Inner-City Supermarkets as a Retail Revitalization Strategy: The Case of the Roslindale Village Market

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Submitted to the Department of Urban Studies and Planning
In Partial Fulfillment of the Degree of

MASTER IN CITY PLANNING

At the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

June 2003

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ABSTRACT

Community economic development organizations such as Local Initiatives Support Corporation (LISC), and the Initiative for a Competitive Inner-City (ICIC) claim that inner-city supermarkets will lead the way in inner-city revitalization. These proponents claim that supermarkets will provide jobs, attract private investment, improve the physical appearances of neighborhoods, and bring customers to existing businesses in the inner-city. While this is true for the majority of stores in commercial districts, competing and non-competing stores are impacted by the presence of supermarkets in a different ways. This research also finds that the stores of Roslindale Village do not fit into the traditional retail economic categories of convenience and comparison stores. Supermarkets can be an effective revitalization strategy if existing business owners are aided in redefining their individual business strategies to capitalize on the benefits created by these new anchor stores. As we have seen, this business strategy must take into account the nature of the stores customer base and products. If individual businesses have effective business strategies, they can reap the benefits of inner-city supermarkets.

Thesis Supervisor: Karl Seidman

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Acknowledgements

This thesis could not have been completed without the support and guidance of many people. I would like to thank my thesis advisor Karl Seidman for his guidance, and for pushing me to sharpen my analytical abilities. I would like to thank Tom Litke, who provided many hours of invaluable support. I would like to thank the business community of Roslindale Village for their participation in this research. I would like to thank Jeanne Dubois, Alan Wright, and Mitch Barden for sharing their perspectives on the development of The Village Market. I would also like to thank Steve Gag, Keith Kuzmin, Larry Braman, Janet Stanley, and Mary Knases from the City of Boston. I would like to thank my family, Karen McKie, Barry Krisberg, and Zaid Mckie-Krisberg for their support. Finally, I would like to thank Jessica Katz for motivating me to the best I can be.

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Chapter 1: Introduction

Community economic development organizations such as Local Initiatives Support Corporation (LISC), and the Initiative for a Competitive Inner-City (ICIC) claim that inner-city supermarkets will lead the way in inner-city revitalization. These proponents claim that supermarkets will provide jobs, attract private investment, improve the physical appearances of neighborhoods, and bring customers to existing businesses in the inner-city. There is a current lack of supermarkets in the inner-city, and these supermarkets will provide inner-city residents with better food at lower prices. There is, however, a possibility that supermarkets may cause local businesses to fail, and may not provide the benefits that their proponents claim. This thesis will measure the impact of supermarkets on inner-city commercial districts.

Supermarkets are returning to the inner-city because these neighborhoods represent a new frontier of highly profitable retail opportunities. Increasingly, supermarket chains are finding that, contrary to earlier convention wisdom, there is money to be made in the inner-city. While individual household incomes are lower in the inner-city there is a higher concentration of income, and no competition. The Initiative for a Competitive Inner-City (ICIC) and the Boston Consulting Group estimated that America's Inner Cities represent a great market of retail spending power (equal to the purchasing power of Mexico[1].) In 1999 and 2000 ICIC and Price Waterhouse Coopers conducted the first national survey of inner-city households and showed that inner-city households are attractive customers[2]. Proponents also insist that the development of inner-city supermarkets will aid in revitalization, neighborhood improvements, and will create jobs for neighborhood residents.

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[1] ICIC and BCG, 1998

[2] ICIC and Pricewaterhouse Coopers, 2001

When supermarkets do locate in the inner-city, they affect the businesses in the neighborhood around them. Do existing businesses in an inner-city business districts benefit from the return of supermarkets? Some argue that inner-city markets can accommodate different types of players, and that the increased flow of business from inner-city supermarkets will increase the flow of shoppers for independent businesses in the neighborhood. Large supermarket chains will have a competitive advantage of price and range of products over existing businesses. As the diversity of the American population increases, however, there is a role for independent and ethnic grocery stores. These grocery stores have an intimate understanding of targeted market segments and have the flexibility to provide their customers with highly specialized products and services[3]. Research has found that CDC-led commercial real estate projects had a significant impact on changing the physical appearance of the neighborhood, improving confidence of business owners, and encouraging addition investment in other properties[4]. Supermarkets, however, have the potential to drive out existing businesses in the surrounding area. Small business owners, especially immigrant and low-income entrepreneurs are disadvantaged due to their low access to credit, relatively less education, and business expertise[5].

The purpose of this thesis is to measure how new supermarkets impact existing businesses when they locate in inner-city commercial districts. The research on program impacts will focus on two key questions.

- How do new supermarkets affect the sales and customer traffic of existing businesses?
- How do these impacts vary by business type?

[3] ICIC, 2002
[4] Martinez, 2001 and Mt. Auburn & Associates, 2002
[5] Bates, 1997

This research plan was based on an in-depth study of the Roslindale Village, with a comparison to two other Boston commercial districts that have recently acquired supermarkets: Upham's Corner, and Jackson Square. Another purpose of this study was to identify how Roslindale's Village Market had impacted different types of businesses, and to document its evolution.

The district that will be the focal point of this research is Roslindale Village. Roslindale Village is the business district for a working and middle class neighborhood located in the southwestern portion of Boston, adjacent to Jamaica Plan, Hyde Park, and West Roxbury. Roslindale Village participated in the Main Streets Demonstration Program in 1985 and began implementation with a staff person that same year. Roslindale Village gained The Village Market in 1998 and it has been operating profitably since its opening[6].

Evaluation Measures

Given the many revitalization objectives of inner-city supermarkets, a number of different indicators were chosen. The primary evaluation measure, "Individual Business Performance", was chosen to evaluate the retail traffic benefits that the supermarkets have generated for surrounding stores. These retail traffic benefits are: increased customer volume, and increased sales.

In addition to the primary evaluation measure, secondary evaluation measures were chosen to encompass the other impacts that supermarkets have on business districts. These measures include: "District-wide performance", "District Physical Revitalization", and "District Perceptions."

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[6] Interview with Mike Bohan, Village Market Co-owner

Inner-city supermarkets have the potential to have different impacts on different types of businesses. As a result, it was necessary to measure the district in different ways. Impact measures for business performance seek to capture changes in sales and customer traffic. They also seek to capture the extent to which the business owner perceives that the Village Market is responsible for these changes. Evaluation measures for district wide performance seek to capture changes in district customer traffic and the extent to which the business owner perceives that The Village Market has had a change on district customer traffic. Evaluation measures for district physical revitalization seek to capture improvements to the district, such as decreases in abandoned properties, improvements in the project site, and improvements in the appearance of the buildings. Evaluation measures for business district perceptions seek to capture the business owner's confidence in the district since the market was developed.

Methodology

The main data source for this thesis was the Roslindale Village Business Impact Survey (see appendix 1.) The survey used a variety of indicators. The indicators used to measure individual business performance were customer traffic, and sales. The indicators used to measure district wide performance were district customer traffic, and variety of goods and services. The indicators used for measure physical revitalization were conditions of the buildings, perceptions of the site, and number of abandoned buildings. The indicators used for business district perceptions were business confidence, and crime.

In order to answer these question I interviewed 40 out of 160 businesses owners and managers in Roslindale Village using a revised version of the survey instrument that Hernandez used in this 2001 Master of City Planning thesis: "Impact of Commercial Development on Inner-city Revitalization: An Analysis of Projects In Boston." While the Hernandez survey is

composed of 24 questions (of which eight are open ended to allow the interviewee to openly express how they felt the project impacted their business), the revised survey has 37 questions of which are eight open-ended questions. The other 29 questions are more specific about the impacts of the project such as number of sales and customers. Each of these 29 questions has 3 to 5 answer choices (increased a little, increased a lot, did not change, and decreased.) In addition to the Martinez Hernandez survey I added 12 questions about the parking and car traffic to measure the negative impacts of the market. See survey instrument in appendix 1.

I also used data from Mt. Auburn & Associates: "Impact of CDC-Sponsored Commercial Redevelopment Projects on Commercial Revitalization in Four Boston Neighborhood Business District[7]." This report collected data on four CDC commercial revitalization projects, two of which (JP Center and the 780 Dudley St.) involved new inner-city supermarkets. In order to measure the impacts of The Village Market, I compared the data I collected to the data from the two supermarket projects. While this is secondary data, my survey used the exact same questions and impact measures that Mt. Auburn & Associates used in their report.

Methods of Analysis

After conducting the survey, Roslindale businesses were divided into four groups:

1. Competitor stores
2. Non-competitor stores
3. Comparison stores
4. Convenience stores.

I defined competitors as bakeries, flower shops, grocery stores, and butchers. These are all businesses that sell the same products as The Village Market. My hypothesis is that these businesses were more likely to lose sales and customers because customers were buying all of their products at The Village Market instead of patronizing the many other shops in Roslindale

[7] Mt. Auburn & Associates, 2002

Village. In comparison, non-competitors are stores that do not sell the same products as The Village Market. Economists define convenience goods as inexpensive items that are purchased most often and for which there is little differentiation. An example of a convenience good is ketchup. They also define comparison goods as more expensive goods that are purchased less often. Examples of comparison goods are clothing and furniture

I then compared the overall impacts from the Roslindale Village Business Survey to the impacts in the Mt. Auburn report for JP Center in Jackson Square, and the America's Food Basket in Upham's Corner

Research Challenges and Caveats

While considerable efforts were made to make the data collection effort as statistically valid as possible, there are several limitations to the data when interpreting the results. For the business survey, the response rate and sample size are limitations. The response rate for the Roslindale Village Business Impact Survey was 28%. This response rate raises the possibility that the sample is not representative of the business community. If those businesses that benefited most from The Village Market are over- or under-represented, then the survey results will be biased. The small sample size also reduces the statistical confidence that in the distributions of response to question. In addition, the data relies heavily on the perceptions of business owners and managers. This could present a problem because the perceptions of owners and manager may not necessarily reflect the actual customer and sales growth of the business. Also, the Supermarket Market Competitor Impacts Matrix is based on a small sample, which may be a limitation in applying its conclusions to other neighborhoods. Finally, this thesis did not research the role of other causal factors in the observed changes of customer traffic and sales. Therefore, definite conclusions about the relative role of the supermarket are not possible.

Chapter 2. Review of Literature

The Decline of Inner-city Retail

There are many reasons why supermarkets originally left the inner-city. During the Post World War II era, there was a dramatic migration of the American middle class to the suburbs. Grogan and Proscio have argued that inner-city business district decline is the result of dramatic urban demographic shifts.[8] Working and middle class people left the central cities for the suburbs due in part to federal mortgage policies under the FHA and the withdrawal of credit and insurance by private financial institutions. In addition, federal policies such as Urban Renewal in the inner-city and federal highway construction concentrated the poor residents, who could not relocate to the suburbs, in central cities.

