



THE STATE
of
LOCAL
— IN THE —
LOWCOUNTRY

2014



LOWCOUNTRY

LOCAL FIRST®



ABOUT THE STATE OF LOCAL

In 2013, Lowcountry Local First commissioned two studies with the goals of gathering local-level data on the economic impact of local-independent businesses, as well as developing a baseline for measuring support for the Buy Local movement and awareness of Lowcountry Local First's work to advance the Buy Local movement. These Awareness studies include:

1) A study measuring the 'Local Economic Advantage,' or the recirculation of revenue into the local economy by Berkeley-Charleston-Dorchester county local-independent

businesses vs. national chain stores. The study was conducted by Civic Economics in Austin, TX as part of the 'Indie Impact Study Series,' in partnership with the American Booksellers Association, exploring the impact of independent businesses vs. national chain stores in communities across the country.

2) A consumer survey of 300 Berkeley-Charleston-Dorchester county residents and their attitudes and behaviors toward buying local products and services. The study was conducted by Chernoff Newman in Columbia, SC.

The following indicators were measured:

- Level of support for the Buy Local movement
- Interest in buying from a locally-owned business across different categories
- Interest in buying locally-made products
- Frequency of Buying Local as compared to several years ago
- Motivating factors for Buying Local
- Factors preventing consumers from Buying Local
- Awareness and impact of Lowcountry Local First, its initiatives and branding

Lowcountry Local First thanks

the following local businesses and individuals, who contributed to funding the Awareness study series:

- American Automated Payroll (AAP)
- American Booksellers Association
- Andrea Woodfield
- Charleston City Paper
- Croghan's Jewel Box
- Glasspro, Inc
- Indigo Books
- Stephen Zoukis
- Wonder Works

ABOUT LOWCOUNTRY LOCAL FIRST:

Founded in 2006, Lowcountry Local First is a 501c3 organization with a mission to advocate the benefits of a strong local economy by strengthening community support of our local-independent businesses and farmers. Lowcountry Local First is based in Charleston, SC.

OVERVIEW

Amid large-scale infrastructure and redevelopment projects, as well as the never-been-stronger shaping force of the hospitality and tourism sector, the state of the local movement is strong, and getting stronger. Many business owners, entrepreneurs, elected officials, opinion leaders and community advocates now realize that the traditional model of economic development is broken. That if we don't invest in what we love, we lose it – namely the local businesses that make our community unique and draw targeted business sectors to the Lowcountry. And in an area that so values tradition, what's more traditional than supporting local-independent businesses?

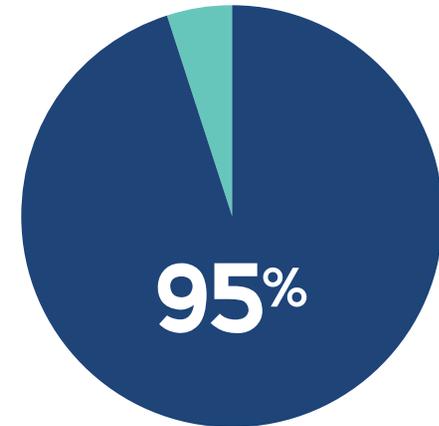


Lowcountry Local First branding
identifying local businesses.

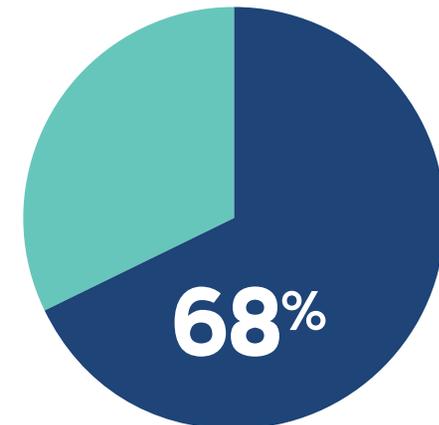
THE CASE FOR NOT BECOMING 'ANYWHERE USA'

Support for the Buy Local movement is strong, with 95% Tri-County consumers saying it is important to support local and 68% making more local purchases than three or four years ago.

A 2014 national study by the Institute for Local Self Reliance of more than 2,600 independent businesses in communities with active Buy Local campaigns reported 2013 average sales growth of 7%, compared to about 2% for independent businesses in places without such an initiative.



