



MARKET STUDY

July 2021



ACKNOWLEDGEMENTS

The Lowcountry Country Council of Governments wishes to express our thanks to the Town of Varnville, Hampton County Chamber of Commerce, and Southern Carolina Regional Development Alliance for their cooperation and the insightful information.

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INTRODUCTION AND BACKGROUND

MARKET STUDY CONTEXT

The Town of Varnville Market Study is part of the Community Enrichment Grant from the Community Development Block Grant Program. The purpose of the study is “to identify the types of businesses that would be viable and to develop a plan for attracting such businesses to the downtown area and enhance local economic development.”

The market study was prepared by the Lowcountry Council of Governments (LCOG) and was coordinated with the Mayor, Town Council, the Hampton County Chamber of Commerce, and the Southern Carolina Regional Development Alliance.

Socioeconomic information unique to the Town including population, housing, and economy were obtained from the U.S. Census Bureau, and the South Carolina Department of Employment and Workforces. In addition, business data from Esri™ Business Analyst was used to identify business opportunities.

The study identifies different aspects of downtown Varnville including:

- Demographic trends in relation to potential business development opportunities downtown
- Historical context and current economic development and retailing trends affecting development
- Town identity and marketing for growth

As a result, the study provides recommendations to Varnville focusing on business attraction, retention, expansion and redevelopment opportunities, and the types of business that should be targeted for downtown. Recommendations are based on the current market successes and market potential in downtown Varnville along with external economic development benefiting Varnville.

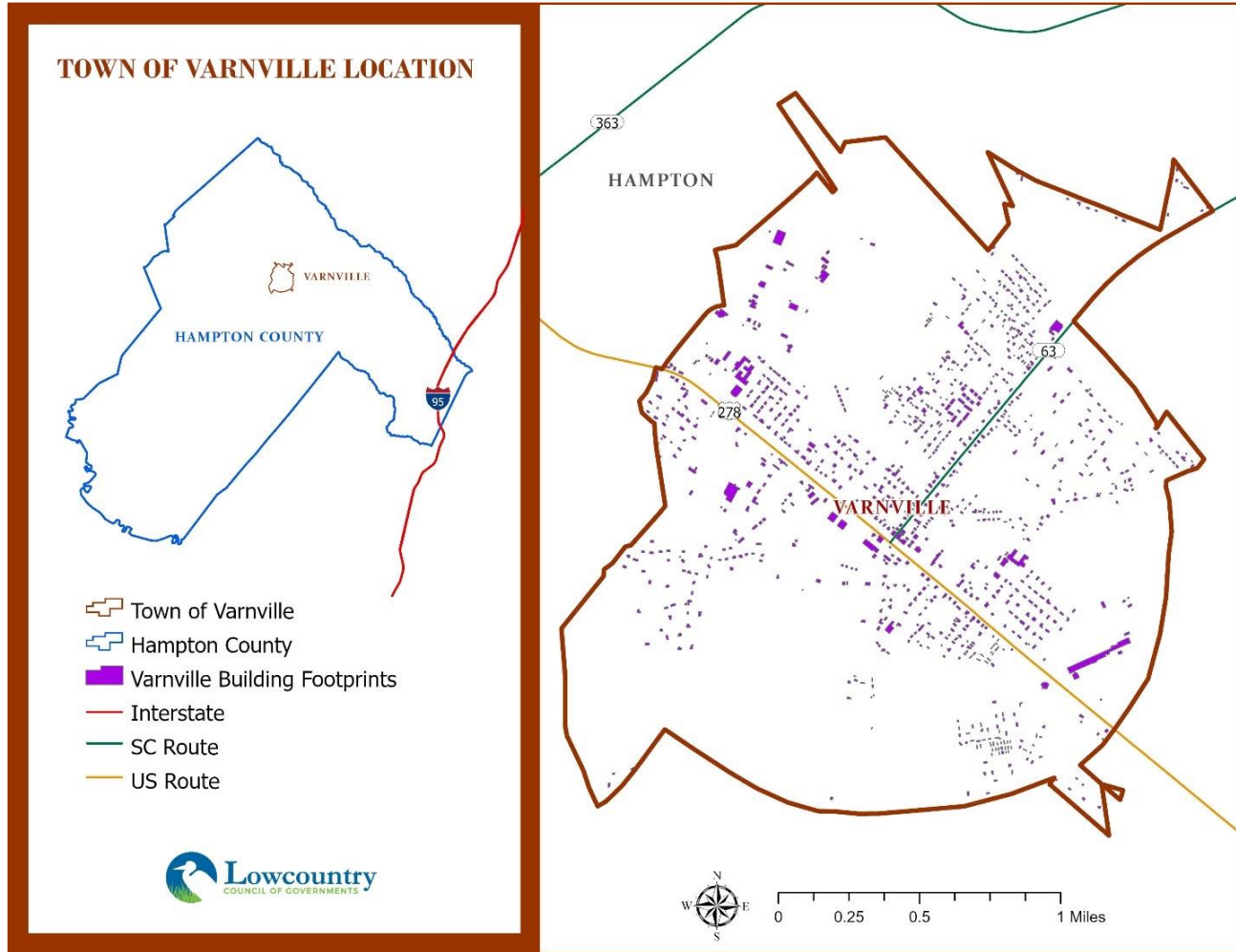
STUDY AREA

Just less than ten miles from Interstate 95, the Town of Varnville is located on US 278 about 75 miles southeast of Augusta and 75 mile west of Charleston. Varnville is 3.8 square miles in land area in north-central Hampton County and is bordered to the northwest by the Town of Hampton (see Figure 1).

Varnville is a beautiful, historic town with a suburban rural mix feel. The Town has a mixed workforce and is a home for retailers, service providers, office workers, and professionals.

INTRODUCTION AND BACKGROUND

Figure 1: Town of Varnville Location



Source: LCOG using data from U.S. Census Bureau and ArcGIS



INTRODUCTION AND BACKGROUND

PLANNING AND IMPLEMENTATION EFFORTS

Regional and local economic development planning is part of an overall economic development strategy. Below are examples of planning efforts that are relevant to economic development in Varnville. Examples include plans to assist in attracting new businesses and targeting industries, comprehensive plans with an economic element, and a plan to help stabilize and expand local economy.

2005 Lowcountry Economic Diversification Plan

The Economic Diversification plan was formulated to assist the four-county region to attract new businesses and target industries to aid in community growth, tax base diversification, quality of life enhancement, and lessen dependency on the three military installations in the region. The Plan recommended the following industries that might be beneficial to locate operations in Varnville:

- Distribution/Logistics
- Wood product manufacturing (wood windows and doors, millwork, etc.)
- Veneer, plywood and engineered wood product manufacturing (hardwood veneer, truss manufacturing, OSB, MDF, etc.)
- Architectural and structural metals manufacturing (metal windows and doors, ornamental and architectural metal work, prefab metal building and components, etc.)
- Motor vehicle body and trailer manufacturing (utility trailers, motor homes, campers, motor vehicle bodies and cabs, etc.)
- Plastics product manufacturing (floor coverings, pipe and fittings, building materials, packaging materials, countertops, plastic bottles, etc.)

2008 Lowcountry Distribution/Logistics Center Cluster Study

The study is an outgrowth of the *2005 Lowcountry Economic Diversification Plan*. The goal of the study is to determine how to better position the Lowcountry region to facilitate the development of distribution and logistics centers. Below is the summary of the study's recommendations.

- All of the jurisdictions in which candidate I-95 interchanges are located should ensure that large parcels and contiguous parcels of land are zoned for "industrial" use to protect them from other less economically beneficial forms of development. In some case it may be necessary for the land to be annexed into nearby municipalities; both Colleton and Jasper Counties have made it a planning and development policy to encourage such annexations to accommodate economic and urban growth and development.

INTRODUCTION AND BACKGROUND

- Transportation planning for infrastructure for the future Jasper Ocean Terminal and for improvements to the existing I-95 interchanges to accommodate the development of logistics/distributions centers should begin immediately. It should be a cooperative effort among SCDOT, the Lowcountry counties, the municipalities with I-95 interchanges, the bi-state port development organization and relevant private sector landowners and developers.
- The counties and/or municipalities should encourage private investors and/or developers to assemble smaller parcels of land at these locations into large buildable cluster/business park sites.
- Where possible, the counties and/or municipalities should apply to grant funding programs to provide sewer and water services to the sites.
- A Lowcountry regional comprehensive marketing and promotional strategy should be prepared and implemented. The goal will be to attract distribution and logistics facilities developers who will then market to their own client base of potential tenants and owners as well as the necessary support service businesses.

2009 Hampton County Comprehensive Plan

Hampton County's Comprehensive Plan reflects changes that potentially impacted the county and communities within it. These include reversed population growth, economic activity outside the county, need for diversified economic development, and regional initiatives including the implementation of *the Lowcountry Economic Diversification Strategy and the Regional Multi-Modal Transportation Plan*. As a result, the goal and objectives were set forth including:

- *Goal:* Develop a diversified economic base for Hampton County that will provide jobs that pay at least the state average wage. This will necessitate strengthening marketing and recruitment efforts and increasing and training a pool of qualified labor through the implementation of WorkKeys certification in Hampton County.
 - *Objective 1:* Implement the relevant recommendations of the Lowcountry Diversification Plan, the Lowcountry Distribution/Logistics Center Cluster Study. The 2007 combined strategic plan, target industry analysis and marketing plan for SCA region and the sections of the Comprehensive Plan that deal with both attracting new business to Hampton County and also growing the businesses that are already here.
 - *Objective 2:* Planning Commission should pursue an active role in facilitating economic development with the economic Development Commission, the Chamber of Commerce, County Council, the municipalities and service and business associations.
 - *Objective 3:* Work with Clemson University, SCRA, the South Carolina biomass Council, other relevant agencies, agriculture and timber operations, local municipalities and entrepreneurs and investors to establish Hampton County as a Bio-Energy Center.

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- *Objective 4:* Maintain policies necessary to attract the identified candidate businesses to Hampton County and to provide expansion opportunities for existing businesses. This includes the designation and servicing of land for distribution centers and other specific industrial and related commercial purposes on SC 68 near I-95 interchange, along US 32 in and on both sides of Estill and in other appropriate locations. Industrial Zoning should include standards and regulations that will ensure the continuing desirability of sites in Hampton County for high quality new development and expanded existing development.
- *Objective 5:* Encourage the further development of eco-tourism and heritage tourism in Hampton County and its municipalities.
- *Objective 6:* Encourage hunting by people from outside Hampton County.
- *Objective 7:* To attract movie, video and commercial production activities – which generate both direct expenditures and follow-up tourism – Hampton County should promote its visual assets, and its successful track record as a location for making parts (Forrest Gump) of feature films.
- *Objective 8:* To work with the other counties and municipalities in the Lowcountry to stress Regional economic development, in which everyone benefits.
- *Objective 9:* To work with local and regional secondary and post-secondary institutions, as well as its residents, to ensure that high school completion and career training and development are a community priority.

2012 Town of Varnville Comprehensive Plan

The Town of Varnville updated its Comprehensive Plan in 2012 to guide the town forward for over 10 years. The Plan identified the following key achievements:

- Land use and development pattern
- Protection of natural and historic resources
- Competitive economy and diverse set of businesses
- Mixed housing types and prices

Below are goals from the 2012 Comprehensive Plan addressing the Town's existing strategic advantages of its location and the change in the economic development climate and local and regional attitudes.

- Work with the Hampton County Economic Development Commission and the Economic Development Director.
- Maintain planning and infrastructure policies necessary to attract the identified candidate business to the Town.

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- Utilize transportation, as well as historic and community, assets to attract tourism.
- Attract movie, video, and commercial production activities – which generate both direct expenditures and follow-up tourism – the Town should promote its visual assets, namely its historic buildings and its unique community character.
- Develop cooperative working relationships with the towns of Yemassee, Hampton, and Estill to stress local economic development in which everyone benefit.