For these and other reasons, between 1940 and 1970 the suburban population grew from 24.2 million to 75.6 million.[9] During this period, grocery stores and other retail establishments followed the middle class to the suburbs. This migration was further aided by state and local tax incentives, zoning, federal highway policies that gave incentives for businesses to relocate to the suburbs.[10] In addition, emerging suburban shopping centers on large tracts of land eroded the retail market in inner cities. Large retailers, which had previously anchored inner-city business districts relocated to suburban shopping centers.[11]

Beginning in the 1960's major supermarkets closed stores in inner cities and set up full service, 24-hour mega stores in the suburbs.[12] By 1970, however suburban grocery retailers faced market saturation. Intensifying competition and increased consumer mobility forced grocery retailers to close older, smaller stores and replace with them with larger, more

[8] Grogan and Proscio, 2000
[9] U.S. Bureau of the Census, 1940 and 1970
[10] Bright, 2000
[11] Zielenbach, 2000
[12] Heany and Hayes, 2002

competitive super-stores. These trends resulted in the decline in the number of suburban supermarkets from 208,300 in 1970 to 127,980 in 2000.[13]

As a result of these forces there are 30% fewer supermarkets in low-income areas than in high-income areas.[14] Low-income consumers are less likely to possess automobiles, further limiting their shopping choices. Due to a lack of neighborhood shopping options, inner-city consumers are limited to smaller neighborhood stores that offer fewer food choices at higher prices.[15] Economies of scale explain these differences in price and selection. Smaller supermarkets cannot buy in volume, have limited access to large scale wholesale produce, and often lack the space or equipment needed to offer fresh produce on daily basis.[16]

Opportunities in Inner-city Retail

Despite retail's historic flight from the inner-city, business conditions may be turning around. Many scholars believe that inner cities are that last frontier for retail businesses. These neighborhoods possess a high concentration of income and retailers face limited competition. Michael Porter argues that the competitive advantages of inner cities are location, local market demand, integration with regional clusters, and moderate- wage workers.[17] The Initiative for a Competitive Inner-City contends that the grocery store industry has been at the forefront of this opportunity, spurred by the considerable profit potential of inner cities as well as the hyper-competition among supermarket chains in the suburbs. For inner-city neighborhoods, strong supermarkets provide a wide variety of competitively priced goods and services, physical rehabilitation, blight reduction, jobs for local residents, and catalysts for further economic

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[13] *Ibid, 2002*
[14] Cotterill, 1995
[15] Ibid, 1995
[16] Rauch, 1996
[17] Porter, 1995

development.[18] ICIC and the BCG argue supermarkets that have located in inner cities are more profitable on a per square foot basis than their suburban counterparts.[19] They argue that limited competition means that inner-city supermarkets have potential for higher sales per square foot and sales per employee than their regional counterparts.

ICIC argues that inner-city sales volume is more a function of income density than average household income, as sales volume is conventionally calculated. America's inner cities have retail purchasing power of $85 billion.[20] Alternatively, the US Department of Housing and Urban Development estimates that the retail purchasing power of America's inner cities was $131 billion.[21] ICIC, however, estimates that $21 billion of this purchasing power go unmet due to the lack or retail opportunities in the inner-city. On a monthly basis, inner-city households spend a higher share of their incomes on groceries than the average US household. Some inner-city supermarkets generate annual sales 40% higher than the regional average.[22] Other studies of inner-city supermarkets have found that inner-city shoppers shop for groceries more than the general population, and that pricing, coupons, and acceptance of credit cards are key to store selection criteria.[23] Corporate supermarket chains such as Shaw's and Path Mark have found it profitable to operate stores in inner-city markets.

The development of inner-city supermarkets is currently popular in the world of community development. Organizations such as the Initiative for a Competitive Inner-city and the Local Initiatives Support Corporation have advocated for bringing supermarkets to low income communities and have drafted initiatives supporting the development of such projects.

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[18] ICIC, 2002
[19] ICIC and BCG, 1998
[20] ICIC and Pricewaterhouse Coopers, 2001
[21] HUD, 1999
[22] ICIC and Pricewaterhouse Coopers, 2001
[23] ICIC, 1999

The popularity of inner-city supermarkets is due to their association with neighborhood revitalization. The goals of neighborhood revitalization are to improve the physical and social environment of inner-city neighborhoods. Improving the physical environment involves improving the housing stock, commercial activity, infrastructure, and other physical aspects that have to do with how the neighborhood looks. The goals of neighborhood commercial real estate development are to improve the appearance of the neighborhood, attract new businesses, expand existing ones, create jobs and reduce the perceived capital investment risk.[24]

Agents of Neighborhood Revitalization

Another reason that supermarkets are returning to the inner-city is that the business environment has improved due to the efforts of Community Development Corporations (CDCs), and the National Historic Trust's Main Street Program. A CDC is a place-based non-profit dedicated to the physical and social revitalization of their specific neighborhood. The CDC movement began due to the political activities of the 1960s and initiated a broad agenda with the intent of meeting the needs of disadvantaged communities. This broad based agenda included political action, social services, economic development and housing. During the late 1970s and 1980s, community development funding became scarce and CDC's directed their action away from their other objectives, and began to specialize in affordable housing strategies.[25] These strategies focused on the need to restore the housing stock and residential base of neighborhoods that had lost population and suffered widespread housing abandonment and deterioration. As a result, better quality inner-city housing has become available, and populations have increased. As a result, the physical quality as well as the purchasing power of inner-city neighborhoods has improved.

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[24] Martinez, 2001 and Nowak, 1997
[25] Glickman & Servon, 1997

Another strategy that has been crucial to the return of supermarkets (especially for Boston) is the National Historic Trust's Main Street Program. The Main Street Program seeks to reverse business district deterioration through a comprehensive revitalization approach[26] The four-point approach includes:

- **Organization:** enhancing the physical appearance of commercial districts by rehabilitating historic buildings, encouraging new construction, improving infrastructure, and enhancing maintenance.
- **Design**: building consensus and collaborative partnerships among organizations that have a stake in the commercial district's viability.
- **Promotion**: marketing the commercial district to residents, investors, future business tenants, consumers, and visitors.
- **Economic Restructuring**: recruiting new businesses, and strengthening the economic base.

The program is implemented through a local grassroots organization that is intended to establish a broad based entity to sustain revitalization efforts over time. In his evaluation of the Boston Main Street Program, Seidman found that Main Streets has greatly expanded neighborhood capacity to improve local business districts. He also argued that the Boston Main Street Program has brought significant physical and economic change to neighborhoods, contributed to overall neighborhood economic change, and improved the economic performance of local businesses.[27]

Challenges in Inner-city Retail

While there is significant opportunity in the inner-city for retail, inner-city locations offer challenges for supermarkets. Some researchers have argued that the failure of retailers to enter inner-city markets is due to inadequate market data that causes retailers to underestimate the revenue potential of inner cities.[28] Retailers ignore inner cities because of misconceptions about central city income status, lack of workers, racial and class stereotypes, and over-emphasis on

[26] Seidman, 2002
[27] Ibid, 2002
[28] HUD, 1999 and Steward & Morris, 2002

average household income data provided by commercial marketing firms.[29] The high price of security due to higher crime rates also adds additional operating costs to inner-city supermarkets. In addition, the high price of land and small size of available parcels, complex zoning, environmental, government approval process, roller-coaster sales (that peak at the beginning of the month when government assistance is disbursed and drop at the end of the month) makes for a more complex market.[30]

[29] Pavasanti & Quinn 2001
[30] Garry, 1995

Chapter 3. Review of Concepts

The goal of this thesis is to understand what happens to commercial district businesses upon the entrance of new supermarkets. Before we analyze the results of the Roslindale Business Impact survey, we must first look at traditional retail economics, and what outcomes it would predict. In the next chapter we will see if these predictions are valid for inner-city commercial districts we have studied, or if they can be refined to better reflect what actually happened in these commercial districts.

Retail Economics and Shopping Area Theory

There are four main assumptions that early retail economics is based on. As described by Waxman[31]:

1. Time is money, and there is disutility to travel.
2. People would rather travel shorter times, than longer times to their destination.
3. Time spent traveling is equal to lost wages or the inability to participate in recreation or other enjoyable activities.
4. People will choose the shopping area that allows them to minimize the time they need to spend traveling.

Early retail economists were advocates of Central Place Theory. This model assumes that consumers will make single purpose shopping trips to the nearest shopping center to purchase goods. Central Place Theory argues that a firm's decision to locate in a particular area is based on its "range" and "threshold." [32] "Range" is the maximum distance that consumer travel will travel to purchase a good, which is equal to the distance to the nearest market that carries the good. "Threshold" is the minimum demand necessary for a store to become economically viable. Central Place Theory assumes that range and threshold combine to determine a firms' market area and its location.

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[31] Waxman, 1999

[32] Eppli & Benjamin, 1994

These assumptions were revised to account for the fact that consumers will travel to a more distant shopping area for multipurpose shopping trips.[33] The first new assumption was that people prefer to buy certain groups of goods at the same time; people minimize their shopping time by choosing a shopping area that contains these linked goods. Second, certain stores, called "anchor stores", are the primary attractors of particular shopping areas.[34] Once people travel to an anchor store, they minimize shopping time by staying in the area to accomplish different tasks. Third, people shop differently for inexpensive homogeneous goods that they buy frequently (convenience goods) than they do for expensive differentiated goods (comparison goods) that they only buy infrequently.[35] For comparison goods, however, people minimize travel time by going to more distant shopping areas that contain multiple stores with comparison items. Time is minimized because people are unsure that they can find the exact item they want in one store, so they are willing to travel to areas that have number of stores containing the type of good they want. Fourth, different demographic groups prefer different goods, and stores are more successful when they sell those goods preferred by the shoppers in their particular district.

The theory of retail linkages argues that consumers often purchase related cluster of goods during a single shopping trip.[36] As a result, they will travel further distances to shop in centers that allow them to purchase these related goods at the same time. When people go grocery shopping they are likely to also shop at a bakery, a drug store, or a barber shop. Hanson found that when people were shopping for more than one item, they chose different shopping

[33] Waxman, 1999 and Eppli & Benjamin, 1994
[34] Ibid, 1994
[35] Ibid, 1994
[36] Waxman, 1999

areas than when they were only buying one item. In addition, Hanson also found that common bundles of functions were frequently combined in single trips.[37]

Researchers argue that there are two main types of goods: convenience goods and comparison goods.[38] The way people shop for these types goods is different. Convenience goods are inexpensive items that are purchased most often and for which there is little differentiation. Comparison goods are more expensive goods that are purchased most often and for which there is differentiation. Economists argue that when convenience stores are in direct competition with each other, the sales of each store decreases. Alternatively, when comparison stores are in competition with each other, and slightly differentiated, the sales of all stores increase.

The future of retail economics lies in market demographics. This theory argues that retail markets are segmented by race, gender, income level, education level, and other distinctions.[39] Stores can be more successful if they understand the segment of the market they serve and use that knowledge to sell goods that this demographic group purchases most regularly. An ICIC study found that there are a number of different market segments in inner-city areas. They found that inner-city shoppers were more likely to shop at specialty stores than the average household in product categories such as men and women's apparel. They also found that across all product categories, inner-city shoppers are more selection and customer service oriented than the average shopper.

What are the Goals of Neighborhood Business Districts?

Neighborhood business districts recruit supermarkets because they contribute to the goals of vibrant commercial districts and economic development. Hernandez argues that neighborhood commercial districts are places where "city dwellers leave the confine and privacy of their homes

[37] Hanson in Eppli & Benjamin, 1994
[38] Waxman, 1999, and Eppli &Benjamin, 1994
[39] Waxman 1999

to engage in social interactions at restaurants, local bars, or by way of acquiring goods and services.[40]" In addition, the Main Street Program of the National Trust for Historic Preservation has many indicators to measure the vitality of commercial district[41]. These indicators are many, but fall into three broad categories as follows:

1. **Growth Potential, Stability and Safety**: This includes a growing population, diverse household incomes, ethnic and racial diversity, low vacancy rates, and low crime rates.
2. **Commercial Vibrancy and Business Mix:** This category includes an attractive appearance, and good balance of foot and car traffic. It also includes strong and growing businesses, adequate business mix, and diversity of products. Finally this category includes the ability of the commercial district to attract outside buyer.
3. **Infrastructure:** This category includes good public infrastructure, buildings in good physical condition, adequate parking facilities, the strong presence of financial institutions.