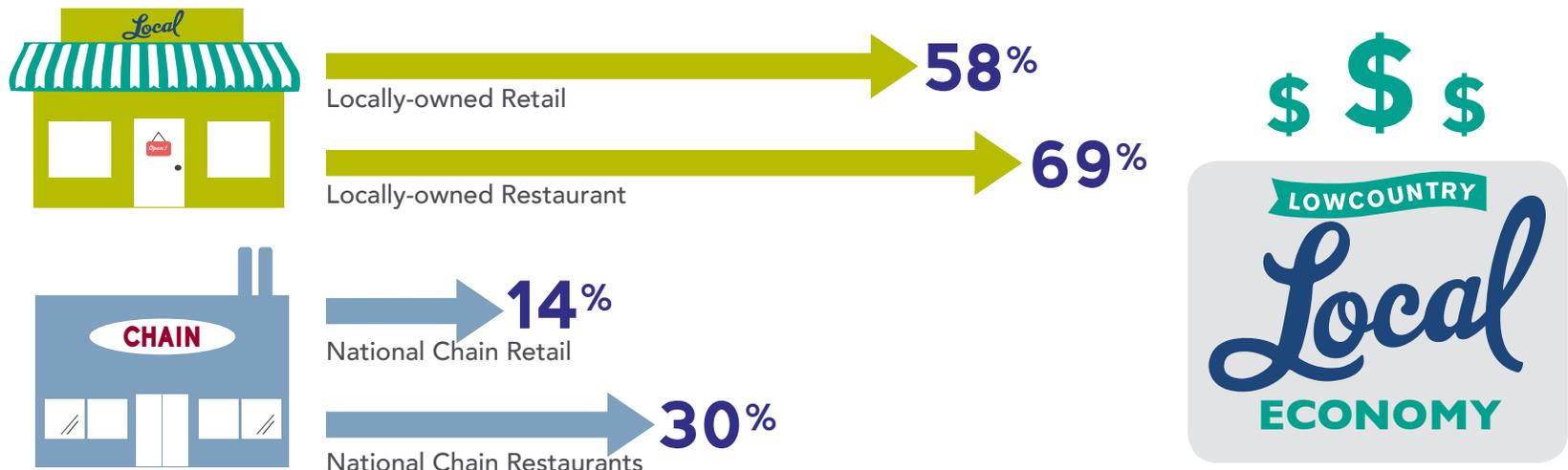
95% of Tri-County consumers say it's important to support local



68% of consumers make more local purchases than 3 or 4 years ago

Our research is definitive – the public supports local because doing so builds our local economy and keeps more money in our community. These homegrown businesses provide a “Local Economic Advantage,” with Lowcountry food & beverage businesses reinvesting 39% **more** of their revenue back into the local economy compared to national chain restaurants. For Lowcountry retailers,

44% **more** revenue is recirculated into the local economy as compared to national chain retailers. These additional dollars contribute to our tax base, which in turn supports our schools, parks, libraries and public services.



The percentage of revenue reinvested into the local economy by local businesses is significantly higher than that of national chains.



Four in five consumers report the Lowcountry Local First branding identifying local businesses makes them more likely to dine or shop at establishments that display this branding.

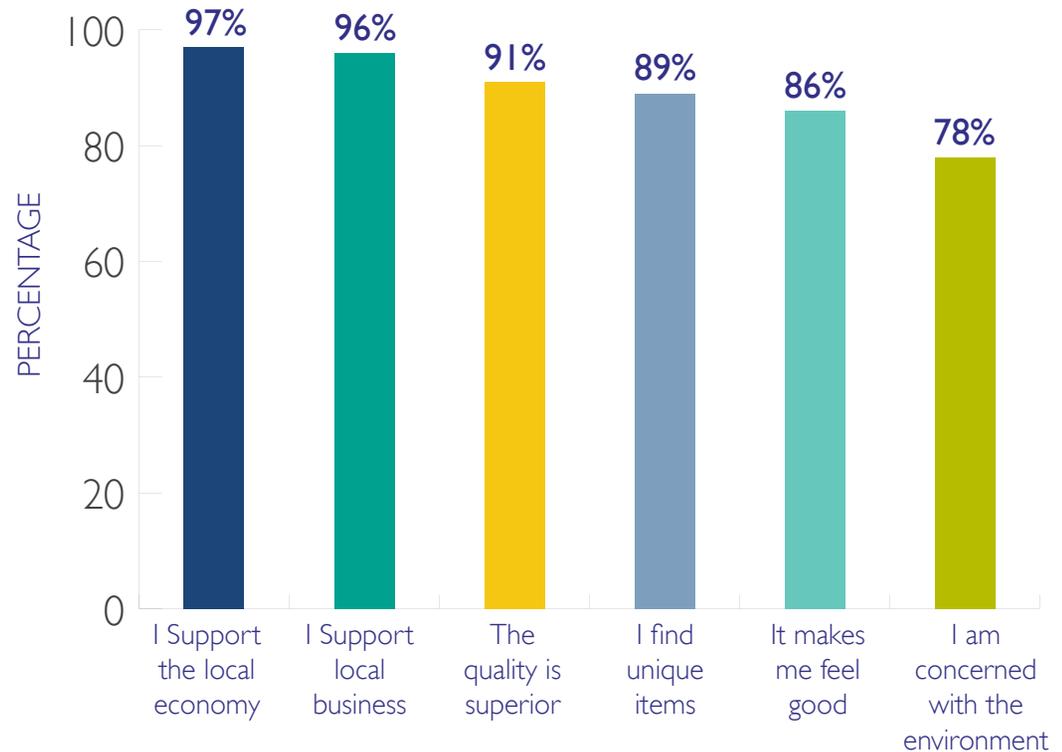
70% of respondents make an effort or actively seek out local products and services, showing a strong value proposition for local-independent businesses. Support for buying locally-made products and buying from a locally-owned business are equally strong.