2017 Comprehensive Economic Development Strategy

In 2017, the Lowcountry Council of Governments (LCOG) developed the Comprehensive Economic Development Strategy (CEDS) for the Lowcountry Economic Development District (LEDD). The CEDS offers strategies and actions plan to help stabilize and expand economy in the LEDD. According to the CEDS, there are activities relevant to the Town of Varnville including:

- A 1,200-acre Lowcountry Regional Industrial Park (LRIP) located eight miles off Interstate-95 between Yemassee and Hampton/Varnville. The Park allows the attraction of moderate-to-large employers by offering the most favorable Targeted Jobs Tax Credit Program in the State.
- The areas where the traffic counts are highest in Hampton County are in and near the Towns of Hampton and Varnville along US 278. This can provide opportunities for existing businesses to grow and for new businesses to get started.
- The Town is a home for a satellite branch of the Technical College of the Lowcountry (TCL).

2020 Gin Socioeconomic Wellness Project

On September 2, 2020, a new 1,000-acre Agriculture Technology Campus, located in less than fifteen-minute drive to Varnville, was announced by Governor McMaster and US Secretary of Agriculture. The campus offers fresh, pesticide-free, and sustainable produce for consumers.

This has opened an opportunity for the Lowcountry community, providing a safer and more reliable food source and bringing hundreds of jobs. To prepare for this opportunity, the Town of Varnville has proposed the “Gin Socioeconomic Wellness Project.” The Town is proposing to renovate an 1882 historic cotton gin building. The new space will host workshop-based activities, including agriculture-science, culinary-chemistry of cooking, and arts classes. The building could also be home for a garden and green house, commercial kitchen, and flexible spaces for meeting and event rooms.

INTRODUCTION AND BACKGROUND

2021 Town of Varnville Assessment

According to the Town assessment, as of June 2021 there are a total of 126 businesses operating in Varnville, of which 79 are residents' businesses and 47 are non-residents' businesses. Among these businesses a florist, coffee/art and art supplies, and a garden nursery opened in the spring of 2021. An ice cream shop is planned to open soon. These new and other small businesses are operating in the Downtown. A list of businesses can be seen in Appendix A.

Residents have expressed a need for specific retail outlets including housewares, specialty gifts, men/women's apparel and shoes, a drive-thru pharmacy for the ease of access for elderly, and a "nice" restaurant even if it only operated on the weekend. They also have expressed their concerns for safety, more strategically placed lighting, and a fire department with updated equipment including a new truck.

The Town has made efforts to meet the needs of residents and businesses including:

- The local bidder preference ordinance – when procuring goods and services, the Town can give preference first to resident businesses, and second to county resident businesses if the business is the highest bidder.
- Adaptive reuse of historic buildings – for example, the 2020 Gin Socioeconomic Wellness Project. The Town is also allowing the nursery to restore a 19th century barn in the downtown area for its store front.
- Downtown lighted parking benefiting residents and visitors.



DEMOGRAPHIC ANALYSIS

POPULATION

In 2019, the Town of Varnville had a population of 1,854. With land area of 3.8 square miles, the population density is 483.8 people per square mile. The total number of households is 728 with an average household size of 2.5 people and family size of 3.6. The median age for the Town is 46.1, higher than Hampton County’s median age of 40.

Table 1 shows that between 2000 and 2010, population growth in the Town of Varnville increased by 4.2%, then declined by 14.2% between 2010 and 2019. This was the 2nd largest population loss among the municipalities in Hampton County.

Table 1: Population Change 2000-2019

	2000	2010	2018	2019	Percent Change 2000-2010	Percent Change 2010-2019	Percent Change 2018-2019
Town of Varnville	2,074	2,162	1,877	1,854	4.2%	-14.2%	-1.2%
Hampton County	21,386	21,090	19,807	19,564	-1.4%	-7.2%	-1.2%
Town of Brunson	589	554	471	555	-5.9%	0.2%	17.8%
Town of Estill	2,425	2,040	2,856	3,282	-15.9%	60.9%	14.9%
Town of Furman	286	239	250	216	-16.4%	-9.6%	-13.6%
Town of Gifford	370	288	287	266	-22.2%	-7.6%	-7.3%
Town of Hampton	2,837	2,808	2,608	2,560	-1.0%	-8.8%	-1.8%
Town of Luray	115	127	173	79	10.4%	-37.8%	-54.3%
Town of Scotia	227	215	252	307	-5.3%	42.8%	21.8%
Town of Yemassee	807	1,027	985	979	27.3%	-4.7%	-0.6%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates – Total Population

When looking at the population’s age groups, the number of people older than 55 has markedly increased in the Town of Varnville since 2010 as shown in Table 2. This implies that there will be increasing demands for age-appropriate services in the Town, while the declining numbers of younger people suggests a shrinking current and future labor force. The Town’s development and planning may need to be reoriented to create appropriate services and infrastructure to suit different age groups. Figure 2 illustrates the population’s age and gender in 2019.

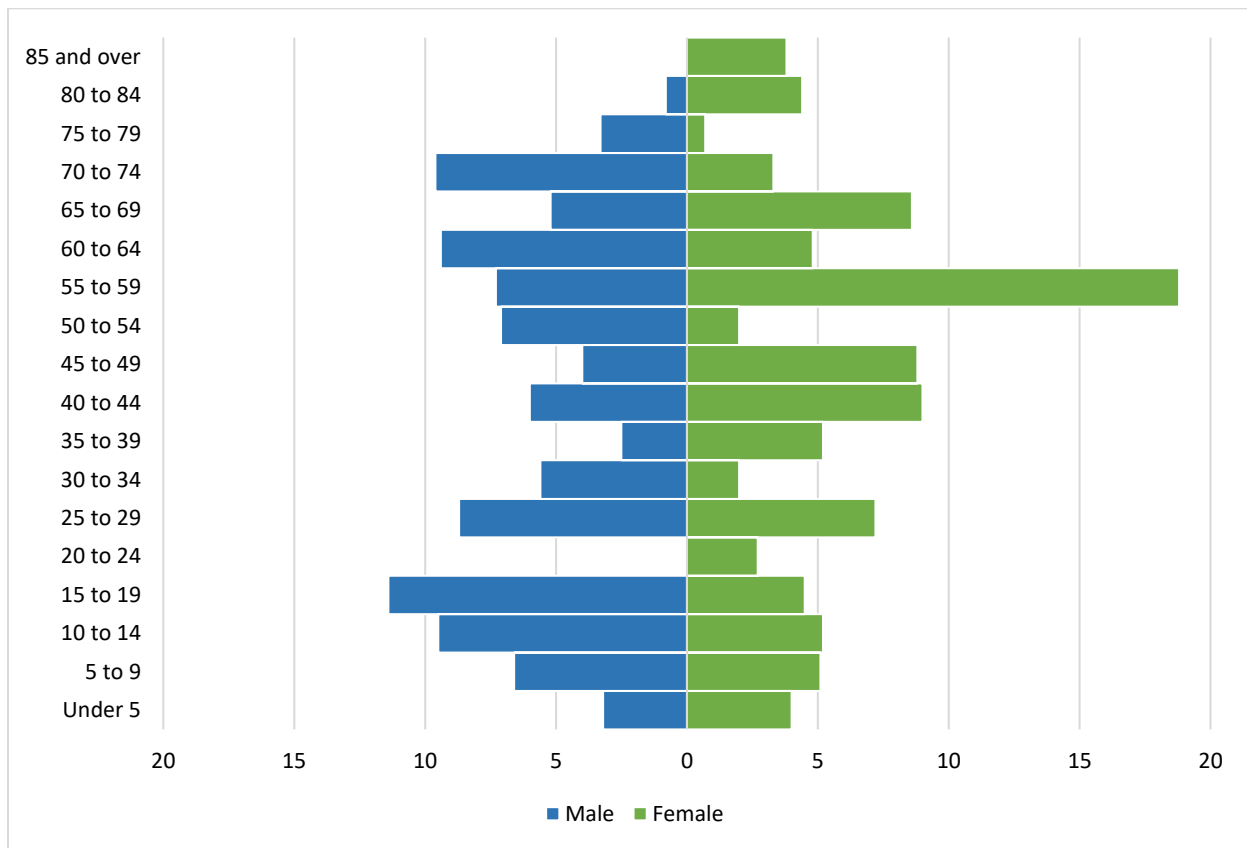
DEMOGRAPHIC ANALYSIS

Table 2: Age Cohorts 2010-2019

	2010	2018	2019	Percent Change 2010-2019	Percent Change 2018-2019
Under 15	517	341	312	-39.7%	-8.5%
15 to 24	290	215	173	-40.3%	-19.5%
25 to 34	222	245	219	-1.4%	-10.6%
35 to 44	261	179	209	-19.9%	16.8%
45 to 54	282	246	203	-28.0%	-17.5%
55 to 64	228	296	371	62.7%	25.3%
65 and over	292	355	367	25.7%	3.4%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates – Demographic and Housing Estimates

Figure 2: Percent Population by Age and Gender 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates – Age and Sex

DEMOGRAPHIC ANALYSIS

HOUSEHOLD INCOME

According to Table 3, median household income in the Town of Varnville has increased from 2010 to 2019 at 13.9% and without inflation adjusted at 34.1% respectively. Adjusting median income with inflation helps explain real take home pay. Households in the Town appear to earn more than many households in the Hampton County areas. This suggests that residents of the Town are doing relatively well economically, and can spend more on household and retail expenditures.

Table 3: Median Household Income 2010-2019

	2010	2018	2019	Percent Change 2010-2019	Percent Change 2018-2019
Town of Varnville	25,625	30,896	34,352	34.1%	11.2%
2019 Inflation Adjusted	30,157	31,456	34,352	13.9%	9.2%
Hampton County	34,846	32,453	33,429	-4.1%	3.0%
2019 Inflation Adjusted	41,009	33,041	33,429	-18.5%	1.2%
Town of Brunson	35,982	31,364	34,511	-4.1%	10.0%
2019 Inflation Adjusted	42,346	31,932	34,511	-18.5%	8.1%
Town of Estill	31,537	27,096	26,566	-15.8%	-2.0%
2019 Inflation Adjusted	37,115	27,587	26,566	-28.4%	-3.7%
Town of Furman	20,625	31,927	43,750	112.1%	37.0%
2019 Inflation Adjusted	24,273	32,505	43,750	80.2%	34.6%
Town of Gifford	24,271	26,500	27,014	11.3%	1.9%
2019 Inflation Adjusted	28,564	26,980	27,014	-5.4%	0.1%
Town of Hampton	42,936	32,917	37,946	-11.6%	15.3%
2019 Inflation Adjusted	50,530	33,511	37,946	-24.9%	13.2%
Town of Luray	24,464	30,156	25,417	3.9%	-15.7%
2019 Inflation Adjusted	28,791	30,702	25,417	-11.7%	-17.2%
Town of Scotia	32,679	24,737	27,375	-16.2%	10.7%
2019 Inflation Adjusted	38,459	25,185	27,375	-28.8%	8.7%
Town of Yemassee	31,761	39,076	38,370	20.8%	-1.8%
2019 Inflation Adjusted	37,379	39,784	38,370	2.7%	-3.6%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates – Median Income in the Past 12 Months and Per Capita in the Past 12 Months; U.S. Bureau of Labor Statistics, Consumer Price Index (CPI) Inflation Calculator

DEMOGRAPHIC ANALYSIS

HOUSING

The majority of housing in the Town of Varnville is single-family. In 2019, the total housing units of the Town stood at 958. Of this number, 66.2% are single-family homes (both detached and attached 1-unit) followed by mobile homes and multi-family homes at 20.6% and 13.3% respectively. Between 2010-2019, the total housing units increased by 8.1%. In 2010, the number of owner-occupied housing units was 69.8% and decreased to 66.2% in 2019. The median home value has decreased by 14.2% between 2010-2019 but had increased by 7.7% between 2018-2019 (Table 4). The housing stock aligns with the preferences of the older population groups, who prefer to reside in single-family homes.

