

2018

Feasibility Study and Business Plan for a Grocery Store in Autaugaville, Alabama



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Funding for this project was made available by a U.S. Department of Agriculture Rural Business Development Grant administered by the Central Alabama Regional Planning and Development Commission, Pamela Trammell, Project Administrator.

FRONT COVER: The front cover is a photo recently taken by Southeast Research personnel inside the Hayneville Associated Grocers store. This store has approximately 9,000 square feet of selling space and is considered a “model” small grocery store by Southeast Research. Those who build a grocery store in Autaugaville should visit this facility for ideas on layout, inventory, and display. All photos included in this report were taken at the Hayneville Associated Grocers store and are used with permission.

I. Summary

The Town of Autaugaville received a USDA Rural Business Development Grant for the purpose of conducting a feasibility study and business plan for a grocery store. The grant was administered by the Central Alabama Regional Planning and Development Commission, Pamela Trammell, Project Administrator.

Autaugaville, Alabama is truly a food desert where the closest store available for residents to purchase fresh produce is twenty plus minutes away. For the purpose of this feasibility study, the town's trade area is defined to include the land area within Census Tract 010010211.00 that currently contains an estimated 3,353 people (see map, p. 5). Unlike many small rural areas in Alabama, the Autaugaville trade area is experiencing a steady, though relatively small, annual population increase. Per capita income of the trade area is projected to grow at an average annual rate of over three percent through 2025.

The demand for grocery store type merchandise is currently \$5.5 million in the town's trade area. In an open discussion town hall meeting, trade area residents voiced their strong support for having a local grocery store. The same level of support for a grocery store was recorded in a market survey where virtually all respondents stated they would shop at a local grocery store that offered the things they had rated important. Based on findings of the market survey, Southeast Research estimates a full-service grocery store will generate an estimated \$3.3 million in sales in year one of operation. Further, the store's financial plan projects it will generate profits of over \$63,000 during the first year of operation with associated positive cash flows. During the store's fourth year of operation, the projected net profit increases to \$155,000 and increases to \$251,000 at the end of the store's seventh year.

This report concludes that a full-service grocery store located in the Town of Autaugaville (of approximately 8,000 square feet) can generate a good return to its owner(s) with sound decision making. Proposed operation plans for the proposed grocery store are included and cover general operation recommendations as well as recommended plans for marketing and advertising, human resources, and financial.

This material contains forecasts and forward-thinking information, including possible or assumed future performance, costs, sales levels or rates, valuations and industry growth and other trends. Actual results and developments may differ materially from those implied or expressed by statements herein and are dependent on a variety of factors.

II. Feasibility of a Full-Service Grocery Store in Autaugaville

According to reports from The Wall Street Journal (WSJ) and the USDA, there have been major changes in the grocery business since the 2007-2009 recession. Traditional grocery retailers during the nation's most recent recession experienced negative inflation-adjusted growth (USDA). However, since 2010, grocery store sales growth (inflation-adjusted) averaged 1.39 percent per year (USDA). A major trend in the retail grocery business in recent years has been more consolidation among the key players as evidence of several large mergers taking place (USDA). The Wall Street Journal feels that new competition, ranging from European discounters like Aldi to Amazon's Whole Foods "will leave even the best-position supermarkets struggling for growth." Already this year, chains like Winn Dixie and BI-LO have filed for bankruptcy.

There will likely be further structural and competitive adjustments in the industry, especially impacting smaller regional grocery chains in the coming years. What will be the effect of these trends on a relatively small grocery store serving a rural and rather isolated market in Autaugaville, Alabama?

While the noted trends will continue to have major impacts on the U.S. grocery industry as a whole, their effect on small grocery stores serving isolated rural markets will likely be negligible. The economic feasibility of a grocery store in Autaugaville is a function of several variables including:

- ✓ Market demand in the town's trade area
- ✓ Proximity of competition serving the market (i.e. market supply)
- ✓ Willingness of local residents to support a local grocery store

AUTAUGAVILLE'S RETAIL TRADE AREA

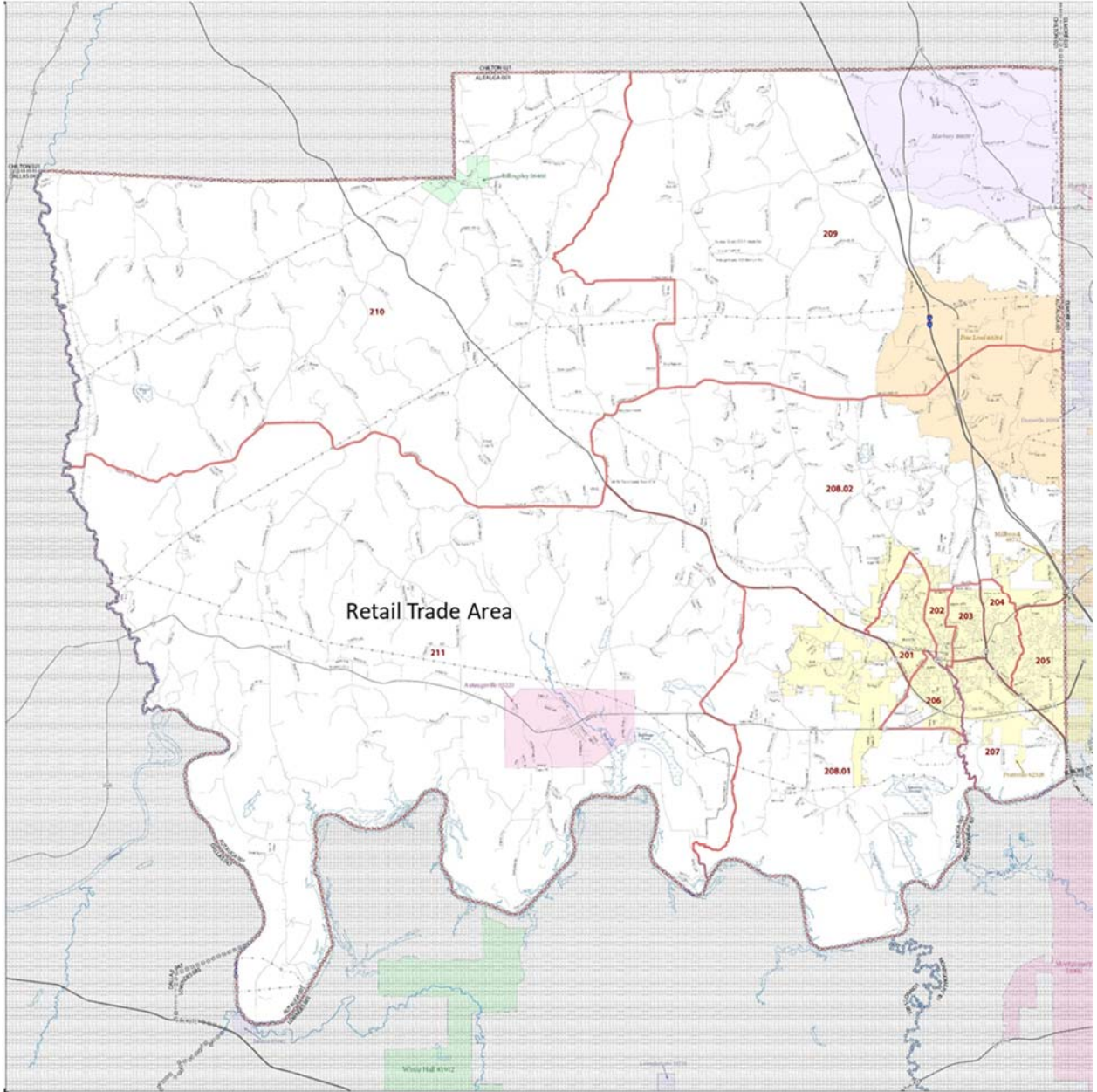
The dominant factor influencing the shape of Autaugaville's trade area is Alabama Highway 14 with potential customers traveling to the town principally from the east and west. Almost no customers will be coming from the south of town due to the proximity of the Alabama River. Potential customers north of Autaugaville must travel south to Alabama Highway 14 in order to access the area's shopping facilities. These market characteristics produce a retail trade area shaped more like a rectangle and is best described by Census Tract 010010211.00 (see map, p.5). This census tract is actually part of Prattville's retail trade area which is supported by the market survey findings showing that 91% of Autaugaville area households currently buy their groceries there. However, the market survey also indicated that Autaugaville area residents would shop at a local grocery store if it offered the things they rated as important.