Zielenbach argues that the goals of neighborhood revitalization are: "the improvement of economic conditions for existing residents and the re-integration of the neighborhood into the market system.[42]" He argues that successful revitalization creates a neighborhood whose conditions help enable all residents to succeed economically and socially. For neighborhood commercial districts, however, the goals of revitalization are the goals of program driven economic development. For this purpose, the primary goal of neighborhood revitalization is to improve local access to goods and services. Increasing retail activity in an area provides

[40] Martinez, 2001
[41] National Trust for Historic Preservation, Unpublished Document
[42] Zielenbach, 2000

residents with more retail options, as well as making the neighborhood more appealing to consumers from both inside and out of the district.[43]

How do Supermarkets Contribute to the Goals of Commercial Districts?

Supermarkets contribute to the goals of vibrant commercial districts and neighborhood revitalization by serving as anchor businesses. An anchor is defined as a store: "whose retailing reputation and name help identify the center's character, define its main clientele, and draw a core of customer traffic. [44] In addition, Waxman argues that an effective anchor draws customers who go on to shop at other secondary stores in the center increasing the sales of surrounding businesses. [45] Anchor stores create retail demand externalities for non-anchor stores. Retail demand externalities are defined as increases in sales and customer traffic that result from the addition traffic generated by anchor retailers.[46]

Researchers argue that a favorable retail image is to a large extent under the anchor's control and can draw customers from great distances. It is the image of the anchor tenant that draws customer away from other centers and creates demand externalities for smaller surrounding stores.[47] Because no one particular image has an equal appeal to all types of customers, a successful shopping center must select the retail image that best fits the customer base in the area.

Some researchers have found that demand externalities flow only in one direction from anchor tenants to non-anchor tenants. They argue that, while smaller stores have two-way flow of customers, retail demand externalities are a one-way customer draw from anchor tenants to

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[43] Ibid, 2000
[44] Dipasquale and Wheaton, 1996
[45] Waxman, 1999
[46] Eppli & Benjamin, 1994
[47] Ibid, 1994

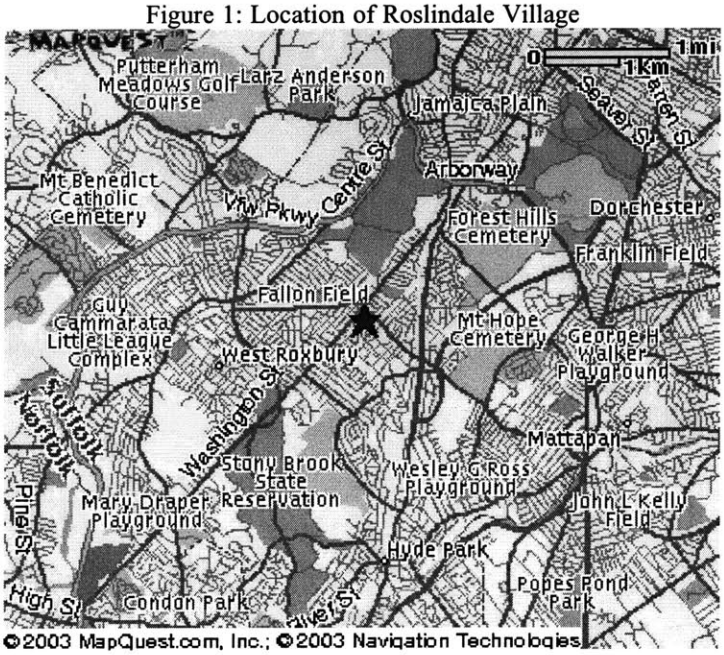
non-anchor tenants. They argue that non-anchor stores do not attract a significant number of shoppers, and the success of these stores depends on the presence of the anchor.[48]

[48] Ibid, 1994

Chapter 4: Case Study: Roslindale Village Market

The Village Market is located in the center of Roslindale Village commercial district at 30 Corinth Street. The Village Market opened in 1998 as a result of the community organizing efforts of organizers, residents, the business community, and the City of Boston[49]. The Roslindale Village business district has 160 retail and service businesses with a strong concentration in groceries, insurance, and hair salons. It is anchored by The Village Market, and has many ethnic food markets that draw many shoppers that use the market for convenience shopping. The majority of buildings in the business district are single story retail and office buildings, with a few two-story buildings with retail on the first floor. Many business owners attract business not only from Roslindale, but also from the Jamaica Plain, Hyde Park, and the West Roxbury neighborhood. The location of Roslindale Village is illustrated (by the star), in the map below:

Figure 1: Location of Roslindale Village



[49] The following section draws heavily on interviews with Jeanne Dubois, Alan Wright, and Mitch Barden

Roslindale Village History

Roslindale, Boston was annexed by the City of Boston in 1873. In the 1880s the area was called South Street Crossing because the railroad crossed South Street at the street level. When the community applied for a post office district of its own, it was told that "South Street Crossing" was an unacceptable town name to the government. As a result, the community renamed itself. The name "Roslindale" was suggested by a well traveled member of the community who told the assembled citizens that the area reminded him of the historic town of Roslyn, Scotland, outside Edinburgh. He also thought that the area was like a dale because of the surrounding hills. The combination of "Roslyn" and "dale" were submitted to the Post Office and the name "Roslindale" was established. The village then grew residentially as a streetcar suburb. The railway, which currently serves as the Needham Line of the MBTA, was built after the Civil War, and spawned a new round of commercial development. By the 1920's Roslindale Village assumed its current configuration, with Adams Park at the center[50].

In the 1970s, Roslindale was a thriving business district, and had two supermarkets that anchored the district. Kelleher's Market was located where The Village Market stands now, while Roche Brothers was located on Washington Street. Kelleher's in particular, was very beneficial to Roslindale Village because they had a grocery delivery service. This was very useful because the majority of Roslindale residents during the 1970's were senior citizens. During the 1980's real estate crash, Roslindale Village deteriorated. Properties were foreclosed upon and property owners even resorted to arson; the value of their buildings had plunged to the point where recovering money from fire insurance was a lucrative business opportunity. Both supermarkets left Roslindale for suburban locations, and Roslindale Village was left with no anchor business, a community in decay, and a commercial district in decline.

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[50] Roslindale Fact Sheet, Unpublished Document

Roslindale Village Main Street

In 1985, with the help of then city councilor Tom Menino, Roslindale Village was selected to participate in the National Main Street Center's Urban Demonstration Project. As mentioned previously, the Main Street Program is based on a comprehensive strategy of work, tailored to local needs and opportunities in four board areas: design, organization, promotion, and economic restructuring. The demonstration was a huge success, and in its first three years, the Roslindale Village Main Street program led to the creation of 29 new businesses, 132 new jobs, 41 building rehabilitation projects, and $5.1 million in new investment.[51]

In the 1990's, Roslindale underwent rapid transformation as many young professionals and families moved into Roslindale Village due to the low cost of housing. Another initiative that aided in the demographic transformation of Roslindale was the city's policy that all City of Boston employees had to live within city limits. When these new residents moved into Roslindale, they found a depressed downtown full of abandoned buildings and a weak supply of retail businesses for their convenience shopping needs. One current resident described the area at the time as "a burned-out hole."

The Quest for a Supermarket

Building on the momentum of Roslindale Village Main Street, the community's first efforts to recruit a supermarket began. Residents formed and began to organize as a committee of the Roslindale Village Main Street program. The original plan was to recruit a supermarket to locate in the vacant Keheller building. Organizers believed that a supermarket would aid in the revitalization of Roslindale Village by acting as an anchor business. The organizers were operating under the premise that existing businesses in Roslindale Village would benefit from

[51] National Trust for Historic Preservation, Revitalizing Urban Main Street, Unpublished Document

the customer traffic created by the anchor. This increased customer traffic would, in turn increase the customer volume and sales of the entire business district.

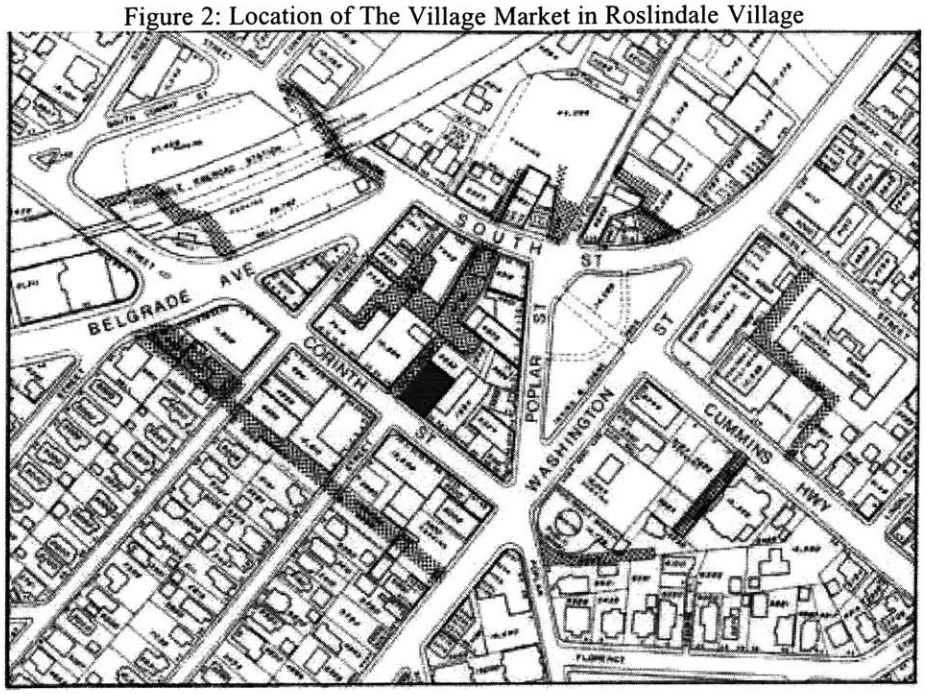
The organizers tried to recruit existing supermarket chains such as Flannagans, Roche Brothers, and Lamberts. These supermarkets were not interested because of the small size of the proposed site. These markets were also deterred by the small size of the proposed parking lot, and low availability of street parking. Pat Roche of Roche Brothers was not interested because he did not want to compete with his other stores in Jamaica Plain, West Roxbury, and Hyde Park. The owner of the Lamberts chain was not interested because there was not enough available parking in Roslindale. The owner of Flannagans told organizers that, "I'm not interested, but I'll help."

The organizers also attempted to recruit the Boston Food Coop. While the Boston Food Coop (BFC) was initially interested in locating in Roslindale, the BFC was more interested in locating nearby in Jamaica Plain. After talks with the BFC, the Roslindale organizers received a $31,000 planning grant from the Boston Department of Public Works to hire a consultant and commission a market study. This market study, however, showed that Roslindale would not be as profitable a location for a coop market as Jamaica Plain. Another market study, written by graduate students at Tufts planning school, showed that Roslindale could support a natural food grocer. To further support the claim that Roslindale would be a profitable location for the BFC, the Roslindale organizers surveyed 700 Roslindale, Jamaica Plain, West Roxbury, and Brookline residents, and found that the majority of respondents favored a BFC in Roslindale. The BFC, however, believed that only viable location for the coop was in Jamaica Plain. As a result, the members of the BFC Board voted to locate the new BFC store in Jamaica Plain instead of Roslindale Village.