Table 4: Housing Stock 2010-2019

Town of Varnville	2010	2018	2019	Percent Change 2010-2019	Percent Change 2018-2019
Total Housing Units	886	933	958	8.1%	2.7%
Housing Occupancy					
% Owner-Occupied	69.8%	64.4%	66.2%	-3.2%	6.6%
Unit in Structure					
1-Unit, detached	458	575	627	36.9%	9.0%
1-Unit, attached	3	5	7	133.3%	40.0%
2 Units	23	0	0	-100.0%	0.0%
3-4 Units	28	36	56	100.0%	55.6%
5-9 Units	78	82	71	-9.0%	-13.4%
10-19 Units	28	0	0	-100.0%	0.0%
20 or more Units	25	0	0	-100.0%	0.0%
Mobile Homes	243	235	197	-18.9%	-16.2%
Housing Value					
Median Value	\$97,300	\$77,500	\$83,500	-14.2%	7.7%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates – Selected Housing Characteristics

DEMOGRAPHIC ANALYSIS

EMPLOYMENT

According to 2019 data, approximately 84% of Town of Varnville’s employed civilians work outside the Town. The average commuting time for all residents is nearly an hour round trip. Most of the Town’s residents work in educational services, health care, social assistance, manufacturing, and retail trade (Table 5).

Table 5: Employment Status and Commuting Patterns 2019

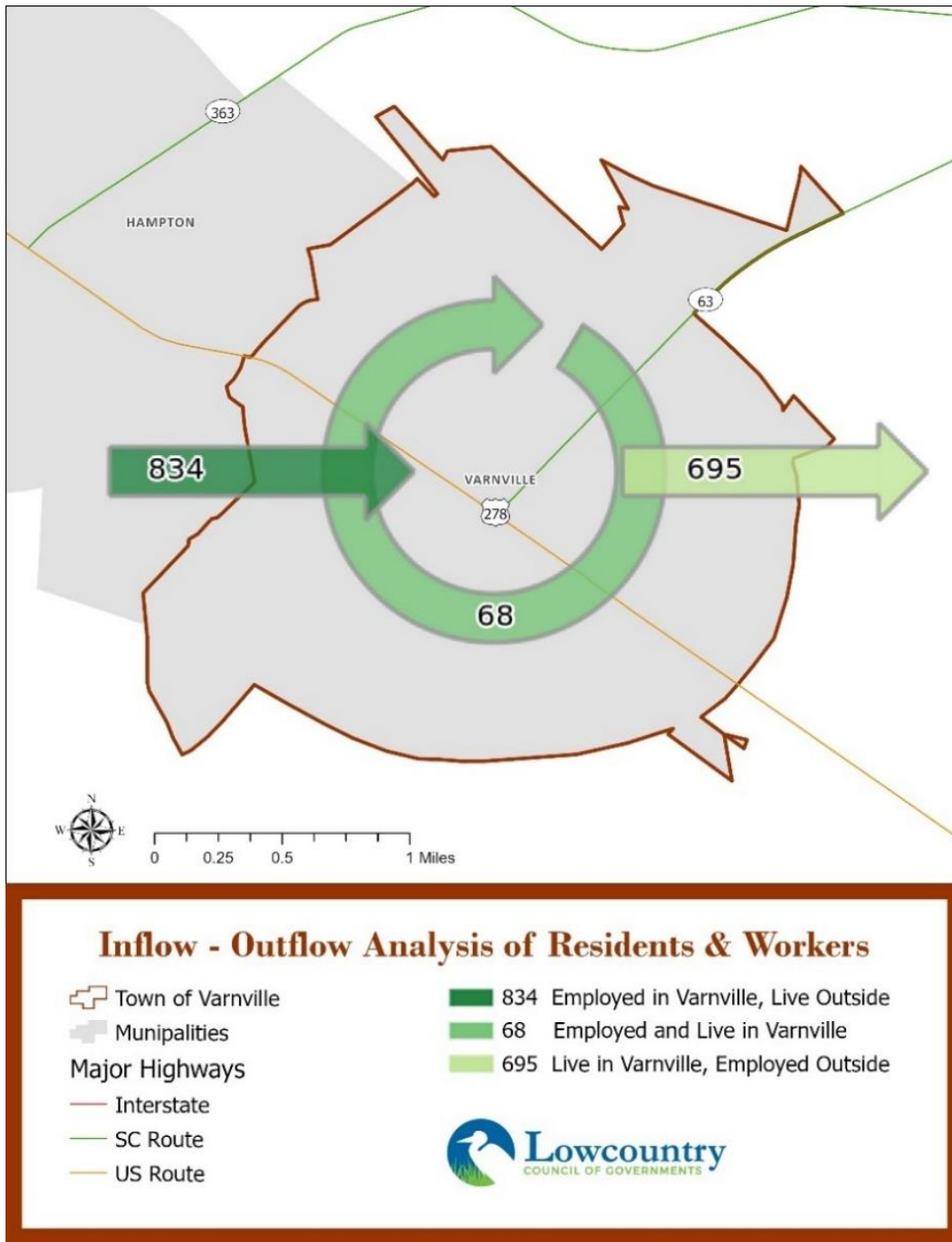
	Value
Employment Status	
Civilian labor force	856
Employed civilians 16 years and over	95.8%
Unemployment rate	4.2%
Commuting Patterns	
Mean commuting time (minutes)	26.3
Worked in Varnville	16.1%
Work outside Varnville	83.9%
Work outside Hampton County	22.6%
Work outside South Carolina	3.4%
Employment by Industry	
Agriculture, forestry, fishing and hunting, and mining	0.7%
Construction	4.6%
Manufacturing	16.5%
Wholesale trade	0.0%
Retail trade	10.7%
Transportation and warehousing, and utilities	5.4%
Information	0.0%
Finance and insurance, and real estate and rental and leasing:	7.3%
Professional, scientific, and management, and administrative and waste management services	5.6%
Educational services, and health care and social assistance	29.3%
Arts, entertainment, and recreation, and accommodation and food services	4.5%
Other services, except public administration	5.9%
Public administration	9.5%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates – Employment Status and Industry by Occupation for the Civilian Employed Population 16 Years and Over

DEMOGRAPHIC ANALYSIS

COMMUNTING CHARACTERISTICS

Figure 3: Inflow – Outflow Analysis of Residents and Workers 2018



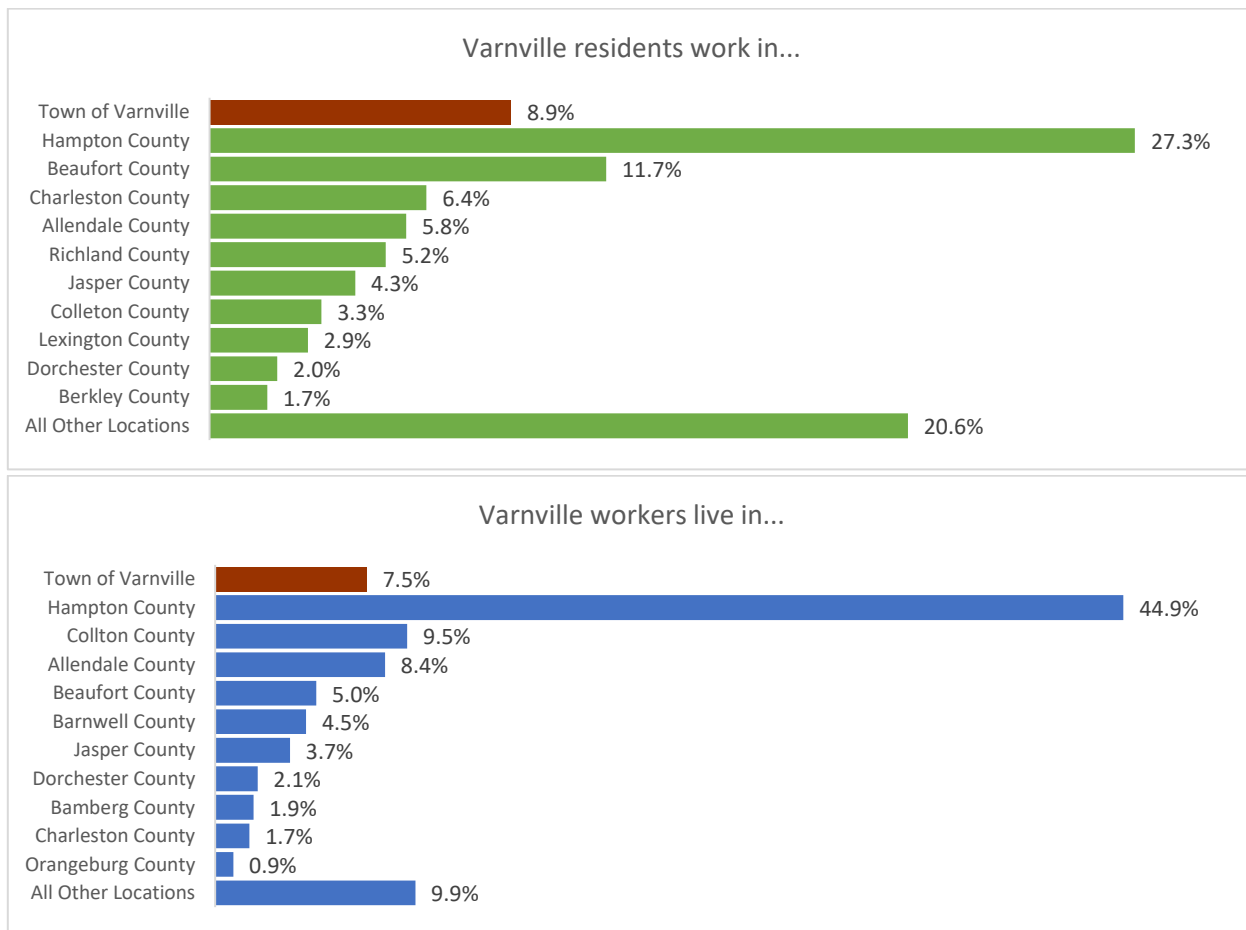
Source: U.S. Census Bureau, OnTheMap

DEMOGRAPHIC ANALYSIS

Commuting characteristics can help identify the local market potential for goods and services. As shown in Figure 3, there are 902 workers in the Town of Varnville. Of those workers, 834 (92.5%) commute into the Town but live elsewhere, and 68 (7.5%) are residents of the town. There are 763 residents of the Town who are employed. Of this number, 695 (91.1%) work elsewhere. With 834 workers commuting in and 695 commuting out, there is a small net influx of 139 people. When combining 1,854 residents and 834 people commuting into the Town, there is a potential market demand for some additional retail businesses. This will be discussed in more detail in the “Market Analysis” section.

Figure 4 illustrates where Varnville residents work and where Varnville workers live. Other than Varnville, most residents work in Hampton (27.3%), Beaufort (11.7%), and Charleston (6.4%) Counties, to name a few. A majority of people who work in Varnville live in Hampton County (44.9%). People are willing to commute in and out of Varnville over 50 miles.

Figure 4: Commuting Pattern the 2018



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD)

MARKET ANALYSIS

ECONOMIC CHANGES

Below are economic activities in the Lowcountry region that can have an impact on the future of the Town of Varnville. These include:

- The development of a 1,000-acre agribusiness compound in Hampton County, expected to be fully operational by 2025. This investment will create more than 1,500 new jobs. The Town has proposed a “Gin Socioeconomic Wellness Project” to capture this opportunity. More detail can be found in the “Planning Efforts” section.
- Industrial and related supply chain development along I-95 from the Georgia border to north of I-26.
- The expansion of the Port of Charleston.
- The planned Jasper Ocean Terminal to be built in Jasper County, within 8 miles of Riverport Business Park.
- The continuing and growing role of tourism in the area’s economy. The increasing national and international recognition, and resulting popularity, of both Charleston and Beaufort has spillover benefits for the Town.

To reflect the fifth bullet above, Table 6 shows the economic impact of tourism business in all of Hampton County. Visitor expenditures fluctuated from 2011-2015 then were steady for a one-year period between 2015 and 2016. In 2017, visitor expenditures saw an uptick and continued to increase. The county is well-known for visitors who enjoy hunting, fishing, golfing, and the natural beauty of the great outdoors.