Prattville has four relatively large supermarkets and a conservative estimate is that a grocery store in Autaugaville would effectively compete with these facilities six to seven miles east of its location. The area west of Autaugaville to the Dallas County line

towards Selma, represents a large potential market for a local grocery store. Significantly, just 1.5% of the households surveyed indicated they currently shop for groceries in Selma. This means they are currently passing through Autaugaville via Alabama Highway 14 to shop in Prattville. Retail trade areas vary in their shapes and sizes and not all of them can be described using concentric circles¹.

¹ Levy, Michael and Barton A. Weitz, *Retailing Management*, Richard D. Irwin, Inc., 1992, pp 319-320.

Autaugaville, Alabama Retail Trade Area



CHARACTERISTICS OF THE POPULATION IN AUTAUGAVILLE'S RETAIL TRADE AREA

Currently Autaugaville's trade area contains an estimated 3,353 people and is projected to increase to 3,647 residents by 2025 (see Figure 1 below). This represents an average annual growth rate of 1.13%. The number of households in the trade area is estimated to be 1,441 by 2025 representing an increase of 117 households since 2018. The number of households in Autaugaville is projected to grow by an average annual rate of 1.13 percent per year from 2017 to 2025.

Figure 1
Estimated Potential Grocery Store Sales in Autaugaville's Retail Trade Area:
2017 through 2025

	2017	2018	2022	2025	Average Annual Increase 2017-2025
Population	3345	3353	3387	3647	1.13%
Number of Households	1321	1324	1337	1441	1.13%
Per Capita Income	\$21,183	\$21,784	\$24,190	\$26,310	3.02%
Total Income	\$70,857,135	\$73,041,752	\$81,931,530	\$95,952,570	4.43%
Percent of Income Spent on Groceries	7.5%	7.5%	7.5%	7.5%	
Total Grocery Store Demand	\$5,315,000	\$5,478,000	\$6,145,000	\$7,197,000	4.43%
Market Capture Percent	60%	60%	60%	60%	
Estimated Sales	\$3,185,000	\$3,282,000	\$3,682,000	\$4,312,000	
Estimated Weekly Sales Per Sq. Ft. of Selling Space²		\$9.03	\$10.11	\$11.85	

SOURCES: Market Place Data for 2017 and 2022 are forecasts made by ESRI and Infogroup Retail Market Place 2017. Data for 2018 and 2025 have been estimated by Southeast Research from ESRI Growth Trends 2017 report. Autaugaville Retail Trade Area is defined as the area in Autauga County inclusive of Census Tract 010010211.00 (see map, p.5).

HOUSEHOLD AND PER CAPITA INCOME PROJECTIONS

The median household income in the Autaugaville trade area in 2017 was estimated to be \$42,490 and projected to increase to over forty-eight thousand (\$48,071) by 2022. This represents a 13.1% increase over the five-year period (see Figure 2, next page). Per capita income among residents of the trade area was estimated at \$21,183 in 2017 and projected to increase to \$24,190 by 2022 representing an increase of 14.2% over the five-year period. Total income of residents of the Autaugaville retail trade area is calculated by multiplying per capita income by total population which is estimated to be

² The estimated weekly sales per square foot of selling space are computed on the basis of 7,000 square feet. Though the proposed grocery store is recommended to be 8,000 square feet, the available selling space would be 7,000 square feet.

over seventy million (\$70,857,135) in 2017 and projected to increase by slightly more than thirty-five percent (35.4%) by 2025. This rather healthy increase in total income for the area is attributable to the fact that both population and per capita income are increasing at the same time.

Figure 2
Projected Household Income for Autaugaville’s Retail Trade Area:
2017 through 2022

	2017	2022
Median Household Income	\$42,490	\$48,071
Average Household Income	\$53,166	\$60,815
Per Capita Income	\$21,183	\$24,190

SOURCES: Forecasts made by ESRI. Income expressed in current dollars.

According to ESRI’s Retail Marketplace reports, expenditures for food and beverage categories was estimated to be slightly more than five million (\$5,315,000) in 2017 and projected to increase to more than seven million (\$7,197,000) by 2025 for the target population. As shown in Figure 1 (p.6), residents are spending an estimated 7.5% of their income on grocery items. The analysis in Figure 1 assumes that the proportion of income spent on grocery items will not change through 2025.

ESTIMATED SALES FOR AN 8,000 SQUARE FOOT GROCERY STORE IN AUTAUGAVILLE

The market share that a retail grocery store can realistically obtain is principally a function of the following variables:

- ✓ Convenience and attractiveness of location.
- ✓ Convenience of competing grocery stores.
- ✓ The store’s overall price level as indicated by their gross margins.
- ✓ Daily traffic counts at the site location.
- ✓ Cleanliness of the store.
- ✓ Selection and quality of inventory.
- ✓ Located in an area where residents buy other goods and services.

CONVENIENCE AND ATTRACTIVENESS OF STORE’S LOCATION

As noted earlier in this analysis, the residents of Autaugaville and the surrounding trade area live in a food desert with the nearest grocery stores being from 20 to 32 minutes away. The general locations recommended for the store in Autaugaville are all within one-mile of the town’s main business district. The two areas most preferred (see discussion below) are situated short distances from existing retail facilities and contain

no blighted surroundings. This feasibility study calls for a new structure to house the town's proposed grocery store.

CONVENIENCE OF COMPETING GROCERY STORES

The nearest grocery stores, as previously noted, are located 20 to 32 minutes from the center of Autaugaville. And, if either of the recommended areas are selected for the new store, they will represent the closest grocery store for approximately ninety percent of the trade area's population.

THE STORE'S OVERALL PRICE LEVEL AS INDICATED BY THEIR GROSS MARGINS

The recommended gross margin percentage for the proposed new grocery store in Autaugaville is 25.96%. This gross margin percentage was calculated by first estimating the gross margin percent for the four major inventory groups for a rural grocery store:

Grocery and General Merchandise	24%
Meat	27%
Produce	34%
Dairy	25%

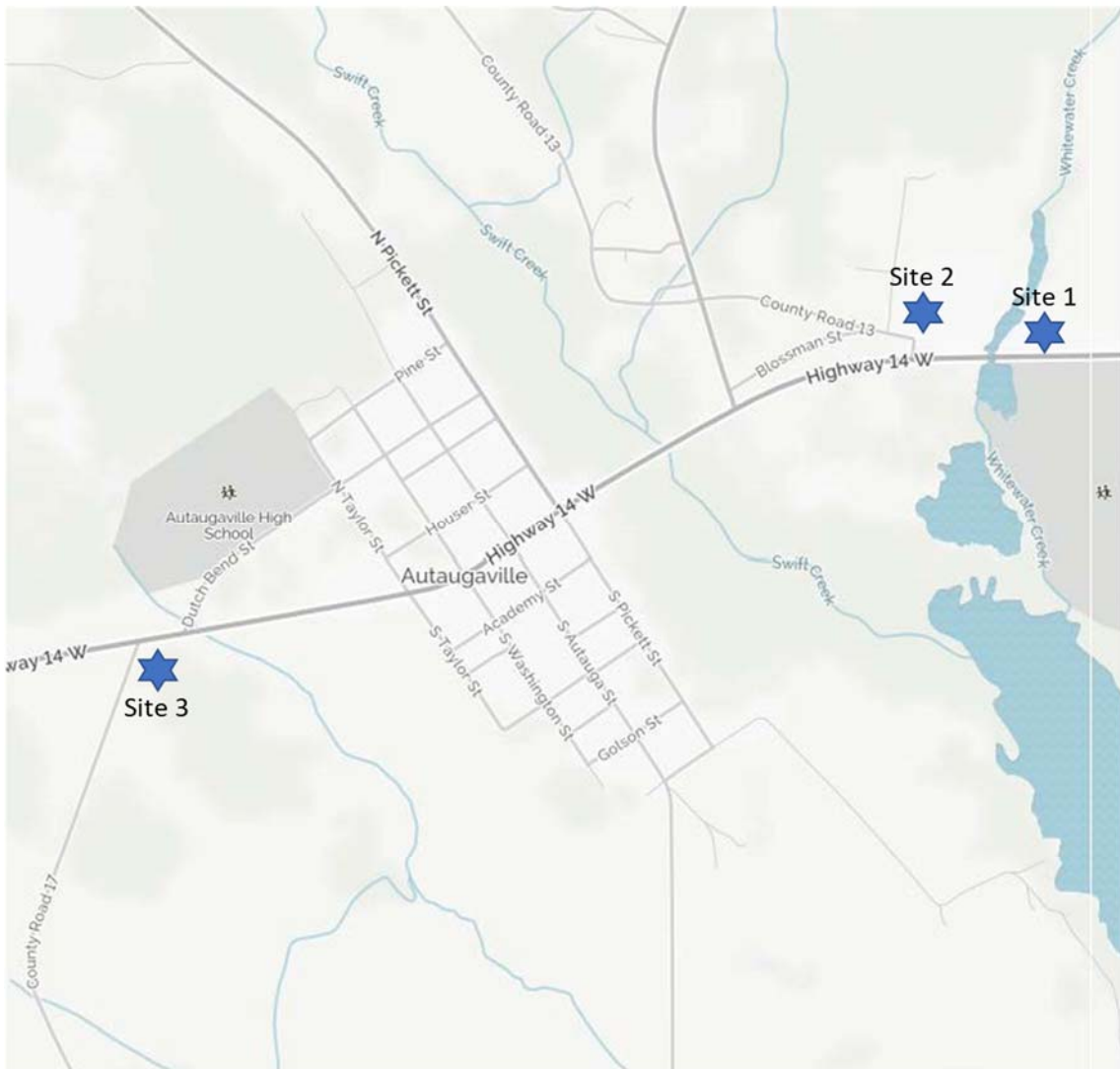
These gross margins were then weighted by multiplying them by the expected proportion of sales for the four major merchandise groups. The gross margin percent used in this analysis is in line with the 24-25 percent that most stores use (Bizminer 2014). Even though the 25.96% average gross margin used in this analysis is in line with what grocery stores generally use, Dollar stores are known to be more than competitive on selected items such as paper goods (paper towels, toilet paper, etc.) sometimes forcing small grocery stores to settle for a smaller than usual gross margin on these particular items. It is recommended that owners of a grocery store in Autaugaville regularly shop local stores who may be selling similar items for a price comparison.

DAILY TRAFFIC COUNTS ALONG ALABAMA HIGHWAY 14

The recommended locations for the proposed store are both on Alabama Highway 14. The latest traffic counts for the area were made by ALDOT in 2016 and reveal that a location just east of the town's current business district would likely be the preferred area for Autaugaville's grocery store. This is Site 1 as shown on the map (see Alternative Sites Proposed for Grocery Store on p.9). The reasons for preferring this location, which is on the north side of Alabama Highway 14 and near the entrance to the Autauga County Agricultural Center and the West Alabama Agricultural Pavilion, is described below. Site 1 is on Alabama Highway 14 and near County Road 21 South which leads to the popular Swift Creek Park and Boat Landing. This area of Alabama Highway 14 had a daily traffic count of 5,660 in 2016 compared to a traffic count of 3,730 for another recommended area just west of town (near Site 3). Alabama Highway 14 just east of the

town is fed by traffic coming from the northern part of the trade area via County Roads 13, 165, and 21 North. The attractions to the area just east of the town include the two agricultural facilities and the recreational opportunities at Swift Creek Park which hosts almost 14,000 visitors a year. These “feeder” county roads coming from north of Highway 14 are also used by residents who receive health services at the Autauga County health facility and by those who shop the Dollar Store, Minnow Bucket, and drug store.

Autaugaville, Alabama Alternative Locations Proposed for Grocery Store



Site 1 is located off AL Hwy 14 near the entrance to the Autauga Agricultural Center.
Site 2 is located at the old Autaugaville Elementary School.
Site 3 is located near the corner of AL Hwy 14 and County Road 17.

CLEANLINESS OF THE STORE

A telephone survey with households in the Autaugaville trade area revealed that “store cleanliness” was rated as one of the top two factors residents considered when deciding where they shop for groceries. The importance of this store selection criteria is further emphasized in the proposed personnel and marketing plans. For the proposed grocery store to be successful, it must meet (if not exceed) the expectations of local residents. The market survey provides a road map of what’s important to area shoppers when deciding where to shop for groceries and the six most important factors are:

- ✓ Cleanliness of store
- ✓ Quality of food the store carries
- ✓ Carrying fresh fruits and vegetables
- ✓ Carrying fresh meat
- ✓ Having a good product selection
- ✓ Being located convenient to shopper’s home

ENTHUSIASM FOR A FULL-SERVICE GROCERY STORE IN THE TOWN OF AUTAUGAVILLE IS HIGH

On May 8, 2018 Southeast Research personnel held a Town Hall Meeting with residents of the Autaugaville trade area at the Autaugaville Volunteer Fire Department. The large crowd was enthusiastic and vocal about their desire to have their own local grocery store. Findings of the market survey further revealed that if a grocery store opened in Autaugaville and provided the things shoppers indicated were important to them, they would shop there. Close to 80% of the shoppers surveyed said they would definitely shop at a local grocery store that met their requirements. Further, about 80% stated they would buy most of their groceries at a local store that offered the things they rated “important”.

ESTIMATED MARKET SHARE OF A NEW GROCERY STORE LOCATED IN THE TOWN OF AUTAUGAVILLE THAT MET THE NEEDS OF TRADE AREA RESIDENTS

Currently, virtually 100 percent of the amount spent in grocery stores by residents of Autaugaville’s trade area is being spent in Prattville, Montgomery, and other areas. The market survey conducted by Southeast Research indicated that an overwhelming proportion of these residents would shop at a grocery store in Autaugaville if the store offered the things they rated as important. From these data it is estimated that a grocery store in Autaugaville would capture an estimated 60% of the trade area’s potential. It is reasonable to conclude that 40% of the trade area’s potential grocery sales would still take place outside of Autaugaville (i.e. leakage percent).

This market share was estimated as follows:

PERCENT OF POTENTIAL GROCERY SALES WITHIN 5 MILE RADIUS OF SITE = 58% X 70% SHARE

PLUS, PERCENT OF POTENTIAL IN THE REMAINING PORTION OF THE TOWN'S RETAIL TRADE AREA = 42% X 46% SHARE

58%	X	70% share	=	40.6%
42%	X	46% share	=	19.3%
TOTAL			=	59.9% (Call 60%)

ESTIMATED SALES FOR AUTAUGAVILLE'S PROPOSED GROCERY STORE

Achieving a 60% market share would generate estimated sales of \$3,282,000 in year one (2018), \$3,682,000 in 2022, and \$4,312,000 in 2025. These are the estimated sales volumes that were used in constructing the financial analysis presented later in this report.

Based on the projected sales volume for the Autaugaville grocery store, Southeast Research recommends that the proposed facility contain 8,000 square feet. An 8,000 square foot facility would generate slightly more than nine dollars (\$9.02) per square foot of selling space weekly for year one. This figure would increase to \$10.11 within four years and increasing to \$11.85 in seven years.

III. Operations Plan

A basic and yet critically important decision made by small grocery stores is whether to operate as a truly independent entity or to be affiliated in some way with other grocery retailers. Retail cooperatives provide a system of grocery retailing that enables the individual stores to enjoy some of the same benefits and advantages of the corporate chains, such as Winn Dixie, Kroger, etc. Retail cooperatives are formed by independent retailers to run their own buying organizations and to provide other valuable assistance and services to co-op members. Examples of these organizations in the retail grocery business are Associated Grocers of the South, Certified Grocers, and Unified Grocers. The primary retail cooperative serving Alabama is Associated Grocers of the South located in Birmingham.