Since neither the chain supermarkets nor the BFC were interested, the organizers decided to develop their own community supermarket. They garnered 2,000 petition signatures for a new supermarket, and organized 200 volunteers to lobby elected officials for support. The market study showed that a natural foods market could be profitable in Roslindale. In 1993, the organizers unveiled their plan to bring a community owned supermarket to Roslindale Village. A Wednesday night meeting at the Knights of Columbus drew over 150 local residents. At the meeting, consultant Paul Contreras estimated that a community owned supermarket would have $100,000 in sales each week, and would attract 650 customers per day. Early projections estimated that the organizers would need $1,000,000 to startup, including $200,000 of equity. Organizers launched an aggressive equity drive, in which shares were sold for $100, for lifetime memberships to the supermarket. Two days after the first meeting twenty-two residents had purchased shares, and 10 local merchants were offering benefits to members. The benefits associated with membership would be annual rebates, discounts associated with other merchants in Roslindale Village, check-cashing privileges, and members-only discounts.

The organizers originally planned to locate the supermarket at 19 Corinth Street, in the former Bank of Boston building. The organizers were in talks with the owners- the Goldman family of Brookline-but decided that there was better location across the street in the vacant Kelleher Market and Rix Pharmacy buildings at 28-30 Corinth Street. This site was larger and could accommodate more parking. The plan was now to lease the Kelleher Market building for the community-owned supermarket, and demolish the Rix pharmacy building for the parking lot. The location of The Village Market (highlighted in red), is illustrated in the picture below:

Figure 2: Location of The Village Market in Roslindale Village



In 1994, the development budget was revised, and the organizers now needed $550,000 of equity to leverage mortgage financing for the $1.3 million of development costs. At that time, 350 Roslindale residents had purchased shares of the market, providing $35,000 towards the equity goal. The equity drive was then re-energized, when the Roslindale Cooperative Bank of Boston made a $20,000 grant to the development of The Village Market. The eleven-member board of the Cooperative Bank believed that the market could play a crucial role in triggering economic growth and expressed hope that others would commit to funding. At the beginning of 1994 the Shawmut Bank followed suit and donated $7,500 for the development of The Village Market. The market also received grants from the Office of Health and Human Services, the Massachusetts Office of Business Development, a loan from LISC, and many other grants. Funding sources for The Village Market are listed in the table below:

Grants Received for the Development of the Village Market	
Grant Source	**Amount**
Federal Grant: Office of Health and Human Services	$150,000
State Grant: Mass Office of Business Development	$100,000
Free Inventory	$80,000
Local Grants	
State Street Bank	$25,000
Roslindale Cooperative Bank	$20,000
Hyams Foundation	$15,000
Shawmut Bank	$12,500
Karuma Trust	$10,000
Clipper Ship	$5,000
Bay Bank	$500
Recoverable Grants	
Local Enterprise Assistance Fund	$50,000
Mariants Sharing Fund	$30,000
Rix Deposits	$84,000
Shares and Fundraising	$66,256
Total	**$648,256**

Source: Jeanne Dubois, Village Market Story Boards

The organizers signed purchase and sale agreements to purchase the Kelleher building for $240,000 and the Rix Pharmacy building for $150,000. Days before the closing, however the organizers were short $6,800 of the equity needed for the project. The business community stepped in at the last minute to save the project, days before the deadline of the purchase and sale agreement. The purchase and sale of 26-30 Corinth Street was then complete with a loan from the Bank of Boston and financial support from the City of Boston.

The sources of debt financing are listed in the table below:

Sources of Village Market Debt Financing	
Sources	**Amount**
City of Boston	$600,000
Bank of Boston	$600,000
Local Enterprise Assistance Fund	$100,000
Local Initiatives Support Corporation	$75,000
Total	**$1,375,000**

Source: Jeanne Dubois, Village Market Story Boards

Environmental Setbacks

Everything was moving ahead as planned until the organizers ran into a major road block. Environment assessments discovered that the former Kelleher's Market building had soil contamination. Inspectors discovered two underground heating oil tanks that had leaked into the soil. Sit-and-test wells found that the contaminated soil needed to be removed, and that oil pumping must continue over next few years. The organizers did not have the funds to pay for the soil remediation and were in danger of defaulting on their loan.

Since there was sufficient political backing for The Village Market, the mayor was invested in finding a solution. It was announced that the City of Boston would assume responsibility for the mortgage of the Kelleher and Rix Building and would take responsibility for the remediation of the site. The City of Boston's plan was to demolish the Kelleher building in order to assure that the site was free of heating-oil contamination. The City of Boston argued that the current process of drilling ground water under the building would never clean the underlying soil, and would leave the market open to environmental hazard liability claims. Once the site had been remediated, the City of Boston would sell the land for the price of $1 to a food store developer.

Alternative Plans

Village Market organizers would not be deterred by this crisis. The Village Market organizers then set their sights on an alternative site for The Village Market. The owner of the JAX building at 26 Corinth offered to move his building across the street to 19 Corinth Street to make room for the market. JAX would move to 19 Corinth Street, the market would lease the 26 Corinth Street property, and the 28-30 Corinth Street would be demolished and made into a parking lot. The advantage of this design would be extra parking; 70 spaces, compared to the 35-40 spaces originally planned. However, the organizers could not execute this plan for a number

of reasons. It was hard to secure debt financing for this plan due to the lack of collateral on a leased property. In addition, the organizers did not have enough time to get new plans and permits. Most significantly, in a meeting with Village Market organizers, Mayor Menino made it clear that after spending one million dollars on the purchase, demolition, and environmental remediation at 26-28 Corinth Street, he wanted to see a building on that site: "I can't just spend a million dollars for a parking lot."

Private Development

The City of Boston then issued a request for proposals for the development of the market, and Long and Gordon were designated as the developers. Long and Gordon hired Jim McInnis, a former Shaw's manager to be the owner and operator of The Village Market. McInnis met with community organizers and agreed to carry natural foods; using the Shaw's supermarket chain as his supplier. The organizers of The Village Market shifted from organizers to advocates and met with McInnis regularly. Shareholders were given the option of getting their money back, donating their money to The Village Market, or donating their money to a fund for the improvement of the existing businesses in Roslindale Village. The organizers then transferred $196,000 of the grants and equity intended for the original Village Market plan to McInnis as a community investment. The sources of this transaction are summarized in the table below:

Summary of Community Funds Transferred

Source	Amount
Federal Grant	$150,000
State Street Bank	$25,000
Mass Office of Business Development	$9,000
Share Holders Equity	$7,000
Clipper Ship	$5,000
Total Village Market Community Investment	**$196,000**

Source: Jeanne Dubois, Village Market Story Boards

The organizers then transferred $9,000 into a new venture fund (which would provide capital to independent business owners in Roslindale Village).

The Village Market opened in 1998 and has been a strong anchor for Roslindale Village ever since.

Figure 3: Picture of The Village Market

The almost 18,000 square-foot supermarket contains over 10,000 square feet of ground-floor space. In order to create more space on the ground floor, the office and staff facilities are on the second floor the building. In addition, storage rooms for frozen products produce and dairy products, as well as the meat cutting room and salad preparation room are also located on the second floor. The Village Market currently has 45-50 employees, and has grossed approximately $75,000 per week in sales, during its first four years.

Chapter 5: The Impact of Inner-City Supermarkets on Roslindale, Upham's Corner, and Jackson Square

Overall, the development of The Village Market benefits the surrounding businesses of Roslindale Village. Jackson Square and Upham's Corner have also used supermarkets development to anchor a retail revitalization strategy. This section will compare The Village Market in Roslindale to supermarkets in Jackson Square and Upham's corner. Business owners and managers in these districts have benefited from an increase in customer traffic, and sales volume. Business owners and managers of these districts also report that supermarket development is a key reason for the revitalization of Roslindale Village, Jackson Square and Upham's Corner.

Business District Demographic Comparison

While comparing Roslindale Village, Jackson Square, and Upham's Corner, we must note some key demographic differences. As illustrated in the table below, these districts differ in terms of overall population, as well as ethnic categories.

Table 1: Demographic Distribution of Ethnic Groups In Business Districts (2000)

	Jackson Square	Upham's Corner	Roslindale Village
Total	**9,909**	**13,102**	**34,618**
White	36%	14%	56%
Black	16%	38%	16%
Hispanic	42%	21%	20%
Other	6%	27%	8%

Source: US Bureau of the Census, and Mt. Auburn & Associates (2002)

Roslindale Village has a substantially greater total population than either Jackson Square or Upham's Corner. In addition, Roslindale Village has a majority White population (56%), the largest share of Upham's is Black (38%), and the largest share of Jackson Square is Hispanic (42%). As a result, the businesses of these districts cater to the needs of different populations due

to market segmentation. For example, Roslindale Village is known to have a large Greek population, and there are a number of Greek bakeries in Roslindale Village. Similarly, in Jackson Square there is an abundance of bodegas to serve the Hispanic population.

The business districts also differ in terms of population shifts in recent years. While Roslindale Village (+5%) and Upham's Corner (+4%) had population increases from 1990-2000, Jackson Square (-6%) experienced a population decrease. While the white population of all three districts decreased, the Black populations of Roslindale Village and Upham's Corner have increased by 95% and 23% respectively. In addition, while the Hispanic population of Upham's Corner and Jackson Square has decreased, in Roslindale Village the Hispanic population experienced an increase. The results are summarized in the table below:

Table 2: Percentage Population Change in Business Districts 1990-2000

	Jackson Square	Upham's Corner	Roslindale Village
Total	**-6%**	**4%**	**5%**
White	-1%	-44%	-29%
Black	-28%	23%	95%
Hispanic	-8%	-12%	76%

Source: US Bureau of the Census, and Mt. Auburn & Associates (2002)

New Inner-City Supermarkets

Jackson Square is now the home of JP Center; a development that includes a 40,000 square foot Super Stop & Shop, the Martha Elliot Health Center, and a large surface parking lot.

Upham's Corner now has a 10,000 square foot America's Food Basket supermarket, which was developed by the Dorchester Bay Economic Development Corporation (DBEDC) and then sold to a private owner. The Super Stop & Shop in JP Center is substantially larger than both The Village Market and the America's Food Basket.22222222.

The Roslindale Village, Jackson Square, and Upham's Corner business districts have similar volume and concentrations of businesses. As previously noted, Roslindale Village has 160 business, with a concentration in groceries, insurance and hair salons. In comparison, Jackson Square and Upham's Corner are each home to over 100 businesses. In addition, all three districts attract a significant portion of residents outside of the district who come for ethnic grocery stores.

JP Center Project Description[52]

A private developer in partnership with the Jamaica Plain Neighborhood Development Corporation (JPNDC) and the Bromley Heath Tenant Management Corporation developed JP Center.