Table 6: Economic Impact of Tourism in Hampton County 2011-2019

Year	Visitor Expenditures	Payroll from Tourism	Tourism Employment
2011	\$12,540,000	\$2,090,000	120
2012	\$12,290,000	\$2,030,000	120
2013	\$12,420,000	\$2,050,000	120
2014	\$12,150,000	\$1,990,000	110
2015	\$12,580,000	\$2,190,000	120
2016	\$12,580,000	\$2,190,000	120
2017	\$13,610,000	\$2,340,000	120
2018	\$13,920,000	\$2,330,000	120
2019	\$14,240,000	\$2,420,000	120

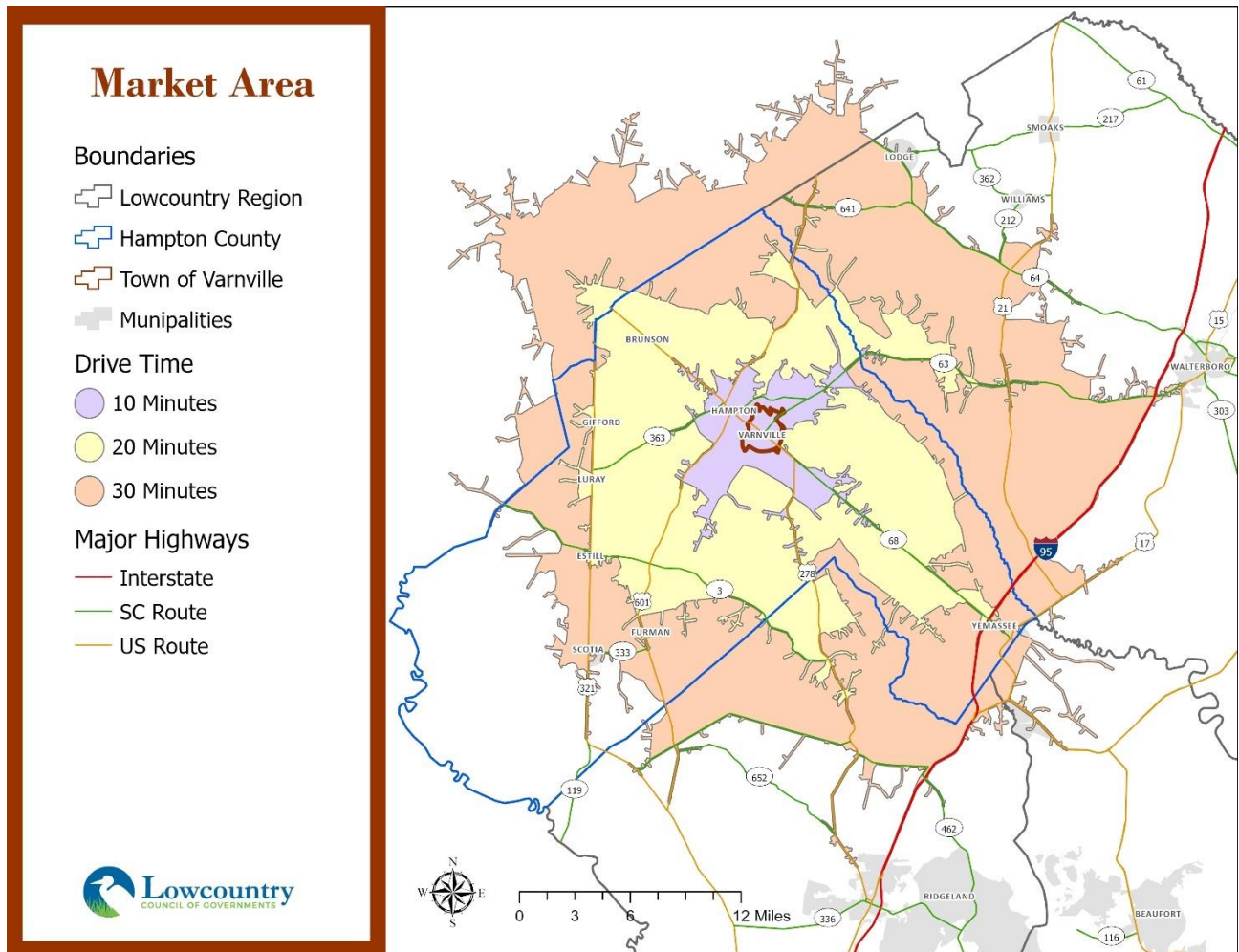
Source: South Carolina Department of Parks, Recreation, and Tourism (SCPRT) – The Economic Impact of Travel on South Carolina Counties

MARKET ANALYSIS

MARKET AREA

As mentioned in the “Study Area” section, the total number of businesses in Varnville is 126 (see Appendix A). To help these businesses identify opportunities in the marketplace, a market area is defined. This study used a drive time analysis to define a market area. It is important as consumers make decisions based on streets and highways when deciding where they will shop. Figure 5 illustrates a market area based on drive time and road networks, using 10-, 20-, and 30-minute drive times from and into downtown Varnville.

Figure 5: Potential Market Area



Source: Esri™ Business Analyst

MARKET ANALYSIS

CURRENT MARKET POTENTIAL

To understand the current market potential of the Town of Varnville, a Leakage/Surplus Factor was conducted. As seen in Figure 6, this factor offers a snapshot of the opportunity for each market sector by measuring the relationship between the volume of retails (supply) generated by retail businesses and the volume of retail potential (demand) produced by household spending on retail goods within the same industry. Below is the explanation of Leakage/Surplus Factor:

- *Leakage* represents a condition where demand exceeds supply. In other words, retailers outside the market area are fulfilling the demand for retail products; therefore, demand is “leaking” out of the market area. Such a condition highlights an opportunity for new retailers to enter the market area or for existing retailers to extend their marketing outreach to accommodate the excess.
- *Surplus* represents a condition where supply exceeds the area’s demand. Retailers are attracting shoppers that reside outside the market area. the ‘surplus’ is in market supply. Brand positioning and product mix are key differentiators in these types of markets.”

The Leakage/Surplus Factor ranges from +100 (total leakage) to -100 (total surplus) and offers five market scenarios. The following is the market scenarios for the Town of Varnville (Figure 6).

- a. *Complete Leakage of Potential Retail Sales:* The Leakage/Surplus Factor of +100 meaning no retailers in the market, but household demand exists. This is an opportunity for investment in the following businesses:
 - Special Food Services
 - Vending Machine Operators
 - Electronic Shopping and Mail-Order Houses
 - Florists¹
 - Book, Periodical and Music Stores
 - Sporting Goods/Hobby/Musical Instrument Stores
 - Jewelry, Luggage and Leather Goods Stores
 - Shoe Stores
 - Health and Personal Care Stores
 - Specialty Food Stores
 - Lawn and Garden Equipment and Supply Stores
 - Home Furnishings Stores
 - Furniture Stores

¹ A new florist was opened in spring 2021.

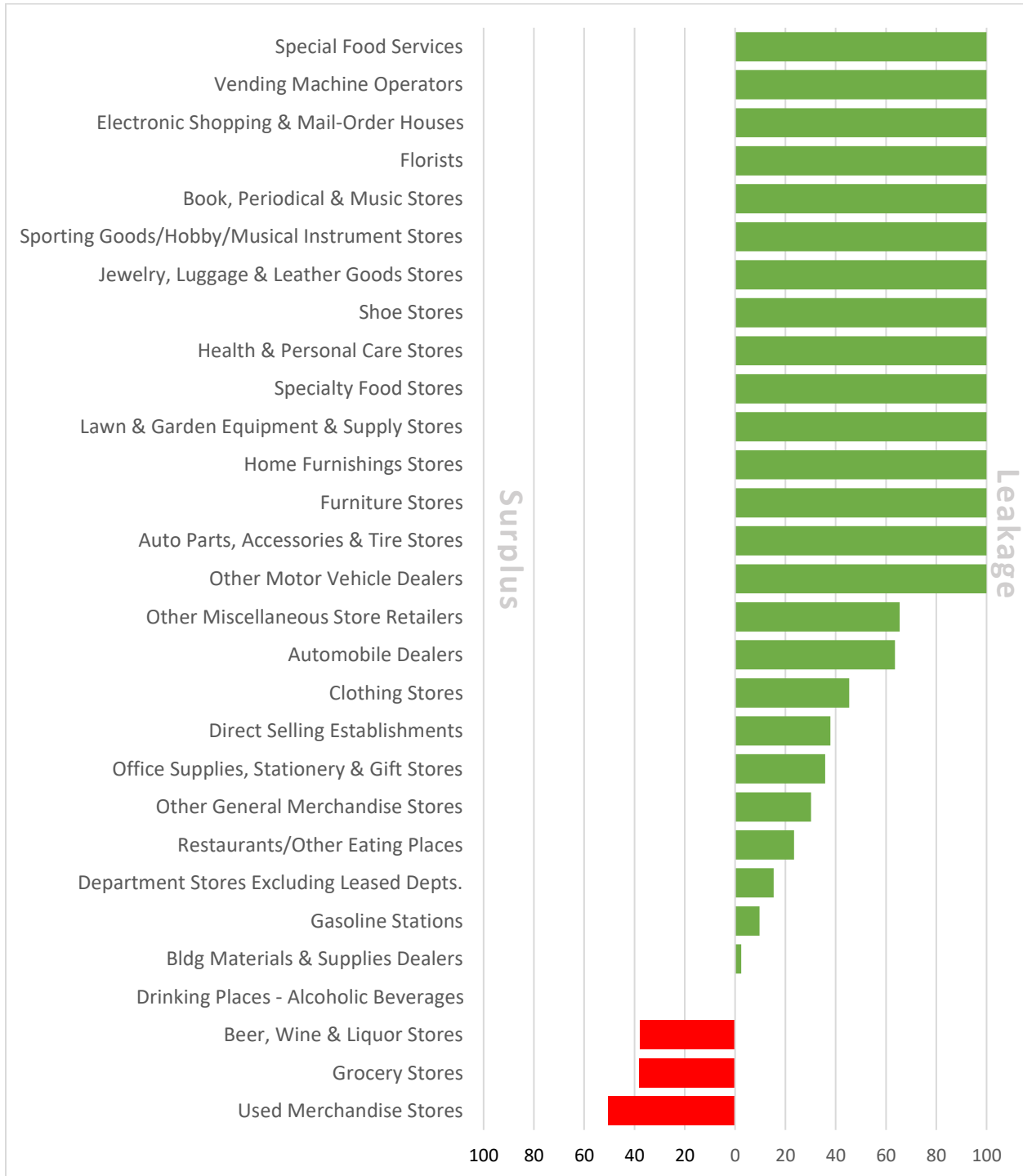
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- Auto Parts, Accessories and Tire Stores
 - Other Motor Vehicle Dealers
- b. *Some Leakage of Potential Retail Sales:* The Leakage/Surplus Factor approaching +100. The market loses some retail potential to other areas meaning retailers have a better opportunity to capture more local demand. These retailers are:
- Other Miscellaneous Store Retailers
 - Automobile Dealers
 - Clothing Stores
 - Direct Selling Establishments
 - Office Supplies, Stationery and Gift Stores
 - Other General Merchandise Stores
 - Restaurants/Other Eating Places
 - Department Stores Excluding Leased Departments
 - Gasoline Stations
 - Building Material and Supplies Dealers
- c. *Perfectly Balanced Retail Market:* The Leakage/Surplus Factor equals to zero, a market area with neither businesses nor households. There is only one business, drinking places – alcoholic beverages, with an almost perfectly balanced factor at 0.1.
- d. *Surplus of Retail Sales:* The Leakage/Surplus Factor approaches -100, capturing the local market plus attracting non-local shoppers. The proportion of sales to shoppers increases with few local shoppers. These businesses include:
- Used Merchandise Stores
 - Grocery Stores
 - Beer, Wine and Liquor Stores
- e. *Complete Surplus of Retail Sales:* The Leakage/Surplus Factor of -100, identifying a market with no local shoppers. There are no businesses in the Town with no local shoppers.

Definitions of the above-mentioned businesses are shown in Appendix B.

