were slightly more likely to shop locally than females. A t-test was also used to compare those with a household income of less than \$50,000 and those with a household income of \$50,000 and above.
- **Result:** There was not a significant difference between income levels when choosing to shop locally.
- The relationship between local shopping and the perception of the future of the community, and how long a community has had a Main Street program were also compared.
- **Result:** A positive correlation between community engagement, the respondent's perception of the future of the community, and the respondent's tendency to shop local was found.
- **Result:** A positive relationship between the length of a Main Street program and the level of community engagement was found.
- **Result:** There was also positive relationship between the length of a Main Street program and respondents choosing to shop locally for amenity good such as upscale dining, clothing, and nightlife.

## Conclusion

There is a positive relationship between the length of a community's Main Street program and a higher the level of overall community engagement. Additionally, communities with higher levels of community engagement had higher levels of local shopping overall. The length of the Main Street program had a positive relationship with higher levels of local shopping for entertainment related and amenity good such as clothing, upscale dining, and nightlife. It must be noted that while there is a positive relationship between these variables, causality cannot be determined in this single study.

More research is recommended to determine direct relationships between Main Street programs and local shopping. It is recommended to record community engagement activities and local shopping promotions and measure if local sales and small business development improves over time as result of these efforts.

## Summary Points of Interest

Survey respondents primarily shopped locally for necessity goods and services. Such products have a strong level of uniformity. Examples of necessity goods and services are fuel, banking and finance, and pharmaceuticals.

Survey respondents were more likely to leave their local community to purchase amenity goods and services or goods that have variability in the quality or experience. Amenity goods and services would be considered experience

purchases and include such categories as upscale dining, clothing, and entertainment. It should be noted that the longer a community's Main Street program has been in existence, the greater the likelihood that these amenity and experience purchases will be made locally.

When asked what types of businesses are needed in their communities, respondents most frequently suggested:

1. experience-based businesses such as restaurants,
2. activities and recreation for youth and families, and
3. more variety in local shopping options.

A respondent's age and his or her level of community engagement, along with the size of the population of the community in which he or she lives, all positively correlated with the perception of the future of the community. The respondents average age was 44. The perception of the future of the community was also positively correlated with the level

of local shopping. In addition, the longevity of a community's Main Street program was positively correlated with the level of community engagement. The respondents' average number of years they have lived in their community was 28.

Thus, there appears to be a relationship between Main Street programs and levels of community engagement as well as a relationship between Main Street programs and local shopping. Specifically, there is high level of correlation between the existence of Main Street programs and a respondent's tendency to shop locally for amenity goods and services.

The surveys consistently showed a popular desire for street and road improvement and a concern with levels of crime. These issues are not problems that Main Street programs have the resources to address, but they could be impacting the perception of the future of the community. More research should be done to further explain this variable.



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