During the 1960's Jackson Square experienced "white flight" as middle class white families moved to the suburbs, and poor black and immigrant families moved in. The community's major supermarket closed down in the 1970's as Jackson Square experienced a high crime rate, building abandonment, and a high commercial vacancy rate. In 1976 a fire broke out and destroyed a large vacant shoe store on the site of the current JP Center. From the late 1970's to the 1990's this site was a magnet for drug activity and a powerful, discouraging symbol of community decline.

In 1991, developer Morty Levin built a mini-mall called JP center adjacent to the vacant site. Levin then decided to develop a parcel that included a supermarket and pharmacy. But, in order to make the project go forward, Levin first needed the support of community groups. Levin then partnered with JPNDC and the Bromley Heath Tenant Management Corporation. Similar to The Village Market site, however, site assessments determined that the proposed site for the new supermarket and pharmacy was a brownfield. The final cost of the brownfield cleanup was $2.4

[52] The following description draws heavily on Mt.Auburn and Associates (2002) and Hernandez (2001)

million, which is slightly more than the cleanup costs of The Village Market. To finance cleanup, JPNDC obtained a $500,000 grant from the Federal Office of Community Services, and the City of Boston paid the remaining balance of $1.9 million dollars. The project took less than six years to complete, and has been operating successfully since its opening in 1992.

While the majority of businesses in Jackson Square welcomed the new Stop & Shop, there was considerable resistance from bodega owners.[53] They viewed the project as competitors and did not believe that it would add to the district's existing mix of products and services. They worried that a large chain such as Shop & Shop, with large resources and purchasing power would have an unfair advantage. Finally, the involvement of JPNDC and the public subsidy attracted to the project was seen as creating wealth for outsiders at the expense of local business. As we shall see, however, the Stop & Shop has generated customer and sales increases for businesses that responded to its entrance with the correct strategy.

Upham's Corner-Project Description[54]

The America's Food Basket building in Upham's Corner was the result of the redevelopment efforts of the Dorchester Bay Economic Development Corporation (DBEDC.) Similar to Jackson Square, in the 1950's and 1960's middle-class Irish and Italian families moved out of Upham's Corner, and were replaced by lower income minority populations. In 1970, Upham's Corner reached its "tipping point" with high commercial vacancy rates, physical decay, and abandonment. The "final straw" occurred in the late 1970's the largest grocery store, the Five and Dime closed down its Upham's Corner store.

During the 1980's and 1990's community activists prioritized the revitalization of the commercial district. DBEDC received funding to renovate the former Kresge Pharmacy building

[53] Bodega is defined as a Hispanic-owned grocery store.
[54] The following section draws heavily on Mt. Auburn and Associates (2002)

at 780 Dudley Street. Community activists determined that the building was a good location for a small supermarket that would anchor the commercial district. DBEDC received $300,000 dollars from the City of Boston to purchase the property from the Kresge Corporation, and renovate the space for a supermarket.

DBEDC then sold the renovated property to an independent supermarket operator. This initial operator was not able to operate the market successfully and fell into foreclosure. The property was then bought by another owner and leased back to the original owner who continued to operate his independent supermarket, but once again, was not successful. In 1992 the property was leased to Andre Medina who opened America's Food Basket. The store currently draws 13,000 customers weekly coming from inside and outside of Upham's Corner.

Individual Business Performance

- **The majority of respondents in all three business districts experienced an increase in customers.**

The majority of Roslindale businesses (64%) reported that they experienced an increase in customers since the development of The Village Market was complete. Roslindale had a higher share of businesses that saw increased customer traffic than Upham's Corner (54%), but a lower share than Jackson Square (74%). The plurality of Roslindale businesses (41.2%) that experienced an increase in customers, experienced a weak increase, while a significant share of businesses (23.5%) experienced a strong increase in customer traffic. Roslindale was similar to Upham's Corner (23%) regarding businesses with strong increases, while Jackson Square (45%) had the highest share of business that experienced a strong increase. Among the three districts Roslindale had the lowest rate of businesses reporting decreases in customer traffic (3%), and the highest rate of businesses that reported no change (32%). Unique to Roslindale, many of the businesses that experienced small increases in customer volume observed that, while their

customer volumes had not increased dramatically, the quality of their customers had changed since the development of The Village Market. Several business owners reported that their customers had gotten both younger and wealthier. The results of the section are summarized below:

Table 3: Changes in Customer Volume for Individual Businesses

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Increase in Customers	75%	54%	65%
Strong Increase	*45%*	*23%*	*24%*
Weak Increase	*30%*	*31%*	*41%*
Unchanged	10%	31%	32%
Decreased	15%	15%	3%
N=	20	13	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

- **Roslindale Village businesses are divided regarding the role of The Village Market on individual customer change.**

While the plurality of Roslindale businesses report that The Village Market has had no impact on customer traffic (37.1%), significant shares of businesses report that The Village Market has had a moderate (31.4%), or minor (22.9%) role on the volume of their customer traffic.

- **The majority Upham's Corner businesses report that the America's Food Basket had no role their individual customer change.**

In Upham's Corner, businesses that experienced customer growth overwhelmingly (80%) agreed that the market had no impact on this customer change. This result is curious because, as noted previously, the America's Food Basket claims to draw over 13,000 customers a week. Mt. Auburn & Associates (2002), who conducted the Upham's Corner business survey, argue that this response can be accounted for in three ways. First, the redevelopment of the America's Food Basket Building was a renovation rather than new construction, and therefore appeared to involve incremental change rather than massive redevelopment. Second, there have been three

supermarkets in the building, and the impact of the America's Food Basket in relation to the previous supermarkets may not be obvious to other businesses. Finally, business owners also benefit from other DBEDC district improvements such as the renovation of the Strand Theater, expansions by the health center, and the DBEDC small-business lending program. In addition, the survey response rate was low (13 businesses) and may not be representative of Upham's Corner businesses.

- **Jackson Square businesses reported that JP Center had a major role on their customer change.**

Compared to Roslindale Village and Upham's Corner, Jackson Square had the highest share (60%) of businesses experiencing customer growth who agree that JP Center had a major impact on their customer change. There is, however, a mixed reaction about JP Center among the bodegas.[55] Some bodega owners believe that JP Center has generated few positive effects for their businesses and only increased traffic congestion in their neighborhood. Jackson Square residents who are not Hispanic admit that they do not do a lot of shopping at other local stores, which are oriented towards a Hispanic market.

The results of this section are summarized in the table below:

Table 4: Project Impact on Customer Growth

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Percentage Experiencing Customer Growth	75%	54%	65%
Perceived impact of the Supermarket			
Major	60%	0%	9%
Moderate	20%	20%	31%
Minor	0%	14%	23%
None	20%	80%	37%
N=	20	13	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

- **The majority of respondents in all three business districts experienced an increase in sales.**

[55] Bodegas are defined as Hispanic owned grocery stores

The majority of Roslindale Village businesses (62%) saw an increase in sales since The Village Market opened. Roslindale, however, had a slightly lower share of businesses with increased sales than Upham's Corner (69%) and Jackson Square (70%). The plurality of Roslindale Village businesses (42%) that experienced increases in sales, reported "weak" increases, while a significant share of these businesses (31%) also experienced "strong" sales increases. In comparison, Roslindale had the same share of businesses with strong sales increases as Upham's Corner (31%), but a lower share than Jackson Square (35%).

Table 5: Changes in Sales for Individual Businesses

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Increase in Sales	70%	69%	62%
Strong Increase	*35%*	*31%*	*29%*
Weak Increase	*35%*	*38%*	*32%*
Unchanged	10%	23%	32%
Decreased	20%	8%	6%
N=	20	13	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

- **The nearly half of Roslindale Village businesses reported that The Village Market had a moderate role in their sale change.**

Many Roslindale businesses (42.4%) that experienced sales increases, reported that the market played a "moderate" role in their sales change. In addition, a significant share of stores also reported that the market had "no impact," (26.4%) or a "minor impact" (21.1%) on their change in sales volume. Roslindale businesses reported that, while the market is an outstanding addition to Roslindale Village, their individual sales volumes were more highly correlated with fluctuations of Boston's economy rather than the customer traffic generated by The Village Market.

- **The majority of Upham's Corner businesses reported that the America's Food Basket had no role in their sales increase.**

In comparison to Roslindale Village and Jackson Square, a higher share of Upham's Corner businesses that experienced sales increases, reported that the project had no impact (71%) on their sales volume change.

- **Jackson Square businesses reported that JP Center had a major role on their customer change.**

Of the three districts, Jackson Square had the highest share (53%) of businesses that reported that the project had a major role in their sales volume change. These results are summarized below.

Table 6: Supermarket's Impact on Sales Growth

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Percentage Experiencing Sales Growth	70%	69%	62%
Perceived impact of the Supermarket			
Major	53%	0%	0%
Moderate	13%	14%	42%
Minor	0%	14%	21%
None	33%	71%	36%
N=	20	13	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

- **The majority of Roslindale Village and Jackson Square businesses report that the supermarkets made their businesses better off. On contrary, the majority of businesses in Upham's Corner reported that they were unaffected by the new supermarket.**

The majority of Roslindale businesses (65.5%) reported that their individual businesses were better off as a result of the development of The Village Market. This share was higher than in Upham's Corner (30%) and lower than in Jackson Square (87%). A significant share of Roslindale businesses (34.4%) also reported that their businesses were the same after the development of the market was complete, with no owners and managers reporting that their businesses were worse off as a result of the market. The share of businesses that they were

unaffected by the supermarket was lower in Roslindale (34%) than in Upham's Corner (60%), while no businesses in Jackson Square believed that they were unaffected.

These results are illustrated in the table below:

Table 7: Perceived Impact of the Supermarket on Individual Businesses

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Assessment of Supermarket's Overall Impact			
Believes business is better of as a result of project	87%	30%	66%
Believes business worse off as result of project	7%	0%	0%
Believes business has not been affected by project	0%	60%	34%
N=	15	10	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

District-Wide Performance

- **An overwhelming majority of businesses in all three districts reported increases in district customer traffic.**

An overwhelming majority of Roslindale business owners (94.7%) report that customer traffic has increased in the business district, and the majority of these businesses (60.5%) reported strong increases. While the majority of Upham's Corner (85%) and Jackson Square businesses also report an increase in district customer traffic, Roslindale has the highest share.

These results are illustrated in the table below:

Table 8: Changes in Customer Volume for District

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Increased	85%	85%	95%
Strong Increase	*50%*	*31%*	*61%*
Weak Increase	*35%*	*54%*	*34%*
Unchanged	15%	0%	5%
Decreased	0%	15%	0%
Number of Respondents	20	13	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

- **The majority of all three business districts reported increases in the variety of products and services.**

The vast majority of Roslindale businesses (90%) report an increase in the variety of products and services available in the businesses district. Similarly, the majority of Upham's Corner (73%) and Jackson Square (94%) businesses also report a greater variety of products and services in their district.

Table 9: Changes in Variety of Products and Services

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Improved	94%	73%	90%
Decreased	0%	0%	3%
No Change	6%	27%	8%
N=	20	13	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

Physical Revitalization

- **The majority of businesses in all three districts reported improvement in property conditions, and a decrease in abandoned properties.**

The majority of Roslindale business owners (84%) report that the development of The Village Market improved the project site. The majority of Roslindale businesses agree that, since the development of The Village Market, the conditions of the buildings in Roslindale Village have improved (87%), and that the number of abandoned properties has decreased significantly (74%). Similar to Roslindale, the majority of Upham's Corner businesses reported an improvement in property conditions (73%) and fewer abandoned properties (75%). The majority of Jackson Square businesses also reported an improvement in property conditions (100%) and a decrease in abandoned properties (53%).