MARKET ANALYSIS

Figure 6: Leakage/Surplus Factor by Industry Group (4-digit NAICS)



Source: Esri™ Business Analyst

MARKET ANALYSIS

While Figure 6 shows retail factor within the Town of Varnville, Table 7 illustrates the retail gap in dollar amounts for Varnville, changes in the retail gap within the market area in a 10-, 20-, and 30-minute drive time, and a total retail gap for the market area. Figures in “green” indicate increasing leakage of sales in dollar amounts, while figures in “red” indicate surplus of sales within the market area. The full details of the Leakage/Surplus Factor and its methodology can be seen in Appendix C and D, respectively.

Table 7: Changes in Retail Gap by Industry Group (4-digit NAICS): Market Area Comparison

2017 Industry Group	Varnville	10 Minutes	20 Minutes	30 Minutes	Total Retail Gap
Automobile Dealers	\$2,933,332	\$7,347,129	\$10,582,624	\$15,730,038	\$36,593,123
Other Motor Vehicle Dealers	\$425,905	\$994,397	\$720,272	\$1,278,144	\$3,418,718
Auto Parts, Accessories & Tire Stores	\$427,421	\$2,518,597	\$975,633	\$2,349,244	\$1,233,701
Furniture Stores	\$387,377	\$2,220,917	\$1,324,759	\$2,726,955	\$2,218,174
Home Furnishings Stores	\$216,846	\$534,237	\$900,463	\$1,015,970	\$2,667,516
Building Material & Supplies Dealers	\$65,262	\$1,002,943	\$4,639,981	\$8,829,996	\$14,538,182
Lawn & Garden Equipment & Supply Stores	\$73,675	\$182,813	\$330,781	\$847,539	\$260,270
Grocery Stores	\$3,937,491	\$33,595,148	\$5,182,789	\$11,256,899	\$21,092,951
Specialty Food Stores	\$121,447	\$42,973	\$157,623	\$648,852	\$326,809
Beer, Wine & Liquor Stores	\$179,695	\$278,216	\$244,504	\$195,446	\$538,471
Health & Personal Care Stores	\$1,330,682	\$14,955,279	\$3,296,830	\$6,100,985	\$4,226,782
Gasoline Stations	\$443,333	\$1,465,321	\$8,385,837	\$36,584,885	\$45,992,710
Clothing Stores	\$313,921	\$616,509	\$1,816,131	\$3,216,804	\$4,730,347
Shoe Stores	\$125,265	\$277,720	\$337,027	\$570,558	\$755,130
Jewelry, Luggage & Leather Goods Stores	\$120,115	\$313,232	\$475,232	\$654,798	\$1,563,377
Sporting Goods/Hobby/Musical Instrument Stores	\$431,302	\$759,961	\$1,753,302	\$2,027,426	\$4,971,991
Book, Periodical & Music Stores	\$67,453	\$165,126	\$271,905	\$242,407	\$746,891
Department Stores Excluding Leased Departments	\$593,538	\$1,757,159	\$9,006,832	\$6,391,606	\$17,749,135
Other General Merchandise Stores	\$399,991	\$569,779	\$1,115,560	\$2,297,858	\$3,243,630
Florists	\$22,682	\$218,890	\$45,484	\$43,082	\$193,806
Office Supplies, Stationery & Gift Stores	\$76,753	\$157,671	\$553,233	\$1,019,059	\$1,806,716
Used Merchandise Stores	\$154,834	\$120,995	\$270,198	\$436,970	\$673,329
Other Miscellaneous Store Retailers	\$448,129	\$285,789	\$2,445,566	\$3,603,757	\$6,783,241
Electronic Shopping & Mail-Order Houses	\$194,865	\$475,591	\$803,306	\$1,438,319	\$2,912,081
Vending Machine Operators	\$12,115	\$28,314	\$50,242	\$89,254	\$179,925
Direct Selling Establishments	\$53,603	\$237,967	\$451,918	\$761,764	\$1,505,252
Special Food Services	\$25,947	\$63,693	\$109,469	\$115,584	\$314,693
Drinking Places - Alcoholic Beverages	\$297	\$90,128	\$407,779	\$737,204	\$1,234,814
Restaurants/Other Eating Places	\$652,556	\$4,374,246	\$5,488,568	\$3,805,650	\$2,038,772

Source: Esri™ Business Analyst

MARKET ANALYSIS

CONCLUSION

Market potential and demand for small businesses in Varnville tend to be somewhat site-specific and vary greatly based on the needs of the local residents, people who work in Varnville, and people who visit Varnville.

According to the retail inventory, lack of available space is not constraining Downtown development. In addition, niche opportunities for small scale businesses may exist, especially with the new agricultural technology cluster located less than 15 minutes away from Varnville.

Also, the new “Gin Socioeconomic Wellness Project” can potentially appeal to smaller specialty businesses such as an ice cream shop, a bakery shop, and advertising or marketing agencies.

The Leakage/Surplus analysis indicates many opportunities for various businesses that exhibit leakages within the Town and market area, likely with enough demand to support additional establishment(s) within the targeted market area.

The Leakage/Surplus analysis indicated a high level of household demand for the goods and services listed below. Retailers of these goods and services appear to be absent from the Varnville market area, suggesting an opportunity exists for these types of businesses (See Table 8)

Table 8: Changes in Retail Gap by Industry Group (4-digit NAICS): Absent Retailers from the Market Area

2017 Industry Group	Varnville	10 Minutes	20 Minutes	30 Minutes	Total Retail Gap
Department Stores Excluding Leased Departments.	\$593,538	\$1,757,159	\$9,006,832	\$6,391,606	\$17,749,135
Sporting Goods/Hobby/Musical Instrument Stores	\$431,302	\$759,961	\$1,753,302	\$2,027,426	\$4,971,991
Other General Merchandise Stores	\$399,991	\$569,779	\$1,115,560	\$2,297,858	\$3,243,630
Office Supplies, Stationery & Gift Stores	\$76,753	\$157,671	\$553,233	\$1,019,059	\$1,806,716
Jewelry, Luggage & Leather Goods Stores	\$120,115	\$313,232	\$475,232	\$654,798	\$1,563,377
Direct Selling Establishments	\$53,603	\$237,967	\$451,918	\$761,764	\$1,505,252
Shoe Stores	\$125,265	\$277,720	\$337,027	\$570,558	\$755,130
Book, Periodical & Music Stores	\$67,453	\$165,126	\$271,905	\$242,407	\$746,891
Special Food Services	\$25,947	\$63,693	\$109,469	\$115,584	\$314,693
Vending Machine Operators	\$12,115	\$28,314	\$50,242	\$89,254	\$179,925
Specialty Food Stores	\$121,447	\$42,973	\$157,623	\$648,852	\$326,809

Note: Figures in “green” indicate increasing leakage of sales in dollar amounts, while figures in “red” indicate surplus of sales within the market area.

MARKET ANALYSIS

The Leakage/Surplus analysis also indicated a high level of household demand exists for the additional goods and services listed below. Some retailers of these goods and services appear to be present in the Varnville market. These retailers should be retained in the market area and could potentially expand their operations (see Table 9).

Table 9: Changes in Retail Gap by Industry Group (4-digit NAICS): Present Retailers in the Market Area

2017 Industry Group	Varnville	10 Minutes	20 Minutes	30 Minutes	Total Retail Gap
Automobile Dealers	\$2,933,332	\$7,347,129	\$10,582,624	\$15,730,038	\$36,593,123
Bldg Material & Supplies Dealers	\$65,262	\$1,002,943	\$4,639,981	\$8,829,996	\$14,538,182
Other Miscellaneous Store Retailers	\$448,129	\$285,789	\$2,445,566	\$3,603,757	\$6,783,241
Clothing Stores	\$313,921	\$616,509	\$1,816,131	\$3,216,804	\$4,730,347
Other Motor Vehicle Dealers	\$425,905	\$994,397	\$720,272	\$1,278,144	\$3,418,718
Electronic Shopping & Mail-Order Houses	\$194,865	\$475,591	\$803,306	\$1,438,319	\$2,912,081
Home Furnishings Stores	\$216,846	\$534,237	\$900,463	\$1,015,970	\$2,667,516
Furniture Stores	\$387,377	\$2,220,917	\$1,324,759	\$2,726,955	\$2,218,174
Auto Parts, Accessories & Tire Stores	\$427,421	\$2,518,597	\$975,633	\$2,349,244	\$1,233,701
Florists	\$22,682	-\$218,890	\$45,484	\$43,082	\$193,806
Lawn & Garden Equip & Supply Stores	\$73,675	\$182,813	\$330,781	\$847,539	\$260,270
Restaurants/Other Eating Places	\$652,556	\$4,374,246	\$5,488,568	\$3,805,650	\$2,038,772
Health & Personal Care Stores	\$1,330,682	\$14,955,279	\$3,296,830	\$6,100,985	\$4,226,782
Gasoline Stations	\$443,333	\$1,465,321	\$8,385,837	\$36,584,885	\$45,992,710

Note: Figures in “green” indicate increasing leakage of sales in dollar amounts, while figures in “red” indicate surplus of sales within the market area

In addition, the Town should consider the residents’ needs for specific retail outlets. These include:

- Housewares
- Specialty gifts
- Men/women’s apparel and shoes
- Drive-thru pharmacy
- Restaurants

However, other factors need to be considered when making decision for potential expansion or recruitment opportunities including, but not limited to:

- Competition in neighboring communities
- Consumer behavior/needs
- Availability of the spaces (location, size, and quality)
- Parking and amenities
- Zoning and regulation

MARKET ANALYSIS

RECOMMENDATIONS

As a result of the demographic and market analyses, along with input from relevant agencies, recommendations revolve around three basic functions of the Town: to live, to do business, and to visit. Recommendations focus more on business attraction, retention, and expansion, as well as public attraction to enhance economic development in Downtown Varnville.

Planning and Implementation Efforts

- Develop a specific strategic plan and take actions in attracting, retaining, and expanding businesses. The plan will ensure what the Town needs to execute marketing projects, including but not limited to identification of possible grants/funding, clarification of responsibilities and partnerships, and specific time periods.
- Develop types of measures to help monitor progress and determine success, for example, setting a percentage of retail recruitment targets.
- Continue to identify opportunities for new businesses to capture local consumers as well as spill over consumers from surrounding areas within and outside the Lowcountry region.
- Continue to seek grants/funding for the existing “Gin Socioeconomic Wellness” project, which strategically reinforces the strength and attractiveness of the existing and potential businesses.
- Establish a partnership with local and regional agencies to assist existing and new businesses with regulatory processes.



MARKET ANALYSIS

Investment Ready

- Develop a database of available retail/office spaces for potential businesses.
- Reuse vacant buildings in the Downtown inventory for potential businesses.
- Educate existing business owners on retail retention including, but not limited to marketing strategies, product mix, and customer service.
- Expand products and services, according to the leakage analysis to prevent local sales from leaking to nearby competitors.
- Consider incentives for development, for example, historic preservation, open space, and financial assistance, as well as mechanisms to streamline business regulation to expedite the business recruiting process.
- Develop a space that multiple businesses can share and allow a pop-up store i.e., restaurant, cafe, and art gallery just for a seasonal or a special event. This helps potential businesses to try out an idea before starting a more permanent business.
- Promote employment opportunities to encourage residents to live and work in Varnville, as well as to attract outsiders to work and stay in Varnville.

Marketing Campaign

- Promote the many historic sites, local eating, lodging, and retail establishments to capture more spending locally.
- Provide information on local businesses and events accessible to businesses, as well as resources for existing and potential businesses to navigate the Town process. Information should be provided via different media to reach different demographic groups: the Town's website, trade shows, printed materials, and social media.
- Create a visually attractive downtown including, but not limited to, standard way finding signage, building renovation, and landscaping improvement.
- Create beautification projects along certain routes that are likely to be taken by visitors.
- Offer community outreach to Varnville residents to gain understanding of their needs as well as to generate awareness of the Town's economic development and related events.