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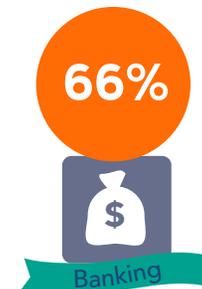
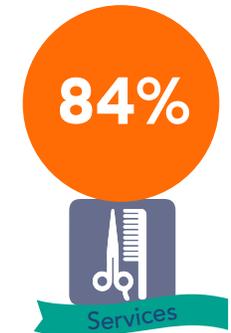
The strongest motivating factors for choosing local products or services are support for the local economy and for local businesses, with quality and uniqueness secondary, and environmental concerns less important.

I buy *Local* because...



Attitudes toward buying local differ significantly across categories, with support of the local food economy – whether dining out or buying groceries – showing the greatest support.

66% of survey respondents feel it is important to choose a local bank or credit union, and only 40% feel it is important to buy locally-made clothing. These responses indicate two sectors in need of additional community support, education and advocacy.

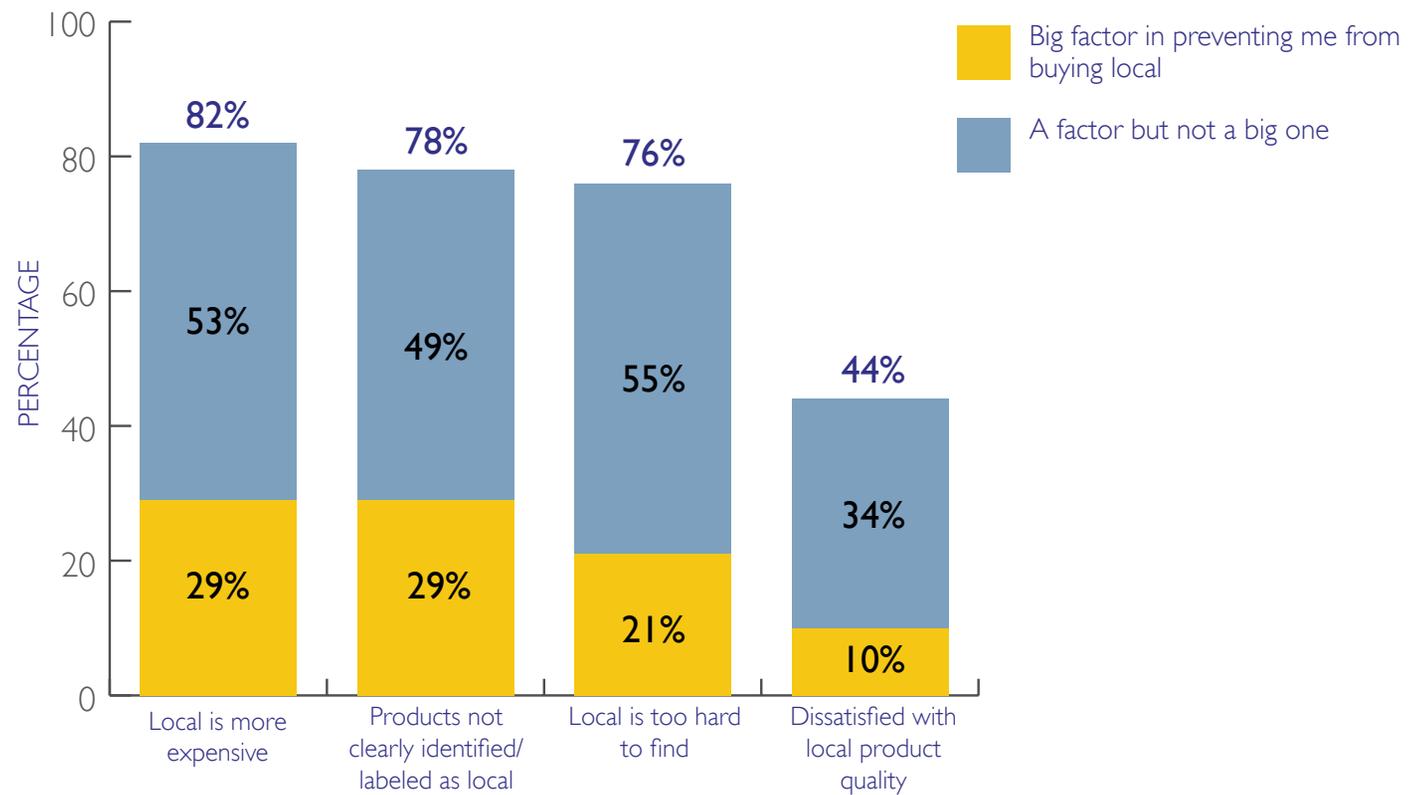


Attitudes toward buying local differ significantly across categories. Local banks and clothing stores are in need of additional community support, education and advocacy.

With price and difficulty with identification as the top factors that prevent consumers from buying local more often, more consumer education is needed. Buying local does not inherently equal paying more, and the service and quality is often far superior than chain stores – not to mention the additional benefits for the environment

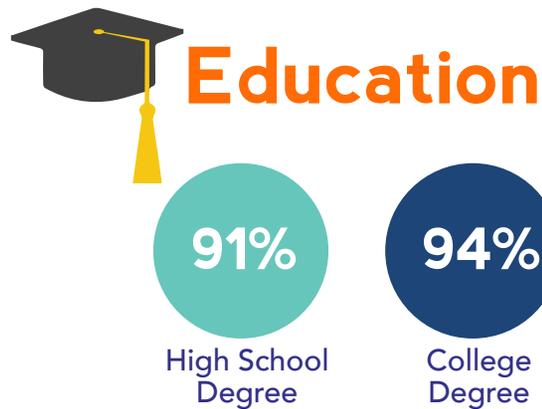
and local economy. Identification/labeling and helping consumers find local products and services remains a challenge, however 55% of consumers indicated that while it is a factor preventing them from buying more local products/services, it is not a “big factor.”

These factors prevent me from buying more local products:



Attitudes toward buying local products and services are fairly consistent demographically between men, women, age levels, county of residence, and notably across education and income levels, with slightly stronger support at lower income levels. This may indicate

a broad cross-section of citizens understand the link between supporting local businesses with creating more local jobs, and opportunities for entrepreneurship.



How important is shopping locally to you?



Percentage of respondents who answered "Very or Somewhat Important"