This data is summarized in the table below:

Table 10: Changes in Property Investments

	Hyde/Jksn Square	Upham's Corner	Roslindale Village
Building Conditions			
Improved	100%	72%	87%
Decreased	0%	0%	0%
No Change	0%	27%	13%
Abandoned Properties			
Increased	6%	0%	18%
Decreased	56%	75%	74%
No Change	39%	25%	8%
N=	20	13	40

Source: Roslindale Impact Business Survey and Mt. Auburn & Associates (2002)

District Perceptions

- **The majority of businesses in all three districts reported a decrease in crime.**

The majority of business owners and managers (53.1%) also believe that crime has decreased in Roslindale Village, with only two of forty businesses reporting that crime had increased (however, it should be noted that these two businesses had been recent victims of vandalism and theft). In comparison, higher shares of businesses in Upham's Corner (94%) and Jackson Square (85%) reported a reduction in crime. One must remember, however, that before the development of these projects, both Upham's Corner and Jackson Square had relatively high crime rates. While there has always been some level of property crime in Roslindale, Roslindale Village has never had crime problems as serious as Upham's Corner or Jackson Square.

- **The majority of businesses in all three districts reported an increase in their confidence in the district.**

Finally, the majority of Roslindale business owners and managers (89.7%) report that their confidence in the business district has improved since the development of the market. In comparison, the majority of Upham's Corner (85%) and Jackson Square businesses also report

an increase in business confidence (80%) since the developments of their respective supermarkets.

Discussion

This thesis investigates the impact of inner-city supermarkets on the surrounding commercial districts. It tests the hypothesis that supermarkets (as anchor stores) generate increased customer traffic, which spills over to nearby located non-anchor stores and increases their sales and customer volumes. Data from Roslindale Village, Upham's Corner, and Jackson Square shows that inner-city supermarkets have increased customers and sales for the majority of businesses, and improved these commercial districts in a variety of ways.

In Roslindale Village, Upham's Corner, and Jackson Square, business owners and managers reported an increase in district customer traffic after the new supermarkets entered the neighborhood. In addition, businesses owners and managers of these districts report that their businesses have had increased customer traffic and sales. The majority of businesses in these districts also reported favorable district-wide improvements, and physical revitalization improvements since the development of new supermarkets. Businesses perceived a decrease in crime, while overall business confidence improved considerably. There was no evidence that firms were driven out of business by the new supermarkets.

The survey also showed that business owners that reported customer traffic and sales increases did not always credit the supermarkets for these improvements. Though the majority of businesses in all three districts increased their customer volumes, many reported that supermarkets had only a moderate role in this customer growth. While the majority of business owners in all three districts reported increases in sales, many reported that the supermarket had only a moderate role in this sales growth. While there is evidence that supermarkets generate

additional customer traffic, there may be other factors (such as demographic shifts, increased access to credit, Boston Main Streets activities, and commercial district popularity) that business owners credit as having more of an influence their customer volume and sales. It is also possible that businesses that have experienced increased customers and sales are not aware of the impacts that supermarkets have had on their businesses. Since other factors that may have contributed to increased sales and customer traffic are not analyzed, conclusions about whether the supermarket generates these outcomes are not possible.

A significant share of businesses, however, in two of three districts reported that their sales and customer traffic stayed exactly the same. Roslindale Village and Upham's corner had significant shares of businesses that reported that sales and customer traffic stayed exactly the same. These businesses also reported that they were unaffected by the presence of the new supermarket. In comparison, a significant share of businesses in Jackson Square reported decreases in sales and customer traffic. This suggests that, while the majority of businesses do reap the benefits of the customer traffic generated by supermarkets, there are certain types of businesses who are not affected by supermarkets, and other types of businesses who lose sales and customer volumes. The next chapter will focus on a detailed discussion of how different types of businesses are affected by the development of inner-city supermarkets.

Chapter 6: How The Village Market Impacted Different Types of Roslindale Businesses

A new supermarket improves the sales and customer traffic of surrounding inner-city businesses. However, the effects of the supermarket did not affect all businesses equally; some businesses saw great improvement, while others did not see reap the revitalizing effect of the supermarket. This chapter focuses on Roslindale Village with regard to how different businesses are affected by the development of inner-city supermarkets. While other studies addressed the impacts of supermarkets on inner-city business districts overall, they fail to show how different types of businesses are impacted. This chapter separates Roslindale Village businesses into competitors and non-competitors. Again, competitors are businesses that sell the same goods as The Village Market, such as bakeries, flower shops, food markets and butchers. Non-competitors are businesses that sell different products as The Village Market, such as bookstores, hair salons, service businesses, café's, and discount stores. This chapter also separates the businesses of Roslindale Village in terms of convenience and comparison retail stores. As discussed earlier, convenience stores sell low cost goods that people purchase frequently, and prefer to buy at the nearest location (examples are bakeries, markets, barbers.) Comparison stores sell higher-cost goods that people purchase less frequently, and prefer to go to purchase at a location in which they can comparison shop (examples of this are clothing, furniture, signs, and appliances.) While the categories of convenience and comparison only focus on retail businesses, the impact of The Village Market on service businesses is also discussed.

Competitor vs. Non-Competitor

- **While non-competing businesses have experienced a customer increases, competing businesses experienced no change in customers.**

When we separate Roslindale Village businesses into competitors and non-competitors, we see that non-competitors have benefited the most in terms of customer traffic. While customer traffic has increased for the majority of non-competitors (74%), customer traffic has stayed the same for the majority of competitors (71%). While almost half of the non-competing businesses (48%) experienced a "weak" increase in customers, a significant share (26%) experienced a strong increase. On the other hand, there were only two competing stores that experienced an increase in customer volume, and only one of these two businesses experienced a strong increase. Surprisingly, no competing businesses reported decreases in customers.

The results are summarized in the table below:

Table 11: Change in Customer Traffic

	Non-Competitor	Competitor
Increased	74%	29%
Strong Increase	*26%*	*14%*
Weak Increase	*48%*	*14%*
Same	22%	71%
Decreased	4%	0%
n=	27	7

Source: Roslindale Village Impact Survey (2003)

- **The plurality of non-competitors reported that The Village Market had moderate effect on their customer change.**

The majority of non-competitors reported that The Village Market had a moderate effect on their customer traffic (36%), while significant shares of non-competitors reported that The Village Market had a minor role (29%) or no effect (25%). The majority of competing businesses (86%), however, reported that the market had no effect on their customer traffic.

The results are summarized in the table below:

Table 12: Village Market Impact on Customer Traffic		
	Non-Competitor	Competitor
Major	11%	0%
Moderate	36%	14%
Minor	29%	0%
None	25%	86%
n=	27	7

Source: Roslindale Business Impact Survey (2003)

- **While the majority of non-competitors experienced a sales increase, the majority of competitors experienced no change.**

When competitors are compared with non-competitors in terms of sales, the results are similar to what the survey found in terms of customer traffic. While sales volume has increased for the majority of non-competitors (73%), sales volume has stayed the same for the majority of competitors (63%). While the largest share (42%) of non-competing businesses experienced only a "weak" increase in sales volume, an almost equal share (31%) of non-competing businesses experienced a "strong" increase. In comparison, while the majority of competitors did not report an increase in sales volume, the two competitors who reported increases did experience strong increases. The results are summarized in the table below:

Table 13: Change in Sales		
	Non-Competitor	Competitor
Increased	73%	25%
Strong Increase	*31%*	*25%*
Weak Increase	*42%*	*0%*
Same	23%	63%
Decreased	4%	12%
n=	27	7

Source: Roslindale Business Impact Survey (2003)

- **The majority of non-competitors reported that their supermarket played a moderate role in their sales change.**

Half of non-competitors reported that the development of The Village Market had a "moderate" role on their sales volume (50%), while the majority of competitors (71%) reported that the market had no role on their sales change. In addition, while the majority of non-competitors (74%) believe that the development of the market has made their businesses better off, the majority of competitors (80%) believe that their businesses are the same since the development of The Village Market.

Table 14: Village Market Impact on Customer Traffic

	Non-Competitor	Competitor
Major	0%	0%
Moderate	50%	14%
Minor	23%	14%
None	27%	71%
N=	26	7

Source: Roslindale Business Impact Survey (2003)

- **Competitors reported that they were destination stores with a substantial customer base outside of Roslindale.**

Competitors also reported that the majority of their customers were not Roslindale residents, and came from Jamaica Plain, Hyde Park, and West Roxbury. This indicates that substantial portions of competing stores are destinations, rather than neighborhood-oriented convenience stores. In addition, many competitors were ethnic/culturally based food stores, which targeted customers of specific ethnic groups. Many Roslindale businesses also reported that their customer base has changed from older, working-class people to young professionals. These businesses also reported that in the past, their customer volume was constant throughout the week, while now, businesses is slow on the weekdays, while they are very busy on the weekends.

Roslindale Village is home to a number of destination and service businesses (such as a school uniform store, engraver, insurance agencies, ethnic food stores), which serve the greater Boston region rather than relying on the foot traffic of Roslindale Village for business. In addition, older stores such as barber shops and florists, report that they have been serving the same older, local customers base who have been patronizing their stores for many years. These stores report that their customer base has stayed the same since the market was completed.

Comparison Retail vs. Convenience Retail

- **Both comparison and convenience stores report an increase in customers.**

Regarding customer traffic, there is no significant difference between comparison and convenience retail stores. Customer traffic has increased for the majority of both comparison (75%) and convenience businesses (57%). Comparison businesses (50%) had "weak" increases in customer traffic, while convenience stores (36%) had "strong" increases. No convenience stores reported a decrease in customer traffic.

The results are summarized below:

Table 15: Change in Customer Traffic

	Comparison	Convenience
Increased	75%	57%
Strong Increase	*25%*	*36%*
Weak Increase	*50%*	*21%*
Same	12%	43%
Decreased	13%	0%
n=	8	14

Source: Roslindale Business Impact Survey (2003)

- **The Village Market had a moderate role in the increase in customers for comparison stores, while it had no effect on convenience stores**

Comparison businesses reported that The Village Market had a moderate role (38%) on customer traffic, with only one comparison business reporting that The Village Market played a

major role. The plurality of convenience stores, reported that the market had no affect on their customer traffic (43%).

The results of this section are summarized below:

Table 16: Village Market Impact on Customer Traffic

	Comparison	Convenience
Major	13%	7%
Moderate	38%	29%
Minor	25%	21%
None	25%	43%
n=	8	14

Source: Roslindale Business Impact Survey (2003)

- **Both comparison and convenience retail stores experienced an increase in sales.**

Sales volume has increased for the majority of comparison (74%) and convenience stores (53%). The largest share of convenience stores that had increased sales, said the increase was "strong" (40%). Equal shares of comparison businesses (37%) had weak and strong increases.