APPENDICES

APPENDIX A: A LIST OF BUSINESSES

Business Name	Type of Business	Resident Business	Non-Resident Business
1. A&A Auto Towing	Transportation, Except rail	x	
2. ADT	Security and Alarm Services		x
3. Advanced Mechanical Services	Construction		x
4. Atco International	Wholesale Trade, all types		x
5. Ayzara Fitness & Wellness, LLC	Personal Care, Barber, Beauty	x	
6. B&S Cleaners	Personal Care, Barber, Beauty	x	
7. Bad Dog Coffee, DBA Mugs & Brushes	Food & Beverage with Art	x	
8. Beaufort County Memorial Hospital	Health Care & Social Assist		x
9. Big & Small Boutique	On-line Clothing & Accessory	x	
10. Boss Seafood	Food & Beverage with Art	x	
11. Brandi's Magic Fingers	Personal Care, Barber, Beauty	x	
12. BR & J Masonry	Construction		x
13. Brother's Barber Shop	Personal Care, Barber, Beauty	x	
14. Brunson Laundry	Personal Care, Barber, Beauty		x
15. Bug Busters	Pest Control		x
16. C&S Tree Service	Tree Service	x	
17. C.S.X. Transportation	Rail Transportation	x	
18. Carolina Pediatric Therapy Services	Health Care & Social Assist	x	
19. Carolina Thrift	Miscellaneous Store Retailers	x	
20. Causey Tiger Air	Heating and Air	x	
21. CCBCC Operations, LLC	Non-Store Retailers		x
22. Central Industries, Inc	Gas Stations & Convenience		x
23. Century Link	Communication		x
24. Charlie Boles	Landscaping maintenance		x
25. Coastal Air	Construction		x
26. Coastal Technologies	Manufacturing	x	
27. Coastal Tree Service	Landscaping & Yard Maintenance	x	
28. Comcast Center	Communication		x
29. Comcast Business Class Security LLC	Security and Alarm Services		x
30. Company Two	Other Motor Vehicles Dealers	x	
31. Dish Network Services	Construction		x
32. Dollar General Store 12876	General Merchandise	x	

APPENDICES

Business Name	Type of Business	Resident Business	Non-Resident Business
33. Dr. Jane R. Scott	Health Care & Social Assistance	x	
34. Ellis Realty	Real Estate & Rental		x
35. Ferguson Enterprises, Inc	Wholesale Trade All Types		x
36. Flossy Design World DBA N Brenner	Florist	x	
37. Frazier Lawn Care	Landscaping & Yard Maintenance	x	
38. Fred's Tree Service	Landscaping & Yard Maintenance		x
39. Freeman's Awards & Gifts	Miscellaneous Store Retailers	x	
40. Glass Masters of Hampton	Repair & Maintenance		x
41. Griffin Electric Service	Construction		x
42. H & H Car Care	Repair & Maintenance	x	
43. Hampton County Rec Department	Admin & Support	x	
44. Hampton Dentistry	Health & Personal Care	x	
45. Hampton Furniture & Appliance Co.	Furniture & Home Furnishing		x
46. Hampton Knits	Clothes & Accessory	x	
47. Hampton Properties	Real Estate & Rental	x	
48. Handy Ann's	Day Care	x	
49. Herndon Funeral Home	Personal Care, Barber, Beauty	x	
50. Horizon Landscaping & Irrigation LLC	Landscaping & Yard Maintenance		x
51. IMOS Logistics of Hampton	Towing	x	
52. Inner Peace Counseling Services, LLC	Health & Personal Care	x	
53. Insurance Consulting Services	Insurance Agency	x	
54. Jackson Elephant Ear Stand	Peddlers, Direct Selling		x
55. Jimmy Butler Auto Sales, Inc.	Automobile Dealers	x	
56. John Perry Williams	Landscaping & Yard Maintenance	x	
57. Johnson Controls Security Solutions LLC	Security and Alarm Services		x
58. JR Wilson Construction	Construction		x
59. JSL Construction, LLC	Construction		x
60. Junier Mae Dopson	Peddlers, Direct Selling	x	
61. Kimis's Elephant Ears	Food & Beverage with Art		x
62. Klip Joint	Personal Care, Barber, Beauty	x	
63. Kunya Hewett	Food & Beverage with Art		x
64. Kut N Kurl Beauty Salon	Personal Care, Barber, Beauty	x	
65. Lily in the Alley Christian Store	Miscellaneous Store Retailers	x	
66. Lowcountry Clean Care	Cleaning SVC & Carpet Care	x	

APPENDICES

Business Name	Type of Business	Resident Business	Non-Resident Business
67. Lowcountry Family Services	Health Care & Social Assist	x	
68. Lowcountry Seafood	Eating Places, Food SVS, Rest	x	
69. Lowcountry Time Bank	Non-Profit	x	
70. Malphrus Tire & Auto LLC	Automotive Parts Tire Stores	x	
71. Market Square, LLC	Miscellaneous Store Retailers	x	
72. Merdell Grant	Prof, Scientific, Tech Services	x	
73. Midway Express	Gas Stations & Convenience	x	
74. Morning Star Home Care	Health Care & Social Assist	x	
75. Murdaugh Fencing	Construction	x	
76. Nathaniel A. Shaffer	Real Estate & Rental	x	
77. Nathaniel A. Shaffer Appraisal, LLC	Appraisals	x	
78. Neeley Heating & Air	Construction		x
79. No Perfect Path	On-line General Merch	x	
80. Old Icehouse Restaurant	Food & Beverage with Art	x	
81. Optimal Hearing Systems	Health Care & Social Assist		x
82. Orkin Pest Control	Pest Control		x
83. Pools Plus Hampton LLC	Retail		x
84. Personal Care Ambulance	Health Care & Social Assist	x	
85. Positive Reflections Salon	Personal Care, Barber, Beauty	x	
86. Quality Lawn Care	Landscaping & Yard Maintenance		x
87. Rejoyce of Varnville LLC	Food & Beverage with Art	x	
88. Republic Services of SC, LLC	Waste Management		x
89. Rivers Construction	Construction	x	
90. Rose Deloach	Peddlers, Direct Selling	x	
91. Royalty Beauty Salon	Personal Care, Barber, Beauty	x	
92. Rudy's Tree Service, LLC	Landscaping & Yard Maintenance		x
93. Southeastern System Technologies	Security and Alarm Services		x
94. Serenity's Italian Ice	Food & Beverage with Art		x
95. Smalls Driving Academy, LLC	Education Services	x	
96. Smiley Electrical	Construction, Home Based	x	
97. Southeastern Exterminator Serv	Pest Control		x
98. Southeastern Lawn & Pest	Landscaping & Yard Maintenance	x	
99. Stephen Kearsse Kemmerlin	Education Services	x	
100. Storage Plus	Real Estate & Rental	x	

APPENDICES

Business Name	Type of Business	Resident Business	Non-Resident Business
101. Styles By Morris	Personal Care, Barber, Beauty	x	
102. Styles By Stacie	Personal Care, Barber, Beauty	x	
103. Styling Salon LLC	Personal Care, Barber, Beauty	x	
104. Swamp Muzik Ent. LLC	Prof, Scientific, Tech SVS	x	
105. Terminix Service Inc	Pest Control		x
106. The Brittingham Group, LLP	Prof, Scientific, Tech SVS		x
107. The Children's Place Daycare	Health Care & Social Assist	x	
108. The Hair After	Personal Care, Barber, Beauty	x	
109. The Material Girls SC	Miscellaneous Store Retailers	x	
110. There U Go, LLC	Transportation, Except rail	x	
111. Tiger Express	Repair & Maintenance	x	
112. Tonya Grant	Non-Store Retailers	x	
113. Trinity Personnel Services	Admin & Support	x	
114. Varnville Chiropractic Clinic	Health Care & Social Assist	x	
115. Varnville Coin Laundry & Carwash	Personal care, etc.	x	
116. Varnville Flower Co.	Building Material Garden Eqp	x	
117. VIA Landscaping	Landscaping & Yard Maintenance		x
118. Vinson Accounting Solutions	Prof, Scientific, Tech Services		x
119. Vivint, Inc	Security and Alarm Services		x
120. Wade & Son Landscaping	Landscaping & Yard Maintenance	x	
121. Wall's Lawn Care & Maintenance	Landscaping & Yard Maintenance		
122. Walsh Supply Co.	Building Material Garden Equipment	x	
123. Williams Estate Mobile HM Park	Real Estate & Rental	x	
124. Window World of Savannah	Repair & Maintenance		x
125. Yard Care Etc.	Landscaping & Yard Maintenance		x
126. Transport and Towing LLC	Transportation, Except rail		x

Source: 2021 Town of Varnville Assessment

APPENDICES

APPENDIX B: DEFINITION OF THE BUSINESSES

2017 Industry Group	Definition
Automobile Dealers	Establishments primarily engaged in retailing new and used automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans.
Other Motor Vehicle Dealers	Establishments primarily engaged in retailing new and used vehicles (except automobiles, light trucks, such as sport utility vehicles, and passenger and cargo vans).
Auto Parts, Accessories & Tire Stores	Establishments primarily engaged in retailing new, used, and/or rebuilt automotive parts and accessories, including tires and tubes. Included in this industry group are establishments primarily engaged in retailing automotive parts and accessories in combination with automotive repair services.
Furniture Stores	Establishments primarily engaged in retailing new furniture, such as household furniture (e.g., baby furniture, box springs, and mattresses) and outdoor furniture; office furniture (except sold in combination with office supplies and equipment); and/or furniture sold in combination with major appliances, home electronics, home furnishings, or floor coverings.
Home Furnishings Stores	Establishments primarily engaged in retailing new home furnishings (except furniture).
Building Material & Supplies Dealers	Establishments primarily engaged in retailing new building materials and supplies including home centers, paint and wallpaper stores, hardware stores and other building materials.
Lawn & Garden Equipment & Supply Stores	Establishments primarily engaged in retailing new lawn and garden equipment and supplies including outdoor power equipment stores, and nursery, garden center, and farm supply stores.
Grocery Stores	Establishments primarily engaged in retailing a general line of food products including supermarket and other grocery and convenience stores.
Specialty Food Stores	Establishments primarily engaged in retailing specialty foods (except meat, fish, seafood, and fruits and vegetables) not for immediate consumption and not made on the premises, for examples, baked goods stores (except immediate consumption), dairy product stores, coffee and tea (i.e., packaged) stores, gourmet food stores, confectionery (i.e., packaged) stores, and nut (i.e., packaged) stores.
Beer, Wine & Liquor Stores	Establishments primarily engaged in retailing packaged alcoholic beverages, such as ale, beer, wine, and liquor.
Health & Personal Care Stores	Establishments characterized principally by the products they retail. Some health and personal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians, and other professionals engaged in retailing, advising customers, and/or fitting the product sold to the customer's needs.
Gasoline Stations	Establishments primarily engaged in retailing automotive fuels (e.g., gasoline, diesel fuel, gasohol, alternative fuels) and automotive oils or retail these products in combination with convenience store items. These establishments have specialized equipment for storing and dispensing automotive fuels.

APPENDICES

2017 Industry Group	Definition
Clothing Stores	Establishments primarily engaged in retailing new clothing including men’s clothing stores, women’s clothing stores, and children’s and infants’ clothing stores, family clothing stores, clothing accessories stores, and other clothing stores.
Shoe Stores	Establishments primarily engaged in retailing all types of new footwear (except hosiery and specialty sports footwear, such as golf shoes, bowling shoes, and spiked shoes). Establishments primarily engaged in retailing new tennis shoes or sneakers are included in this industry.
Jewelry, Luggage & Leather Goods Stores	Establishments primarily engaged in retailing new jewelry (except costume jewelry); new sterling and plated silverware; new watches and clocks; and new luggage with or without a general line of new leather goods and accessories, such as hats, gloves, handbags, ties, and belts.
Sporting Goods/Hobby/Musical Instrument Stores	Establishments primarily engaged in retailing new sporting goods, games and toys, and musical instruments.
Book, Periodical & Music Stores	Establishments primarily engaged in retailing new books, newspapers, magazines, and other periodicals.
Department Stores Excluding Leased Depts.	Establishments known as department stores that have separate departments for general lines of new merchandise, such as apparel, jewelry, home furnishings, and toys, with no one merchandise line predominating. Department stores may sell perishable groceries, such as fresh fruits, vegetables, and dairy products, but such sales are insignificant. Department stores may have separate customer checkout areas in each department, central customer checkout areas, or both.
Other General Merchandise Stores	Establishments primarily engaged in retailing new goods in general merchandise stores (except department stores, warehouse clubs, superstores, and supercenters). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, housewares or home furnishings, and other lines in limited amounts, with none of the lines predominating.
Florists	Establishments known as florists primarily engaged in retailing cut flowers, floral arrangements, and potted plants purchased from others. These establishments usually prepare the arrangements they sell.
Office Supplies, Stationery & Gift Stores	establishments primarily engaged in retailing new office supplies, stationery, gifts, novelty merchandise, and souvenirs.
Used Merchandise Stores	Establishments primarily engaged in retailing used merchandise, antiques, and secondhand goods (except motor vehicles, such as automobiles, RVs, motorcycles, and boats; motor vehicle parts; tires; and mobile homes).
Other Miscellaneous Store Retailers	Establishments primarily engaged in retailing new miscellaneous specialty store merchandise (except motor vehicle and parts dealers; furniture and home furnishings stores; consumer-type electronics and appliance stores; building material and garden equipment and supplies dealers; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; florists; office supplies, stationery, and gift stores; and used merchandise stores). This industry group also includes establishments primarily engaged in retailing a general line of new and used merchandise on an auction basis (except electronic auctions).

