



Downtown Economics

Ideas for Increasing Vitality in Community Business Districts

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“Buy Local” Campaigns and Economic Research

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Incorporating good economic data and research into your “Buy Local” campaign can have multiple benefits. This article outlines how economic data can strengthen the development, implementation, and evaluation of a buy local campaign. It will focus on economic data related to demographics, “what-if” economic impact scenarios, and evaluation data. The first step in determining what data you’ll need is to be specific about what questions you need answered. These questions might include: what is the income range of the people who are already shopping at our local businesses? How much do they typically spend at these business locations?

Demographic Data

Demographic data provides useful information about the individuals your campaign is attempting to reach. This may include data about sex, race, age, income, disabilities, mobility (in terms of travel time to work or number of vehicles available), educational attainment, home ownership, employment status, and even location. Developing a good understanding of your “local” consumer base should inform the development of the campaign. After all, how can you attempt to influence local shopping patterns if you don’t know who your audience is?

Demographic data can come from existing sources or from on-the-ground efforts to gather more specific data where none exists. Existing data sources include websites such as census.gov where you can use an online tool called American Fact finder to find specific data for your area. For an overview of how to interpret your demographic results as they might relate to downtowns in particular, see UW-Extension’s [Downtown Market Analysis](#) online toolbox. Another good source of demographic data is your city, county, or regional planning office. Staff at your local planning office may make use of GIS to quickly summarize the demographics of your “local” area. GIS Systems help communicate the results of your data visually by producing maps which can be very effective when working with a group.

Where demographic data doesn’t exist you may need to develop your own. Key sources of data might include local shoppers as well as others with keen insights into the local consumer base such as store owners, service providers, newspaper publishers, marketers, and consultants. Once you have identified a few good sources of information then you will need to figure out what data collection method to use. See UW-Extension’s [Downtown Market Analysis](#) toolbox or the [Program Evaluation](#) website for an overview of focus groups, survey research, case studies, and other techniques to gather data. Gathering this local data directly from customers or business owners can also serve as a valuable benchmark to determine if your buy local program is having an impact (see “Evaluation Data” below).

“What-If” Economic Data

A core message of most buy local campaigns is the positive economic impact on the local economy that results from the act of buying local. Implementing a buy local campaign often involves driving home this message for local consumers. Existing studies are often used to promote the positive economic claims associated with buy local campaigns.



For example, the [Andersonville Study of Retail Economics](#) found that locally owned businesses generate 70% more local economic activity per square foot than chain stores. Another study found that three times as much money stays in the local economy when you buy goods and services from locally owned businesses instead of large chain stores ([The Economic Impact of Locally Owned Businesses vs. Chains: A Case Study in Midcoast Maine](#)). A third study, [Economic Impact Analysis: A Case Study](#), found that spending \$100 at a large chain bookstore created \$13 worth of local economic activity, while spending \$100 at local stores generated \$45 in local economic activity. One difficulty with these studies is that they may not often be transferable to another community, where the economic landscape and differences in business purchasing are likely quite different.

So how can one develop a reasonable estimate of what the actual impact of increased local purchasing might be in a specific community? A common method is to use IMPLAN, widely available input-output software which models economic impacts for a given community. University Extension specialists are often a resource for doing these types of studies at the local level. For example, see Dave Swenson's (Iowa State) article [Measuring the Economic Impacts of Buy Local Campaigns in Iowa](#).

There are also less technical means of highlighting potential buy local economic impacts. Michael Shuman's book [Small Mart Revolution](#) highlights several. In one example using Bureau of Labor Statistics consumer expenditure data, he breaks down annual household expenditures for housing, transportation, food and several other categories of spending. This type of data quickly illustrates the enormous potential for localizing several types of consumer purchases.

Evaluation Data

A third type of data which is very relevant to buy local campaigns is evaluation research. Buy local campaign organizers, promoters, and funders may want to know what, if any, impact their campaign actually has on the local economy. A good point to start thinking about gathering evaluation data is to focus on the goal of the evaluation and how the data will be used. Are you trying to measure the impact of a specific part of the campaign or the overall campaign itself? Are you interested in measuring the actual impact on local businesses or the impact on local consumers? What will you do with the data once it is collected? What type of data will be most useful and in what format? Thinking through these questions is necessary in order to focus the evaluation.

Of course it may not be possible or desirable to gather actual sales data. What other indicators exist to show the

campaign is indeed having an impact? In Bellingham, WA, a study by Applied Research Northwest found that 58% of residents were more deliberate about their shopping choices as a result of the buy local program. 92% of the businesses participating in the program would recommend it to other businesses in their industry. Other indicators of success might include the percentage of local consumers which recognize the campaign; the percentage of businesses which attribute an increase in sales to the campaign; the number of businesses participating in or actively promoting the campaign over time; the percentage of consumers that say they are buying local more often as a result of the campaign. Buy local campaigners should choose the appropriate indicators of success which match up with the goals and strategies of their particular campaign. Visit UW-Extension's [Buy Local](#) website for a fact sheet on evaluation.

Conclusion

There are many opportunities to use economic data to help inform the development, implementation, and evaluation of buy local campaigns. While a quick Google search will turn up many existing studies, buy local proponents may want to "Research Local" when it comes to understanding their own local economies. Local planning staff, University Extension faculty, local business owners and others can provide useful data. Local economic research and data analysis creates additional opportunities to engage local consumers and business owners.

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