The results of this section are summarized in Table 17 below:

Table 17: Change in Sales

	Comparison	Convenience
Increased	74%	53%
Strong Increase	37%	40%
Weak Increase	37%	13%
Same	13%	40%
Decreased	13%	7%
N=	8	14

Source: Roslindale Business Impact Survey (2003)

- **The Village Market had a moderate role in the increase in customers for comparison stores, while convenience stores were divided.**

The majority of comparison stores (63%) reported that The Village Market had a moderate effect on their sales increases. Equal shares (39%) of convenience stores, however, reported that the market had a moderate or no effect on their sales. (See Table 18)

Table 18: Village Market Impact on Sales		
	Comparison	Convenience
Major	0%	0%
Moderate	63%	39%
Minor	13%	23%
None	25%	39%
N=	8	14

Source: Roslindale Business Impact Survey (2003)

Non-Competing and Competing Convenience Stores

The Village Market sells convenience goods. Among the other convenience stores in Roslindale, some are in direct competition with the Village Market, and some are not. Competing convenience stores sell the same low-cost items that are sold by The Village Market. We assume that a bakery is a convenience store because The Village Market sells baked goods. Alternatively, non-competing convenience stores sell low cost, frequently purchased items that are not sold at the supermarket. A liquor store is an example of a non-competing convenience store because liquor is not sold at The Village Market.

- **Non-competing convenience retail stores experienced increased customer traffic, while competing convenience stores experienced no change.**

The majority of non-competing convenience retailers (86%) experienced an increase in customer traffic. The majority of competing convenience retailers (71%), however, experienced no change in customer traffic. For example, all bakeries (100%) interviewed had customer traffic that stayed the same. Similarly, the majority of grocery stores (67%) also reported that their customer volume had stayed the same, with only one market reporting an increase.

Table 19: Change in Convenience Customer Traffic		
	Non-Competitor Convenience	Competitor Convenience
Increased	86%	28%
Strong Increase	*57%*	*14%*
Weak Increase	*29%*	*14%*
Same	14%	71%
Decreased	0%	0%
n=	7	7

Source: Roslindale Business Impact Survey (2003)

- **Non-competing convenience retail stores reported an increase in sales, while the majority of competing convenience stores experienced no change in sales.**

Similar to the results of customer traffic, the majority of non-competing convenience retailers (86%) reported an increase in sales. The majority (63%) of competing convenience businesses reported that their sales had stayed the same. For example, the majority of bakeries (67%), and grocery stores (67%) had sales that stayed the same, with one bakery experiencing a decrease in sales. The majority of non-competing retailers (60%) reported that The Village Market had a moderate effect on their sales change.

Table 20: Change in Convenience Sales		
	Non-Competitor Convenience	Competitor Convenience
Increased	86%	25%
Strong Increase	57%	25%
Weak Increase	29%	0%
Same	14%	63%
Decreased	0%	13%
n=	7	8

Source: Roslindale Business Impact Survey (2003)

Service Businesses

- **Service businesses reported an increase in customer traffic, but did not believe that The Village Market aided in this increase.**

In order to get a complete view of the business community in Roslindale we must also discuss what happened to service businesses. Service businesses are establishments that do not sell retail goods, but provide services such as insurance to the communities. Similar to comparison and convenience businesses, the majority of service businesses (64%) experienced a customer increase. For example, the majority of barber shops/salons (75%) interviewed had an increase in customer traffic, with only one barbershop staying the same. It must be noted, that this one barbershop has mainly older clientele who have been patronizing this particular barbershop for years. The majority of Insurance businesses (67%) also saw an increase in customers. The majority of service businesses (58%), however, experienced a weak increase.

Table 21: Change in Customer Traffic

	Service
Increased	64%
Strong Increase	*8%*
Weak Increase	*58%*
Same	33%
Decreased	0%
N=	12

Source: Roslindale Business Impact Survey (2003)

In addition, the majority of service businesses agreed that the market did not have a major effect on their customer increase. Service businesses are divided as to whether The Village Market had a moderate, minor, or no impact on their increased customer traffic. These results are illustrated in table 22 below:

Table 22: Village Market Impact on Customer Traffic	
	Service
Major	8%
Moderate	31%
Minor	21%
None	40%
n=	12

Source: Roslindale Business Impact Survey (2003)

- **Service businesses also experienced an increase in sales, but did not believe that The Village Market had aided significantly in this increase.**

In terms of sales, the majority of service businesses (64%) also experienced an increase. An example of this is that the majority of insurance businesses (67%) experienced an increase in sales. For example, the majority of barber shops/salons (75%) reported an increase in sales, with only one barber shop/salon staying the same.

Table 23: Change in Sales	
	Service
Increased	64%
Strong Increase	*9%*
Weak Increase	*55%*
Same	36%
Decreased	0%
N=	12

Source: Roslindale Business Impact Survey (2003)

The largest share of service businesses experiencing sales increases (42%) reported that the market or no effect on this sales change.

Table 24: Village Market Impact on Sales	
	Service
Major	0%
Moderate	33%
Minor	25%
None	42%
n=	12

Source: Roslindale Business Impact Survey (2003)

The consensus of many service businesses was that demographic changes in Roslindale were responsible for increased sales. Key informants believed that since new, higher income families had bought houses in Roslindale, there was more demand for their services. In addition, other stores believed that they were destination stores, and that their market area was not limited to Roslindale.

Discussion

In this chapter, we found evidence that The Village Market had a different impact on different types of Roslindale Village Businesses. Retail economists argue that anchor stores generate increases in customer traffic for shopping areas. This increased customer traffic results in sales and customer traffic increases for surrounding stores. The Village Market, however, is only generating increased customer volume and sales for non-competitor stores. The Village Market has had no impact on the customer traffic and sales of competitor businesses. These findings suggest that the previously mentioned theory is limited in its explanation of the benefits that anchor stores generate for surrounding stores commercial districts. In Roslindale Village, it is clear that the largest share of the benefits created by the presence of The Village Market have accrued to non-competitor stores. Consequently, comparison good stores appear to benefit more than convenience good stores.

The data also indicate that there have been few losers in Roslindale Village. While the majority of competing stores did not report increased customer volume and sales, only one business reported a decrease. As mentioned previously, manager of competitor stores reported that their customer bases are from surrounding neighborhoods of Jamaica Plain, West Roxbury, and Hyde Park. Also, many of Roslindale Village's competitor stores are ethnic-based food stores that cater to niche markets. The stores that we assumed to be competing because they sell

the same general type of products (such as eggs, and baked goods) are not actually in competition with The Village Market for customers and sales.

In addition, stores we assumed to be competing with The Village Market for customers, are not actually competing because they have regional customer bases. The sales and customer traffic of these stores is staying the same because they serve a customers coming from other neighborhoods, as well as Roslindale residents. Alternatively, The Village Market serves the grocery shopping needs of Roslindale residents. Furthermore, while Roslindale's non-anchor stores are selling items that are differentiated from the goods of the market. An example of this is, while The Village Market sells pasta, the Italian specialty food store carry's brands of pasta that are not sold in The Village Market. Business owners and managers of Roslindale's non-anchor businesses also contend that they are destination stores for their customers.

Chapter 7: Conclusion

When supermarkets locate in inner-city commercial districts, they affect the businesses around them. When recruiting a supermarket, community groups envision that they will increase sales for neighborhood businesses, increase foot traffic, act as a catalyst for property investment, and improve the business confidence of property owners. We have seen, however, that while this is true for the majority of stores, competing and non-competing stores are impacted by the presence of supermarkets in a different ways.

In Chapter 2, the history of business district decline and why supermarkets originally left inner-city neighborhoods was reviewed, along with community development efforts that have created a better business environment and efforts to bring retail back to distressed neighborhoods. Chapter 3 discussed new opportunities in inner city retail, and reviewed theories of business district retail economics. In Chapter 4 the story of Roslindale Village, its Main Streets Program, and the community organizing process that brought The Village Market to Roslindale was presented. Chapter 5 analyzed the results of the business survey in Roslindale Village, Upham's Corner, and Jackson Square, and found that new supermarkets have benefited the majority of individual businesses in all three neighborhoods. While some businesses do not benefit from the presence of a supermarket, their business is not threatened by the presence of a new supermarket. In Chapter 6, a deeper analysis of the results of the Roslindale Village Businesses Impact Survey to find out why some businesses increased their customers and sales, and why others did not was presented. The impact of The Village Market varied depending on whether businesses sold the same items, or had the same customer base as The Village Market.

The Limitations of Retail Economic Theories

One key finding of this research is that the stores of Roslindale Village do not fit into the traditional retail economic categories of convenience and comparison stores. As previously stated, economists argue that people shop differently for inexpensive homogeneous goods that they buy frequently (convenience goods) than they do for expensive differentiated goods that they only buy infrequently (comparison goods).[56] For example, to an economist, bread is a convenience good. They argue that people will travel to the nearest shopping center to buy bread. For comparison goods, such as clothing and furniture, however, people are willing to travel to a more distant shopping area that contains multiple stores with comparison items. Time is minimized because people are unsure that they can find the exact item they want in one store, so they are willing to travel to areas that have number of stores containing the exact type of good they want.

While retail economist would classify bakeries of Roslindale Village as "convenience stores" (because the sell inexpensive items), their customers actually treat them like comparison stores. The categories of convenience and comparison stores assume that convenience items are homogeneous. In Roslindale, we found that people will comparison shop for specialty food items, that retail economics would consider convenience goods. To an economist, bread is bread. People minimize time by traveling to the nearest shopping center to get this convenience item. A customer, however, may prefer the baguette of a Roslindale Bakery to sliced bread of the Star Market. These customers are willing to travel past the nearest shopping center to buy baguette in Roslindale Village. The primary customer base for the majority of Roslindale bakeries are comparison shoppers, coming to the neighborhood for what economists would term "convenience" items.

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[56] Ibid, 1994

Roslindale ethnic-based food stores also draw comparison shoppers that are looking to buy "convenience" items. Examples of these stores in Roslindale are: Italian Markets, Greek Bakeries, Halal Butchers, etc. These stores draw comparison shoppers from both the targeted ethnic group and other customers from all over the Greater Boston Area. A prime example of this is an Italian market in Roslindale Square. This owner of this market has been in business over twenty-years, and has a customer base from the greater Boston Area. His customers come from Jamaica Plain, Hyde Park, Roslindale, Boston, Dedham, as well as other Boston suburbs to buy Italian delicacies. Retail economics must refine their definitions of convenience and comparison stores to include so-called convenience items that draw comparison customers who travel longer distances to address special preferences.

What Stores Benefit from Supermarkets

The main question that I attempted to answer in this thesis was: Do Roslindale businesses benefit from The Village Market? This research finds that they did, although different types of businesses feel the impact differently. We found that the majority of non-competing stores benefit from the increased customer growth generated by The Village Market. Businesses such as salons, cafes, and furniture stores have benefited from foot traffic, and have experienced increased sales and customer traffic. The majority of competitor stores, have had sales and customer volumes that have stayed exactly the same. The impacts of The Village Market on neighborhood businesses vary based on whether stores sell the same products as The Village Market, and whether they have the same customer base.

Stores that have the same customer base as The Village Market and serve the same customers have decreased in sales. An example of this is a neighborhood convenience store that sells the same grocery items as the market, such as cereal, toilet paper, and condiments. While

neighborhood residents bought these items at the neighborhood convenience store before The Village Market opened, people now buy these items at The Village Market.

Alternatively, if a store sells the same goods as The Village Market, but has a customer base from other neighborhoods, there will be no change in sales. An example of this is traditional American bakery that sells the same baked goods as The Village Market, but has a primary customer base from surrounding neighborhoods. Though the residents are buying baked goods at The Village Market, the customer base of these stores is not dependent on the foot traffic generated by The Village Market. As a result, The Village Market does not have an effect on their sales and customer traffic.