APPENDICES

2017 Industry Group	Definition
Electronic Shopping & Mail-Order Houses	Establishments primarily engaged in retailing all types of merchandise using nonstore means, such as catalogs, toll free telephone numbers, or electronic media, such as interactive television or the Internet. Included in this industry are establishments primarily engaged in retailing from catalog showrooms of mail-order houses.
Vending Machine Operators	Establishments primarily engaged in retailing merchandise through vending machines that they service including supplying and servicing coin-operated photobooths, rest room, and lockers; and supplying and servicing coin-operated amusement and gambling devices in places of business operated by others.
Direct Selling Establishments	Establishments primarily engaged in nonstore retailing (except electronic, mailorder, or vending machine sales). These establishments typically go to the customers' location rather than the customer coming to them (e.g., door-to-door sales, home parties). Examples of establishments in this industry are home delivery newspaper routes; home delivery of heating oil, liquefied petroleum (LP) gas, and other fuels; locker meat provisioners; frozen food and freezer meal plan providers; coffee-break supplies providers; and bottled water or water softener services.
Special Food Services	Establishments primarily engaged in providing food services at one or more of the following locations: (1) the customer's location; (2) a location designated by the customer; or (3) from motorized vehicles or nonmotorized carts. These include food service contractors, caterers, and mobile food services.
Drinking Places - Alcoholic Beverages	Establishments known as bars, taverns, nightclubs, or drinking places primarily engaged in preparing and serving alcoholic beverages for immediate consumption. These establishments may also provide limited food services.
Restaurants/Other Eating Places	Establishments primarily engaged in one of the following: (1) providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating; (2) providing food services to patrons who generally order or select items (e.g., at a counter, in a buffet line) and pay before eating; or (3) preparing and/or serving a specialty snack (e.g., ice cream, frozen yogurt, cookies) and/or nonalcoholic beverages (e.g., coffee, juices, sodas) for consumption on or near the premises.

Source: Office of Management and Budget – North American Industry Classification System (NAICS) 2017

APPENDICES

APPENDIX C: LEAKAGE/SURPLUS FACTOR ANALYSIS

Town of Varnville – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/ Surplus Factor	No. of Businesses
Motor Vehicle & Parts Dealers	441	\$4,627,137	\$840,479	\$3,786,658	69.3	1
Automobile Dealers	4411	\$3,773,811	\$840,479	\$2,933,332	63.6	1
Other Motor Vehicle Dealers	4412	\$425,905	\$0	\$425,905	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$427,421	\$0	\$427,421	100.0	0
Furniture & Home Furnishings Stores	442	\$604,223	\$0	\$604,223	100.0	0
Furniture Stores	4421	\$387,377	\$0	\$387,377	100.0	0
Home Furnishings Stores	4422	\$216,846	\$0	\$216,846	100.0	0
Electronics & Appliance Stores	443	\$491,603	\$0	\$491,603	100.0	0
Building Materials, Garden Equipment & Supply Stores	444	\$1,461,511	\$1,322,574	\$138,937	5.0	2
Building Material & Supplies Dealers	4441	\$1,387,836	\$1,322,574	\$65,262	2.4	2
Lawn & Garden Equip & Supply Stores	4442	\$73,675	\$0	\$73,675	100.0	0
Food & Beverage Stores	445	\$3,461,747	\$7,457,486	\$3,995,739	-36.6	2
Grocery Stores	4451	\$3,192,621	\$7,130,112	\$3,937,491	-38.1	1
Specialty Food Stores	4452	\$121,447	\$0	\$121,447	100.0	0
Beer, Wine & Liquor Stores	4453	\$147,679	\$327,374	\$179,695	-37.8	1
Health & Personal Care Stores	446,4461	\$1,330,682	\$0	\$1,330,682	100.0	0
Gasoline Stations	447,4471	\$2,511,341	\$2,068,008	\$443,333	9.7	2
Clothing & Clothing Accessories Stores	448	\$748,072	\$188,771	\$559,301	59.7	1
Clothing Stores	4481	\$502,692	\$188,771	\$313,921	45.4	1
Shoe Stores	4482	\$125,265	\$0	\$125,265	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$120,115	\$0	\$120,115	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$498,755	\$0	\$498,755	100.0	0
Sporting Goods/Hobby/Musical Instrument Stores	4511	\$431,302	\$0	\$431,302	100.0	0

APPENDICES

Town of Varnville – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/ Surplus Factor	No. of Businesses
Book, Periodical & Music Stores	4512	\$67,453	\$0	\$67,453	100.0	0
General Merchandise Stores	452	\$3,096,384	\$2,102,855	\$993,529	19.1	3
Department Stores Excluding Leased Depts.	4521	\$2,234,587	\$1,641,049	\$593,538	15.3	2
Other General Merchandise Stores	4529	\$861,797	\$461,806	\$399,991	30.2	1
Miscellaneous Store Retailers	453	\$809,589	\$416,859	\$392,730	32.0	3
Florists	4531	\$22,682	\$0	\$22,682	100.0	0
Office Supplies, Stationery & Gift Stores	4532	\$145,433	\$68,680	\$76,753	35.8	1
Used Merchandise Stores	4533	\$75,500	\$230,334	\$154,834	-50.6	1
Other Miscellaneous Store Retailers	4539	\$565,974	\$117,845	\$448,129	65.5	1
Nonstore Retailers	454	\$304,545	\$43,962	\$260,583	74.8	1
Electronic Shopping & Mail-Order Houses	4541	\$194,865	\$0	\$194,865	100.0	0
Vending Machine Operators	4542	\$12,115	\$0	\$12,115	100.0	0
Direct Selling Establishments	4543	\$97,565	\$43,962	\$53,603	37.9	1
Food Services & Drinking Places	722	\$1,846,672	\$1,168,466	\$678,206	22.5	3
Special Food Services	7223	\$25,947	\$0	\$25,947	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$101,992	\$102,289	\$297	-0.1	1
Restaurants/Other Eating Places	7225	\$1,718,733	\$1,066,177	\$652,556	23.4	2

Note: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017. Figures in “green” indicate increasing leakage of sales in dollar amounts, while figures in “red” indicate surplus of sales within the market area.

Source: Esri™ Business Analyst

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10-Minute Drive Time – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/ Surplus Factor	No. of Businesses
Motor Vehicle & Parts Dealers	441	\$15,366,407	\$6,077,471	\$9,288,936	43.3	12
Automobile Dealers	4411	\$12,502,008	\$2,221,547	\$10,280,461	69.8	5
Other Motor Vehicle Dealers	4412	\$1,420,302	\$0	\$1,420,302	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$1,444,096	\$3,535,272	\$2,091,176	-42.0	6
Furniture & Home Furnishings Stores	442	\$2,075,628	\$3,158,085	\$1,082,457	-20.7	2
Furniture Stores	4421	\$1,324,545	\$3,158,085	\$1,833,540	-40.9	2
Home Furnishings Stores	4422	\$751,083	\$0	\$751,083	100.0	0
Electronics & Appliance Stores	443	\$1,679,820	\$2,854,080	\$1,174,260	-25.9	2
Building Materials, Garden Equipment & Supply Stores	444	\$4,937,967	\$3,613,274	\$1,324,693	15.5	5
Building Materials & Supplies Dealers	4441	\$4,681,479	\$3,613,274	\$1,068,205	12.9	5
Lawn & Garden Equip & Supply Stores	4442	\$256,488	\$0	\$256,488	100.0	0
Food & Beverage Stores	445	\$11,566,862	\$48,836,560	\$37,269,698	-61.7	9
Grocery Stores	4451	\$10,647,864	\$48,180,503	\$37,532,639	-63.8	7
Specialty Food Stores	4452	\$404,829	\$240,409	\$164,420	25.5	1
Beer, Wine & Liquor Stores	4453	\$514,169	\$415,648	\$98,521	10.6	1
Health & Personal Care Stores	446,4461	\$4,484,983	\$18,109,580	\$13,624,597	-60.3	7
Gasoline Stations	447,4471	\$8,237,442	\$9,259,430	\$1,021,988	-5.8	6
Clothing & Clothing Accessories Stores	448	\$2,556,783	\$2,578,480	\$21,697	-0.4	9
Clothing Stores	4481	\$1,705,580	\$2,008,168	\$302,588	-8.1	8
Shoe Stores	4482	\$417,857	\$570,312	\$152,455	-15.4	1
Jewelry, Luggage & Leather Goods Stores	4483	\$433,347	\$0	\$433,347	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$1,694,598	\$270,756	\$1,423,842	72.4	1
Sporting Goods/Hobby/Musical Instrument Stores	4511	\$1,462,019	\$270,756	\$1,191,263	68.7	1
Book, Periodical & Music Stores	4512	\$232,579	\$0	\$232,579	100.0	0

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10-Minute Drive Time – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/ Surplus Factor	No. of Businesses
General Merchandise Stores	452	\$10,415,695	\$8,234,786	\$2,180,909	11.7	8
Department Stores Excluding Leased Depts.	4521	\$7,539,527	\$5,188,830	\$2,350,697	18.5	5
Other General Merchandise Stores	4529	\$2,876,168	\$3,045,956	\$169,788	-2.9	3
Miscellaneous Store Retailers	453	\$2,686,698	\$1,948,403	\$738,295	15.9	6
Florists	4531	\$83,291	\$279,499	\$196,208	-54.1	1
Office Supplies, Stationery & Gift Stores	4532	\$496,483	\$262,059	\$234,424	30.9	2
Used Merchandise Stores	4533	\$258,603	\$292,442	\$33,839	-6.1	1
Other Miscellaneous Store Retailers	4539	\$1,848,321	\$1,114,403	\$733,918	24.8	2
Nonstore Retailers	454	\$1,058,270	\$55,816	\$1,002,454	90.0	1
Electronic Shopping & Mail-Order Houses	4541	\$670,456	\$0	\$670,456	100.0	0
Vending Machine Operators	4542	\$40,429	\$0	\$40,429	100.0	0
Direct Selling Establishments	4543	\$347,386	\$55,816	\$291,570	72.3	1
Food Services & Drinking Places	722	\$6,289,294	\$9,831,512	\$3,542,218	-22.0	21
Special Food Services	7223	\$89,640	\$0	\$89,640	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$369,585	\$279,754	\$89,831	13.8	2
Restaurants/Other Eating Places	7225	\$5,830,069	\$9,551,759	\$3,721,690	-24.2	19

Note: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017. Figures in “green” indicate increasing leakage of sales in dollar amounts, while figures in “red” indicate surplus of sales within the market area.