Following discussions with representatives of retail cooperatives, as well as site visits to grocers who are members of co-ops, it is recommended that the proposed Autaugaville grocery store apply for membership. One of the retail cooperative member stores visited as part of the analysis for this study is located in Hayneville, Alabama in nearby Lowndes County. This store is a model of how rural grocery stores should serve their

markets. The store's owner gave permission to take pictures, both inside and outside his store, and to use them in this report.



Retail cooperatives provide independent stores with a proven system for effective grocery store marketing. The services provided to their retail members can likely help them reduce both startup costs and operating costs. A sample of the services that retail cooperatives provide to their members include:

- Offer members a full-line of products including grocery items, produce, meats, dairy, frozen foods, deli-bakery, and general merchandise (e.g. health and beauty care, tobacco).
- Retail members are also free to buy from other supply sources when it's advantageous for them to do so.
- A retail accounting program.
- Insurance program.
- Private label line.
- A complete advertising department.
- Weekly ad offerings.
- Consumer market studies.
- Professional store sets.
- Website design.
- Internet website.
- Professional meat and produce specialists.
- Profit sharing – members share in the profits made by the co-op.



For a complete description of benefits and services the Autaugaville grocery store would receive as part of becoming a member of a retail cooperative, see the *Associated Grocers of the South* addendum report.

HOURS OF OPERATION

The Autaugaville trade area is quite rural with residents rising early attending to farming jobs and driving to jobs 20-35 minutes from the area. With this in mind, it is proposed that the grocery store open at 7:30am and close at 9:00pm.

STORE LAYOUT

The layout of the grocery store floor plan has been more or less standardized over the years based on marketing research and sales psychology. Many stores include floral sections which are positioned near the entrance to establish a fresh, pleasant feel for shoppers. This fresh theme usually flows directly into the produce aisle where customers are greeted by an abundance of healthy fruits and vegetables.



The back corner is often reserved for bakery items. Canned goods and other grocery items are usually placed in the center aisles because they do not require refrigerant



lines. The shelving height in this section is also strategically laid out to increase sales and profitability. Large bulk items which are large enough for shoppers to see even when placed below normal sight range are placed on the bottom shelves to accommodate their size. Eye level shelving is reserved for the most popular and most profitable items in each section.

It is important to remember that not all retail space is the same. Areas of high traffic are much more valuable than low traffic areas. Positioning the most profitable items in the areas that see the most shoppers can increase gross profit. Meat products are usually displayed against the back wall and after the shopper has passed the produce section of the store³. As noted previously, retail cooperatives provide their members with a wide range of services, including professional store set-ups to help with store layout and stocking issues.

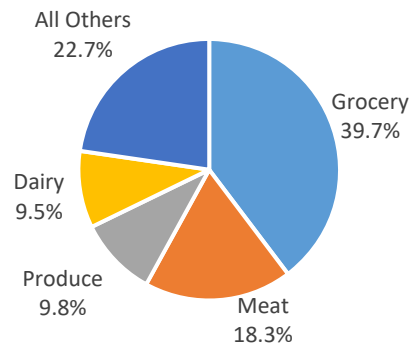


PRODUCT MIX

The professional store-sets assistance provided by retail cooperatives and/or by other grocery distributors can help simplify the product mix decisions of small rural grocery

³ Store layout recommendations were obtained from *Rural Grocery Store Start-up and Operations Guide*, Illinois Institute for Rural Affairs at Western Illinois University, pp 10-12.

stores. A 2012 study found that the top four departments accounted for over three-fourths (77.3%) of a grocery store's total sales^{4 5 6}.



PRICING DECISIONS

The pricing and associated gross profit calculations presented in the financial section of this report are based on industry practice. Members of retail cooperatives receive pricing assistance in the form of the cop-op's retail pricing program. This assistance combined with close attention to how the Autaugaville market responds to the proposed grocery store's initial pricing model, should prove helpful in the event some fine tuning may be required.

OPTIONAL STORE DESIGN

As reported earlier, the unmet demand for food sold in grocery stores in the Autaugaville trade area is over \$5 million annually. At the same time, the unmet demand for restaurants/eating places is just over \$3 million in the town's trade area. Some convenience stores and smaller grocery stores are designing their buildings to accommodate *Express* versions of fast food franchises. For example, a newly opened Piggly Wiggly also located in Autauga County, designed their store to accommodate an 800 square foot Little Caesars Express restaurant where customers have the option of purchasing hot food in the store while shopping or non-shoppers can go through the Little Caesars drive thru.

Of all the food households buy, 43% is purchased away from home (i.e. restaurants) and this proportion is increasing relative to the proportion of food that is purchased for use at home. This trend is motivating grocery stores like the Piggly Wiggly store mentioned above, to examine ways to capture some of the away from home food business.

⁴ Roerinks, Anne-Marie, Dennis Linkay, Bob Graybill and Shelley Bosler (as referenced in *Rural Grocery Store Start-up and Operations Guide*, Dec 2014, p.10)

⁵ "Grocery" items include packaged/canned/jarred goods, dry/baking, beverages, spices, paper goods, cleaners, etc.

⁶ "All Others" include frozen, deli, bakery, seafood, tobacco, floral, beer/wine, health/beauty/cosmetics, and general merchandise.

Southeast Research personnel discussed the Little Caesars Express franchise with their corporate office and were quoted the following start-up costs:

Cost of Franchise	\$20,000
Equipment and Signs	\$90,000
Drive-Thru Construction	\$15,000
Build-Out Cost for 800 Square Foot Space ⁷	\$8,000
TOTAL ESTIMATED START-UP COSTS	\$133,000

Southeast Research did not evaluate the feasibility of the proposed Autaugaville grocery store including a fast food restaurant in its operations.

RECORDKEEPING

Recordkeeping, payroll, and accounting are all necessary for the success of any business and are provided for or by the business⁸. Retail cooperatives have in-house retail accounting programs to assist members with this business function. The cost for these services to be provided by an outside accountant has been budgeted and is found on the store's income statement. Accountants provide advice on the business's financial health, including tax advice.

LEGAL COSTS

Attorneys will be needed in the start-up phase of the business and a legal representative should be available during the life of the Autaugaville grocery store. Funds for legal expenses are shown as a line item along with accounting services in both the start-up expenses document and on the firm's pro-forma income statement.

The CPA who was retained to advise Southeast Research on this study recommends that the legal form of ownership for the proposed Autaugaville grocery store should be an "S" Corporation. As an "S" Corporation, the owners are protected from personal liability while profits and losses are reported on their individual tax returns. It is further recommended that the owner(s) own the store's building outside the business itself. The projected income statement for the proposed grocery store includes a line item expense for store rent at \$80,000 annually. This is enough for the owner(s) to pay their annual debt service of \$73,000 on the building loan. The net profit margin for grocery stores generally is admittedly small (1.5%-4%). However, by owning the building personally (outside the business), the owner(s) are accumulating equity in the building by renting the facility to the store.

⁷ Estimated by Southeast Research.

⁸ *Rural Grocery Store Start-up and Operations Guide*, Illinois Institute for Rural Affairs at Western Illinois University.

A. Marketing and Advertising

The most important event for successfully marketing the proposed Autaugaville grocery store is the image created the first-time area shoppers enter the store. The second most important event for successfully marketing the store is the second time shoppers enter the store and the third most important event...you get the picture. Shoppers' perception of the store and the shopping experience it provides time after time projects the store's image. From an operations point-of-view, components of the store's human resource, marketing and advertising tool kits must work together to create an image that appeals to the target market (i.e. shoppers in their trade area). The market survey conducted with trade area shoppers asked respondents to rate the importance of 19 grocery store selection factors using a five-point scale. The top-rated items in the survey were:

- ✓ Quality of food
- ✓ Cleanliness of the store
- ✓ Carrying fresh fruits and vegetables
- ✓ Carrying fresh meat
- ✓ Having good product selection
- ✓ Convenient location

These are the six factors that residents will use most to judge their shopping experience with a newly opened grocery store in Autaugaville. As will be discussed in the human resources plan, employee training and continuous quality monitoring are required in order to meet shoppers' expectations every time they enter the proposed grocery store. Recommendations concerning the store's advertising and marketing decisions are presented below.