A broad cross-section of citizens understand the link between supporting local businesses with creating more local jobs and opportunities for entrepreneurship.

TAKEAWAYS

While overall support is strong, significant challenges exist in advancing the Buy Local movement towards the goal of leveling the playing field for local-independent businesses and strengthening the local economy. More than two-thirds of consumers are making more local purchases than 3 or 4 years ago, and 95% feel it is important to support the Buy Local movement, with supporting the local economy and local businesses being the biggest motivator. Environmental sustainability rates lower as a motivating factor for buying local, but three in four consumers still feel it is important. Support for buying locally-made products and locally-owned businesses are equally strong.

The food economy enjoys broad consumer support, so initiatives like Lowcountry Local First's 'Eat Local' consumer campaign and the 'Growing New Farmers Program' (which provides farmer education, business development and relationship building between local farmers and restaurants) are succeeding. While business services (gyms, plumbers, sign-makers) rate fairly high in terms of consumer priority for buying local, choosing a local bank and buying local clothing or buying from local clothing stores rate much lower in terms of consumer priority and identification.

Identification of local businesses is a key priority and a challenge for certain business sectors like local clothing, and perception of higher costs remain the biggest barrier for buying local. That said, four in five consumers report the Lowcountry Local First branding identifying local businesses would make them more likely to dine or shop at establishments that display them.

More education is needed, as is a new model of resource allocation – both public and private. We have an opportunity, collectively, to continue our support through our choices in where to eat, shop and do business – the power of the market. Let's also activate our power as citizens to make our voices heard in supporting initiatives, policies and leaders that value and advance our homegrown businesses.

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