Source: Esri™ Business Analyst

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20-Minute Drive Time – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/ Surplus Factor	No. of Businesses
Motor Vehicle & Parts Dealers	441	\$35,322,193	\$13,434,077	\$21,888,116	44.9	19
Automobile Dealers	4411	\$28,804,574	\$7,941,489	\$20,863,085	56.8	9
Other Motor Vehicle Dealers	4412	\$3,280,299	\$1,139,725	\$2,140,574	48.4	1
Auto Parts, Accessories & Tire Stores	4413	\$3,237,320	\$4,352,863	\$1,115,543	-14.7	9
Furniture & Home Furnishings Stores	442	\$4,571,263	\$3,549,995	\$1,021,268	12.6	2
Furniture Stores	4421	\$2,919,718	\$3,428,499	\$508,781	-8.0	2
Home Furnishings Stores	4422	\$1,651,546	\$0	\$1,651,546	100.0	0
Electronics & Appliance Stores	443	\$3,676,216	\$3,061,651	\$614,565	9.1	2
Building Materials, Garden Equipment & Supply Stores	444	\$11,294,743	\$5,113,058	\$6,181,685	37.7	9
Building Material & Supplies Dealers	4441	\$10,707,475	\$4,999,289	\$5,708,186	36.3	9
Lawn & Garden Equip & Supply Stores	4442	\$587,269	\$0	\$587,269	100.0	0
Food & Beverage Stores	445	\$25,977,581	\$57,662,365	\$31,684,784	-37.9	19
Grocery Stores	4451	\$23,957,770	\$56,307,620	\$32,349,850	-40.3	14
Specialty Food Stores	4452	\$909,630	\$587,587	\$322,043	21.5	3
Beer, Wine & Liquor Stores	4453	\$1,110,182	\$767,157	\$343,025	18.3	2
Health & Personal Care Stores	446,4461	\$10,162,429	\$20,490,196	\$10,327,767	-33.7	9
Gasoline Stations	447,4471	\$18,852,129	\$28,259,954	\$9,407,825	-20.0	16
Clothing & Clothing Accessories Stores	448	\$5,579,011	\$2,972,317	\$2,606,694	30.5	10
Clothing Stores	4481	\$3,744,002	\$2,230,459	\$1,513,543	25.3	9
Shoe Stores	4482	\$926,430	\$741,858	\$184,572	11.1	1
Jewelry, Luggage & Leather Goods Stores	4483	\$908,579	\$0	\$908,579	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$3,744,419	\$295,370	\$3,449,049	85.4	1
Sporting Goods/Hobby/Musical Instrument Stores	4511	\$3,239,935	\$295,370	\$2,944,565	83.3	1
Book, Periodical & Music Stores	4512	\$504,484	\$0	\$504,484	100.0	0

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20-Minute Drive Time – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	No. of Businesses
General Merchandise Stores	452	\$23,204,934	\$10,901,634	\$12,303,300	36.1	13
Department Stores Excluding Leased Depts.	4521	\$16,718,147	\$5,360,618	\$11,357,529	51.4	6
Other General Merchandise Stores	4529	\$6,486,788	\$5,541,016	\$945,772	7.9	7
Miscellaneous Store Retailers	453	\$6,139,286	\$2,086,509	\$4,052,777	49.3	7
Florists	4531	\$181,077	\$331,801	\$150,724	-29.4	2
Office Supplies, Stationery & Gift Stores	4532	\$1,094,063	\$306,406	\$787,657	56.2	2
Used Merchandise Stores	4533	\$562,722	\$326,363	\$236,359	26.6	1
Other Miscellaneous Store Retailers	4539	\$4,301,423	\$1,121,939	\$3,179,484	58.6	2
Nonstore Retailers	454	\$2,364,443	\$56,523	\$2,307,920	95.3	1
Electronic Shopping & Mail-Order Houses	4541	\$1,473,762	\$0	\$1,473,762	100.0	0
Vending Machine Operators	4542	\$90,671	\$0	\$90,671	100.0	0
Direct Selling Establishments	4543	\$800,011	\$56,523	\$743,488	86.8	1
Food Services & Drinking Places	722	\$13,835,477	\$11,371,880	\$2,463,597	9.8	28
Special Food Services	7223	\$199,109	\$0	\$199,109	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$779,884	\$282,274	\$497,610	46.8	2
Restaurants/Other Eating Places	7225	\$12,856,484	\$11,089,606	\$1,766,878	7.4	26

Note: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017. Figures in “green” indicate increasing leakage of sales in dollar amounts, while figures in “red” indicate surplus of sales within the market area.

Source: Esri™ Business Analyst

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30-Minute Drive Time – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/ Surplus Factor	No. of Businesses
Motor Vehicle & Parts Dealers	441	\$70,293,763	\$29,048,221	\$41,245,542	41.5	29
Automobile Dealers	4411	\$57,360,830	\$20,767,707	\$36,593,123	46.8	16
Other Motor Vehicle Dealers	4412	\$6,515,690	\$3,096,972	\$3,418,718	35.6	2
Auto Parts, Accessories & Tire Stores	4413	\$6,417,242	\$5,183,541	\$1,233,701	10.6	12
Furniture & Home Furnishings Stores	442	\$9,074,916	\$4,189,226	\$4,885,690	36.8	4
Furniture Stores	4421	\$5,805,533	\$3,587,359	\$2,218,174	23.6	3
Home Furnishings Stores	4422	\$3,269,383	\$601,867	\$2,667,516	68.9	1
Electronics & Appliance Stores	443	\$7,271,514	\$3,724,334	\$3,547,180	32.3	4
Building Materials, Garden Equipment & Supply Stores	444	\$22,416,713	\$8,138,801	\$14,277,912	46.7	17
Building Material & Supplies Dealers	4441	\$21,259,063	\$6,720,881	\$14,538,182	52.0	14
Lawn & Garden Equip & Supply Stores	4442	\$1,157,650	\$1,417,920	\$260,270	-10.1	3
Food & Beverage Stores	445	\$51,529,169	\$72,410,459	\$20,881,290	-16.8	38
Grocery Stores	4451	\$47,537,438	\$68,630,389	\$21,092,951	-18.2	26
Specialty Food Stores	4452	\$1,804,797	\$2,131,606	\$326,809	-8.3	7
Beer, Wine & Liquor Stores	4453	\$2,186,934	\$1,648,463	\$538,471	14.0	5
Health & Personal Care Stores	446,4461	\$20,159,008	\$24,385,790	\$4,226,782	-9.5	13
Gasoline Stations	447,4471	\$37,526,120	\$83,518,830	\$45,992,710	-38.0	40
Clothing & Clothing Accessories Stores	448	\$11,040,914	\$3,992,059	\$7,048,855	46.9	14
Clothing Stores	4481	\$7,415,790	\$2,685,443	\$4,730,347	46.8	10
Shoe Stores	4482	\$1,841,527	\$1,086,397	\$755,130	25.8	2
Jewelry, Luggage & Leather Goods Stores	4483	\$1,783,597	\$220,220	\$1,563,377	78.0	1
Sporting Goods, Hobby, Book & Music Stores	451	\$7,407,406	\$1,688,524	\$5,718,882	62.9	7
Sporting Goods/Hobby/Musical Instrument Stores	4511	\$6,409,340	\$1,437,349	\$4,971,991	63.4	5
Book, Periodical & Music Stores	4512	\$998,066	\$251,175	\$746,891	59.8	1

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30-Minute Drive Time – Leakage/Surplus Factor 2017						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/ Surplus Factor	No. of Businesses
General Merchandise Stores	452	\$46,013,199	\$25,020,434	\$20,992,765	29.6	20
Department Stores Excluding Leased Depts.	4521	\$33,136,043	\$15,386,908	\$17,749,135	36.6	6
Other General Merchandise Stores	4529	\$12,877,156	\$9,633,526	\$3,243,630	14.4	14
Miscellaneous Store Retailers	453	\$12,182,650	\$3,113,171	\$9,069,479	59.3	13
Florists	4531	\$354,648	\$548,454	\$193,806	-21.5	4
Office Supplies, Stationery & Gift Stores	4532	\$2,166,565	\$359,849	\$1,806,716	71.5	3
Used Merchandise Stores	4533	\$1,117,545	\$444,216	\$673,329	43.1	2
Other Miscellaneous Store Retailers	4539	\$8,543,893	\$1,760,652	\$6,783,241	65.8	4
Nonstore Retailers	454	\$4,658,925	\$77,200	\$4,581,725	96.7	1
Electronic Shopping & Mail-Order Houses	4541	\$2,912,081	\$0	\$2,912,081	100.0	0
Vending Machine Operators	4542	\$179,925	\$0	\$179,925	100.0	0
Direct Selling Establishments	4543	\$1,566,919	\$61,667	\$1,505,252	92.4	1
Food Services & Drinking Places	722	\$27,429,844	\$27,919,111	\$489,267	-0.9	56
Special Food Services	7223	\$395,038	\$80,345	\$314,693	66.2	1
Drinking Places - Alcoholic Beverages	7224	\$1,536,056	\$301,242	\$1,234,814	67.2	2
Restaurants/Other Eating Places	7225	\$25,498,751	\$27,537,523	\$2,038,772	-3.8	53

Note: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017. Figures in “green” indicate increasing leakage of sales in dollar amounts, while figures in “red” indicate surplus of sales within the market area.

Source: Esri™ Business Analyst

APPENDICES

APPENDIX D: LEAKAGE/SURPLUS FACTOR METHODOLOGY

Terms	Description
Retail Database	<p>The retail database uses the 2017 Retail MarketPlace database including the latest market statistics for Retail Trade and Food Services and Drinking Places (the retail market). The dollar estimates, which represent total retail supply and demand conditions for the past year, are presented by the 2012 NAICS definitions. These datasets comprise an update of supply and demand for the 27 industry groups in the Retail Trade sector, NAICS 44–45, as well as the three industry groups within the Food Services and Drinking Places subsector, NAICS 722. The estimation of retail potential by industry incorporates the latest product line tables from the 2012 Census of Retail Trade (CRT), as well as the latest Consumer Expenditure Surveys (2014 and 2015) from the Bureau of Labor Statistics.</p>
Market Supply (Retail Sales)	<p>Estimates of retail sales use the 2007 and 2012 Census of Retail Trade (CRT) from the U.S. Census Bureau, commercial and government sources such as the Data Axle business database and economic statistics from the Bureau of Labor Statistics, and Esri’s demographic and business databases.</p> <p>Supply estimates also incorporate data from the Census Bureau’s Nonemployer Statistics (NES) division. Smaller establishments without payrolls, such as self-employed individuals and unincorporated businesses, account for a small portion of overall sales. However, these businesses represent more than half of all retailers in the United States. Their inclusion completes the report of industry sales.</p> <p>All estimates of market supply are in nominal terms and are derived from receipts (net of sales taxes, refunds, and returns) of businesses that are primarily engaged in the retailing of merchandise. Excise taxes paid by the retailer, or the remuneration of services are also included, for example, installation and delivery charges that are incidental to the transaction.</p>
Market Demand (Retail Potential)	<p>The retail potential is the amount expected to be spent by consumers on products in the retail market. The 2017 consumer spending data provides expenditure estimates for more than 700 products and services consumed by U.S. households.</p> <p>Estimates of retail potential or consumer spending from the Bureau of Labor Statistics’ annual Consumer Expenditure Surveys (CEX), which provide consumer spending information for hundreds of goods and services by households but not by source.</p>

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Terms	Description
	<p>The consumer spending model incorporates Tapestry Segmentation system. This yields improved differentiation of spending, particularly for smaller markets where distinctions can be difficult to measure and for big-ticket items where consumer preferences are more pronounced.</p> <p>The product line sales from the 2012 Census of Retail Trade are the basis for the crosswalk to market demand by establishment from the consumer expenditure data. The retail potential model incorporates methods to update product line sales, considering changes in retail activity since 2012.</p>
<p>Leakage/Surplus Factor (supply and Demand)</p>	<p>The Leakage/Surplus Factor measures the balance between the volume of supply (retail sales) generated by retail industry and the demand (spending by households, in other words, retail potential) within the same industry. Leakage in an area represents a condition in which a market’s supply is less than the demand. That is, retailers outside the market area are fulfilling the demand for retail products; therefore, demand is leaking out of the trade area. Surplus in an area represents a condition in which supply exceeds the area’s demand. Retailers are attracting shoppers that reside outside the trade area, so the surplus is in market supply.</p>

Source: Esri Technical Paper (June 2021) – Methodology Statement: 2017 Esri Retail Market Place