Similarly, stores that have different customer bases and differentiated goods are not affected by the increased customer traffic generated by The Village Market. An example of this type of store is an ethnic food store that has a customer base outside of the Roslindale Village. Since these stores do not rely on the foot traffic of Roslindale Village for business, their sales and customer volumes are unaffected by the presence of The Village Market.

The stores that do benefit from the presence of The Village Market have the same customers as The Village Market, but sell differentiated goods. These stores manage to draw in the foot traffic generated by The Village Market for specialty items not sold in The Village Market. A prime example of this is a middle-eastern bakery which sells items that are not available in The Village Market, and manages to draw in the foot traffic of The Village Market. The matrix below summarizes how to The Village Market had affected Roslindale businesses (based on these characteristics):

Supermarket Impacts Matrix

	Same Goods	Differentiated Goods
Same Customer Base as The Village Market	**Decrease** in Customer Volume and Sales	**Increase** in Customer Volume and Sales
Different Customer Base than The Village Market	**No Change** in Customer Volume and Sales	**No Change** in Customer Volume and Sales

The Controversy of the "Bodegueros"

This matrix can also be used to explain the controversy with the "Bodegueros" in Jackson Square. As Hernandez discussed, when Stop & Shop located in JP Center, bodega owners viewed the supermarket as competing with established businesses, rather than adding to the districts existing mix of products and services in the district. Businesses feared that a large retail chain like Shop & Shop would have an unfair advantage, because of its large resources and purchasing power. In addition, the involvement of JPNDC and the public subsidy attracted to the project was seen as creating wealth for outsiders at the expense of local businesses. Despite these concerns, some bodegas have managed to increase their sales and customers despite the new Stop & Shop.

While Hernandez implied that the success of the Bodegas was due the quality of management, the Supermarket Impact Matrix provides an alternative explanation for their success. For example, the Hi-Lo Foods Supermarket was one of the bodegas that reported increased sales since the entrance of the Stop & Shop. Hi-Lo's business strategy was to not offer the same products as Stop & Shop, but to offer a better selection of products sought by Hispanic and Caribbean customers. The Hi-Lo Foods Supermarket has suppliers in New York, Miami, and the Caribbean that offer more Hispanic brands, specialty items, and better prices on selected

items that Stop & Shop. According to Hernandez, the owner of the Hi-Lo Supermarket is happy with the presence of Stop & Shop because it brings more customers to Jamaica Plain that now shop in his store for products not found in a conventional supermarket. According to the information provided by Hernandez, the Hi-Lo Foods Supermarket fits into the category of same customer/differentiated goods. This is illustrated in the highlighted figure below:

Supermarket Impacts Matrix

	Same Goods	**Differentiated Goods**
Same Customer Base as The Village Market	**Decrease** in Customer Volume and Sales	**Increase** in Customer Volume and Sales
Different Customer Base than The Village Market	**No Change** in Customer Volume and Sales	**No Change** in Customer Volume and Sales

The Hi-Lo sells goods that are differentiated from those sold at the Stop & Shop, and manages to take advantage of the increased district customer traffic generated by Stop & Shop. Bodegas that experienced decreases in sales were offering too many of the same items as Stop & Shop, and were dependent on a customer base primarily composed of Jackson Square residents. When the owner of Hi-Lo Foods Supermarket responded to the new supermarket by gearing his inventory towards Hispanic and Caribbean customers, his sale increased dramatically. With the entrance of the new supermarket, bodegas in general could have increased their sales and customer traffic if they geared their product mix towards differentiated products, and stopped selling the same items that Stop & Shop offers.

Implications for Practitioners

Supermarkets are returning to inner-cities and can be an excellent source of increasing customer traffic for commercial districts. While we have not found evidence that supermarkets drove stores out of business, practitioners must help existing stores redefine their business

strategies to take full advantage of these benefits created by supermarkets. Practitioners should be able to use a variation of the Supermarket Impact Matrix to predict the affects that an entering supermarket will have on businesses based on their customer base and product mix. Businesses that sell the same items as the supermarket and who are dependent on a neighborhood customer base do stand to lose customer volume and sales. If these businesses are to prosper, they must change their product mix in order to sell goods that are differentiated from those sold by the Supermarket. A business that sells the same goods as a supermarket, but has a customer base from outside neighborhoods can be assured that their customer volume and sales do not decrease. This is because their business is not dependent on neighborhood foot traffic.

For the same reasons, a business that sells different goods, and has different customers can also be assured that their business will not be impacted. Practitioners, however, may be able to market these businesses to the customers of the new supermarket in order to provide them with a secondary customer base of neighborhood residents. This will allow "different customer"/"differentiated goods" businesses to also serve as "same customers"/"differentiated goods" businesses, and reap the benefits of the increased customer traffic generated by new supermarkets. Businesses that have differentiated products/same customer base can be told that their sales and customers will increase due to the increased foot traffic that will be generated by the Supermarket.

Practitioners must also realize that customers for ethnic food stores can be brought in from a region wide base, even though their products are typically classified as convenience items. This is common knowledge for the owners of these businesses. Many inner-city neighborhoods have these assets, and Main Streets organizations should capitalize of these assets instead of treating these businesses as serving only local customers.

Supermarkets can be an effective revitalization strategy if existing business owners are aided in redefining their individual business strategies to capitalize on the benefits created by these new anchor stores. As we have seen, this business strategy must take into account the nature of the stores customer base and products. If individual businesses have effective business strategies, they can reap the benefits of inner-city supermarkets.

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Appendix 1: Impact Survey of Businesses in Roslindale Village

Business Information
Name of the Business_____
Type of Business_____ **Date** _____
Contact Name_____**Title**_____

PART 1: Business Information

1. How long has you business been in this neighborhood? _____

2. How long have you owned or managed the business? ____

3. Were you familiar with the conditions of the commercial district and the neighborhood prior to the development of the Village Food Market?

Yes____ No_____

PART 2: Project Impact on Your Business

4. How did the project influence you decision to locate in the district? (For Recent Businesses Only)

5. How as has the number of your customers changed since the project was completed?
Or, (For Recent Businesses) since you established the business?
Increased a lot____ Increased a little_____ Didn't Change_____ Decreased_____

6. What role do you think the project had on this customer change?
Major____ Moderate____ Minor____ None____ Not Sure_____

7. Have the sales of your business changed since the project was completed?
Or (For Recent Businesses) since you acquired/established the business?
Increased a lot____ Increased a little_____ Didn't Change_____ Decreased_____

8. What role do you think the project had on this sales change?
Major____ Moderate____ Minor____ None____ Not Sure_____

9. Do you rent or own the property where the business is located?
Rent_____ Own_____

10. What was your starting rent when you established the business? _____11. Have you physically expanded the business since the project was completed ?

Or, (For Recent Businesses) since you acquired/established the business? Yes____ No_____

12. Which of the following statements best reflects the project's impact on your business?
____Overall, my business is better off since the project was completed
____Overall, my business is worse off since the project was completed
____Overall, my business is the same since the project was completed

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PART 3: Projected Impact on Commercial District

13. What was the commercial district like before and the Roslindale Village Market was completed?

14. How has the district changed since the project has been finished?

15. In general, what was the impact of the project on the Roslindale Village

16. Positive Impacts

Business owner's confidence in the district
Improved/Increased___ Decreased____ No Change____

Project Site
Improved/Increased___ Decreased____ No Change____

Conditions of the building of the building in the district
Improved/Increased___ Decreased____ No Change____

Abandoned Properties
Improved/Increased___ Decreased____ No Change____

Crime
Improved/Increased___ Decreased____ No Change____

Variety of products and services:
Improved/Increased___ Decreased____ No Change____

17. Negative Impacts

Traffic
Improved/Increased____ Decreased____ Didn't Change_____

Parking
Improved/Increased____ Decreased____ Didn't Change_____

Public Transportation Access
Improved/Increased____ Decreased____ Didn't Change_____

Conditions of the sidewalks
Improved/Increased____ Decreased____ Didn't Change_____

18. Overall
Variety of products and services:
Improved____ Decreased____ Didn't Change_____

Roslindale Village Board of Trade
Improved____ Decreased____ Didn't Change_____

Main Street Program
Improved____ Decreased____ Didn't Change_____

19. How has the number of shoppers coming into the district changed since the project was completed?
Increased a lot____ Increased a little_____ Didn't Change_____ Decreased_____

20. How has the number of residents buying in the district changed since the project was completed?
Increased a lot____ Increased a little_____ Didn't Change_____ Decreased_____

21. Overall, what impact has the project had on existing business, excluding yours?

22. Which of the following statements best describes what you think would have happened if the project was not developed:
____The commercial district would have remained the same before the project.
____The changes would have happened anyway.
____The changes in the district would have taken longer to occur

23. Which statement best reflects the project impact on the community:

____Overall, the community is better off since the project was completed.
____Overall, the community is worse off since the project was completed.
____Overall, the community is the same since the project was completed.

Appendix 2: List of Interviews

Contact	Name	Date
Steve Judge	Delfino	2/25/03
	The Sign Post	2/25/03
Dawn Labrie	Sullivans Pharamcy	3/2/03
Guy Ragusa	Sebastians Unisex Salon	3/2/03
Tom Litke	Roslindale Village Main Streets	3/1/03
Mario Papathanasiou	Roslindale Auto Service	3/2/03
Lisa Goldberg	Emack and Bolios	2/24/03
Tom Chin	Alex Liquor	2/24/03
Diane Duarte	Wapo Taco	2/25/03
James Nichols	Krupa Insurance	2/25/03
Todd Martin	Symphony Barbers	2/25/03
Pete Papas	Harrison Refridgeration and Stove	2/25/03
Manager	Formax Baking Company	2/25/03
Robert	Bob's Pita	3/12/03
Jon Poma	John's Bakery	2/12/03
Susan Vittonrini	Diane's Bakery	3/12/03
Barbara Lottero	Greater Roslindale Medical and Dental Center	3/4/03
Dorothy O'Connor	Northeastern Systems Reserve	3/4/03
Linda Burnett	Innovative Moves Real Estate	3/4/03
John	Vouros	3/12/03
Peter and Hope Bregianos	Roslindale Fish Market	3/12/03
Theresa Fitzgerald	Centre Cuts	3/11/03
Cheryl Kelly	Threads	2/25/03
Ruth Kennedy	Birch Flower Shop	2/27/03
Jack	Jax Liquidation Outlet	2/27/03
Mark Clinton	Rialto Barber	2/27/03
Luigi Petruzziello	Pofcher, Disciullo, and Petruzziello	2/27/03
Jennifer McLaughlin	Sand Paper	2/27/03
Wilbert Lanon	McQuarrie Insurance	2/26/03
Jim McConnell	Roslindale Public Library	2/26/03
Antonio Debenedictis	Tony's Market	2/26/03
Steve Lymneos	Lymneos Insurance	2/26/03
Robert McLaughtlin	Bay State Society of Model Engineers	2/26/03
Brian Frawley	Books and More	2/26/03
Donna Milton	Lady D Engraving	2/26/03
Mel Haik	Quality Meat Market	2/25/03
Joe Beck	JB Edwards Uniform	2/25/03
Joe Gardner	Gardner Antiques	2/24/03
John Burak	Jay's Jewlers	2/25/03

Roslindale Village Market Board Interviews	
Jeanne Dubois	Roslindale Village Market Board
Alan Wright	Roslindale Village Market Board
Mitch Barden	Roslindale Village Market Board