TARGET MARKET

The main target market for Autaugaville's proposed grocery store is defined as residents of its trade area as represented by Census Tract 010010211.00 (see map p.5) which currently contains an estimated 3,353 people. Secondary markets include east-west travelers on Alabama Highway 14 and visitors to the Autauga County Agricultural Center, the West Alabama Agricultural Pavilion, the Swift Creek Park and Boat Landing, the Autauga Medical Center or any other persons traveling to the town for any reason. Since local residents will represent the core market for the proposed grocery store, the marketing and advertising recommendations will focus principally on them.

While there are some attractive areas in Autaugaville, there are other areas that are blighted and unattractive for locating a new grocery store. Several days were spent in Autaugaville by Southeast Research personnel conducting site analysis work and three areas were considered best for the grocery store:

Site 1	An area east of Crystal Lake on the north side of Alabama Highway 14 and close to the access road leading to the Autauga County Agricultural Center and the West Alabama Agricultural Pavilion
Site 2	The closed Autaugaville school location on the north side of Alabama Highway 14.
Site 3	An area just west of the town hall on the south side of Alabama Highway 14 near where County Road 17 intersects.

Everything considered, Southeast Research recommends the Site 1 area described above (see map p.9). This part of town would enable the store to locate in attractive surroundings and potentially be an area where other retail and service firms could locate as well. Further, this location is on the east side of Autaugaville where average daily traffic counts are highest.

STORE ATMOSPHERE

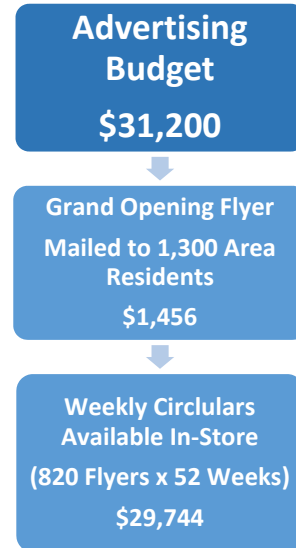
While store location, merchandise selection, customer service, pricing, and advertising activities all contribute to a store’s overall image, it also projects its personality by atmospherics. These are the combinations of physical characteristics and amenities that are designed to influence a customer’s mood so as to increase the odds of a purchase being made. For example, this may include the store’s layout, noise level, temperature, lighting, and decorations. Some stores brew coffee throughout the day principally for the image created by the aroma.

PRICING

The pricing model used by retail grocery stores is based on achieving a targeted gross profit margin usually between 24 to 25 percent. The sales and profit projections for this feasibility study are based on a competitive average gross margin percentage of slightly less than 26%. Produce items need a higher gross margin because of the throw away incidence. Shoppers are sensitive to a grocery store’s general price level, but above all, they expect to see discounts and based on custom, they expect to receive flyers in their local newspaper or in the store which highlight the week’s discounted items.

PROPOSED CONSUMER ADVERTISING PLAN

The market survey conducted with residents of the grocery store’s trade area revealed that close to one-half (49%) buy most of their groceries on Friday or Saturday. And, slightly over one-half (53%) buy most of their groceries mornings, while 43% indicated they buy most of their groceries in the afternoon. Based on Friday and Saturday being the heaviest preferred grocery shopping days, the flyers listing the sale items should be available to residents on Thursday. The proposed store’s first year advertising budget is \$31,200. With limited distribution of a local newspaper to areas representing the store’s trade area, there is no efficient way to send flyers to shoppers’ residences. Yet, when shoppers were surveyed, flyers/circulars/mailouts were the most preferred ways for respondents to receive advertising from the proposed Autaugaville grocery store.



It is proposed that as part of the store’s grand opening event, that trade area residents be mailed a 4-page, 4-color flyer announcing the grocery store’s grand opening and include information about the sale items. The cost for this one mailing would be approximately \$1,456 leaving a balance in the advertising budget of \$29,744 which would be sufficient to print 820 flyers weekly for 52 weeks making them available to shoppers in the store.

While residents are visiting the store shopping, programs should be in place to:

- Inform shoppers of the store’s website where store information, including weekly sales are posted.
- Obtain shoppers’ e-mail addresses so that weekly sales information can be sent electronically to them every Thursday.

STORE WEBSITE

The proposed Autaugaville grocery store should have a user-friendly website that is promoted within the store by its employees and with signage. The website will be used to promote weekly sales and inform customers of various activities and events related to the store. When visiting the website, store patrons should have the ability to sign up for the weekly sales e-mails. In

addition, a customer satisfaction survey component should be included to monitor and improve customer's shopping experience.

ROAD SIGNAGE

The start-up cost for the proposed grocery store includes \$35,000 for the purchase and installation of a large LED double sided sign. The grocery store's name would be mounted just above the LED screen. The LED sign is proposed for several reasons including:

- Virtually all trade area residents who travel to Autaugaville for services, including the U.S. Post Office, drug store, water service, and health care will likely pass by the LED lighted sign on Alabama Highway 14.
- The daily traffic count on Alabama Highway 14 in the vicinity of the proposed location for the grocery store was 5,660 two years ago (2016). This traffic includes not only local residents, but also east-west travelers on Alabama Highway 14 and visitors to the area's two agricultural facilities and to Swift Creek Park.
- The LED sign would be used to promote the grocery store 24/7 but also to promote community events, such as high school sporting events, and disaster notices. By using the sign to mention community happenings, the proposed grocery store will become an integral communication vehicle of the area and valued for its community service role.

GRAND OPENING

The first year's budget includes a line item of \$4,000 to promote the store's Grand Opening event. These funds should be spent specifically to create awareness of the new store and to entice residents to shop there. Examples of events/activities to get shoppers to visit the store are:

- ✓ **A drawing for \$200 worth of free groceries to all visitors who provide their e-mail address and/or sign up to receive the weekly e-mail sales notifications.**
- ✓ **Free gifts of items supplied by vendors.**
- ✓ **Cookout in front of store.**
- ✓ **Big discounts on selected food items.**
- ✓ **Appearances by local governmental officials and/or sports personalities (e.g. O.J. Howard).**

In addition to the \$4,000 Grand Opening budget, \$1,456 from the advertising budget has been proposed to be spent to print and mail out flyers to all residents of the trade area announcing the Grand Opening.

B. Human Resources

The Autaugaville grocery store should initially hire one Manager, one Assistant Manager, two Administrative/Customer Service workers, one Meat Cutter, one Produce Clerk, four Cashiers, and four Stockers/Laborers. Positions are listed as full-time equivalent; however, some positions may be filled by part-time workers such as the cashiers and stockers/laborers. The personnel plan for year one is included in the table below:

Personnel Plan		Hourly Rate	2018
1	Manager	\$22.50	\$46,800
1	Assistant Manager	\$18.00	\$37,440
2	Administrative/Customer Service	\$11.25	\$46,800
1	Meat Cutter	\$13.00	\$27,040
1	Produce Clerk	\$10.00	\$20,800
4	Cashiers	\$9.00	\$74,880
4	Stocker/Laborers	\$8.00	\$66,560
Total Payroll			\$320,320

Each of the positions will overlap to make sure the key determinates of customer satisfaction are taken care of and that adequate help is on hand.

As revenues increase, additional positions will be added and/or raises will be given:

Personnel Plan		Hourly Rate	2022
1	Manager	\$25.24	\$52,504
1	Assistant Manager	\$19.00	\$39,520
2	Administrative/Customer Service	\$11.80	\$49,088
1	Meat Cutter	\$13.65	\$28,392
1.5	Produce Clerks	\$10.50	\$32,760
4	Cashiers	\$9.45	\$78,624
4.5	Stocker/Laborers	\$8.40	\$78,516
Total Payroll			\$359,404

Personnel Plan		Hourly Rate	2025
1	Manager	\$29.56	\$61,487
1	Assistant Manager	\$19.95	\$41,496
2	Administrative/Customer Service	\$12.40	\$51,584
1.5	Meat Cutters	\$14.30	\$44,616
1.65	Produce Clerks	\$11.00	\$37,520
4.5	Cashiers	\$9.90	\$92,664
5	Stockers/Laborers	\$8.80	\$91,520
Total Payroll			\$420,887

EMPLOYEE UNIFORMS

Employee uniforms will enhance the store’s image, promote the store, and represent a great benefit for employees. Two uniform sets, that will include pants and polo shirt with the store’s logo, will be issued to each new employee as part of new-hire assimilation. Additional uniforms can be purchased at the employee’s expense. Each employee will also receive a name badge.

EMPLOYEE TRAINING

As part of the new hire process, employees will be trained by store management on their roles and responsibilities within the store, how to properly perform their job functions, and the importance of serving customers. As previously noted in the proposed marketing plan, the market survey identified six factors most important to area shoppers when deciding where to buy their groceries. The customer service phase of training will focus on the importance of these six areas. Employees will also be trained in injury prevention using the guidelines set forth by the Occupational Safety and Health Administration (OSHA) as found in *Guidelines for Retail Grocery Stores*.

C. Financial Plan

ESTIMATED START-UP COSTS

The estimated start-up costs for an 8,000 square foot grocery store in Autaugaville, Alabama are approximately \$2.2 million (\$2,197,000). The largest proportion of the start-up costs is the building cost which amounts to approximately \$1.2 million (see Estimated Start-up Costs, p.23). As noted earlier, it is recommended that the building and land be owned by the owner outside of

the grocery store business by a separate LLC. The retail store business will rent the building from the owner for a recommended \$80,000 per year (\$6,666.00 per month). It is recommended that the owner obtain financing to pay for the 8,000 square foot building with a 30-year loan. Assuming a nominal annual interest rate of 4.5%, the owner would make monthly payments of just over six thousand dollars (\$6,094.47). Income projected from the store operation would be sufficient to pay the owner the estimated \$80,000 annual rent. Importantly, the owner would be accumulating an asset in the store building as the building loan is being amortized (the full amortization schedule can be obtained from Southeast Research). It should be noted that an estimated \$165,130 of the start-up costs listed will be treated as expense items on the first year's income statement. Further, approximately \$831,000 worth of assets listed as start-up expenses will appear on the store's year end balance sheet (see p.25).

Autaugaville Grocery Store
Estimated Start-Up Costs

	Estimated Cost
Land Cost (\$1.00 sq. ft. - 1 acre)	44,000
Building Cost (8,000 sq. ft. at \$132.01 per sq. ft.)(1)	1,056,000
Asphalt Paving (25,000 square feet at \$3.25 per sq. ft.)	81,000
HVAC (at \$2.25 sq. ft.)	20,000
Refrigeration (freezers, coolers - includes 2 walk-in coolers)	500,000
Display Fixture (at \$8.86 per sq. ft.)	71,000
Interior Signage (at \$1.18 per sq. ft.)	9,000
Exterior LED Sign	35,000
POS System (2 Brilliant Brand stations at \$4,269 each)	9,000
Shopping Carts (20 at \$160) and Baskets (15 at \$79) Shipped (\$810)	5,000
Office Furnishings	2,000
Office Supplies	1,000
Security System	5,000
Start-up Inventory (24-day supply at cost \$160,000, retail \$216,000)	160,000
Website Development	7,000
Telecommunications	500
Utility Deposits (estimated monthly power bill \$5,000)	10,000
Business License	330
Beer and Wine License	300
Grand Opening Expense	4,000
Initial Cash Requirements (2)	140,000
Property and Liability Insurance	4,000
Attorney Fees	3,000
Accountant Fees	3,000
Cost of Meat Processing Equipment:	21,000
<i>Saw (Used) - \$4,000</i>	
<i>Scale (Used) - \$4,000</i>	
<i>Grinder (Used) - \$6,000</i>	
<i>Cube Machine (used) - \$2,000</i>	
<i>4 Tables - \$1,200</i>	
<i>6 Racks - \$1,800</i>	
<i>Ready racks and pans - \$2,000</i>	
Cost of Produce Processing Equipment	6,000
<i>Scale - \$5,000</i>	
<i>2 Tables - \$600</i>	
<i>Supplies - \$300</i>	
Total Estimated Start-Up Costs	2,197,130

Funded as follows:

Contributions from owner (Building/land will be owned by separate LLC)	1,201,000
Equipment Loan	656,000
Line of Credit	<u>340,000</u>
	<u><u>2,197,000</u></u>

(1) Building costs were obtained from the 2018 National Building Cost Manual based on “good” quality class. Square foot costs include the following components: Foundations as required for normal soil conditions. Floor, wall and roof structures. Interior floor, wall and ceiling finishes. Exterior wall finish and roof cover. Display fronts. Interior partitions. Entry and delivery doors. A canopy and walk across the front of the building as described in the applicable building specifications. Basic lighting and electrical systems. Rough and finish plumbing. All plumbing, piping and wiring necessary to operate the usual refrigerated cases and vegetable cases. Design and engineering fees. Permits and hook-up fees. Contractor’s mark-up.

(2) Initial cash requirements to pay workers and vendors, including rack jobbers who will require cash until trade credit is established.

PROJECTED BALANCE SHEET

The year end balance sheet for the proposed Autaugaville grocery store is shown below. At the beginning of year one the grocery store business will have projected assets and liabilities each totaling \$1,001,000 (without any equity/member capital). However, at the end of year one the projected year one income generated from the store's operations of over sixty-three thousand (\$63,447) results in owner's equity/capital increasing by the same amount.

Autaugaville Grocery Store
Projected Balance Sheet
As of the end of the first year of operation

	Beginning of Year	End of 1st Year
Current Assets		
Cash	\$ 180,000	\$ 91,994
Utility Deposits		10,000
Inventory	160,000	200,000
Total Current Assets	340,000	301,994
Fixed Assets		
Equipment & Fixtures	661,000	661,000
Accumulated Depreciation	-	(66,100)
Total Fixed Assets	661,000	594,900
Total Assets	1,001,000	896,894
Current Liabilities		
Accounts Payable	-	25,000
Short-term Debt (Line of Credit)	340,000	194,188
Current Maturities of Long-Term Debt	46,741	53,084
Total Current Liabilities	386,741	272,272
Long Term Debt	614,259	561,175
Total Liabilities	1,001,000	833,447
Equity/Member Capital	-	63,447
Total Liabilities and Equity	\$ 1,001,000	\$ 896,894

PROJECTED INCOME STATEMENT

The 8,000 square foot grocery store proposed for Autaugaville is projected to generate net income of slightly more than sixty-three thousand dollars (\$63,447) in spite of the fact that \$20,500 of the start-up costs were included as part of year one expenses (see Projected Income Statement p.27). The grocery store is projected to show good gains in net profit over the next few years as sales are projected to increase at a much faster rate than are expenses. For example, from 2018 (year one) to 2022, total revenue is projected to increase by 12.2% while projected expenses are anticipated to grow at just 2.2%. These dynamics are expected to result in net income increasing by 144% during the four-year period. And, from 2022 to 2025 growth in sales are projected to continue to outpace growth in total expenses. Specifically, from 2022 to 2025 sales are projected to increase by 17.1% while expenses are projected to increase by 8.3%. Net income is projected to increase to \$251,270 by 2025, an increase of 62.3% over 2022.

With the projected growth in sales outpacing the store's projected growth in expenses, net profit as a percent of sales grows from 1.93% in 2018 to 4.2% in 2022 and to 5.83% in 2025. These very favorable projected net profit increases give strong indication that the construction and operation of an 8,000 square foot grocery store in Autaugaville would be a feasible and profitable venture for the owner(s). Additionally, the owner(s) would be accumulating equity in the store building which they would own personally.

Autaugville Grocery Store
Projected Income Statement
As of the end of Year 1, 2022, and 2025

	Year One (2018)	Year 2022	Year 2025
Revenues			
Sales (net)	\$ 3,282,000	\$ 3,682,000	\$ 4,312,000
Cost of sales	2,433,695	2,725,400	3,192,605
Gross Profit	848,305	956,600	1,119,395
Expenses			
Utilities	66,000	68,000	70,000
Advertising	31,200	32,100	33,100
Licenses	630	5,000	5,200
Property Taxes	6,300	6,500	6,700
Insurance	16,000	16,500	17,000
Legal & Accounting	18,000	18,500	19,100
Telecommunications/Website	6,360	6,600	6,800
Office Expense	3,125	3,200	3,300
Repairs and Maintenance	12,500	12,900	13,300
Operating Supplies	2,500	2,600	2,700
Payroll	273,520	306,900	359,400
Manager Salary	46,800	52,504	61,487
Payroll Taxes	25,600	28,800	33,700
Employee Uniforms	4,680	4,800	4,900
Miscellaneous Expense	3,100	3,200	3,300
Bank/credit card charges	38,000	42,600	49,900
Rent	80,000	80,000	80,000
Depreciation	66,100	66,100	66,100
Start-up costs	20,500	-	-
Interest	63,943	44,961	32,137
Total Expenses	784,858	801,765	868,125
Net Income	\$ 63,447	\$ 154,835	\$ 251,270

PROJECTED CASH FLOWS

The projected cash flows for the proposed Autaugaville grocery store as of the end of year one are shown below. The projections reveal that the proposed grocery store was able to pay all liabilities during the year and cash flow shows a healthy cash position at the end of the year. Positive cash flows typically indicate that a firm has a healthy all-around condition. The projected healthy increases in net profits for years 2022 and 2025 should generate even more favorable cash flows for the store.

Autaugaville Grocery Store

Projected Cash Flows

As of the end of the first year of operation

Cash flow from operating activities	
Net Income	\$ 63,447
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation	66,100
Changes in net operating assets and liabilities:	
Inventories	(200,000)
Utility Deposits	(10,000)
Accounts payable	25,000
Net cash from operating activities	(55,453)
Cash flows from investing activities	
Purchase of property & equipment	(661,000)
Net cash from investment activities	(661,000)
Cash flows from financing activities	
Proceeds from short-term obligations	340,000
Proceeds from long-term obligations	661,000
Payments on short-term obligations	(145,812)
Payments on long-term obligations	(46,741)
Net cash from financing activities	808,447
Net change in cash and cash equivalents	91,994
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents end of period	\$ 91,994

POTENTIAL SOURCES OF FUNDING FOR GROCERY STORES SERVING FOOD DESERTS

In 2010, the Healthy Food Financing Initiative (HFFI) was announced to bring grocery stores and other healthy food retailers to underserved urban and rural communities across America. Through programs at the U.S. Departments of Agriculture (USDA), Treasury, and Health and Human Services (HHS), the HFFI expands access to nutritious food in underserved communities through efforts such as developing and equipping grocery stores, small retailers, corner stores and farmers markets selling healthy food. The Healthy Food Access Portal (www.healthyfoodaccess.org) contains information on current federal, state, and local funding opportunities. Financing opportunities may include grants, low interest loans, Healthy Food Financing/HFFI, incentives, and tax credits.

IV. Acknowledgements

The following people and organizations provided professional assistance with this study:

AdChoice LED Signs	Kelly Langlois
Alabama Department of Revenue	
Alabama Department of Transportation	
Aldridge, Borden & Company, P.C.	Bonnee Bailey, CPA
Associated Grocers of the South	Billy Leverett
Hayneville Associated Grocers	Alan Langley
Kwik Kopyshop Montgomery	Jason Gill
Little Caesars Corporate Development	Ed Adler
Piggly Wiggly Alabama Distributing Co.	Eddie Frye
Piggly Wiggly Alabama Distributing Co.	Jerry McCann
Sherlock, Smith, & Adams, LLC	David Parker, AIA
U.S. Army Corps of Engineers	Henry McIntosh, Jr.

Special thanks to The Honorable Curtis Stoudemire, Mayor of Autaugaville, and the town staff for all of their assistance with this feasibility study.

V. Appendix

A. Household Survey Tabular Data

Telephone surveys were completed with 66 households located within a 5-mile radius of downtown Autaugaville. Data collection was completed May 9-14, 2018.

Table 1
How many times per week does your household usually visit a grocery store to buy groceries?

	Average	n =
Average Number of Times Household Visits a Grocery Store Weekly to Buy Groceries	2.2	66

Table 2
What day of the week does your household buy most of your groceries?

	n =	%
DAY OF WEEK Sunday	1	1.5%
Monday	9	13.6%
Tuesday	3	4.5%
Wednesday	5	7.6%
Thursday	3	4.5%
Friday	14	21.2%
Saturday	18	27.3%
Day Varies	13	19.7%
Total	66	100.0%

Table 3
On the day that you buy most of your
groceries, what time of the day do you usually
go shopping?

		n =	%
TIME	Mornings	35	53.0%
	Afternoons	21	31.8%
	Evenings	6	9.1%
	Time Varies	4	6.1%
	Total	66	100.0%

Table 4
What is the name of the grocery store where your household buys
most of your groceries?

		n =	%
GROCERY STORE SHOPPED MOST	Walmart	30	45.5%
	Food Outlet	26	39.4%
	Winn Dixie	19	28.8%
	Publix	7	10.6%
	Dollar General	3	4.5%
	Save More	2	3.0%
	Maxwell AFB	2	3.0%
	Not Sure	1	1.5%
	Piggly Wiggly	1	1.5%
	Cost Plus	1	1.5%
	Meat Store	1	1.5%
	T-Mart	1	1.5%
	Costco	1	1.5%
	Food Fair	1	1.5%

Totals exceed 100% due to multiple responses.

Table 5

Locations where Autaugaville area residents buy their groceries.

		n =	%
LOCATION OF GROCERY STORES SHOPPED MOST	Prattville	60	90.9%
	Montgomery	5	7.6%
	Autaugaville	4	6.1%
	Pine Level	1	1.5%
	Millbrook	1	1.5%
	Selma	1	1.5%

Totals exceed 100% due to multiple responses.

Table 6

I'm going to read you a list of items that may be important to some people when deciding where they will shop for their groceries. Using a scale of 1 to 5, where 1 means "not at all important" and 5 means 'very important,' please rate how important each item is to you when deciding where you will shop for your groceries.

On a scale of 1 to 5, how important is _____ to you, when you are deciding where to shop for your groceries?

	Average Rating	n =
Customer service	4.6	66
Quality of food they carry	4.8	66
Carrying fresh meat	4.7	65
Cleanliness of the store	4.8	66
Prices they charge	4.6	66
Having good product selection	4.7	66
Convenient store hours	4.5	65
Employing local Autaugaville people to work there	4.1	66
Keeping sales tax revenue in the Town of Autaugaville	4.6	65
Offering hot foods for breakfast, lunch and dinner, and other ready to eat items	4.1	65
Carrying fresh fruits and vegetables	4.7	66
Carrying some produce items grown by local farmers	4.5	65
Carrying some organic food items	3.6	64
Carrying some hunting and fishing items	2.7	64
Carrying some boating items	2.5	61
Being open on Sunday	4.0	65
Offering a discount for volume purchases such as 2 for 1 pricing	4.4	65
Being located convenient to your home	4.7	66
Carrying fresh baked items	4.2	66

Table 7

If a new grocery store opened in Autaugaville and offered the things you said were important, would you say that members of your household would definitely shop there for groceries, probably shop there, probably not shop there, or definitely not shop there?

		n =	%
SHOP	Definitely shop there	52	78.8%
	Probably shop there	13	19.7%
	Probably not shop there	1	1.5%
	Total	66	100.0%

Table 8

Again, if a new grocery store opened in Autaugaville and offered the things that you rated important in this survey, would you say your household would likely buy most of your groceries there, buy about half of your groceries there, or buy less than half of your groceries there?

		n =	%
LIKELY TO BUY	Most of your groceries	52	78.8%
	About half of your groceries	13	19.7%
	Less than half of your groceries	1	1.5%
	Total	66	100.0%

Table 9

Is any member of your household employed outside of the Autaugaville area?

		n =	%
EMPLOYED OUTSIDE	Yes	30	45.5%
AUTAUGAVILLE	No	36	54.5%
Total		66	100.0%

Table 10

In an average week, how much does your household spend on groceries that you take home?

	Average	n =
Average Amount Households Spend on Groceries Per Week	\$138.38	65

Table 11

What would be the best way for a grocery store in Autaugaville to advertise to people in the area?

	n =	%
BEST WAY TO ADVERTISE Newspaper	18	27.3%
Flyers	14	21.2%
Word-of-mouth	14	21.2%
Not Sure	9	13.6%
Signage	9	13.6%
TV	8	12.1%
Social Media	6	9.1%
Circular	5	7.6%
Mailouts	5	7.6%
Radio	5	7.6%
Billboard	3	4.5%
E-mail	1	1.5%

Totals exceed 100% due to multiple responses.

Table 12

Average Household Size

	Average	n =
Average Household Size	2.7	66

Table 13
Characteristics of Respondents

		n =	%
RACE	White	26	39.4%
	Black	39	59.1%
	Other	1	1.5%
	NA	0	.0%
GENDER	Male	23	34.8%
	Female	43	65.2%
AGE	18-39	9	13.6%
	40-59	27	40.9%
	60 and above	29	43.9%
	NA	1	1.5%
	Total	66	100.0%

B. Household Survey Questionnaire

Introduction

Hello Mam/Sir my name is _____ with Southeast Research, and we're conducting a survey for the Town of Autaugaville. As you may have heard, Autaugaville has received a U.S. Department of Agriculture Rural Business Development Grant. The grant is being used to determine the feasibility of a grocery store locating in Autaugaville. Do you have a few moments to share your opinion with us?

() Yes

() No Ask for a convenient time to call back.

Good, your responses to this survey will be kept private.

1. First, how many times per week does your household usually visit a grocery store to buy groceries? _____

2. And, what day of the week does your household buy most of your groceries?
 - 1 () Sunday
 - 2 () Monday
 - 3 () Tuesday
 - 4 () Wednesday
 - 5 () Thursday
 - 6 () Friday
 - 7 () Saturday

3. And, on the day that you buy most of your groceries, what time of the day do you usually go shopping? _____

4. What is the name of the grocery store where your household buys most of your groceries?
 - 1 () Publix
 - 2 () Walmart
 - 3 () Winn Dixie
 - 97() Other (specify) _____

5. And where is that located?

- 1 () Prattville
- 2 () Montgomery
- 3 () Selma
- 4 () Autaugaville
- 5 () Other _____

6. Next, I'm going to read you a list of items that may be important to some people when deciding where they will shop for their groceries. Using a scale of 1 to 5, where 1 means "not at all important" and 5 means "very important", please rate how important each item is to you when deciding where you will shop for your groceries.

On a scale of 1 to 5, how important is _____ to you, when you are deciding where to shop for your groceries?

	Not At All Important				Very Important	Not Sure
a. Customer service	1	2	3	4	5	6
b. Quality of food they carry	1	2	3	4	5	6
c. Carrying fresh meat	1	2	3	4	5	6
d. Cleanliness of the store	1	2	3	4	5	6
e. Prices they charge	1	2	3	4	5	6
f. Having good product selection	1	2	3	4	5	6
g. Convenient store hours	1	2	3	4	5	6
h. Employing local Autaugaville people to work there	1	2	3	4	5	6
i. Keeping sales tax revenue in the Town of Autaugaville	1	2	3	4	5	6
j. Offering hot foods for breakfast, lunch and dinner, and other ready to eat items	1	2	3	4	5	6
k. Carrying fresh fruits and vegetables	1	2	3	4	5	6
l. Carrying some produce items grown by local farmers	1	2	3	4	5	6
m. Carrying some organic food items	1	2	3	4	5	6
n. Carrying some hunting and fishing items	1	2	3	4	5	6
o. Carrying some boating items	1	2	3	4	5	6
p. Being open on Sunday	1	2	3	4	5	6
q. Offering a discount for volume purchases such as 2 for 1 pricing	1	2	3	4	5	6
r. Being located convenient to your home	1	2	3	4	5	6
s. Carrying fresh baked items	1	2	3	4	5	6

7. If a new grocery store opened in Autaugaville and offered the things you said were important, would you say that members of your household would definitely shop there for groceries, probably shop there, probably not shop there, or definitely not shop there?
- 1 () Definitely shop there
 - 2 () Probably shop there
 - 3 () Probably not shop there
 - 4 () Definitely not shop there
 - 5 () Not sure
8. Again, if a new grocery store opened in Autaugaville and offered the things that you rated important in this survey, would you say your household would likely buy:
- 1 () Most of your groceries there
 - 2 () Buy about half of your groceries there or
 - 3 () Buy less than half of your groceries there
 - 4 () Not sure
9. These last few questions are just for classification purposes. First, is any member of your household employed outside of the Autaugaville area?
- 1 () Yes
 - 2 () No
 - 3 () Refused
10. In an average week, how much does your household spend on groceries that you take home? _____
11. What would be the best way for a grocery store in Autaugaville to advertise to people in the area? _____
12. Including yourself, how many people are in your household? _____
13. What is your race or ethnic origin? Are you white, black, or some other race?
- 1 () White
 - 2 () Black
 - 3 () Other
 - 4 () Refused
14. What was your age on your last birthday? _____
- 999 () Refused

15. What is your occupation? _____

16. What is your spouse's occupation? _____

-99() Not married

17. OBSERVE AND RECORD: -1 () Male -2 () Female

Thanks for helping with this survey.

C. Demographics of Autaugaville’s Retail Trade Area

Table 1
Population Characteristics and Trends for the Retail Trade Area⁹

	2010	2017	2018	2022
Population	3,320	3,345	3,353	3,387
Households	1,306	1,321	1,324	1,337
Families	912	908	904	913
Percent of Family Households	69.8%	68.7%	68.3%	68.3%
Owner Occupied Housing Units	1,056	1,040	1,039	1,049
Percent Owner Occupied	80.9%	78.7%	78.5%	78.5%
Median Age	40.7	42.3	42.8	44.7
Average Household Size	2.52	2.51	2.53	2.51

SOURCES: The 2010 data were obtained from the US Census of Population. Data for 2017 and 2022 are forecasts made by ESRI. Data for 2018 have been estimated by Southeast Research.

Table 2
Projected Changes in the Age Distribution of the Population in Autaugaville’s Retail Trade Area: 2010 to 2017 and 2022

	2010	2017	2022
Percent Under 25	31.7%	28.2%	27.3%
Percent 25 – 64	53.5%	54.6%	51.8%
Percent 65 and above	14.9%	17.2%	20.9%

SOURCES: The 2010 data were obtained from the US Census Bureau. Data for 2017 and 2022 are forecasts made by ESRI.

Table 3
Projected Changes in the Race and Ethnicity of the Population in Autaugaville’s Retail Trade Area From 2010 to 2017 and 2022

	2010	2017	2022
White Alone	43.4%	39.3%	37.0%
Black Alone	54.5%	58.3%	60.3%
American Indian	0.4%	0.4%	0.4%
Other	1.7%	2.0%	2.3%

SOURCES: The 2010 data were obtained from the US Census Bureau. Data for 2017 and 2022 are forecasts made by ESRI.

⁹ The retail trade area is defined as the area covered by Census Tract 010010211.00 (see map).

Table 4
Projected Annual Population Growth Rates for the Autaugaville Retail Trade Area Compared to the State of Alabama and the U.S. from 2017 to 2022

	2017			2022		
	Autaugaville Trade Area	State of AL	U.S.	Autaugaville Trade Area	State of AL	U.S.
Population	0.25%	0.45%	0.83%	0.29%	0.45%	0.83%
Households	0.24%	0.46%	0.79%	0.27%	0.46%	0.79%
Families	0.11%	0.32%	0.71%	0.16%	0.32%	0.71%
Owner Occupied Households	0.17%	0.45%	0.72%	0.14%	0.45%	0.72%
Median Household Income	2.50%	2.14%	2.12%	2.71%	2.14%	2.12%

SOURCES: Forecasts made by ESRI.